

Mega spending on BR1M is what will widen our deficit

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By Lau Weng San

COMMENT Second finance minister Ahmad Husni Handzlah has to explain whether BN's manifesto will also widen the federal government's fiscal deficit.

On March 29, 2013, he had criticised Pakatan Rakyat's manifesto, saying that it will widen the federal government's fiscal deficit to 11.5 percent from 4 percent as targeted this year.

He added that it is an outright increment of government's debt to 62.1 percent of the gross domestic products (GDP) in comparison with the current 54.6 percent.

His statement was highly doubtful as it was not supported by any facts or reports.

Moreover, caretaker prime minister Najib Abdul Razak still refuses to debate with opposition leader Anwar Ibrahim on their manifesto and policy.

The fact remains that Ahmad Husni Hanadzlah (left) came out with that statement before the BN manifesto was launched last Saturday.

BN has sown many forms of promises which I opine are empty promises and are far more populist as compared with Pakatan's manifesto.

BN has promised that they will reduce car prices, construct more affordable houses, reduce highway tolls and provide more assistance to the citizen through the 1Malaysia People's Aid (BR1M) payment which amounts to RM1,200 a year and assistance in smaller amounts to a particular section of the people.

What bothers Malaysians is that, in sowing these far-from-truth promises, how is BN going to finance this expenditure?

The first BR1M cost about RM1.92 billion, while BR1M2.0 cost around RM3 billion. Both would, at minimum, amount to no less than RM4 billion.

If the amount is raised to RM1,200 a year, the federal government will have to bear the financial burden of at least RM5 billion a year.

This does not include payments in smaller amounts to other groups of people where the expenditure would be compulsory and will reach a hundred million ringgit.

This is different from Pakatan's manifesto whereby it does not only underline our promises but it also provides the mechanism to reduce leakages and boost federal government revenue.

If Ahmad Husni Hanadzlah had criticised Pakatan for its manifesto which he claimed will deepen the federal government fiscal deficit and eventually affect its credit rating, I would like to challenge him to repeat the same criticism about the BN manifesto.

His failure to do so will only prove that his earlier statement regarding Pakatan's manifesto is only political rhetoric and needs no attention.

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