

Putrajaya continues to cut subsidies, says Pemandu
The Malaysian Insider
April 28, 2015

The government will continue to reduce other subsidies that distort the market, specifically in used car imports, shipping industry and small and medium enterprises (SME) corporate tax incentives to achieve a balanced budget by 2020, reported Bernama.

This is in tandem with the public reform goal of utilising government funds more efficiently in areas such as social nets for the deserving as well as healthcare sector, it said.

"Via public finance reform, government funds can also be channelled to education and other critical infrastructure for the rakyat," said the Performance Management and Delivery Unit (Pemandu) in its Economic Transformation Programme (ETP) Annual Report 2014 released today.

On the budget deficit, the government has achieved its largest fiscal reconciliation via the managed float pricing mechanism for RON95 petrol and diesel.

The only subsidy that remains is the super subsidy for public transport and selected industries including fisheries and river boats for rural areas.

Pemandu told Bernama that the declining trend of crude oil prices, which barely stabilised to around US\$50 (RM177) per barrel in December 2014, coupled with the impact of the catastrophic flood last year, has led the government to revised its 2015 Budget.

Under the strategic reform initiatives, it said the government collected indirect tax of RM159.64 million, surpassing the target of RM110 million, while direct tax revenue collection stood at RM1.990 billion as compared with a target of RM1.795 billion.

However, for accrual accounting, the government had only achieved 81.3% of the accrual accounting activities implementation in 2014 as compared with the initial target of 100%.

The government has pushed the target date for accrual accounting to January 2016 from January 2015 due to inability of the system development vendor to meet the deadline, it reported. – Bernama, April 28, 2015.

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