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# Govt study to tackle rising cost of living

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> Will focus on essential goods, services and income needs

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**PUTRAJAYA:** The government, which is scheduled to table the 2017 Budget on Oct 21, 2016, said prices of essential goods and services and income needs to be examined closely to address the rising cost of living.

"Malaysians (generally) spend 31.2% of their disposable income on food, 23.9% on petrol, housing and utilities, and 14.6% on transportation," Second Finance Minister Datuk Johari Abdul Ghani said in his opening remarks at the 2017 Budget focus group meeting on cost of living yesterday.

With the change in life-style, Johari said the basket of necessary goods today

includes cars, handphones, computers and internet access.

"With the increase in the general price level, it is argued that the B40s and M40s are finding it difficult to sustain their standard of living," he added.

According to Economic Report 2015/2016, the B40 (bottom 40% household income) group comprises households with a monthly income of up to RM3,855, while those in the M40 group (middle 40% household income group) earn between RM3,860 and RM8,319.

Johari said the first focus group meeting yesterday summarised six items to be further examined, including cost escalation of food, education and transportation, as well as other necessity items like handphones and internet, and the ability to get finance from the institutions to buy houses.

"We will look into all these in detail and see how we can think about coming up with

the formula (that we need) to have," he noted.

Over the years, Johari said the government has undertaken several measures to enhance the wellbeing of the rakyat, including the Malaysia People's Aid (BR1M) cash assistance and subsidies on essential items.

In addition, he said low-income families receive support through various welfare programmes, while the middle-income group benefit from a reduced income tax regime, and higher tax reliefs.

Johari said the Ministry will organise 15 series of focus group meetings to discuss in detail issues highlighted during the consultation and obtain views and recommendations for consideration in the 2017 Budget.

The focus group meeting aims to discuss on issues and challenges to address the rising cost of living.