

Why not recalibrate PM's RM8.5b budget, asks Amanah

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Parti Amanah Negara (Amanah) has questioned Prime Minister Najib Abdul Razak's priorities in recalibrating Budget 2016, when his office's RM8.5 billion allocation remains untouched as others face cuts.

Its strategic director, Dzulkefly Ahmad, says the premier's approach is problematic when his own Prime Minister's Department is not affected.

"Najib is not willing to recalibrate the RM8.5 billion 'slush fund' for his PM's Department," the former Kuala Selangor MP said in a statement.

Dzulkefly said apart from that, Najib, who is also the finance minister, was "clueless" for not addressing how the potential RM5 billion shortfalls in revenue will be addressed.

"What concrete measures will Najib put in place to mitigate and handle the shortfall in revenue?"

"This has become all the more pressing because he is still talking about maintaining the fiscal deficit projection at 3.1 percent of the Gross Domestic Product for 2016," Dzulkefly said.

The lack of action will fuel public concern if the premier continues his "bad habit of borrowing and more borrowing", he said.

Dzulkefly was responding to Najib's 2016 budget recalibration exercise, following the decline in oil prices which contributed a huge portion to the country's revenue.

'Debt ceiling ratio busted'

Another key issue which Najib overlooked, said Dzulkefly, was the debt ceiling ratio to GDP.

"This will certainly bust the 55 percent debt ceiling limit to GDP which is not allowed in the Government Funding Act 1983.

"Is Najib willing to table in the Parliament to get this borrowing limit reviewed and increased?" he asked.

"The basic issue is the fact that Budget 2106 needs revision because the price of oil at US\$48 (RM201.60) per barrel is now hovering around US\$30 (RM126) a barrel. This would result in a 'guest estimate' loss of revenue at RM300 million (for) every US\$1 drop. The total loss is RM5 billion," he pointed out.

However, Dzulkefly quizzed why the recalibration announcement was not made in Parliament but at the Putrajaya International Convention Centre.

Such a move, he added, was contentious if not outrightly extra-parliamentary.

The former federal lawmaker noted that the prime minister did not address prudent spending and his plan to encourage domestic spending is “more of the same”.

“A cursory mention of prudent spending on supplies and services was merely given lip-service. Other measures were more of the same things,” he says of Najib's recalibration measures.

Najib had announced reducing employees' contribution to the Employees Provident Fund by three percent and tax relief for the lower middle-income groups, so as to spur domestic spending.

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