

Najib says forced to help urban poor
The Malaysian Insider
November 30, 2011
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KUALA LUMPUR, Nov 30 — The government must intervene to ease the burden from the surge in urban cost of living, Datuk Seri Najib Razak said today.

The prime minister said the "trend of urbanisation" has resulted in a growing number of urban poor who "need immediate government intervention."

Najib said that since independence in 1957, those living in urban areas had increased from 11 per cent to 70 per cent of the country's total population.

"The effects of poverty are heavier in cities as compared to rural areas due to the higher cost of living and the lack of community support," he said when tabling the Perumahan Rakyat 1Malaysia (PR1MA) Bill for its second reading in Parliament.

He added that PR1MA, which aims to increase the supply of medium-cost urban housing, and other initiatives such as the Kedai Rakyat 1 Malaysia thrift store, low-cost medical care from Klinik Rakyat 1 Malaysia and affordable food from Restoren Menu Rakyat 1 Malaysia "should be increased and integrated into urban life."

Najib's administration has grappled with rising cost of living especially since inflation hit a two-year high of three per cent in March, while the World Bank reported that wages have only increased by 1.9 per cent per year since the 1997 Asian financial crisis.

The consumer price index has continued to hover over three per cent as Putrajaya has allowed the price of essential items such as fuel, electricity and sugar to rise to keep its subsidy bill under control.

The government will spend RM2 billion next year to increase wages in the civil service by as much as 13 per cent.

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