

**Najib: Budget 2012 to tackle rising costs**  
**The Malaysian Insider**  
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KAMPAR, Sept 24 — Datuk Seri Najib Razak today promised “surprises” for Malaysians in Budget 2012, saying it will focus on tackling the surge in living costs and strengthen the local economy.

The prime minister, however, would not reveal what these “surprises” are despite speculation that he is considering dishing out hefty bonuses or salary increases to civil servants, a tactical move said to be timed for the coming polls.

“Let’s wait and see. I’m fond of giving surprises,” he was quoted as saying on Star Online after launching the Tanjung Tualang 1 Malaysia Carnival here during his day-long visit to Perak.

Najib (picture) is due to table Budget 2012 in Parliament on October 7.

He also reportedly gave his assurance that the government was taking steps to ensure the local economy remained resilient despite the global economic meltdown.

The Malaysian Insider reported on Thursday that the prime minister is mulling doling out a hefty bonus or pay increases for all 1.3 million civil servants in Budget 2012, a move seen as an attempt to counter rising costs and keep their support ahead of the next general election.

This news portal understands that Najib has asked the Finance Ministry to work out the cost of either option. The move is similar to what former Prime Minister Tun Abdullah Ahmad Badawi did in 2007, a year before calling for polls.

But Opposition Leader Datuk Seri Anwar Ibrahim sniped at Najib for his plan, saying the administration should first stop corruption and cut back on unnecessary spending before dishing out bonuses to buy votes.

Putrajaya has said that price hikes to fuel, sugar and electricity were necessary to keep a subsidy bill from doubling to RM21 billion this year, as it seeks to reduce its deficit budget that hit a two-decade peak of seven per cent in 2009.

In May 2007, then-PM Abdullah announced a salary increase of between 7.5 per cent and 42 per cent from July 1, 2007 for civil servants, the police and the armed forces. Abdullah also announced a 100 per cent increase in the cost of living allowance (Cola) of RM300, RM200 and RM100 depending on location.

He had said the pay rise could be given because of the average growth rate of the Gross Domestic Product (GDP) of 5.6 per cent, the effect of fuel prices on lower-income groups, trade volume that had reached RM1 trillion, positive trends of Bursa Malaysia which reached record highs and improved tax collection.

Najib is facing a similar situation but the world economy has taken a beating and Malaysia’s GDP has slowed down this year to 4.4 per cent for the first half against the same period last

year when it grew 9.5 per cent last year.

The official GDP growth target for the year is between 5 and 6 per cent.

The country's sixth prime minister is banking on his New Economic Model (NEM) pillars of Economic Transformation Programme (ETP) and Government Transformation Programme (GTP) to push the country to developed nation status in 2020 with some RM1.7 trillion in GDP.

His efforts have helped woo RM21.3 billion in foreign direct investments in the first half of this year compared with RM12.1 billion for the same period last year.

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