

**2012 Supplementary Budget - Another Example Of BN's 3Ds**  
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BN's RM13.8 billion 2012 supplementary budget tabled this June in Parliament is another example of BN's 3Ds of Deficits, Debts and Deceit as compared to PR's state government's record of 3S Surplus, Sustainable debt reduction and Straight talking.

When this figure is added to the projected RM 45.9 billion projected deficit in the 2012 budget, we would arrive at a total deficit of RM59.7 billion, the highest in Malaysian history.

This would easily put Malaysia's deficit as a % of GDP at more than 6% in 2012, which is significantly higher than the initially projected 4.7%, especially if the widely anticipated worldwide economic slowdown hits Malaysia. The fiscal irresponsibility of the BN government is proven by the fact that the additional funds will be spent on the extra RM 1.5 million allocation to BN MPs from this supplementary budget while non-BN MPs including those from Pakatan Rakyat will be given nothing.

The already bloated Prime Minister's Department has asked for an additional RM112 million to spend including RM30 million for a National Branding Unit. One wonders why Malaysia needs a Branding Unit when there are already existing Ministries such as the Tourism Ministry and Agencies such as MATRADE which promote Malaysia and Malaysian companies within and outside the country.

Good companies which make good products coupled with good governments which implement good policies are sufficient to increase the brand profile of a country. Just think of what Samsung has done for Korea and what Apple has done for the United States, without the need of a National Branding Unit.

An additional RM360 million has been allocated to the Election Commission and yet the EC cannot even do a proper job of cleaning up the electoral roll not to mention implementing some of the proposals of the Parliamentary Select Committee on Electoral Reform.

The strategy of going to the taxpayers to fund more of its irresponsible spending habits is not something new for the BN. It requested for an additional RM 13.2 billion in June 2011 and an additional RM 10.3 billion in March 2012 for the 2011 Budget.

As of Quarter 1 of 2012, government debt stood at RM 470 billion. If we include the expected deficit from the 2012 budget, our government debt will easily increase to beyond RM500 billion by the end of the 2012. And this does not even include the worrying increase in the contingent liabilities that are not officially on the books.

These contingent liabilities are loans which will be paid by the taxpayer if the companies in question such as MAS have to be bailed out. Estimates of these contingent liabilities at the end of 2011 stand at approximately RM 110 billion. If contingent liabilities are added to official government debt, our debt to GDP ratio would stand at over 65% at the end of 2012, which is well above the statutory limit of 55% debt to GDP ratio.

The last time this country ran a budget surplus was in 1997 when Anwar Ibrahim was still the finance minister. Since 1997, we have experienced 15 consecutive years of budget deficits. Our government debt has increased from RM89 billion to RM 470 billion as at March 2012. Our government debt has increased 5 fold since 1997 while our GDP has only increased by threefold.

In contrast to BN's dismal financial performance, PR state governments have recorded surplus after surplus every year and even managed to reduce our debts sustainably.

Penang reduced our debts by a whopping 95% or RM600 million from RM630 million to only RM30 million

by end 2011. All this was achieved not by BN's deceit but by straight talking of running a clean government based on CAT governance of competency, accountability and transparency. Only by voting out this BN government in the next general election can this perpetual cycle of deficits, debt and deceit be stopped.

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