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Budget to focus on new strategies

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JOHOR BARU, Sun. - The Finance Ministry is finalising next year's budget which will focus on new strategies to sustain the momentum of growth in the country's economy.

Deputy Finance Minister Datuk Chan Kong Choy said the new strategies were to ensure that next year's Gross Domestic Product will be much higher than this year.

He said the GDP in the third quarter was expected to be much higher than that achieved in the first and second quarters at 1.1 and 3.8 per cent respectively.

"The Government is happy to note the significant improvement in GDP in the second quarter.

"The Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad has pointed out that the new strategies are to ensure sustainable growth in the economy.

"However, we will incorporate all constructive views from the various sectors of the economy before the budget presentation (on Sept 20)."

Chan said this after attending the Johor Baru Red Crescent Society scholarship and best student award presentation ceremonies at Sekolah Menengah Foon Yew, here, today.

A total of 272 students benefited from the scholarship amounting to RM49,950 for this year.

Malaysia's GDP is expected to achieve 3.5 per cent growth this year, led by rapid development in the manufacturing and services sectors. The forecast is based on the improving performance of the economy in the first few months of this year.

For the first quarter of 2002, real GDP - supported by improved external demand and strong domestic consumption spending - expanded by 1.1 per cent compared with 0.4 per cent growth last year.

Chan said the budget allocation for education next year is expected to be higher than the 20 per cent for this year due to the use of English in the teaching of Maths and Science.

In Kota Baru, Deputy Finance Minister Datuk Dr Shafie Mohd Salleh said the country was expected to record another deficit budget next year.

"We will only be able to have a balanced budget at the end of the Eighth Malaysia Plan," he said in Pengkalan Chepa.

He said the Government's main problem was the private sector's reluctance to pay more taxes while at the same time expecting more projects.

Shafie said the Government did not have much choice but to strengthen its revenue sources, especially through the Royal Customs and Inland Revenue Board.