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ECONOMY-CONSTRUCTION

CONSTRUCTION INDUSTRY WELCOMES FISCAL STIMULUS PACKAGE

By: Arul Rajoo

KUALA LUMPUR, March 28 (Bernama) -- The RM3 billion fiscal stimulus package announced by the government yesterday will provide impetus for the construction industry and other related industries, Master Builders Association Malaysia (MBAM) said today.

Its president Lai Moo Chan said that it would not only help contractors, but also building materials suppliers and manufacturers, and services sectors comprising more than 140 linkages that are directly connected to the construction industry.

"The announcement truly reflects the sincerity of the government in wanting to help to achieve sustainable growth in our economy in the face of the global economic slowdown," he said in a statement here.

Yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad announced several measures to maintain the country's economic recovery in view of the anticipated US economic slowdown this year. The measures included an additional fiscal package of RM3 billion to the 2001 Budget.

In addition, the government announced a reduction in the workers' contribution to the Employees Provident Fund (EPF) by two percent.

Lai said that the association hoped that projects implementation by relevant government agencies would enable local contractors to participate in project tender in open tender basis.

He said the government should ensure wider distribution of such projects to benefit as many contractors as possible.

Gerakan vice-president Datuk Dr S. Vijayarajam said the government should be commended in coming up with measures to offset the possible negative effects to the Malaysian economy in the light of the slowdown.

"The formulation and implementation of sound fiscal policy is no easy matter, which requires knowledge, foresight and the proper employment of resources and expertise," he said.

Meanwhile, the Malaysian Trades Union Congress (MTUC) has urged the government to reconsider its proposal to reduce the workers' contribution to EPF.

MTUC secretary-general G. Rajasekaran said the strategy may be good for business and add to their profits but would affect workers standard of living on retirement.

"Government must be mindful that workers in the private sector are entirely dependent on their savings with the EPF to manage their livelihood after retirement," he added.

He said that MTUC has advised their affiliates to encourage their members to maintain their contribution at 11 percent.

Rajasekaran said the Metal Industry Employees' Union, Johor Textile Workers Union, Penang Textile Workers Union and Sarawak Bank Employees Union have decided to ask their respective companies to maintain the contribution at 11 percent.

Instead of touching on workers' retirement savings, Rajasekaran said it would be more beneficial if the government direct all employers to grant an all round salary increases of two percent. -- BERNAMA

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