

Opposition Promises Can Bankrupt Country
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By Shukran Shaharudin

KUALA LUMPUR, Aug 6 (Bernama) -- The opposition's ambitious promises, which include reduction of tax and fuel prices, abolition of the National Higher Education Fund Corporation (PTPTN) and provision of free higher education, could well cost almost RM200 billion to fulfill, and bankrupt the nation.

Since the 2008 general election, it has also promised to take over the highway concessions and abolish tolls, increase Sabah and Sarawak's oil royalty by 20 per cent, reduce import tax on cars and provide cash assistance to ensure a minimum household income of RM4,000.

Many may still recall the pre-2008 general election debate between the then Information Minister Datuk Seri Ahmad Shabery Cheek and Opposition Leader Datuk Seri Anwar Ibrahim, where the latter promised a reduction in fuel price immediately should the opposition form the federal government.

On the other hand, the current government continues with its various initiatives to ease the people's burden without jeopardising the country's finances.

Since Sept 1, 2009, the sale of RON92 petrol was discontinued and the price of RON97 was streamlined to the market rate of RM2.70 per litre, while RON95 was subsidised to be RM1.90 per litre.

This year, the government is also expected to spend RM18.92 billion in petroleum and related fuel subsidies, an increase of RM1.92 billion from last year.

The opposition has also asked Khazanah Berhad, the Employees Provident Fund and other government-linked companies to acquire highway concessions in order to abolish toll.

The resulting cost of such a move could be anywhere between RM50 billion and RM100 billion, equivalent to about 6.4 per cent of the country's Gross Domestic Product, which could have a big impact on its finances.

Whereas, the government is currently restructuring PLUS Berhad to ensure the status quo for toll rates at four highways for the next five years, as announced by Prime Minister Datuk Seri Najib Tun Razak.

Quoting Sabah Barisan Nasional (BN) secretary Datuk Abdul Rahman Dahlan, Anwar was reported to have promised to increase Sabah and Sarawak's oil royalty from five per cent to 20 per cent, and not to be outdone, others such as Datuk Dr Jeffrey Kitingan have promised up to 50 per cent.

Perhaps the sweetest opposition promise of all is the minimum pay of RM4,000 for both the public and private sectors.

This would surely involve a huge amount of funds to implement considering just the civil service staff of 1.2 million.

And would the private sector be able to afford such a sum considering their profit margins?

The Head of Research and Economics and Finance Cluster of the National Council of Professors (MPN) Prof Dr Shazali Abu Mansor was reported as saying such opposition moves were estimated at RM200 billion per annum and would only lead to an increase in taxes and external loans.

"The government would be burdened with as much as RM43 billion if the loans are not repaid. There are three governments, including Norway's, which provide free education but the taxes imposed on the people are high. Do we really want to burden the people by abolishing PTPTN loans? Surely, we don't want that," said Najib at a function in Johor.

The same goes for the opposition's proposal to reduce excise duties on cars, which would only reduce the nation's coffers by about RM7 billion and detract from government facilities to the people.

Meanwhile, BN and Federal Territory Umno Liaison secretary Datuk Syed Ali Alhabshee said such promises could cause the country to go bankrupt and spike the unemployment rate.

"It's not reasonable to make such rash promises without considering long-term consequences," he told Bernama.

Bayan Baru independent member of parliament Datuk Seri Zahrain Mohamed Hashim said the opposition can promise what they like but the issue is whether they can deliver the same.

He warned that people who fell for such promises would be taking a very big risk which they would later regret.

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