

Is it an election budget?
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KUALA LUMPUR – Just a few days before the 2011 Budget was tabled by Prime Minister and Finance Minister Najib Abdul Razak, there was intense speculation that it could be an election budget.

The postponement for the second time of the Goods and Services Tax had intensified speculation as analysts were looking for more clues such as the possibility of a reduction in income tax, increase in sin tax and one month bonus for civil servants.

However, when it was tabled with some tax cuts, they believe that it is still far from an election budget as the entire national budget is merely moving towards improving the wages of the lower income group, largely below the RM3,000 income bracket, and the government delivery system in line with the desire to turn the country into a high-income economy.

"If you ask me whether this is an election budget or not, I will say it is not. The other vital ingredients for an election budget are missing," said economist and former Human Resource Minister Dr Fong Chan Onn (*pic*).

Fong, the former dean of the Economics Faculty of Universiti Malaya, said the budget was moving towards improving the government delivery system in order to be a high-income nation.

"If you look carefully, the increase in the service tax from five to six per cent is to prepare for the GST implementation, probably at 4% in the near future. So, the notion that postponing the GST Bill was a sign that the election would be near does not hold water," he said.

As for the Opposition, they still argue that the 2011 Budget is an election budget as they claim the government has included several election measures such as allocating RM500mil for Class F contractors, raising the monthly allowance for Village Security and Development Committee chairmen, and increased spending for the supply and services sectors.

"I still believe that it is an election budget. It looks like they (BN government) are preparing for the general election," said DAP member of parliament for Petaling Jaya Utara, Tony Pua.

His view is shared by political analyst Prof James Chin at Monash University in Malaysia.

"The last time, the civil servants didn't get much and this time, the prime minister gave an incentive of RM500 to tide over the additional burden of school uniforms and books for those with schoolgoing children," he said.

To political analyst Dr Sivamurugan Pandian, the 2011 Budget is not an election budget as it is more a move by the prime minister for a balance between human capital development and infrastructure development.

"This could be the first step towards the elections, but it's not an election budget," the Universiti Sains Malaysia lecturer said in a *Bernama* report.

"The way I look at it, the prime minister is actually focusing on a budget that can help him get the end results of the Government Transformation Plan and Economic Transformation Plan."

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