

02 APR 2002

Mahathir-Economy

M'SIA POISED FOR BETTER ECONOMIC GROWTH THIS YEAR, SAYS DR M

KUALA LUMPUR, April 2 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad is confident of Malaysia clinching a stronger economic growth this year as the government had implemented the pre-emptive package projects.

Expressing his confidence in the Dewan Rakyat today, Dr Mahathir, who is also Finance Minister, said to ensure continued economic growth in 2001, the government announced the RM3 billion fiscal stimulus package in March and RM4.3 billion in September last year.

With the implementation of the two packages, the public sector played a leading role in stimulating economic growth, he said when replying to Datuk Railey Jeffrey (BN-Silam) during question time.

He said implementation of the stimulus packages had helped boost domestic expenditures and demand, especially by the private sector, which increased by 2.8 per cent last year.

The construction sector grew by more than one fold from the one per cent it recorded in 2000 while the manufacturing industries involved in the production of construction materials between 4.7 per cent and 12.5 per cent, he said.

Small Bumiputera and non-Bumiputera contractors and people in the rural areas benefited from the implementation of the stimulus projects, he said.

Under the stimulus package, RM1.8 billion was allocated for programmes to ensure the people's well-being, RM1.3 billion for schools and universities, RM1.2 billion to create more entrepreneurs, minor projects (RM1.1 billion), to build government quarters (RM970 million) and others (RM865 million).

Programmes for the people's well-being include subsidies for oil palm replanting, re-training for retrenched workers and paying allowance to graduates taking courses or undergoing training to upgrade their skills so that they could get jobs easily.

Dr Mahathir said RM1.1 billion had been allocated to carry out 26,577 minor projects throughout the country.

The projects are building roads, bridges, drains, hawker centres, staff quarters for armed forces personnel, maintenance of the quarters and other government buildings, he said.

Replying to Railey's supplementary question on whether the 99.6 per cent development expenditure target achieved last year was included in the stimulus package, Dr Mahathir said following a "special action" initiated by the government last year, almost all the projects or 99.6 per cent of the allocations for projects for all ministries were implemented.

Unlike in previous years, allocations given were not used up and many projects were abandoned, he said.

Replying to a supplementary question from Datuk Dr Jamaluddin Jarjis (BN-Rompin) on whether such stimulus projects would be continued to further stimulate the economy following uncertainties in the global economy, he said: "When we can afford it and have enough money, we will spend for the people's well-being and to develop the nation."

To a question from Abdul Rahman Yusof (Keadilan-Kemaman) on whether the government would continue the stimulus package or implement new plans to woo foreign investors following claims that local investors had stopped investing and foreign investors were not coming in to invest, Dr Mahathir

asked Abdul Rahman to first prove that foreign investors were no longer investing in Malaysia by giving the figures and total investments involved.

-- BERNAMA

HS HS TS