

21 MAY 2003

Mahathir-Package (Bonus)

HALF MONTH BONUS FOR CIVIL SERVANTS THIS JUNE

PUTRAJAYA, May 21 (Bernama) -- The Prime Minister today announced a half-month bonus next month for civil servants and a special allowance for doctors and medical personnel who handle SARS (Severe Acute Respiratory Syndrome) cases without being overly concerned about their own safety.

Datuk Seri Dr Mahathir Mohamad said other measures to increase the people's disposable income included reduction of the EPF (Employees Provident Fund) contribution from 11 per cent to nine per cent for one year effective June 1.

He said this when unveiling the government's new strategic economic package to bolster the country's economic growth.

These are part of the 90 comprehensive measures listed by the government in the economic package which Dr Mahathir said was necessary arising from recent effects on the economy due to the invasion of Iraq and SARS.

"The global environment has become uncertain and complex and will obstruct world economic rehabilitation," he said.

The Prime Minister said doctors would be paid a monthly critical allowance of RM400 while other medical staff RM200, backdated from April 1, 2003 until the epidemic was wiped out.

Dr Mahathir also announced a 5 per cent discount on the electricity bills for hotel operators beginning this June 1 to Dec 31 this year.

Hotels and restaurants would also be exempted from collecting service tax from patrons between June 1 and Dec 31 this year.

At the same time the service tax on complimentary hotel rooms would be abolished as of June 1 this year.

These measures are expected to reduce the business operation costs of the sectors concerned.

To help proprietors of duty free shops and retail stores at all airports in Malaysia, Malaysia Airports Holdings Bhd (MAHB) would reduce the rental rates of their premises by 50 per cent.

The one per cent rate on total sales imposed by the MAHB for promotion and advertisement has been reduced by 50 per cent while their rental contract for the business premises had been extended by another two years.

Dr Mahathir said to help manage cash flow in the tourism sector, Bank Negara Malaysia was providing a Special Relief Guarantee Facility totalling RM1 billion particularly for working capital.

The sector would also benefit when the banking institutions introduce the Loan Rescheduling and Restructuring Scheme for all loans and credit facilities.

It should also be a relief to employees in this sector with the banking institutions rescheduling and restructuring their loans repaid through salary deductions.

Stamp duty exemption is also provided for loan documents.

The road tax for taxis for six months from June 1 to Dec 31 would be reduced by 50 per cent in view of the fewer number of people using taxis due to the SARS scare.

Dr Mahathir also said the government would allocate RM100 million to local authorities to step up cleaning up activities and ensure public toilets were clean.

The Prime Minister said the government's early and decisive measures prevented the spread of SARS.

However without the efforts of the people to ensure cleanliness, the threat of diseases and epidemics could not be overcome, he added.

-- BERNAMA

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