

DPM: Gov't already in austerity mode
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Deputy Prime Minister Muhyiddin Yassin said the federal government has been practising fiscal austerity and denied that it will be going on a spending spree in view of dampening economic conditions.

NONE Without elaborating, Muhyiddin said that there were several "inaccurate" announcements made recently and he urged the public not to be alarmed.

"The government is responsible for development on a needs basis. Maybe what was said was not accurate, (and) there were some (people) who twisted the story," he told a press conference in Putrajaya today

"On whatever issues that have come up, there is no decision yet and I hope the people do not misunderstand."

Muhyiddin was commenting on a statement by Minister in the Prime Minister's Department Mohd Nazri Abdul Aziz, who revealed last week that the government plans to relocate the Parliament complex to Putrajaya at a cost of RM800 million.

This comes at a time when the government is trying balance its budget by reducing the subsidies for fuel, highway toll operators, food and utilities, among others.

NONE According to Minister in the Prime Minister's Department Idris Jala (right), the politically unpopular subsidy cuts are a necessary evil. Without this, Malaysia's debt to gross domestic product ratio would reach 100 percent by 2019, rendering the country bankrupt.

Those opposing the slashing of subsidies have argued that the plan would cause sharp inflation and would be ineffective if the government refuse to plug leakages and stamp out corruption.

Muhyiddin insisted that the government had been implementing austerity measures in the 2009 and 2010 budget, dismissing claims that it has a habit of splurging.

"We only spend what we can afford... The government has been continuously pushing austerity measures... what is important is that we control our spending," he added.