Robust growth to reduce govt involvement

A MORE robust growth prospect anticipated for 2003 will allow the government to reduce its direct interventionist role in the economy undertaken since the financial crisis in 1997.

The thrust of Budget 2003 will reflect the supporting role of the government in enhancing the private sector as the driver of growth by promoting private sector dynamism and competitiveness as well as diversifying sources of growth in the services and agriculture sectors.

Expenditure on human resource development and training, research and development as well as further development of SMEs, agriculture and services will be given emphasis.

Operating allocation will be higher by 7.5% to RM71,737 mil to meet higher emolument, supplies, services and transfers. Approximately 46.5% of the emoluments are salary for teachers, nurses and doctors.

Outlays on supplies and services continue to increase largely on account of the increase in rental for the completed and occupied buildings in Putrajaya as well as to furnish newly completed projects.

Grants will also be increase for public higher education institutions and for two new university colleges, namely Kolej Universiti Kejuruteraan Utara Malaysia (KUKUM) and Kolej Universiti Kejuruteraan Teknologi Malaysia (KURTEM).

Development allocation will be slightly lower by 1.1% to RM34,963 mil in line with fiscal consolidation with about 46.1% allocated to the social and economic services sector.

Special focus will be given to education and rural development.

Under the social services sector, education and training are given top priority, including major development projects such as construction of schools.

Priority is also given to health services to improve the quality of medical services and public health as well as to promote health tourism.

Major developmental projects include construction of hospitals, modifications and upgrading of existing hospitals and health clinics in rural areas.

Some of the hospitals under construction are located in Serdang, Sungai Buloh, Sungai Petani and Lahad Datu.

In addition the Total Hospital Information System (THIS) will continue to be implemented in a number of hospitals to enhance health information management.

There is also allocation for rural electrification, water supply, rural roads and other infrastructure to benefit the rural folk.

Some of the major infrastructure projects that are likely to benefit the rural population are the construction of the East Coast highway, Simpang Pulai-Lojing-Gua Musang-Kuala Berang road, Tanjung Kidurong-Suai-Kuala Niah-Kuala Sibuti-Bakam road and Semporna-Kunak road.

For housing, an allocation of RM2,150 mil is provided, which includes a sum of RM1,426 mil to finance the construction of living quarters for armed forces and police personnel as well as civil servants.

In addition, RM993 mil is allocated for various low cost public housing projects and a sum of RM83.6 mil for loans to the state governments to continue financing the construction of 79,800
houses under the Low Cost Public Housing Projects in rural and urban areas.
Development allocation for the economic services sector will continue to emphasise on industrial, infrastructure and agriculture and rural development.
For industrial development, the focus is to finance SME development under the purview of the Entrepreneur Development ministry, Industry and International Trade ministry and Rural Development ministry.
The total allocation for construction, upgrading and repairing of roads, highways and bridges next year amounts to RM2,969mil.
As for the Rawang-Ipoh electric double tracking project, an allocation of RM1,041 is provided for.
Efforts to promote tourism is also given due attention under the economic services sector.
In 2003, the focus is multi-pronged, ranging from the "Malaysia Truly Asia" campaign to promoting Malaysia as an venue for international conference and events as well as ecological health and education tourism.