

# PM: We can't meet all demands

## Impossible to increase subsidies with lower taxes, says Dr M

By **ZAKIAH KOYA**  
zakiah@thestar.com.my

**KUALA LUMPUR:** Budget 2020 will take into account the wishes of the people but Prime Minister Tun Dr Mahathir Mohamad said that not all demands can be met.

Dr Mahathir said that while the people may want lower taxes and increased subsidy, having one will lessen the other and be contradictory if placed in the same budget.

"I read in the papers, what the people want are lower taxes and increased subsidy - that is contradictory.

"You can't have lower taxes and increase in subsidy. There must be a balance between the two.

"We can try to lower the taxes but the government must have money.

"If you are going to give subsidies, you must have money.

"If you lower too much, you have no money and you cannot subsidise.

"But subsidies now will be given,



not just outright to everybody. It will be given to deserving groups of people, even among the B40, there are people who will not need subsidy.

"We are going to detail who should receive subsidy from the government," said Dr Mahathir.

Budget 2020 will be presented in Parliament today by Finance Minister Lim Guan Eng.

This will be the second annual budget under the Pakatan Harapan government.

Dr Mahathir was speaking to the media after launching the

International Greentech and Eco Products Exhibition and Conference Malaysia (iGEM) 2019 at the Kuala Lumpur Convention Centre here yesterday.

He further said that the principle of the government has always been to tax the rich more than the poor.

A public poll reported yesterday that reducing personal income taxes and increasing subsidies for rice, flour, cooking oil and other essential items are the two most popular choices on *The Star* readers' wishlist.

These were the two top choices among respondents of a poll by *The Star* when asked what they thought was the best way to reduce the impact of a higher cost of living ahead of the Budget to be presented today.

At a Budget 2020 consultation meeting on June 27, Lim stated that the emphasis of Budget 2020 will be on how to create jobs with the right pay to commensurate with the skills.

He said that the government was actively managing the high living costs faced by the people.

Inflation rates remained low and stable at 0.2% for March, April and May 2019.

Lim pointed out that higher wages were important to meet living costs as there will not be much gross domestic products growth if wages of the people remained low.

"To have higher growth, the only sustainable way of doing so is to raise productivity. The government has identified Industry 4.0 as the new source of productivity and economic growth.

"This specifically means the digitalisation of the economy and wider application of new technology such as artificial intelligence, big data and robotics in our daily life," he said.

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