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ECONOMY-GROWTH

PUMP-PRIMING A TIMELY MOVE TO ENSURE CONTINUOUS GROWTH

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KUALA LUMPUR, Jan 7 (Bernama) -- Additional pump-priming measures now are timely and will serve as a shot in the arm given the soft global economy and its implications on the domestic economy, the chairman of Bank Pembangunan & Infrastruktur Malaysia Bhd, Datuk Mohamed Adnan Ali said today.

However, he said that the stimulus funds should primarily flow into the infrastructure sector as it would have a multiplier effect and varied spin-offs on the economy.

He said that another crucial sector that should receive the funds was the small and medium enterprises (SMEs).

They should also have their "fair share as some of them are dependent on franchises or umbrella structured business" which limits their business opportunities, he told Bernama here today.

Mohamed Adnan was commenting on Prime Minister Datuk Seri Dr Mahathir Mohamad's statement yesterday that the government might go for another round of pump-priming this year to boost the economy.

In March 2001, the government introduced a stimulus package worth RM3 billion and thereafter another RM4.3 billion in September the same year.

"I do believe that if we want to have (continuous) growth, the government needs to come and inject some funds especially now," he said.

In March 2001, the government announced the RM3 billion stimulus package in efforts to ward off the negative effects of a global economic downturn then, brought on by the sluggish US and Japanese economies.

It pumped in another RM4.3 billion in September 2001 in the aftermath of the Sept 11 terrorist attacks which put a further dent on the already affected global and regional economies. -- BERNAMA

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