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Govt to seek additional RM4.5b for 2003 budget

Abdul Razak Ahmad; Sheridan Mahavera

THE Government is seeking an additional allocation of RM4.5 billion to its

2003 budget at the next session of the Dewan Rakyat.

It will table the Supplementary Supply Bill 2003 seeking RM3 billion for

developmental expenses and RM1.5 billion for operating expenses.

Second Finance Minister Datuk Dr Jamaludin Jarjis said the Budget 2004 is scheduled to be tabled on September 12 by Finance Minister Datuk Seri Dr Mahathir Mohamad, followed by the mid-term review of the Eighth Malaysia Plan.

He was speaking to reporters in Langkawi yesterday.

Jamaludin said the Finance Ministry is now collecting feedback from important sectors of the economy to formulate the budget.

"I had just met with university representatives and they said that more than 1,000 doctorate holders in the science and engineering fields have pledged to work and contribute research findings for commercial purposes.

About 16 new bills and amendments to present Acts will be tabled at the upcoming parliamentary session, including the Kuala Lumpur Stock Exchange

Demutualisation Act 2003, which will be read for the second time.

If passed, the Act would initiate the transformation of the KLSE from a company limited to guarantee, to a company limited by shares. The KLSE will have to submit an application to the Securities Commission and meet its requirements before it can be listed on the stock exchange.

The company will be administered by a board of 12 directors, four of which will be independent, four nominated by the Government and four nominated by its shareholders.

SC deputy chief executive Datin Zarinah Anwar said the demutualisation is intended to develop the capital market and the economy as a whole, by making the KLSE a profit-centred entity which had to become competitive, efficient and transparent.

Under the Act, the KLSE will be run by the SC to prevent conflicts of interest which could arise from its operation of the stock exchange and its status as a public listed company.

"The KLSC would also put the interests of the public first, before its commercial interests, in the event of a conflict between the two,"

Zarinah said.

She added that there are provisions in the Act to restrict ownership of shares to 5 per cent per shareholder. Those intending to acquire or sell more than this amount would have to get the approval of the Finance Minister.

The initial value allocation of shares would be 30 per cent for the

Government, 30 per cent for brokers, 20 per cent for the Capital Development Fund (to be set up under the Act) and the remaining 10 per cent for remisiers.

Other Acts which have to be amended in conjunction with the Demutualisation Act would be the Central Depository Act 2003, Securities Commission Act 2003, Futures Industry Act 2003 and the Securities Industry (Central Depository) Act 2003.