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MAHATHIR-BUDGET

BUDGET 2004 AIMS TO MAKE M'SIA A TRULY TRADING NATION, SAYS DR MAHATHIR

PUTRAJAYA, Sept 11 (Bernama) -- Saying that he believes the rakyat will welcome Budget 2004, Datuk Seri Dr Mahathir Mohamad tonight disclosed that the thrust of the budget is to make Malaysia a truly trading nation.

The Prime Minister said that the government would stress on building up further the capacity of local entrepreneurs so that they are able to produce goods which are really made by Malaysians using local material as far as possible.

"In this way, the added value will increase and so will our (export) earnings," Dr Mahathir, who is Finance Minister, told reporters after inspecting preparations for the tabling of Budget 2004 at the Finance Ministry, here.

He said that it was a fact that Malaysia was already a trading nation but earnings from tradings were still considered low as many of the components were still imported.

"So we do not get that much (for example) each time we export at RM1, we have to import some 80 sen of that (in the form of components)," he said.

However, Dr Mahathir said that the government was hopeful that foreign direct investment (FDI) would still flow into the country.

"We do not want lesser FDI, but we want local investment to grow, particularly in the small and medium industries (SMIs)," he said.

He said that the government wanted the SMIs to not only supply components to local industries but to try to export them overseas.

Dr Mahathir said that the government also planned to actively promote Malaysian-made goods abroad.

Towards this end, he said that the government would make full use of the Malaysia External Trade Development Corporation (MATRADE).

Dr Mahathir said that the government's budget took into consideration the country's financial situation.

He said that the Finance Ministry had to cut down on a lot of requests from ministries as fulfilling it would mean that the government need to come out with more than three times the amount of allocation.

"The ministries asked for a lot but from their lists, we determine their priorities, we do not take from one ministry and hand it over to another," he said.

Dr Mahathir said that the government would also try not to have a supplementary budget for next year.

"But this is difficult, as the directive not to have a supplementary budget was made quite late, after the budget has been prepared.

"It may have to be done (to have a supplementary budget), but as far as possible we do not want to have one," he said.

Dr Mahathir also said that the 2004 Budget took into account the expenditure for 2005.

"But if we can complete it (the expenditure) for 2005 in 2004, we can immediately implement it in 2005 as all initial matters which did not require any money have been implemented," he said.

In this manner, he said that budgeting would become more efficient. --

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