

29 MAY 2003
Effendi-Stimulus
400,000 FARMERS TO RECEIVE AID IN NEXT 12 MONTHS

KUALA LUMPUR, May 29 (Bernama) -- The Agriculture Ministry, the largest recipient of allocation under the just announced economic stimulus package, intends to use the money to help 400,000 farmers, fishermen, livestock breeders and smallholders in the next 12 months.

Its minister, Datuk Effendi Norwawi said the ministry which would receive RM2.977 billion under the package had identified projects in the crop, livestock and fisheries sectors to improve the lives of those involved in these activities and returns from the total investment were expected to be some RM5 billion.

He said a total of RM1 billion of the RM 2.977 billion would be used for the Fund for Food programme, RM500 million for the micro-credit scheme, to be run by Bank Pertanian Malaysia, RM300 million for Amanah Ikhtiar Malaysia, RM300 million to improve infrastructure facilities for agriculture and RM750 million to purchase fishing vessels.

"Under the micro credit, new entrepreneurs for brand name, small and medium scale industries fund, the delivery system and infrastructure development fund would use up RM1.277 billion.

"Besides this, RM1.7 billion which has been allocated to Bank Pertanian will also be utilised under the Fund for Food programme for the benefit of entrepreneurs who will be able to borrow up to RM5 million from the Fund," he told reporters at a media luncheon at Carcosa Seri Negara here today.

He said the total allocation would generate a value of RM5 billion of output and would benefit about 400,000 people involved in the agriculture sector.

Last week, Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, announced a RM7.3 billion economic stimulus package to revive the country's mundane economy.

"We have the opportunity to help over 400,000 people and increase their monthly income substantially. The income of a fisherman would increase from RM500 to about RM3,000," Effendi added.

He said the ministry with its 13 agencies would work fast to disburse the funds but loans from the allocation, which must be made through Bank Pertanian, would only be given to those practising modern agriculture.

"The money will only be given to those involved in modern agriculture. We will also work towards cutting the middle-man. All agriculture produce would be through direct marketing," he said.

He said although it was a great challenge, the ministry believed it could deliver as most of the projects had started two years ago.

He hoped that the farming community would give good response to the package and also wanted the public to know that the government did not ignore the farmers.

"We only have 12 months, some projects might take longer but the thing with this stimulus package is that it would put money in the consumers hand, which is very good at a time like this," he said.

He also said once the projects under this stimulus package were fully implemented, they were expected to reduce the huge deficit in the country's food import bill.

Malaysia imported RM12 billion worth of food items last year while export of such items was only RM7 billion, registering a food bill deficit of RM5 billion.

"If this trend continues, we would have a deficit of RM10 billion in

food imports alone by 2010. We do not want a deficit by 2010 but we want to become a food item net export earner by then," he added.

-- BERNAMA

SR AZZ AO