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Mahathir-Finance

COUNTRY'S RAPID DEVELOPMENT DUE TO SUFFICIENT FUNDS AVAILABLE

PUTRAJAYA, Sept 16 (Bernama) -- Malaysia could develop rapidly and properly as the country had sufficient funds for its development projects, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

"We did not borrow from other countries or foreign funds, we developed the country using our own money, we borrow from domestic sources," he said.

He said this in his speech at the Finance Ministry's Monthly Gathering as well as the official opening of the ministry's new building, here today.

At the ceremony, Dr Mahathir, who is also Finance Minister, presented Excellent Service Awards to ministry staff.

He said the government did not borrow from external sources as it collected taxes from the people and corporate bodies and this money was utilised for national development.

"In many other countries, taxes could not be collected, especially income tax, thus it's difficult for them to pay salary to their government employees and develop their respective countries," he said.

Dr Mahathir said many foreign leaders were surprised when told that Malaysia developed out of the revenue collected from taxes.

He said a good and efficient civil service had also helped in developing the country properly.

He said income tax had increased by 26 per cent in the past few years and this was possible because of the efficiency of the Inland Revenue Board.

"Agencies such as the Inland Revenue Board and the Royal Customs Department now set up targets in terms of taxes to be collected but this does not mean that the people are being pressured to pay taxes," he said.

Although the government did not pressure the people to pay tax, Dr Mahathir said they should pay whatever taxes were imposed.

"We don't pressure the people to pay tax but effective and efficient efforts carried out in collecting taxes were key to our success," he said.

Dr Mahathir also explained that the country's financial position now was healthy after overcoming the economic slowdown and financial crisis several years ago.

He said another factor for the country's strong financial position was the substantial funds held by Malaysia with RM1 billion being collected monthly through the Employees Provident Fund (EPF).

"The EPF fund has reached RM200 billion and the money has been administered efficiently and the occasional problems faced had all been resolved," he said.

He also said that good management of the Bank Negara Malaysia (BNM) was another factor for the encouraging financial position of the country.

"BNM transactions have reached a status where there are other countries which want us to organise their financial administration," he said.

Dr Mahathir said good financial administration ensured rapid economic growth and this had raised the country's per capita income to US\$4,000 (RM15,200) now.

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