

Half-month Raya bonus for civil servants, RM500 for pensioners
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Najib (left) laughs together with members of his Cabinet before a "buka puasa" event at Seri Perdana in Putrajaya, August 8, 2011. — Picture by Choo Choy May

KUALA LUMPUR, Aug 8 — The Najib administration will pay out a half-month bonus to 1.3 million civil servants and RM500 to 600,000 government pensioners ahead of Hari Raya amid public concern over rising inflation.

Datuk Seri Najib Razak, who is expected to call a general election within the year, said that the funds "can lighten the burden... for the upcoming Aidil Fitri celebration."

Hari Raya Aidil Fitri, which falls at the end of the month, is expected to see muted celebrations after the consumer price index hit a two-year high of three per cent in March and continued to rise to 3.5 per cent in June, when government subsidies for basic necessities were slashed.

Putrajaya said that the 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 budget deficit that hit a two-decade peak of seven per cent in 2009.

"This shows that the government is always concerned about the welfare of civil servants and government pensioners. The awarding of the bonus is a mark of appreciation of all civil servants," the prime minister added.

Barisan Nasional (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 in the landmark 2008 general election, where it ceded five state governments and its customary two-thirds majority of Parliament, BN saw its majorities cut in these areas and even lost the Shah Alam federal seat, previously considered an Umno stronghold.

Najib, who is also finance minister, said the two payments to be made in the middle of the month would entail an estimated expenditure of RM2 billion.

Putrajaya also made a similar payment last Ramadan, handing out RM500 across the board to all civil servants and pensioners, and amounting to a total of RM934.6 million.

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