

## **Najib confident of reducing gov't leakages**

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KUALA LUMPUR: Amid growing concerns over government leakages, Prime Minister cum Finance Minister Najib Tun Razak pledged today to reduce the wastage of taxpayers' monies through subsidy rationalisation, value-based management and the awarding of contracts.

"The government is handling this issue comprehensively. Besides subsidy rationalisation, we are also scrutinising our expenditure to ensure we get the highest value," Najib (BN-Pekan) told the Dewan Rakyat during the question session.

"For instance, if a project costs more than RM100 million, we will perform a value-based management and evaluate the project. If the figures don't match, we will re-examine the entire project," he explained.

He said the awarding of projects would also be based upon open or limited tenders, but stressed that in the latter case, the price offered must be deemed acceptable by the government.

"So we don't necessarily award contracts automatically," said Najib, whose administration had been accused of 'favouring cronies' such as tycoon Syed Mokhtar Al Bukhary.

Meanwhile, targeted subsidies would put a stop to wastage stemming from tourists or foreigners taking advantage of subsidised goods, or even smuggling, said Najib.

"Subsidy rationalisation is being implemented carefully to ensure minimal impact on the rakyat and to not burden them, especially those from the lower income group.

"Subsidy rationalisation also takes into accounts various aspects, including the inflation rate, the cost of living, the global economic situation and the targeting mechanism," said Najib.

### **'Country's finances still strong'**

The prime minister said that last year subsidies cost the government RM43 billion as opposed to the RM46 billion spent on development.

Subsidy rationalisation, he stressed, would balance out this 'lopsided' budget and allow the government to channel more of its finances into developing the country.

It would also help reduce the government's fiscal deficit, he said, noting that the country's finances had been in the red for decades.

"(But) fiscal deficit is not something that is bad. The country's fiscal position has been in deficit

since the late 1990s and this has not stopped the country from continuing to grow.

“However, the government has to ensure that the country’s finances are still strong enough to face any economic crisis in the future,” added Najib.

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