

Najib: Gov't looking at ways to cut spending
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The government is looking at ways to cut back on its expenditure, said Prime Minister Najib Razak.

While there might be a slight reduction in terms of operating expenditure, it would not affect the efficiency of the government, he told a press conference after being briefed by Bank Negara's Board of Directors here today.

He said government was at present spending an extra RM1 billion a month, over and above what was the normal, following the pump priming measures that were introduced.

He also said that the government was committed to this spending until the end of 2010.

"Beyond 2010, we hope that the external economic environment would improve considerably, with enough momentum domestically and internationally to ensure Malaysia is on a much more positive trajectory in terms of economic growth," Najib said.

Spending has been more prudent

According to Najib, government spending had to be more prudent in terms of value for money, which includes procurement as well.

He said moving forward, more targeted subsidies, have to be given to deserving people.

"We are mindful of the need to rein in the fiscal deficit," he added.

The government has forecast that the budget deficit would hit 7.6 percent of the gross domestic product (GDP) this year.

Najib said the upcoming budget would addresses these issues, especially in terms of looking at ways of of expanding the government's revenue.

"However, the needs of the people will not be left out. The budget will be within the scope of our means and it will be people first", he said.

As to whether the goods and services tax (GST) would be implemented, he added that, no decision had been made as yet.

- *Bernama*

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