

Pakatan warns of 5.5pct Budget 2013 deficit

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By Ram Anand

The government's latest Supplementary Budget Bill can push the country's budget deficit for 2013 to 5.5 percent, way higher than the four percent aimed for by the government, Pakatan Rakyat warns.

NONE "If there are no changes to the spending forecast and GDP, the deficit will increase to 5.5 percent," PKR vice-president Nurul Izzah Anwar told a press conference today.

Nurul Izzah said that this would be the second successive year that the government failed to achieve a deficit target.

It aimed for a 4.5 percent deficit in the Budget 2012 but only managed a 4.9 percent deficit.

This would be the 16th consecutive year the government has a budget deficit.

Nurul Izzah said that the current spending of the government could also push the country's debt to above 55 percent, which would be above the debt ceiling which is regulated by the government itself.

At the end of 2012, the country's debt reached 53.3 percent of its gross domestic product (GDP).

The country's debt has seen a rise since Najib Abdul Razak became prime minister in 2009.

When Najib took office, the country's debt was 45 percent of the GDP.

"It's time for the government to table an honest but brave budget and no longer hide under inaccurate economic predictions until a supplementary budget is needed every year- which makes the budget dishonest," Nurul Izzah noted.

She said that Pakatan Rakyat would table its alternative budget on the same week as the government tables its budget, albeit a few days earlier.

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