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Budget-Education

INTEREST ON STUDENT LOANS REDUCED TO THREE PER CENT

KUALA LUMPUR, Sept 12 (Bernama) -- The government will reduce the interest rate on loans given out by Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) to three per cent from the current four per cent, Datuk Seri Dr Mahathir Mohamad said today.

Presenting the 2004 Budget at the Dewan Rakyat, the prime minister said that this was to reduce the financial burden of graduates in loan repayment.

The repayments would commence on the third year after the graduate is employed and the repayment schedule would be restructured to enable borrowers to repay their loans at five per cent of their monthly income for the first five years and 10 per cent for the balance of the repayment period.

This facility would also be extended to borrowers under the Skills Development Fund, he said.

He said students wishing to pursue Islamic studies in institutions of higher learning abroad would also be able to borrow from PTPTN on condition that these institutions are recognised by the government and they must enrol for academic subjects.

He said the government would also consider extending this loan facility to students pursuing twinning programmes abroad for the final year of their studies in institutions of higher learning recognised by the government and in courses encouraged by the government.

The government will continue the tradition of giving the biggest cut of the budget to the education sector with an allocation of RM20.2 billion or a quarter of the operating expenditure in 2004.

He said that under the development expenditure, a sum of RM3.7 billion was provided, including RM1.8 billion for primary and secondary schools, hostels and teachers' quarters.

A sum of RM637 million is allocated for school computerisation programmes while RM490 is for financing infrastructure requirements of public institutions of higher learning.

The government would also roll-out smart school programmes in stages and implement the Schoolnet project to enable students to gain wider Internet access.

This programme has been implemented in almost 200 schools in the remote areas of Sabah and Sarawak.

Dr Mahahtir also said that a Trust Fund for Poor Students was launched in July this year with an allocation of RM200 million to help poor students to continue with their education.

To make Malaysia a renowned centre of education, the Education Promotion Office would begin operations in Dubai, Ho Chih Minh City, Beijing and Jakarta this year, he said.

The government also proposed that fees or honorariums received by lecturers or experts who assist in validation, moderation or accreditation be exempted from income tax.

-- BERNAMA

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