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Enough funds to finance economic measures

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MALAYSIA has adequate sources of funds to finance its next pump-priming measures to promote economic growth, says Second Finance Minister Datuk Dr

Jamaludin Jarjis.

Jamaludin had revealed on Monday that Prime Minister Datuk Seri Dr Mahathir Mohamad would unveil details of the measures when he announces 2002's fourth quarter gross domestic product (GDP) figures.

"Funding is not an issue. If a decision is made to prime the economy again, there is ample liquidity in the system for the Government to tap to finance the measures.

"Our (budget) deficit now is well-managed and at an acceptable level. So, we have the flexibility," he told reporters after opening the Bumiputera Manufacturers Association Malaysia's 12th general meeting in Kuala Lumpur yesterday.

Jamaludin said the Government has many options to source funds to finance the measures.

He said the fund's size for the package also depends on external factors including the US-Iraq crisis, the recovery of the US economy and the economic outlook of Japan and Europe.

"We have to look at all these," he said.

Jamaludin said the Government may use the same strategy that was used last year to boost the economy.

"What is important is to let the private sector drive the economy forward and we will see that in March," he said.

Jamaludin said Malaysians should not only look at pump-priming as the only solution to bolster the economy.

"We should look at other fiscal measures as well. We should look at the sub-sectors such as the services and consumers' demand as well as domestic economy," he said.

In addition to fiscal measures, Jamaludin said the Government has to look at all aspects of the economy.

On the GDP growth, Jamaludin said the Government hopes to register a rate higher than the estimated 4 per cent.

"We expect to achieve a GDP growth of between 5 per cent and 6.5 per cent this year," he said.

He said the Government needs to maintain a higher growth rate to boost the economy.