

Gov't injects extra RM30 bil into 9MP
Malaysiakini.com
Jun 26, 2008

The government said it will spend another RM30 billion on its five-year development plan, to cover the costs of inflation, rural projects and increased food production.
MCPX

Prime Minister Abdullah Ahmad Badawi said the government would add RM30 billion to the original RM200 billion allocation as part of a mid-term review of the 9th Malaysia Plan.

The five-year development blueprint is aimed at achieving 6.0 percent growth annually until 2010.

"The increase is... to cater for the rising cost of implementing existing projects as a result of the rising prices of building materials," he said.

mid term review 9th malaysia plan federal govt development allocation of the 9th malaysia plan by thrust 260608Abdullah said it would also cover regional development programmes which have been rolled out in poorer parts of the country, as well as boosting food production as commodity prices soar.

"Priority will be given to people-centric projects - projects which provide amenities and which impart direct benefit to the people, such as water supply, electricity ... poverty eradication and public safety," he told Parliament.

Abdullah defended his government's decision to hike petrol prices by 41 percent earlier this month, in view of spiralling global oil prices which had sent the cost of subsidies skyrocketing.

"The reality is that our nation faces difficult challenges, caused by external factors which are outside of our control," he said.

"In the face of these difficulties, the government must have the courage to make decisions and initiate changes that will preserve public prosperity and national interest in the long term."

Gov't to continue slashing fuel subsidies

Sulaiman Mahboob, head of the nation's Economic Planning Unit, said the government would continue to reduce fuel subsidies so that its expenditure was "systematically and gradually reduced".

Mahboob confirmed there would be major cuts to planned infrastructure projects.

"There will be no allocation for the Penang Monorail and the Penang Outer Ring Road under the 9th Malaysian Plan," he said of the projects which were estimated to cost the government about RM3.5 billion.

Mahboob said that of the new RM30 billion allocation, RM10 billion will be spent on various regional development programmes while RM3 billion will go to food security and RM2 billion

on rural infrastructure.

Impoverished Sabah and Sarawak will receive RM2 billion, RM3 billion will go to a strategic investment fund and another RM3.1 billion is to be spent on information-technology projects.

The government will also allocate RM1.5 billion to public transportation with another RM1 billion to be spent on low- and medium-cost housing, he said.

Malaysia has been hit badly by the rising cost of fuel and food, which Abdullah said could soar from a 22-month high of 3.8 percent in June to as high as 5.0 percent this year.

On Tuesday, Second Finance Minister Nor Mohamed Yakcop said the government was maintaining its growth forecast of between five and six percent for 2008, down from 6.3 percent last year.

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