

23 MAY 2003

PACKAGE-SPEND

DO NOT HESITATE TO SPEND, SAYS JAMALUDIN

KUALA LUMPUR, May 23 (Bernama) -- Second Finance Minister Datuk Dr Jamaludin Jarjis today urged the people not to defer their plans to spend as the new economic package announced on Wednesday required the support of all parties.

The rakyat should spend whether or not in terms of buying large items like houses or daily necessities, while banks should give out loans, he said in a special RTM programme yesterday on the economic package, which was announced by Prime Minister Datuk Seri Dr Mahathir Mohamad.

"If an individual who wants to buy a house defers doing so, those wanting to take loans did not do so, and banks did not disburse loans, while the people do not spend, it (the package) will not succeed," Jamaludin said.

"We should create demand and our hope is that Malaysians will not wait. If there is an opportunity to buy a house, why should we wait to do so,," he said.

He also said that the amount of money injected into the market and channelled into the country's economy through the package was actually RM11 billion.

The package is worth RM7.3 billion comprising RM1.7 billion from the Federal Government, Bank Negara Malaysia (RM2 billion), Development Financial Institutions (RM3.6 billion).

Apart from the RM7.3 billion, a substantial sum will be re-injected into the economy in terms of higher disposable income as a result of the estimated RM800 million in taxes, which the government would forego, the expected RM2 billion from the reduced contributions to the Employees Provident Fund (EPF) by employees and the half-month bonus to be paid to some 850,000 government servants.

Jamaludin said that although the amount was large, the question of taking loans from foreign countries did not arise.

He said that government banking institutions would introduce bonds which would be purchased by pension institutions, Jamaludin said.

He said that the country need not worry about inflation due to the infiltration of large amount of fund into the country's economy as Malaysia has a lot of economic sources.

Meanwhile, Dr Jamaludin said that the Finance Ministry would set up a committee to monitor the policies announced.

The ministry has also agreed to set up a telephone direct line: 889 5368 or 882 3454 which could be contacted during office hours for enquiries, he added.

-- BERNAMA

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