

'Maintain domestic growth amid global slowdown'
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The upcoming Budget 2012 should contain measures to ensure growth momentum of the domestic economy, Institute of Strategic and International Studies (Isis) chief executive Mahani Zainal Abidin said today.

"I hope the government will prepare some measures in case the global economy slows down a bit next year. We have to think about it - how we can keep the domestic economy's momentum if there's a global slowdown," she said.

She said the budget, to be tabled by Prime Minister Najib Abdul Razak in Parliament on Oct 7, should also discuss how the government would effectively help the people who needed support.

"Rising prices have been an issue and the government recognises this.

"We need to think of effective measures. Subsidies that have been implemented have benefited some free riders, people who don't deserve it.

"The prime minister wants to look into this - how to help the lower income group. The target group is important," she told reporters at the launch of Asia-Pacific Trade and Investment Report 2011 in Kuala Lumpur.

Need to stay competitive

Mahani said the budget should also introduce some measures to restructure the economy to ensure it stays competitive.

"We should not just look at managing it for next year, that's short term.

"We have to look at some structural issues such as the labour market, in terms of how to deal with wages.

"We must have a mechanism that links wages with productivity. We cannot just increase wages. This issue is important for Malaysia because we have to be competitive.

"But, at the same time, we need people to have higher wages," she added.

- Bernama