

28/03/2001

Welcome for new package

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THE American Malaysian Chamber of Commerce feels the pre-emptive measures announced by Prime Minister Datuk Seri Dr Mahathir Mohamad to face the US economic slowdown are timely, pragmatic and well planned to ease the tension which comes with such a slowdown.

"The stimulus eases concerns on the future. It touches all economic sectors which need help," Chamber president Nicholas Zefferys said yesterday.

He said that while the measures would help in the short term they were also consistent with the long term objectives.

"The approximate 10 per cent additive to the 2001 Budget is quite significant," Zefferys said.

He noted that while the SME sector still had not recovered fully and domestic consumption was lacking, the tax rebates, abolition of the RM50 credit card levy and the decrease in employees' contribution to the EPF would put money in consumers' hands.

He praised as forward-looking the decision to have more community colleges and single-session schools as these were also in tandem with a K-economy.

On the revival of the Bakun hydro-electric power project, Zefferys said it was good news for the construction sector which was badly hit and "good news to us as the newer technology it will employ will be better for the environment".

"The new measures are business-friendly and we are pleased to see that foreign investors can buy and invest," he added.

The Malaysian International Chamber of Commerce said it supported any form of stimulus package.

"In terms of consumer spending it is currently stagnant and the short term reduction in employee contribution to the EPF might stimulate spending which is good," said a representative.

He said that since the US economic slowdown would mean a slowdown in Malaysian exports, to keep the domestic economy vibrant these alternative measures are necessary.

"Obviously the Chamber supports anything which would increase foreign direct investment but rules as opposed to guidelines are better as they are clearer and not open to interpretation.

"So if clarity to the rules is part of the change mentioned in the Foreign Investment Committee's Rules and Regulations then it would be another positive step," the representative said.

He added that boosting the economy was a good thing at this time as it was the way out of a short-term situation.

Meanwhile the British Malaysian Chamber of Commerce said that the announcement demonstrated further pragmatism, particularly in encouraging greater progress in FDI, which increased considerably from August last year.

To June Seah, Visa International's country manager for Malaysia, Singapore, the Philippines, Brunei and Guam, the removal of the RM50 levy on credit cards is "good news indeed."

"This will certainly encourage greater use of credit cards and Visa has always been a strong proponent of the move to replace cash and cheques," she said in a statement.

"In Malaysia, payment cards represent less than five per cent of the

population's personal consumption expenditure, compared to the global average of eight per cent," Seah said.