



24/11/2008 (Monday)

'Cut in EPF rate can stimulate growth'

KUALA LUMPUR: The three percentage point reduction in workers' contribution to the Employees Provident Fund (EPF) is a temporary policy that will contribute towards stimulating economic growth amid the global financial crisis.

Economic Planning Unit director for macroeconomics Nik Azman Nik Abdul Majid said the measure, to start in January and end in 2010, will benefit the majority of active EPF members. As of last month, the EPF has 12 million members, of whom 5.6 million were active. Of this number, 4.6 million, or 82 per cent, earned less than RM3,000 a month.

"If they choose to reduce their contributions, their disposable income will increase. "For example, households earning RM750 a month will see an increase in disposal income of RM22.50 a month. "For those earning RM1,500 and RM2,000 a month, the increase in disposable income will be RM45 and RM60 a month," he said in a statement.

Nik Azman said this amount might seem small to some people but for the low-income group, the additional monthly income could help to buy necessities such as rice, flour, sugar, eggs and cooking oil. The reduction could also generate disposable income of about RM4.8 billion at the national level if everyone opted for it.

25/11/2008 (Tuesday)

Key rate cut to stimulate spending

By : Rupa Damodaran

KUALA LUMPUR: Bank Negara Malaysia (BNM) has announced a cut of 25 basis points (a quarter of one per cent) in the Overnight Policy Rate (OPR) to 3.25 per cent to stimulate spending and boost the economy.

The OPR, which is used by banks to set their lending rates, has been unchanged since April 2006. In a statement, BNM said the outlook for global growth had deteriorated further with several advanced economies going in recession and this had affected Malaysia, as could be seen in the slowdown in exports and lower share prices on the stock exchange.

"While domestic demand remains resilient, there are indications of slower private sector activity amid some softening in labour market conditions and a more challenging business environment. "Under these conditions, sustaining domestic demand is key to ensuring that growth in 2009 remains positive."

To further reduce the cost of intermediation, BNM also decided to reduce the Statutory Reserve Requirement (SRR) from four per cent to 3.5 per cent. The SRR is the percentage of banking institutions' deposits that must be maintained with BNM in the form of cash reserves. The cut will free up more funds for lending activities. BNM said risk to domestic price stability was now substantially reduced, with inflation moderating from its peak in the third quarter of 2008.

HSBC Bank economist Robert Prior-Wandesforde expects further cuts in the OPR to follow, "as BNM indicated in the past that it is only worth acting if there is going to be a reasonably substantial move in total".

He said the move indicated that the government's fiscal measures were not necessarily sufficient to guarantee a four per cent growth rate and some extra insurance was required. "As for the 50 basis points SRR cut, this is likely to reflect the recognition that liquidity is tightening in the banking sector with potential real economic consequences."

US investment bank Citi believes the rate cuts may have been motivated by the recent surprise fall in September industrial production, which suggests that the recession in the US and Europe was finally catching up with Malaysia's manufacturing sector. Another factor could be the recent fall in loan approvals, which points to tightening credit conditions for businesses and households, a critical driver of domestic demand.

Citi expects at least another 50 basis points cut in the OPR in the first quarter of next year, and does not rule out further cuts in the SRR, if credit conditions continue to show signs of tightening.

27/11/2008 (Thursday)

RM3.2b for better southern roads

By : Jason Gerald John

MALACCA: The road systems in Malacca, Negri Sembilan and Johor will be improved over the next two years with an allocation of RM3.2 billion.

Works Minister Datuk Mohd Zin Mohamed said it included a RM220 million upgrading of Jalan Tangkak-Segamat and a RM85 million traffic dispersal system in Seremban known as Seremban Middle Ring Road.

In Malacca, he said, the ministry would embark on a study on a traffic dispersal system to ease traffic congestion from the Ayer Keroh toll plaza to the city centre. "The influx of tourists into the state, which was recently named as a Unesco World Heritage Site, is causing traffic snarl in the city centre, especially along the routes to tourist destinations such as A'Famosa, Stadthuys, Jonker Walk, Eye on Malaysia and Menara Taming Sari. "I was made to understand that at times, the congestion lasts for more than an hour. This problem was raised by the state government and we will undertake a study on an effective traffic dispersal system."

Zin said the roads leading into the city centre needed a few flyovers at certain interchanges to ensure a smooth flow of traffic. "We cannot change things overnight. We need about a year for

the study to be completed as the roads in the city are narrow and buildings on both sides of the roads make our work to implement an effective traffic dispersal system an uphill task."

He was speaking after opening a session to explain the compensation for variation of price (VOP) list and building using the industrialised building system at a hotel here yesterday. Zin said the materials that came under VOP included steel, cement, bitumen, premix, sand, gravel, guardrail, fabric reinforcement, copper, water and sewerage pipes, diesel and petrol.

On the upgrading of Jalan Tangkak-Segamat in Johor, Zin said the project would see the road being upgraded to a dual carriageway on each direction for about 60km. "This project will create a new corridor in the north of Johor and provide better access for people in the centre of Johor to visit coastal areas in the east." He later visited the site of the Jalan Batu Berendam-Durian Tunggal upgrading project. The project is expected to be completed in March.

27/11/2008 (Thursday)

DEWAN RAKYAT: RM9.7m for trips abroad

THE Federal Territories Ministry and Kuala Lumpur City Hall spent RM9.7 million from 2006 to September this year on overseas tours. Federal Territories Minister Datuk Seri Zulhasnan Rafique said officers of his ministry went on seven tours, incurring an expenditure of RM1.1 million. City Hall spent RM8.6 million on 137 tours with 513 participants. "The expenses include tickets, accommodation, transport, food allowance, warm clothing allowance, medical, passports and visas."

27/11/2008 (Thursday)

DEWAN RAKYAT: RM1.71b from levies

THE Immigration Department collected RM1.71 billion in levies from foreign workers between January and September this year. Last year's collection was RM2.14billion. Home Minister Datuk Seri Syed Hamid Albar said only non-skilled and semi-skilled foreign workers were required to pay the levy. Skilled workers paid income tax. "The levy collected is channelled to the Federal Consolidated Fund," he said in his reply to a question by Loh Gwo Burne (PKR-Kelana Jaya).

27/11/2008 (Thursday)

Double-tracking project blamed

By : Noor Adzman Baharuddin

ALOR STAR: Menteri Besar Datuk Seri Azizan Abdul Razak has blamed the flash floods in several areas in Kedah on the railway double-tracking project.

He said while he supported the project, certain modifications on its route should be considered by the contractor to check the problem. "We are not against the project but it has caused some areas between Sungai Petani and Tunjang to be flooded after every downpour. "We would like to meet the Public Works Department, KTM Bhd and the contractor again to make modifications or amendments to the original route for the railway project," he said after chairing the weekly State Executive Council meeting here yesterday.

Azizan said he had met officials from MMC-Gamuda Joint venture Sdn Bhd, the contractor for the RM12.485 billion double-tracking project, but declined to say if the company agreed to the state's request. He said the state had also asked Gamuda and KTMB to upgrade the railway stations between Sungai Petani and Tunjang as part of the project.

Kedah is the second state to point a finger at MMC-Gamuda for the floods along the 329km-long railway track that stretches from Ipoh to Padang Besar. Earlier this month, Penang Chief Minister Lim Guan Eng blamed the project for floods in several parts in Seberang Prai. Transport Minister Datuk Seri Ong Tee Keat, however, defended the contractor by saying that the company had done nothing to cause the floods.

28/11/2008 (Friday)

DEWAN RAKYAT: Government to name errant officers

THE government proposes to publish in newspapers, the names of government employees against whom disciplinary action has been taken for misuse of power and other offences Deputy Minister in the Prime Minister's Department Datuk Mohd Johari Baharum said.

In reply to a question from Dr Mohd Puad Zarkashi (BN-Batu Pahat) he said at the moment, the government only published statistics on the number of officers against whom action was taken.

-- Bernama