

## **Sliding oil prices down national revenue by RM7-RM9b**

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Sliding oil prices have impacted the national revenue at an estimated RM7 billion to RM9 billion.

The projection is based on the global benchmark Brent Crude oil price of US\$35 per barrel.

The government had previously announced an allocation of RM267.2 billion for Budget 2016, of which operating expenditure amounted to RM215 billion and development expenditure was at RM49 billion.

The budget, tabled last October, was based on US\$48 per barrel.

However, Prime Minister Najib Abdul Razak gave an assurance that the prudent measures undertaken by the government would ensure savings of RM9 billion in operation and development expenditures, without compromising doing the right things for the nation and people.

### **Prudent spending**

In revising Budget 2016 today, Najib, who is also the finance minister, announced that the 1Malaysia People's Aid (BR1M) and welfare assistance programmes would continue to be implemented.

"I would also like to emphasise that the government will maintain the current rate (six percent) of the Goods and Services Tax," he added.

The government, he said, will continue to spend prudently by prioritising projects and programmes with high impact centred on the philosophy of the people's economy.

"However, this will not involve the emoluments of civil servants and pensions of retirees as well as not affect the delivery mechanism of the government," he added.

Najib also noted that the government would not terminate the services of any civil servant, including those appointed on a contract basis.

This is alongside continuing the implementation of an annual increment for civil servants on July 1, 2016, as promised in Budget 2016.

- Bernama

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