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Budget-Agriculture

GOVT TO SET UP RM1 BILLION VILLAGE MICRO-CREDIT SCHEME

KUALA LUMPUR, Sept 12 (Bernama) -- To further stimulate rural economic activities and assist entrepreneurs in villages, the government will establish the Village Micro-Credit Scheme amounting to RM1 billion under Bank Pertanian Malaysia (BPM).

Prime Minister Datuk Seri Dr Mahathir Mohamad said to ensure effective implementation of the scheme, credit would be provided on a group basis through the Village Development Committee for villages involved in the one product, one village programme.

The implementation would be supervised by the District Development Committee and the Implementation and Coordination Unit of the PM's Department, he said in his Budget 2004 speech today.

The scheme is aimed at providing opportunities to farmers to gainfully utilise their free time and increase their income.

He also said an allocation of RM3.3 billion was provided for operating and development expenditure for the agriculture sector.

"Of this, RM885 million is for the provision of basic agricultural facilities. In addition, aquaculture farming will be expanded, with an allocation of RM70.6 million," he said.

Dr Mahathir said RM165 million was provided for the construction of an Integrated Deep Sea Fishing Port and a Fisheries Training Centre in Tanjung Manis, Sarawak.

He said the government would continue to give emphasis on further modernising the agriculture sector, in particular programmes to increase food production.

Large-scale mixed farming will be promoted, including animal husbandry, intensive farming as well as the use of modern technology and management.

"Towards this end, all activities in the value chain, including delivery system, will be strengthened, particularly the provision of cold storage chain facilities for perishable agricultural products," he said.

"Companies which provide these facilities and services can also utilise venture capital funds available from MTDC. In addition, new companies which provide cold chain facilities and services for perishable agricultural products are given Pioneer Status or Investment Tax Allowance," he said.

To promote reinvestment in this field, the government proposed that existing locally owned companies be granted the following incentives:

- i) Pioneer Status with tax exemption of 70 percent on the increased income from reinvestment for five years; and
- ii) Investment Tax Allowance of 60 percent on the additional investment for five years.

He said the government continued to undertake programmes with a view to enhancing the participation of orang asli in national economic development.

To increase their income, the Village Micro-Credit Scheme will also be extended to enable them to undertake economic activities, including agriculture and small businesses.

"In addition, they will also be provided with hire purchase facilities for boats and outboard engines under the Package of New Strategies," he said.

To enable orang asli to purchase comfortable and affordable homes, they will also be given priority under the Syarikat Perumahan Negara Berhad's low- and medium-cost housing scheme as well as soft loans to acquire these homes.

He said RM156.5 million had been provided for the continued implementation of development projects for the orang asli.

-- BERNAMA
NER AHH YBY