

## **Najib austerity measures half-baked, says Jeffrey**

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Prime Minister Najib Abdul Razak's 11 austerity measures have been described by an opposition politician as too 'half-baked' to tackle massive price hikes stemming from the wrong decisions arrived at by his government.

"After making the wrong decisions that triggered massive price hikes, the PM then announced the so-called 11 half-baked austerity measures," said Dr Jeffrey Kitingan, Sabah STAR chief.

He pointed out that the objective of the 20-sen increase in petrol and diesel prices was supposed to provide RM1.1 billion in subsidy savings, instead resulted in burdening the people with billions in price rises.

"They are penny-wise pound foolish programmes," said Jeffrey, a constant critic of Najib's government policies.

"And now a Special Committee has been set up to evaluate the burden caused by price hikes.

"All these show that the government's policy decisions were not well thought out before they were made," Jeffrey (above standing) said in a statement.

The establishment of the committee was announced by Deputy Prime Minister Muhyiddin Yassin a few days ago to tackle the high cost of living problem.

"The DPM may be late but still laudable for initiating the step to tackle the rising cost of living but the solution lies elsewhere and he needs to have the courage to reverse wrong policy decisions that caused the price hikes in the first place," said Jeffrey.

Another govt committee collapse forecast

He predicted that the committee will end up a costly failure without achieving its objective of easing the burden of the people if the courage to take on the price-hikes problem head-on is lacking.

Jeffery blamed the problems of the current price hikes on wrong policy decisions

that raised petrol and diesel prices and transportation charges and higher production costs with the increases being passed on to consumers.

The rise in sugar price also sparked another round of price hikes, he added.

Jeffrey said: "The unnecessary hike in electricity tariffs and the proposed toll hikes will be causing another round of price hikes.

"Then again the fall in the ringgit probably caused by the government's mismanagement of national debt and capital flight due to corruption and others will be another reason for higher price of imported goods.

"And we have not even reached 2015 and the imposition of GST.

"Whether the federal government likes it or not, it needs to ask what they did wrong and what wrong policy decisions they made that caused the price hikes.

"That would be a good starting point for the Special Committee," he said.

Jeffrey opined that a simple yet effective solution to tackle wastage, excessive spending and curbing corruption in government contracts would have save RM9.3 billion in 2014 based on 20% competitive price by way of open tender of the development budget of RM46.5 billion.

Brave heart challenge to Muhyiddin

"If RM1.1 billion is used to offset the petrol and diesel subsidies, the federal government would still save RM8.2 billion," said Jeffrey, a Harvard graduate.

He stressed that the DPM and his Special Committee need to have the courage to overturn the PM's wrong policy decisions that caused the price hikes.

The reversal of the government policies should have an impact on reduction of prices and an immediate impact in reducing the burden of the people, he said.

At the same time, it will put the national economy on a stronger footing," he said, pointing out that while the committee is deliberating the burden of the people caused by the price hikes, it should also consider separately the situation of the Sabah and Sarawak people.

"An immediate action that can be taken is the review and abolishment of the cabotage policy and the exempt Sabah and Sarawak from the petrol and diesel

price increase.

"The 20-sen hike in petrol and diesel prices cannot save the federal government more than RM300 million from Sabah and Sarawak consumers," he said.

But a waiver of this increase will cut down their burden tremendously, he pointed out, adding that there is no reason why fuel from Sabah's oil and gas resources cannot be sold to Sabahans and Sarawakians at a 20-sen discount of that charged in the peninsula.

"The RM300 million in subsidies can be more than covered by the RM26.6 billion and RM45 billion expected in oil revenues from Sabah and Sarawak respectively in 2014," he added.

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