

Five questions on Najib's RM5.5bil budget cut
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KINIBIZ Budget 2015 is now RM5.5 billion leaner, although RM48.5 billion in development plans remains untouched.

But some questions arise following what cuts were chosen and other measures announced by the prime minister.

It was an impressive crowd before whom Prime Minister Najib Abdul Razak spoke in Putrajaya yesterday, announcing budget cuts and other measures following a global plunge in crude oil prices, which in turn means less money to spend for the federal government.

His cabinet was there, as were many members of parliament. Bank Negara governor Zeti Akhtar Aziz was also present, as were chiefs of various Bursa Malaysia giants such as Maybank's Abdul Farid Alias and Sime Darby's Mohd Bakke Salleh.

Listening to Putrajaya's three-prong strategy to boost the nation's economic resilience, however, five questions pop out (although by no means exhaustive and listed in random order).

1. If we could have been more frugal, why didn't we do so earlier?

By rationalising some of the government's planned expenses, Najib has cut some RM5.5 billion from the initial allocation in Budget 2015 for operating expenditure.

But what catches the eye is that some RM1.6 billion of that amount comes from "optimising outlays on supplies and services, especially overseas travel, events and functions and use of professional services".

Another RM300 million in savings would come from delaying purchases of non-critical assets such as office equipment, software and vehicles.

That pretty much reads as 'we're going to be more careful with what we spend on'. So if we can do this now, why weren't we doing this last October?

The amount saved by this measure alone is huge. To put the RM1.6 billion sum into perspective, consider these previously announced Budget 2015 measures:

-RM5.3 billion for BR1M handouts this year – another RM1.6 billion means 30% bigger payouts to recipients.

-RM644 million for the National Housing Department (JPN) to build 26,000 units under the People's Housing Programme (PPR) – another RM1.6 billion means another 64,000 units or

so.

-RM1.1 billion to connect 15,000 houses with electricity and RM200 million to bring clean water supply to 7,500 houses – another RM1.6 billion can double the effort.

-RM1.6 billion for the Eastern Klang Valley Expressway – another RM1.6 billion could have meant more new roads for rural areas.

-RM375 million in initial funds for SMEs over five years – another RM1.6 billion means the total funds would be five times as big.

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