

'Petrol hike window-dressing for Budget 2015'

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The State Reform Party (Star Sabah) believes that the 20 sen fuel hike creatively termed as subsidy withdrawal at a time when the oil prices have been at their lowest point in the past one year is a move to window-dress another budget deficit, Budget 2015 this time.

"The 20 sen petrol hike can only infer deep-rooted problems in the national economy and intentionally done to window dress Budget 2015" said Star Sabah Chief Jeffrey Kitingan (right) when commenting on the Budget announcement.

On Oct 1, 2014, the world oil price closed at US\$90.73 (RM295.64 per barrel whereas it had been traded above US\$100 for the better part of the past year.

At this rate, the government petrol subsidies would have been very much lower and there would have been no justification for the price hike if the reason was withdrawal or reduction of the subsidy, he said.

"The most probably reason is that there is a need to reduce the government's operating expenditure and reflect a lower deficit for another deficit budget in 2015.

"In Budget 2014, the deficit was RM40.1 billion excluding the Supplementary Bills passed during the year for the budget overruns.

"A lower subsidy amount of RM1-2 billion arising from the petrol hike will do the trick in a creative accounting scenario of portraying a lower deficit by RM1-2 billion.

"With the national debt in excess of RM627 billion and hovering at the 55 percent of GDP limit, the RM1-2 billion will make a huge difference," he said, pointing out that with an additional RM6-12 billion income from the Goods and Services Tax (GST) implementation, the deficit will be further reduced.

Jeffrey who is Bingkor assemblyperson, asked: "With the window dressing from the petrol hike and the additional GST income, will the wastages, leakages and questionable awards of projects continue in 2015 or will the PM plug these holes and strengthen the national economy?"

Track record against harbouring hope

This question, he said, will be answered partly in Budget 2015 due next week and only time will tell.

"But if historical records are anything to go by, it will probably be another good year for the

cronies while the ordinary rakyat will continue to suffer as it is not an election year.

"When other countries are reducing petrol prices, the petrol hike shows that the Prime Minister and Finance Minister (Najib Abdul Razak) and his fiscal team must have run out of ideas how to

address the economic problems and fails to consider the inflationary and drastic burdens that will be imposed on the ordinary rakyat particularly the lower income groups.

"The petrol hike will probably trigger another round of price hikes starting with transportation costs followed by a chain reaction for other goods and services. With the GST due on April 1, 2015, it will be a double blow for the ordinary people in the street," he said.

The Star leader said that for the people in oil producing states, particularly Sabah and Sarawak, the time has arrived for them to stand up and demand lower petrol and petroleum products prices for their states.

"During the last 20 sen petrol hike in 2013, it was stated that the government will reduce the petrol subsidy by RM1.1 billion. Assuming, a 10 percent usage in Sabah and Sarawak respectively, the subsidy will only be RM110 million each.

"There is no justification for the government to save RM110 million for Sabah and Sarawak each with the petrol hike when the costs and financial burden to Sabahans and Sarawakians will be very much more.

"As it is, the minimum wage for Sabah and Sarawak is already RM100 lower compared to that of the peninsula.

"Sabahans and Sarawakians should be entitled to lower petrol prices to compensate for the oil and gas that it being drained everyday from their lands coupled with the higher costs of living due to the crippling cabotage policy," said.

Jeffrey added that it is the least that the federal government should do for the people of the two states who are propping up the BN federal government and which would have collapsed if not for them.