

20 SEP 2002
Budget-Reaction (MTUC)
BUDGET 2003 WILL CREATE MORE JOBS, SAYS MTUC

KUALA LUMPUR, Sept 20 (Bernama) -- The Malaysian Trades Union Congress (MTUC), in applauding the Budget 2003, felt that more jobs would be created next year especially with the government giving emphasis to local industries.

"We feel that with all the incentives given to local companies and industries, there would be more jobs, this is definitely good for the unemployed and fresh graduates," the private sector's umbrella union president Senator Zainal Rampak said.

He said with all the tax exemptions and incentives given to local industries, Malaysia could work towards the Zero Unemployment target, which seemed impossible a few years ago especially after the economic downturn in 1997.

"We also want to remind companies that since they would gain from the incentives, they should not neglect local workers...pay them accordingly," he said.

He suggested that the government introduced a minimum wage of RM900 for private sector employees since local companies had been given the bulk of goodies in the 2003 budget.

"With a minimum wage, private sector employees would be able to play a part in stimulating the economy as they too would have stronger purchasing power," he added.

Zainal also wanted financial institutions to stop immediately the Voluntary Separation Scheme as Dr Mahathir in the Budget exposed that such institutions in the country made a profit of RM4.5 billion last year.

He also wanted the private sector to follow the footsteps of the government in giving seven day paternity leave to fathers.

"If the government could give seven days from the existing three days, why not the private sector, it is for the wellbeing of the workers anyway," he added.

Social activist Tan Sri Lee Lam Thye described next year's Budget as a caring budget, which had taken into consideration the need of the poor.

He said this was especially so with regard to the allocation of the one-off RM120 cash assistance to primary school students who came from poor families to buy school books and uniforms.

Lee also welcomed the government's decision to allocate RM1 billion for low-cost housing projects as this would enable more from the lower income group to own houses which would realise the vision to be free from squatters by 2005.

Fomca secretary-general N. Marimuthu said the budget was a balanced one which benefited all walks of life, especially in encouraging domestic businesses.

He hoped the private sector, which benefited much from the budget, especially with the reduction of taxes, should look into ways of passing the benefits to consumers especially in lowering prices of consumer products.

There should be a chain reaction which would benefit everyone and help to spur the country's economy, he said.

Marimuthu said: "Otherwise, it will defeat the purpose of a "mesra rakyat" (people friendly) budget, and becomes "a mesra peniaga and bebankan rakyat" (businessmen friendly but burdensome to the people) budget.

However, he felt that the government should not have given bonus to

civil servants since it would jack up consumer prices since there was no control in the pricing mechanism except for limited controlled items.

He said civil servants would benefit better if the government reduced the current four per cent interest on housing loans and car loans to three per cent since this would encourage civil servants to own houses and cars which were a necessity in life today.

People's Progressive Party president Datuk M. Kayveas hailed the budget as a "no complaints" budget.

He said local companies stood to gain tremendously from the budget with the number of incentives given to them.

"At the same time these companies should not forsake the workers, the incentives were given to stimulate the economy and if the people do not get the money, they lose purchasing power and we are back to square one," he said.

He said companies which had gained from the incentives should channel their profits to the workers by raising salaries so that the people could stimulate the economy.

However, the World Wildlife Fund (WWF) said Budget 2003 had failed to address the need to protect the country's natural resources to ensure its long-term prosperity.

Its National Programme Director for Malaysia, Kevin Hiew said the budget did not identify and address the broader issues of the environment such as protection of natural resources to ensure long term prosperity.

"The health of our waters and forest which form the foundation for a strong economy have been side-stepped again in this budget," he said in a statement issued here.

In PENANG, Chief Minister Tan Sri Dr Koh Tsu Koon said the budget was truly people friendly as it was comprehensive, balanced and covered every aspect of life.

It was able to target efforts in poverty eradication and raising the standard of living of the rural dwellers, he said.

He also said that the budget would assist in stimulating the local small and medium industries (SMIs) as there was a reduction in the corporate tax from 28 per cent to 20 per cent.

He welcomed the major incentives given to international companies that set up regional distribution centres and international purchasing centres and made this country as their headquarters.

He said such incentives would spur the industrial sector including the information and communication technology (ICT) as well as knowledge-based or "k-based" companies.

In KOTA KINABALU, Sabah Deputy Chief Minister Tan Sri Joseph Kurup said it was a budget tailored to the people's interest and at the same time addressed the needs of the business community to become the engine of economic growth.

Kurup, who is also Sabah's Resource Development Minister, congratulated Dr Mahathir for tabling a budget which was difficult to equal by any developing countries, which made Malaysia a competitive nation in the global economy.

The budget also encouraged farmers to embark on a diversified economic programme and reduce imports of agricultural products, said Kurup.

Meanwhile, Patrick Sindu, president of the Consumers Association of Sabah and Labuan, said that on the whole the budget was people friendly as there was no tax rise and no new ones proposed.

In KUCHING, Sarawak Deputy Chief Minister Tan Sri Dr George Chan felt the incentives introduced by the government would encourage greater flow of foreign investment into Sarawak.

He said it would promote healthy growth especially for the booming

electronic industry in the state.

Dr Chan said it would further jumpstart other important sectors which contributed to socio-economic growth in Sarawak.

In KUALA TERENGGANU, Malaysian Malay Contractors Association (PKMM) president (PKMM) Datuk Roslan Awang Chik hoped contractors would grab the opportunities available in the development projects planned in the 2003 Budget.

Secretary-general of the Federation of Peninsular Malay Students (GPMS) Syed Anuar Syed Mohamed said the budget proved that the government gave priority to the educational development of the younger generation.

He said the government's commitment in education was proven with the allocation of 23 per cent of the 2003 Budget channelled to education which was the highest and focussed on efforts to churn out students who could master the English language.

In KANGAR, Perlis Menteri Besar Datuk Seri Shahidan Kassim described the budget as people friendly and the best in the history of the country.

He said the emphasis given to the abject poor and single mothers proved that it was a humanitarian budget.

In ALOR SETAR, Kedah Menteri Besar Datuk Seri Syed Razak Syed Zain said the state government welcomed the pioneer project to build planned village houses in Kedah and described it as a project that would benefit the people especially those in the lower-income group.

In addition, he said, the proposal to make Langkawi as a yacht registration centre would further boost the tourism industry on the duty-free island.

In KOTA BAHARU, Kelantan Menteri Besar Datuk Nik Abdul Aziz Nik Mat hoped that the federal government would not sideline Kelantan in the budget as the state was frequently described as poor.

"As head of the Kelantan government, I hope development projects in the state would be doubled because Kelantan is famous as a poor state and now it is described as being in the 'dark'...quickly remove the darkness," he said.

Supporting the various allocations in the budget by the federal government for the prosperity of the people, Nik Aziz said the federal government should provide them as it collected taxes from the people.

He said the state government would also endeavour to speed up land approvals for development projects according to the procedures stipulated.

He called on the federal government to provide the annual grants according to the dates stipulated so as not to create administrative problems to the state government.

In KUANTAN, Pahang Menteri Besar Datuk Seri Adnan Yaakob said the budget could continue to assist in national development besides nurturing solidarity among the people through the various programmes proposed.

"We call on all people to accept the budget positively as it clearly showed that it was designed for their benefit.

"For Bumiputera entrepreneurs, we hope they will respond to the call of the Prime Minister to raise their capability to enable them to compete and not to depend merely on government subsidy," he said.

In SEREMBAN, Negeri Sembilan Menteri Besar Tan Sri Mohamed Isa Abdul Samad said the reduction or exemption of various taxes announced by Dr Mahathir aimed to boost the national economy by attracting more investors to the country, although the effects of the 1997/98 economic crisis were still being felt.

He called on civil servants to raise their productivity following the various benefits announced, including the one month bonus or a minimum of RM1,200 and longer leave for women who were giving birth.

-- BERNAMA

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