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BUDGET-GROWTH
BUDGET 2003 SETS A PARAMETER FOR LONG TERM GROWTH

KUALA LUMPUR, Sept 21 (Bernama) -- Budget 2003, which comprehensively covers almost all sectors, has set the parameter for a long term growth, said chairman of Percetakan Negara Malaysia Bhd, Tan Sri Clifford Herbert.

"Tax changes appear to be very specific and focus. The Budget tries to set the direction for future growth," he said at the 2003 Post-Budget Panel Discussion here today.

Clifford said that the future budget would be more specific in trying to achieve a "paradigm field" as addressed by Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad in tabling the Budget 2003 in the Dewan Rakyat yesterday.

As for the deficit Budget, he said that it should not continue to be so and that there should be a strategy for a balanced Budget.

The country should work towards this by the end of the eighth Malaysian Plan, he said.

Clifford also touched on the change of terminology from "Belanjawan to Bajet." He said that this was appropriate.

Yesterday, Dr Mahathir said that "Belanjawan" may not be appropriate as the word "Budget" means a plan of revenue and expenditure for a period.

In Bahasa Malaysia, the financial estimates for the following year is referred to as "Belanjawan," and it is not prudent to allocate expenditure without taking into account the revenue sources.

Meanwhile, The Federation of Malaysian Manufacturer's (FMM) vice-president Datuk Paul Low, said that the 2003 Budget reflected the country's move towards knowledge-based economy and addressed the need for globalisation by using the fiscal measures.

However, it did not address the non-fiscal measures such as efficient usage of existing infrastructure, ways to increase the productivity and improving the poor maintenance culture in Malaysia, he said.

These measures are equally important to create a prudent investing platform for the business community to compete in the global arena because of the need to have more skilled personnels in the k-based economy, he said.

On the eight percent corporate tax cut for small and medium scale industries (SMIs), he felt that incentives like direct grants would have been more effective to encourage them to expand their businesses.

"I must emphasise that SMEs alone can't increase the domestic investment because SMEs will only invest if they are capable of competing or expanding the market share, as such, giving grants would be more viable," he said.

Meanwhile, Sunway Group Economic Advisor Tan Sri Ramon Navaratnam, said that in gearing towards the new k-economy, one should not forget the "old economy."

He said that in adopting the new economy, Malaysians tend to forget that it was the old economy that had generated growth and would continue to do so from time to time.

He said that overall the Budget was a good one.

He hoped that the civil servants would change their mindset and be more productive. -- BERNAMA

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