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Another shot in the arm

THERE is no doubt that Malaysia is among the few bright spots in a world where many countries are facing acute economic challenges. Malaysia is estimated to have achieved economic growth of four per cent last year and is expected to sustain its robust performance this year and in the years beyond.

However, we have to be realistic. There are uncertainties ahead such as a possible softening of the American economy burdened by a huge national debt and the likelihood of a US-led war on Iraq. An invasion of Iraq will affect oil prices which in turn could impact on the world economy. Malaysia, being a relatively open economy which thrives on trade, is unlikely to remain unscathed.

But we can adopt measures that will cushion any negative impact on our economy. It is therefore timely that Prime Minister Datuk Seri Dr Mahathir Mohamad has announced that the Government may go on another round of pump-priming this year to boost the economy. Such a stimulus, which involves more government spending on projects to generate productive activities and to increase money circulating in the economy, will also help lift up the spirits of people who may be influenced by pessimistic sentiments. This is a tried and tested formula that has worked in the past, as in the two multi-billion-ringgit stimulus packages in 2001.

To be effective, such a package should be large enough to generate extensive spin-offs. But the additional funding required may strain government finances. Fortunately, the Malaysian Government has always been prudent and our public coffers should provide the funds for any economic stimulus package without burdening the people.

However, additional public projects will require more hard work from civil servants to see that these are implemented on schedule and with minimum cost overruns. Needless to say, a corruptionfree civil service is also important.

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