

**Inequality M'sia's biggest challenge, says PM**  
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Economic inequality remains one of the biggest challenge of the nation, Prime Minister Najib Abdul Razak admitted today.

Addressing on the 2015 budget consultation council meeting at the Finance Ministry today, Najib said the other challenge is intregation with Asean and the rest of the world.

“Inequality is the biggest challenge and I would like to see our economy is distributed more equitably as we move forward,” said Najib (left, in white), who also finance minister.

This echoes his statement on Malaysia's poor income distribution at the Nikkei 20th International Conference in Tokyo, Japan, last Friday.

With a Gini coefficient of 0.431 in 2012, inequality in Malaysia is among the highest in the region and is worse than Thailand (0.4), Indonesia (0.37) and India (0.33).

The Gini coefficient measures disparity between the nation's richest and poorest citizens.

Malaysia's Gini coefficient has hovered around 0.4 since the late 1980's despite economic progress.

2015 Budget to be tabled on Oct 10

Meanwhile, Najib said that the government has also deliberated on measures to reduce budget deficit, including the unpopular goods and services tax (GST) and more subsidy cuts.

He said that the Fiscal Policy Committee (FPC) will produce a medium-term fiscal framework on on the matter, Bernama reported.

The newswire quoted Najib as saying that the government will also pay serious attention to the Auditor-General's proposals on spending and leakages and practice prudent management.

The government expects to bring down the budget deficit to 3.5 percent this year and achieve a balanced budget by 2020.

Further details on the fiscal measures will be tabled in Parliament in the 2015 Budget on Oct 10.

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