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Budget-Reaction (Sabah/Sarawak)

BUDGET 2004 WILL HELP SPEED UP SABAH'S DEVELOPMENT AGENDA

KOTA KINABALU, Sept 12 (Bernama) -- Sabah has welcomed the Budget 2004 unveiled by Prime Minister Datuk Seri Dr Mahathir Mohamad in Parliament today, with Chief Minister Datuk Musa Aman saying that it would help hasten the State's development agenda.

"It is a very good Budget and very much in line with the State's development agenda which gives emphasis to three sectors -- agriculture, tourism and manufacturing," he said.

Musa, who is also the State Finance Minister, added that the Budget would be able to spur domestic direct investment.

The Budget, among others, allocated RM5.9 billion for Sabah, mainly for infrastructural development.

Dr Mahathir, also the Finance Minister, announced that the pioneer status income tax exemption for companies in Sabah and Sarawak, as well as those of the Peninsular's eastern corridor, would be raised to 100 per cent from 85 per cent and investment tax allowance raised from 80 per cent to 100 per cent.

"We will ensure that industries in Sabah grow inline with this tax exemption incentives," he said.

Musa urged the private sector to take advantage of the incentives and set up their industries in Sabah.

"The time has come for them to come in full force and invest in the domestic economy, increase their production as well as the quality of products so that it can penetrate international markets besides the domestic market," he said.

In KUCHING, political leaders in the State also hailed the Budget as a confidence booster to further spur economic growth.

State Social Development and Urbanisation Minister Datuk Seri Dr James Masing said not only was the Budget business-friendly, it also created the right atmosphere for local industries to expand their businesses.

"We should take heed of the Government's advice not to be over-dependent on foreign direct investment (FDI) but instead focus on increasing domestic direct investment (DDI)," he said.

The business sector should be pleased with the announcement that pioneer status companies will enjoy 80 to 100 per cent tax exemption for five to ten years.

State Assistant Minister of Infrastructure Development and Communications Dr Judson Sakai Tagal said the Budget placed emphasis on developing the rural parts of Sarawak, not forgetting raising the standard of education.

Padungan State Assemblywoman Lily Yong said the half-month bonus for civil servants was a moral booster.

"This would make my work easier. Serving the people with full support from Government agencies goes hand-in-hand," she said.

Sarawak Chamber of Commerce and Industry (SCCI) President Datuk Amin Satem said the Budget had given the right stimulant to sustain domestic growth.

"Local exporters are given the right assistance to compete globally. Several strategies, including incentives, unveiled by the Government will go a long way in encouraging local industries to produce high quality goods," he said.

-- BERNAMA

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