

Najib: BR1M funded by strong domestic economy
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BUKIT BERUNTUNG, Jan 6 — Datuk Seri Najib Razak made the case today that the country's finances were sound, insisting a strong domestic economy had helped fund the government's "Bantuan Rakyat 1 Malaysia" (BR1M) cash handout programme.

The prime minister added the programme had not worsened the country's budget deficit, saying instead the deficit had decreased despite the additional cash handouts.

Under BR1M, Najib had pledged when tabling Budget 2012 last year to disburse RM500 to each household with a collective monthly income of below RM3,000.

"I would like to say that when we offered the RM500, we made the offer responsibly. It was not at the expense of our budget deficit.

"This was the result of our administration's successes," he said in his speech when launching the Komuniti 1 Malaysia carnival this evening.

Najib also denied claims that the government purportedly had to borrow from the World Bank to fund BR1M.

He denied the allegations, saying the Malaysian government had last borrowed from the World Bank in 1998 and had not needed to continue doing so since then.

"As the Finance Minister, I would like to state clearly here that the allegation is not at all true.

"Malaysia last borrowed from the World Bank in 1998, the sum of US\$400 million (RM1.3 billion) and from thereon, we never borrowed again because of a strong domestic economy, which was the source of the RM500 (under BR1M)," he said.

Najib challenged the opposition to furnish proof of their claims, saying that the ruling Barisan Nasional (BN) pact is confident that the truth will prevail in its favour.

"We have no fear. Because we are grounded in the truth," he said.

The Finance Ministry said in a media statement recently that the government was still able to channel financial assistance through BR1M due to increased revenue collection and strong economic growth last year.

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