

PM 'forsakes popularity' for nation's future
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Subsidy cuts and introduction of new taxes may have severely affected Prime Minister Najib Abdul Razak's approval ratings, but it is a sacrifice he is willing to make.

"I am prepared to put the nation's long-term interest before my short-term popularity," Najib said.

In fact, he said in a speech today, not making such decisions would put Malaysia's sovereignty at risk.

"Countries have lost independence, and forced to give control of their economic destiny to the International Monetary Fund.

"As prime minister, (my job) is to protect the people of Malaysia.

"I will never allow the nation's progress, the well-being of the people and national sovereignty to come under threat," Najib said to applause.

He was giving a keynote address at the Asian Strategy and Leadership Institute (Asli)'s National Economic Summit and Dialogue.

Najib used the opportunity to painstakingly reiterate and explain that the government had to make the difficult decisions so that Malaysia's budget deficit does not continue to widen.

He said that if it does, credit rating agencies could downgrade the country's ratings and investors would view Malaysia as a country which "cannot pay its debts".

Besides scaring off new investors, he said, poor ratings could also prompt capital flights which "could happen in a eye blink".

Presumably referring to **Fitch**, he said one rating agency had already warned Malaysia of a possible downgrade if the deficit is not tended to.

Subsidies, he said, made up close to a quarter of the federal budget.

He added that the introduction of the goods and services tax (GST) next year will also grow government revenue to tackle the deficit issue.

'Leaders do what's right, not what's easy'

"Governance is about making decisions which are right for tomorrow and not just today.

"It is easy for politicians to make cheap promises, offer what the people want and deal with the consequences later.

"Leadership is doing what is right not what is easy and expedient," he said.

Similarly, he said that dealing with the deficit is not as easy as combatting corruption alone.

Other measures to grow revenue and cut spending must be in place while corruption is brought down.

He said that tackling corruption is a priority, but like in Hong Kong, the effort will take decades to see fruit.

Further denied the government is sitting on its thumbs on the matter, he added that the chief secretary is also acting on the leakages highlighted in the 2012 Auditor-General's Report.

"I cannot click (sic) my fingers and corruption is gone," he said.

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