

Staggered bonus

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THE half-month bonus to civil servants proposed in Budget 2004 will be paid on a "staggered" basis.

At a press conference yesterday after tabling his last budget, Prime Minister Datuk Seri Dr Mahathir Mohamad did not elaborate when the bonus would be paid, only that it would cost the government RM400 million.

An initial half-month bonus had been paid to civil servants in May as part of an economic stimulus package announced by the government to boost economic performance and consumer spending.

It took him slightly over three hours to deliver the speech in the Dewan Rakyat, ending at 7.10pm - easily one of his longest.

Mahathir, who is the finance minister, said the additional taxes imposed on liquor and cigarettes would see an extra collection of RM150 million for the Treasury.

The prime minister also quashed talk that the budget this time around was a farewell budget from him to the rakyat. Mahathir retires at the end of October.

On the reduced budget allocation for next year compared to this year, Mahathir said the 2003 budget had a lot of supplementary allocations in addition to the original budget.

"It is an inefficient way of budgeting," he said.

On it being yet another deficit budget, the prime minister said the deficit would be made up by the private sector through improved performance.

"We have to match the private sector. If the private sector does not respond, then, of course government spending will have to be in the deficit," he said.

Mahathir said if the private sector does respond well to the economic efforts undertaken, then they hope to have a balanced budget as early as 2005,

even though the target was 2006.

On the 1.6% reduction in allocations in the 2004 budget compared to the 2003 budget, Mahathir said the reduction could be made up with the privatisation of government projects as well as big projects from the private sector, such as the proposed establishment of an aluminum smelting plant.