

# Use budget day to present new policies: DAP

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PETALING JAYA, Sun: The DAP said today that the tabling of Budget 2002 in Parliament on Friday should be an occasion for the introduction of new policies and the opening of a new chapter in good governance.

Its chairman, Lim Kit Siang, in a press statement, said: "The year ahead presents major economic and political challenges, both globally and domestically.

"These challenges need to be met head-on if Malaysia is to ride the storm."

Lim said the current recession, unlike the 1997 economic crisis, will displace a large number of workers and see a sharp increase in unemployment. As a consequence, private consumption will show a sharp decline.

He said to address the twin problems of unemployment and the fall in consumption, the budget for the year ahead must contain bold measures.

Among the actions needed to be taken include implementing a joint pro-

gramme with the private sector for retraining displaced workers, providing adequate funding to compensate retrenched workers, and reducing the rate of sales taxes for a year.

There is also the need for an immediate cut in the employer/employee contributions to the Employees Provident Fund (EPF) to reduce the cost of labour. This would regain competitiveness and put purchasing power in the hands of consumers.

An expanded but targeted safety net programme with benefits accruing to all those in need, regardless of ethnicity, is also necessary.

Lim said the budget, to be unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad, will represent battle plans dusted from the past.

The revenue measures likely to be incorporated in the 2002 budget are the lowering of taxes paid by corporations, some reductions in excise and import taxes and token reductions in personal income taxes.