

# Budget expenses, PM advises states

STAR 15 JAN 2003

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**PUTRAJAYA:** All state governments have been directed to be careful with their expenditure and plan all projects according to their budgets.

Datuk Seri Dr Mahathir Mohamad, who chaired the 89th meeting of Mentris Besar and Chief Ministers at his office here yesterday, told them that their planning and spending must not exceed what had been budgeted under the Eighth Malaysia Plan.

"Basically, the Prime Minister is saying that states must plan accordingly and implement projects that have

been approved instead of the ones not in the budget.

"State governments must spend according to their allocation and not go beyond that unless the Federal Government can help," said a source.

The Prime Minister's office, in a statement issued at the end of the two-hour meeting, advised state governments to be extra prudent in their spending and keep it according to what they could afford.

"State governments have also been advised to focus on development projects that could bring in returns," it said.

All chief ministers and mentris besar except those for Kelantan and Terengganu attended the meeting. Several Cabinet ministers also attended.

Other matters discussed included the success of the Government in handling the sluggish world economy.

"The livelihood of Malaysians has not been affected at all despite the decline in the global economic situation.

"In fact the living standard of the people is clearly improving due to the lower cost of living in Malaysia," the statement added.