Govt stimulus programmes support higher domestic activity

HIGHER domestic activity and sustained consumption was well supported by the government’s continuing fiscal stimulus programmes, according to the Economic Report 2002-2003.

As at end-February 2002, with 61.5% of the total RM7.3bil package expended, a substantial portion of the fiscal spending remains due in the year on account of the lag in project implementation.

To ensure smooth and speedy implementation of public sector projects, rules and procedures pertaining to approvals and payments were reviewed and simplified.

As an added measure, projects awarded that have not started after three months or are 30% behind schedule would be terminated and awarded to other contractors.

In education, 240 primary and 163 secondary schools, including six matriculation colleges, were approved for construction.

Three matriculation colleges were completed and fully operational in Johor, Labuan and Perak while 91 primary and 81 secondary schools are expected to be completed in the course of the year, with the remaining under various stages of construction and due for completion next year.

In the health sector, 241 rural clinics were approved for implementation and of these, 133 were completed as at July this year.

In terms of diversifying sources of growth, the services sector is expected to expand by 5.3% and contribute 57% to the GDP in the year.

The tourism industry is particularly seen to be vibrant and expanded remarkably well over the year.

Tourism had contributed RM24.2bil to foreign exchange earnings last year. Greater strides were made in establishing Malaysia as a transport and logistic hub.

The new Port of Tanjung Pelepas Johor (PTP) made headlines when it captured a substantial proportion of the regional port handling business by securing long-term contracts with mainline operators namely Maersk-Sealand, the world’s largest operator and Evergreen Marine Corp.