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PRIME NEWS

Najib: Govt working to ease people's burden

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COST OF LIVING:
'External factors putting pressure on nation's economy'

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THE government fully understands the problems faced by a majority of Malaysians because of the rising cost of living.

Prime Minister Datuk Seri Najib Razak, in an audio message yesterday, said the government was coming up with measures to ease the people's burden.

He said he had to explain the real reason behind the increase in the prices of goods and services.

"First of all, it is because of external factors, which are putting pressure on the country's economy.

"When global oil prices drop, the government's revenue is reduced.

"In this context, we are going to see a decrease (in revenue) of approximately RM30 billion next year."

Therefore, he said, it was difficult for the government to intervene, such as by increasing subsidies.

Najib, in using an analogy to ex-

plain the issue, likened the situation to an individual whose income had been reduced, which resulted in the individual having a limited spending ability.

"This is similar to the government, as we have limited ability and capability when the country's revenue sees a decrease."

Secondly, he said, when revenues declined, investors sold the ringgit to invest in countries that were unaffected by the fall in global oil prices.

He said as a result, "the value of our ringgit becomes smaller, and therefore, it causes the prices of imported goods to become more expensive".

"If you look carefully, the ringgit trend is almost parallel to the trend of oil prices."

He said there were several irresponsible quarters who tried to confuse the public about the real cause behind the rising prices of goods and services, and the decline in the ringgit.

"They are trying to blame the government for everything, whereas the government is working hard to find ways to control the prices of goods that have increased because of external factors.

"For example, the government recently announced special discounts to be applied to public transport in the country."