

**MCA President Budget 2012 Statement**

**MalaysianMirror.com**

**October 08, 2011**

**Dr Chua Soi Lek**

MCA welcomes Budget 2012 which was announced by the Prime Minister today. The theme of the budget - "Welfare for the Rakyat, Well-Being of the Nation" is very timely and appropriate in view of rising living costs worldwide.

Although the world economy is not in a good shape due to the debt crisis and financial instability, with the government's Economy Transformation Programme (ETP) in place, we are confident that we may still achieve economic growth of 5% to 5.5% next year.

We are convinced that the deficit will also be reduced from 5.4% to 4.7% of the Gross Domestic Product (GDP) next year and this will fulfill the Prime Minister's pledge in reducing the deficit.

To stimulate the country's economy, the government should encourage more Private and Public Investment (PPI) and we are optimistic that the PPI is forecasted to increase by 15.9% (private investment) and 7%, (public investment) supported by foreign investment, the ETP and the 10th Malaysia Plan.

To combat inflation, we are glad to know that a huge amount of RM33.2billion for all subsidies, incentives and assistance will be continued.

We laud the "People First" initiative by the government to offer a one-off grant of RM500 to households with a monthly income of RM3,000.

It is apt for the government to waive the school fees for primary and secondary education, making these free for the first time in our history; and to offer RM100 cash allowance to all primary and secondary school students as well as an RM200 cash voucher for tertiary students to buy books.

The MCA supports the government's decision to raise the retirement age of civil servants from the current 58 to 60 years and this is long overdue as average life span has increased by 20 years since the country achieved independence. Hence we hope that the private sector to follow the initiative undertaken by the government.

We need to improve public delivery system so that the country can be more competitive. Hence, changes in remuneration and recruitment including an exit policy for low performers are needed.

The MCA is glad that the government has allocated RM100million each for SJKC, SJKT, Sekolah Agama Bantuan, etc; However, we need to know more about the details of the allocation from the Education Ministry.

The party also welcomes tax exemption for educational institutions and all places of worship.

As for the Small and Medium Enterprise, the RM2billion Syariah-compliant SME Financing Fund and the RM100million SME Revitalisation Fund offering loans up to a maximum of RM1mil for entrepreneurs which will be available in 2012, are a positive measure to keep the industry vibrant but the amount is grossly inadequate.

In recognition of the retired armed forces and police who defend the country, we support the one-off grant of RM3,000 to them as a form of appreciation.

The Rural Transformation Programme is also needed to ensure that people in the rural areas are included in the national transformation agenda.

**DR CHUA SOI LEK - 7th October 2011**

(The views expressed above belongs to the author in its entirety and does not represent the opinion of Malaysian Mirror in any way)

Copyright © 2011 [www.malaysianmirror.com](http://www.malaysianmirror.com)

Source: <http://www.malaysianmirror.com/media-buzz-detail/6-nation/55147>