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Another deficit budget for 2003, says PM

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THE national budget for 2002 will be in deficit again but hopefully it will be contained below 6 per cent of the gross national product, says Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad.

"I don't think we will be able to achieve a balanced budget for next year but I hope the deficit will be very much reduced compared to previously," he told reporters after chairing a pre-budget dialogue session organised by the Finance Ministry.

Dr Mahathir said most participants at the dialogue wanted the Government to reduce taxes and increase spending, "but we have to be prudent... such moves will not help us reduce the deficit in our budget".

Malaysia has been deficit-budgeting for the last five years.

"We already have a supplementary budget this year and this will result in an increase in the deficit (for next year)," the Prime Minister said.

In September last year, the Government announced a RM4.3 billion stimulus package on top of a RM3 billion programme introduced in March.

Dr Mahathir also said the two-year budget to be implemented beginning with the 2003 Budget will hasten implementation of development projects which are often hampered by bureaucratic processes.

"We want to identify this year's projects for next year and the following year (2004).

"This will enable us to carry out works which do not require financial allocations such as land reclamation, issuing of tender notices, and preparation of contractors' documents.

"This is a new approach and although it has yet to be fully implemented, I am confident it will be the practice in the coming years," he said.

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