



Prime Minister Tun Dr Mahathir Mohamad with members of the National Finance Council in Putrajaya yesterday. Also present are his deputy, Datuk Seri Dr Wan Azizah Wan Ismail and Finance Minister Lim Guan Eng. pic by ahmad irham mohd noor

## GOVT WAIVES STATES' RM3.8B WATER DEBT

Move covers debt incurred by state govts for rural water supply projects from 2001

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THE government has agreed to wipe clean all debts incurred by state governments for rural water supply projects from 2001

onwards, totalling RM3.8 billion, said Prime Minister Tun Dr Mahathir Mohamad yesterday.

However, state governments must in return finalise the National Water Services Industry Restructuring scheme by Dec 31 this year.

"Apart from speeding up the restructuring of the water ser-

vices industry, it is hoped that the move would ease state governments' annual financial burden.

"This is to ensure that the people can enjoy the move's long-term benefits," he said, adding that it would compel state water concessionaires to focus on improving their services.

The government, said Dr Mahathir, had decided that it would no longer fund rural water supply projects via loans.

"We will allocate grants, which will come under the purview of

the Rural Development Ministry."

He was speaking after chairing the National Finance Council meeting at the Finance Ministry.

Present were Deputy Prime Minister Datuk Seri Dr Wan Azizah Wan Ismail and Finance Minister Lim Guan Eng.

Dr Mahathir said guidelines for the Malaysian Road Record Information System (Marris) would be improved, including increasing the permitted cost for maintenance of roads which did not

meet the Road Transport Department's minimum requirements and unregistered under Marris.

"The government will provide funding for the maintenance of roads, and repair works of drains and slopes, no more than 15 per cent of the actual cost or RM15 million, whichever is lower."

He said the government had agreed to share 50 per cent of tourism tax proceeds with state governments, as agreed in the 2019 Budget, to boost tourism.