

21 SEP 2002

BUDGET-REACTION

2003 BUDGET, A DOUBLE BOON FOR BUMIPUTERA ICT CONTRACTORS

KUALA LUMPUR, Sept 21 (Bernama) -- The 2003 Budget has provided contractors with "double boon" incentives this year, especially bumiputera contractors in the information, communications and technology (ICT) sector, says the executive chairman of Sistem Kompakar Sdn Bhd, Tunku Datuk Seri Shahabuddin Tunku Besar Burhanuddin.

The budget has provided bumiputera contractors with the opportunity to secure larger contracts with the value of each contractor class to be raised, he said.

He said Sistem Kompakar would consider using the budget's proposed training grant of RM100 million to develop its own expertise in the ICT field.

Tunku Shahabuddin said this would especially be in research and development in order to reduce reliance on foreign-based technology.

The company, which is involved in total hospital information system projects using its own Made-in-Malaysia solution, has been involved in ICT projects at Putrajaya Clinic, Malaysia's first ICT clinic, and for the adjacent Putrajaya Hospital.

Datuk Raja Nong Chik, secretary-general of Persatuan Pengilang-pengilang Bumiputera Malaysia, welcomed the reduced corporate tax for small and medium scale industries to 20 percent from 28 percent previously as this would spur more investments.

However, he said SMIs, especially bumiputera-owned ones, still faced difficulties in getting access to loans.

Raja Nong Chik said since the 1997 regional financial crisis, banking institutions had been extremely cautious in giving out loans.

However, Dr Mahathir had warned banking institutions yesterday that the authorities may resort to raising the statutory reserve ration if they failed in their duty to lend.

UMNO Youth economic bureau member Said Anuar Said Ahmad said the increased value for bumiputera contractors in contracting jobs would help them in the future, especially in undertaking projects in the rural areas like building roads and bridges and repairing buildings.

Said Anuar also said the "One Village, One Industry" would spur increased incomes in the rural areas. -- BERNAMA

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