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Budget-Fomca

FOMCA: PRICES OF ITEMS MUST BE ATTRACTIVE FOR CONSUMERS TO SPEND

KUALA LUMPUR, Oct 19 (Bernama) -- The Federation of Malaysian Consumer Associations (Fomca) is optimistic the 2002 Budget will be able to strengthen the national economy but reminds the government to strictly monitor any price hikes following the increase in petrol and diesel prices.

Fomca president Prof Datuk Hamdan Adnan said the budget was balanced in terms of strengthening the economy and ensuring that consumers had the purchasing power.

However, if the prices of goods and services were raised by those who wanted to take the opportunity, it would not attract the consumers to spend and would not generate economic growth as had been hoped for, he told BERNAMA when asked to comment on the budget.

Prime Minister Datuk Seri Dr Mahathir Mohamad today tabled the 2002 Budget with measures to encourage domestic spending in the wake of the world economic recession following the Sept 11 terrorist attack in the United States (US).

Dr Mahathir, who is also Finance Minister, reduced personal income tax by between one and two per cent while the maximum income tax of 29 per cent was now reduced to 28 per cent.

The Prime Minister also brought cheer to 981,000 civil servants by announcing a half month's bonus or a minimum of RM1,000 besides a salary increase of 10 per cent for next year.

Hamdan was happy that the budget this time did not forget the social developments and problems, while the rural dwellers were not neglected.

-- BERNAMA

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