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`Govt faces no problem in spending'

THE Government seems to have no problem in spending the latest RM4.3 billion stimulus package announced last week as the projects to be funded under the package are mainly small in nature and of existing ones, an economist said.

RAM Consultancy Services Sdn Bhd chief operating officer Dr Yeah Kim Leng said looking at the projects involved, the Government has no problem in spending most of the allocation this year as it will not have to take a long time to process and evaluate the projects.

"In fact, there should not be too many red tapes in approving the projects. It can be done quickly because the projects are in small scale and already in existence.

Small development projects are being given priority because they can be implemented immediately, he told Business Times.

Yeah was asked what the Government should do to ensure speedy disbursement of the latest stimulus package, given the slow disbursement of the RM3 billion package announced earlier in March.

Prime Minister Datuk Seri Dr Mahathir Mohamad had indicated the slow disbursement of the RM3 billion package, of which he had said only RM200 million had been disbursed since March.

The latest package announced last Tuesday was mainly targeted for the small, rural and selected urban development projects.

The new measures include RM1 billion for rural development projects, disbursement for which will begin three months to build roads, bridges, new wells and implementation of other small projects.

Other projects include upgrading and maintenance work for government buildings, quarters and facilities; construction of computer laboratories in schools and upgrading Kemajuan Masyarakat kindergartens.

Funds are also set aside for unemployed degree and diploma holders to learn new skills including a RM150 million allocation to retrain retrenched workers. Another RM110 million will go towards efforts to boost tourism.

Yeah did not dismiss that some of the spin-offs from the package will only be felt next year but he confined it to the first quarter of 2002.

"Not all projects will take off within this year but at least it would only confine to the first quarter of next year," he said.

Projects like the construction of computer laboratories for 20,000 schools will take time but there will no be constraints posed on other projects which are already in existence.

These include increasing welfare allowance, upgrading and maintenance of government's buildings, quarters and facilities and funds set aside for unemployed degree and diploma holders to learn new skills, including a RM150 million allocation to retrain retrenched workers.

Yeah said projects outlined in the stimulus package show that the Government is putting money in areas where it can bring direct benefits to the public and businesses.

This, he said will also help the country's gross domestic product (GDP) maintain at the positive level.

Dr Mahathir, when announcing the stimulus package had said the measures taken are to help Malaysia contain the effects of a global economic slowdown which has taken a turn for the worse since the terrorist attacks in the US on September 11.

With these measures, he had said the country's GDP growth for this year will stay positive at between 1 and 2 per cent. The Government had earlier forecast GDP growth of between 5 and 6 per cent for 2001.

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