

Subsidy Rationalisation to Increase Allocation In RMK-11

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PUTRAJAYA, March 3 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak said the allocation for the development sector can be raised in the 11th Malaysia Plan (RMK-11) through the implementation of subsidy rationalisation.

He said more development had to be carried out particularly in the field of education such as the construction of additional schools and vocational schools, urban and rural roads, water treatment plants and flood mitigation projects.

"Each of this project is not small, the cost is considerable. Thus, we have to further increase expenditure for national development allocation.

"We cannot increase (allocation) by increasing debt because our economy will collapse then.

"I hope that in the RMK-11, we can increase allocation for development because we have to do much more," he said when delivering his message at the monthly assembly of the Prime Minister's Department at Dataran Putra, here today.

Also present were Deputy Prime Minister Tan Sri Muhyiddin Yassin, Chief Secretary to the Government Tan Sri Dr Ali Hamsa, Director-General of Public Services Tan Sri Mohamad Zabidi Zainal, and Ministers in the Prime Minister's Department Datuk Seri Abdul Wahid Omar and Datuk Seri Shahidan Kassim.

Najib, who is also the Finance Minister, said the government had spent RM22 billion as oil subsidy while another RM40 billion was for subsidies and incentives as a whole whereas only RM46 billion had been allocated for development expenditure.

"We notice that this is not balanced when we spend too much on subsidy, this will lead to leakages, wastage and injustice," he said.

Citing an example, Najib said that by reducing bulk subsidy to targeted subsidy, the government had allocated RM4.6 billion for the 1Malaysia People's Aid (BR1M) which would be channeled to 7.9 million households earning RM3,000 and less.

Realising the rise in the cost of living, Najib said the government was also concerned and immediately formed the special committee chaired by the deputy prime minister to take action to ease the burden of the people besides going down to monitor the prices of goods.

"Through the various measures taken, the prices of goods are now more stable.

We certainly give our attention to the problems of the people, when the economy gets stronger, we can help the rakyat, including the welfare of civil servants," he said.

Najib said that by implementing national policies which were inclusive and sustainable, the national economy was now on the right track to achieve a more impressive growth rate when it recorded a trade value of RM1.3 trillion which was the highest in history and an investment value of RM216 billion last year.

"We cannot be complacent with this achievement, but must strive for individual self-improvement and as a nation, we must endeavour to make improvements for the country so that we can attain a high and moderately high growth rate.

"Many other countries are still struggling to overcome numerous problems and the world economy is still uncertain. Thus, we must make preparations by taking proactive measures so that the national economic growth will be higher and Malaysia can become a developed nation by 2020," he added.

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