

**Pakatan calls for RM22b subsidies, RM6b raise for civil service**  
**The Malaysian Insider**  
**Oktober 04 , 2011**  
**By Shannon Teoh**

KUALA LUMPUR, Oct 4 — Pakatan Rakyat (PR) proposed Putrajaya sets aside RM22 billion for subsidies and another RM5.9 billion to raise 1.3 million civil servants' wages, citing rising cost of living.

The federal opposition unveiled today its alternative budget for next year which it said would maintain public spending at RM220 billion, trimming the budget deficit to 4.4 per cent or the equivalent of RM14 billion.

Opposition Leader Datuk Seri Anwar Ibrahim said in his speech that PR would achieve this by cutting the Prime Minister's Department's allocation by RM10 billion and reviewing government procurement.

"It is not a question of broadening the tax base. Trimming the deficit must focus on controlling expenditure and ensuring good governance," the PKR de facto leader said, referring to Barisan Nasional's (BN) proposed goods and services tax (GST).

Anwar (picture) added that PR would implement a RM1,100 minimum wage which will immediately benefit 300,000 civil servants earning below that base.

"The restructuring of civil service wages due to the introduction of minimum wage will involve an annual allocation of RM5.9 billion," the former deputy prime minister said.

The Permatang Pauh MP also said that RM22 billion must be maintained for subsidies to avoid any rise in fuel prices and keep inflation, that has persisted at a two-year high of over three per cent since March, under control.

The Najib administration has seen its subsidy bill double to RM22 billion despite price hikes to basic goods such as fuel, electricity and sugar earlier this year.

The government said that this was to ensure that the deficit, which hit a two-decade peak of over 7 per cent in 2009, would be kept under 5.4 per cent this year.

But Anwar said the deficit is now expected to breach 6 per cent, pushing public debt to 53 per cent of the GDP.

BN has traditionally held strong in areas with large populations of civil servants such as Putrajaya, an important vote bank for the ruling coalition.

But with economic growth slowing from 7.2 per cent last year to just 4.4 per cent in the first half of 2011, Datuk Seri Najib Razak has said Friday's Budget 2012 will tackle the rising cost of living.

The prime minister is expected to "break the bank" by including announcements such as a new civil service pay scheme that will see wages rise by as much as 40 per cent.

The Malaysian Insider

Copyright© 2011 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/malaysia/article/pakatan-calls-for-rm22b-subsidies-rm6b-raise-for-civil-service/>