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RM3b fiscal stimulus underutilised, says Dr M

THE Government's RM3 billion fiscal stimulus package, introduced end-March to neutralise the bearish influence of the US economic downturn, has been underutilised by its target audience.

Prime Minister Datuk Seri Dr Mahathir Mohamad said only RM200 million of the total RM3 billion had been utilised so far.

He told participants of the National Vision Policy, Eighth Plan and Privatization seminar in Petaling Jaya yesterday that efforts will be increased to speed up spending of the package.

Dr Mahathir said Malaysia will not give up its efforts to achieve a yearly growth target of 7 per cent to meet the objectives of Vision 2020 despite problems that may arise from continuous high growth.

He said the country cannot spare efforts to achieve the vision of a developed nation status by 2020.

"We cannot yet afford to backtrack. We need people to understand what the problems are and how to tackle them. The Government is trying hard to tackle the problems and hope to get support even though the steps may be unpopular," he said.

In his speech earlier, Dr Mahathir said if a 7 per cent yearly growth can be achieved, the gross domestic product of the country can be doubled every 10 years.

Last Thursday, Bank Negara Malaysia announced an economic growth of 0.5 per cent in the second quarter compared to the same period in 2001. The bank has forecast a 5 per cent to 6 per cent growth for this year. Economists put the figure around 0.9 per cent, reflecting the US slowdown, which has hit Malaysia's electronics exports.

On globalisation, Dr Mahathir said while Malaysia embraces the concept, it cannot accept it in its present form and definition.

"We are for globalisation but not for globalisation as presently interpreted. When rich countries talk about globalisation, they talk in terms of capital crossing borders in a borderless world. While we believe in globalisation, we want to negotiate its terms."

Dr Mahathir said Malaysia can benefit from investments by foreign companies in the country without having to accept globalisation per se.

He criticised rich countries for being interested only in making profits without having any regard for the social implications.

"We have to accept that different countries have different stages of development and we must allow some degree of protection," he added.

Citing the local automotive industry as an example, Dr Mahathir said the industry is regarded as a catalyst for the engineering sector and that the country has acquired much engineering capability from it.

He said rich countries should not talk of a level playing field when the players are not of the same size.

Dr Mahathir also took the World Trade Organisation to task on its effort to start a new round of negotiations when the agreements in the first round have not been fully implemented.

The Prime Minister also said the Government does not believe in washing its hands off the affairs of companies that it has privatized since the welfare of the workers and the public are at stake.

He said despite failures of some privatized companies, the Government still has faith in privatization and it is now more careful. The policy has contributed much towards hastening Malaysia's development. Through

privatization, the public is able to enjoy facilities which are normally available in developed countries at a very small cost.

On the failure of some privatized companies, Dr Mahathir said despite hiccups, the Government decided in several instances to help out or take back the company.

"To let these companies die or be sold to people only interested in making a good purchase and making profits at whatever cost can lead to serious social and economic problems," he said.

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