

Budget will boost private consumption, says Khazanah
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By Lee Wei Lian

KUALA LUMPUR, Oct 7 — Budget 2012 will induce higher consumption which will help the country weather the current global economic uncertainty, said Nungsari Ahmad Radhi, executive director of Khazanah Research and Investment Strategy.

He said the deteriorating external environment was particularly challenging to Malaysia which will now have to rely on domestic sources of growth.

“There is a discernible shift towards bite-sized, direct transfers that have a broad reach and direct impact on people’s lives and private consumption numbers,” he said.

He added that that the budget exhibited fiscal discipline and it was “a very efficient budget that manages immediate needs in an uncertain environment,”

Prime Minister Datuk Seri Najib Razak promised today cash handouts, more money for civil servants, schools and a fund for “high-impact development” projects as part of his Budget 2012 measures to put cash in the pockets of the public and to help cope with the rising cost of living.

The government will offer a one-off RM500 cash handout to households with a monthly income of less than RM3,000, a RM100 cash aid and RM200 book vouchers for students.

Civil servants got a direct financial boost from the budget as some 600,000 government pensioners received an additional annual pension increment of two per cent and civil servants will see their pay packets rise between RM80 and RM320.

Ex-members of the special constabulary and auxiliary police as well as widows and widowers meanwhile received RM3,000.

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