

12 APR 2001

REDUCTION IN EPF CONTRIBUTION WILL STIMULATE ECONOMY, SAYS PM

KUALA LUMPUR, April 12 (Bernama) -- The two per cent reduction in Employees Provident Fund (EPF) contribution, which became effective April 1, will help stimulate the economy, said Prime Minister Datuk Seri Dr Mahathir Mohamad today.

"Everything contributes, it will stimulate (the economy)...quite (the cut) helpful to retail trade," he told reporters after launching a new dental filling called Silverfil, produced by Syarikat Dunia Perwira Sdn Bhd, at Technology Park Malaysia here.

Last week, Dr Mahathir announced that employees would now have to contribute only nine per cent of their salaries to the EPF each month, from the present 11 per cent, in a move to pump-prime the economy as a result of the economic slowdown in the United States.

The reduction in percentage had caused an uproar among the country's trade union circles namely the Malaysian Trades Union Congress (MTUC), which planned for a picket on May 12.

Yesterday, Human Resources Minister Datuk Fong Chan Onn advised MTUC not to go ahead with their plan as it would jeopardise the country's image since the 15th Asean Labour Ministers' Meeting would be held at around the same time in Kuala Lumpur.

Dr Mahathir, defending the cut in EPF contributions, said, "It (the cut) will be small but it will contribute with all the (other) measures taken."

-- BERNAMA

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