

## **'Budget lacks integrity, transparency reforms'**

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**By Kuek Ser Kuang Keng**

Just under a month ago, Prime Minister Najib Abdul Razak announced a series of law reforms that he said were aimed at making Malaysia the "best democracy" in the world; his commitment and sincerity is however being questioned after he unveiled the Budget 2012 yesterday.

"Unfortunately, we have not seen an emphasis on further improvement of the integrity of the government's financial management," said Paul Low, President of Transparency International Malaysia Chapter (TI-M).

He pointed out that the budget failed to address the issue of transparency in defence expenditure which TI-M has been demanding.

"It is still kept quite opaque. It would be good if the procurement of defence equipment can be more transparent," he said when contacted yesterday.

Low also noted that no mention has been made on how to address the illicit outflow of funds from the country.

According to US-based financial watchdog Global Financial Integrity (GFI), the illicit outflow from Malaysia in 2000 was RM67.7 billion, that eight years later ballooned to RM208 billion.

Another shortcoming of the budget, said Low, was the absence of amendments to the Official Secret Act.

"It should be amended to allow more accountability, especially on projects that are privatised and given concessions."

He also disappointed that the issue of political funding reform, another cause that TI-M has been lobbying, did not make it into the budget.

"We have been pushing for state political funding rather than allowing political parties to raise (funds) for themselves, but it is missing from the budget.

"Generally, the issue of strengthening integrity is not taken into account in the budget," he added.