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MAHATHIR-BUDGET

TWO-YEAR BUDGET SYSTEM TO BE IMPLEMENTED THIS YEAR

KUALA LUMPUR, Jan 7 (Bernama) -- The two-year budget system will be implemented this year to speed up the implementation of projects, Prime Minister Datuk Seri Dr Mahathir Mohamad, said today.

He said the first budget is for actual implementation whereas the second is to identify projects to be done the following year, but the latter would start off with their procedures this year.

"This is to ensure that the projects are implemented according to schedule in the budget year itself," he told reporters after addressing the Public Service premier assembly at the National Institute of Public Administration (INTAN), here.

Dr Mahathir lamented that only 87 percent of last year's budget was spent.

Besides this, out of the total fiscal stimulus of RM7.3 billion announced last year, only 50 percent has been spent, he said.

The Treasury, in the 2001/2002 Economic Report, released last October, said that the budget preparation and examination process would be carried out once every two years instead of annually beginning this year.

It said the budgetary procedure was purely administrative and would help to increase the quality and efficiency of budget allocations.

With government spending determined two years ahead, the new process would facilitate the assessment of the government's fiscal position and hence improve cash flow planning and management.

This is particularly so for government borrowing programmes and requirements which could be determined more accurately to minimise either over or under borrowing, the Treasury said.

The resources released could then be redirected and applied for tasks such as ensuring faster project implementation, identifying and rectifying implementation weaknesses as well as suggesting proposals and feedback for improvement.

In setting the budget two years ahead, the Treasury said that ministries and agencies would be able to plan and implement programmes and projects with greater certainty, discipline and transparency. -- BERNAMA

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