

All eyes on Anwar's federal spending plan

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PETALING JAYA: With about a month before the revised Budget 2023 is tabled, expectations are running high on Prime Minister Datuk Seri Anwar Ibrahim's federal spending plan.

Economist and former civil servant Tan Sri Ramon Navaratnam said the revised Budget must be a "breakthrough" in terms of government revenue and expenditure.

"Anwar, with all his experience and knowledge, must have his expressed views on reforms reflected in the Budget. If this does not come true, the narrative will not change and people will be disap-

pointed," he said.

Ramon, a former Treasury deputy secretary-general, proposed the return of the goods and services tax (GST), removing subsidies favouring the rich, and providing financial facilities and relief to the poor.

"So, one proposal will be to break all the supply bottlenecks. This is not new as we have been dealing with inflation for long and Anwar can go through the data, speak to the relevant officials and come up with a good proposal to fight inflation," he added.

Ramon also called for breaking down the barriers of alienation and extreme protectionism, which he said only produced an uncompetitive and subsidised mentality.

Former Bank Negara deputy governor Tan Sri Lin See Yan said the revised Budget 2023 must be a federal spending plan that would last the next 18 months, so that foreign investors would be attracted to Malaysia.

"Investors must be able to see the plan for the future. Otherwise, investors are not going to invest," he said.

Lin said political stability would be crucial to ensuring that policies could last long.

"The government must act as one. This means Anwar has to bring all senior ministers and supporters together and think beyond the 18 months," he added.

Geoffrey Williams, an economics

professor at the Malaysian University of Science and Technology, said he is expecting the revised Budget 2023 to be worth around RM345bil, following adjustments in view of inflation.

"If revenue remains similar as last year's RM285bil, then the deficit would be only RM60bil or less than 4% of GDP," he added.

He said Anwar's top priority should be stabilising spending and revenues to reduce the deficit.

"This involves more efficient spending, removing unnecessary expenses and improving accountability across all the government departments," said Williams.

Centre for Market Education CEO Dr Carmelo Ferlito said in order to

tackle inflation, the government must table a smaller federal Budget.

"Inflation is given by excess money in circulation," added Ferlito, who advised the government to introduce income tax reduction and to return to the GST mechanism.

Anwar, who is also the Finance Minister, is scheduled to table the revised Budget 2023 in Parliament on Feb 24.

Last October, then Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz tabled a RM372.3bil Budget 2023, which was the largest in Malaysian history.

However, shortly later, Parliament was dissolved to pave the way for GE15.