

DAP says budget will soothe now but hurt later
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By Shannon Teoh

KUALA LUMPUR, Oct 8 — DAP said today that the handouts in Budget 2012 are “a sugar-coated placebo” as the lack of reforms will “only tax you more later.”

Publicity chief Tony Pua said that while “goodies big and small were liberally handed out to practically all segments of society” in the budget tabled yesterday, the ruling Barisan Nasional (BN) failed to present “transformative changes to achieve high-income nation” status.

“There is little in the federal government’s budget that indicates a determination to slaughter sacred cows and take the Malaysian economy to the next level,” he said in reference to Putrajaya’s Economic Transformation Programme which aims to double per capita income by 2020.

“The budget announced by the prime minister has instead chosen to prescribe painkillers which will ease the public’s suffering in the short term without the medication to cure the actual illness,” the Petaling Jaya Utara MP said in a statement this morning.

Datuk Seri Najib Razak had pledged wage increases for the civil service worth RM2 billion and a RM2.5 billion direct assistance package to poor households and students.

But Pua (picture) said that while the federal opposition had also proposed similar cash grants in its alternative budget, Pakatan Rakyat (PR) also “matched its welfare benefits with policies to rectify the distortions created by the current government to reduce inflationary pressures over the longer term.”

PR had presented its shadow budget on Tuesday, calling for the end of government-backed monopolies by companies such as Bernas in the sale and distribution of rice and “predatory market strategies by Telekom Malaysia to stifle competition” in the telecommunications sector.

It also proposed that all Approved Permits to import cars will be auctioned to eliminate rent-seeking while increasing government revenue by RM1.2 billion.

Pua added that PR’s commitment to a minimum wage of RM1,100 will increase the attractiveness of hiring local workers as opposed to foreign workers while phasing out low value-added industries.

Najib had promised 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 voters ahead of a general election expected soon.

The government said 2012 will see economic growth of between 5 to 6 per cent with the fiscal deficit shrinking to 4.7 per cent from 5.4 per cent in 2011 as it reduces development spending.

But analysts have said that Putrajaya's projection for economic growth is too high, while the opposition has pencilled in just a 4-4.5 per cent growth in its alternative budget.

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