

Anwar stresses 'reasonable and realistic' economic forecasts
Malaysian Insider
October 01, 2012
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KUALA LUMPUR, Oct 1 — An effective economic policy is subject to “reasonable and realistic” forecasts based on real data, and not dishonest figures for political mileage, Datuk Seri Anwar Ibrahim said.

The opposition leader told Parliament today the effectiveness of a country’s economic policy, “whether through budget or periodic economic planning”, is to generate growth and improve the socio-economic standing of its people.

“It is subjected to reasonable forecasts based on real figures and data, and is then re-evaluated after scrutiny to see if its target has been achieved,” Anwar said.

“If not, the process of structuring a budget and economic plan is nothing but cheap political gimmicks,” he added.

He said the failure of meeting an economic growth forecast results in detrimental effects on the country’s economic status and welfare of its people, as well as an increased deficit problem.

“The failure to achieve the target of six per cent economic growth means between the years 2011 to 2013, the cumulative national revenue lost from tax collection has reached RM8.8 billion,” he said.

“This is the additional tax that can be collected by the government if the economy grows at a six per cent rate, not the four to five per cent rate it’s at now,” he explained.

Anwar also pointed out the federal government’s total expenditure this year to date amounts to RM21.6 billion — 9.4 per cent more than its approved spending in Budget 2012.

“Not all that amount is caused by pay rise for civil servants or subsidies announced, because supply spending has exceeded the approved budget by RM1.5 billion,” he said.

“With the country facing an increasing deficit, the government should be careful in displaying savings from a transparent procurement process, instead RM1.5 billion was spent beyond the approved amount,” he added.

Last week, Anwar said PR’s budget would present a more “realistic” picture of Malaysia’s economic situation next year, forecasting the size of the Malaysian economy at RM1,064 billion with an economic growth rate of 5.2 per cent, inflation rate of three per cent and a budget deficit ease of 3.5 per cent.

“BN has never fulfilled any of their economic forecasts. They have never been honest about their figures,” he said, pointing out that Putrajaya had failed to register the targeted growth of six per cent for eight consecutive quarters from Q3 2010 onwards.

"PR will be honest about the figures and, in turn, present a more realistic forecast on the direction of the economy."

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