

Najib Shows Tough but Caring Side in 2016 Budget Recalibration

Bernama

Jan 29, 2016

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KUALA LUMPUR, Jan 29 (Bernama) -- When the going gets tough, the tough get going.

Prime Minister Datuk Seri Najib Tun Razak did exactly this and more when he announced yesterday a slew of prudent measures to recalibrate the 2016 Budget.

Across the board cuts in operating and development expenditures will result in savings of up to RM9 billion and prudence is the buzz-word now as the government takes the bull by the horns in dealing with the current global economic uncertainties.

Operating expenditure is certainly the government's toughest financial burden because unlike for development spending, it cannot delay or reschedule payment of salaries for its 1.4 million civil servants, for instance.

Job security has been the hallmark and a great tradition of the Malaysian civil service that has been the envy of many a developing nation.

Najib brought the biggest cheers to the civil service when at an event to mark World Customs Day on the same day as his revised Budget announcement, he assured that all civil servants would be retained and even the services of those appointed on contracts would not be terminated.

The government will also keep its promise of implementing the one annual salary increment for civil servants made in the 2016 Budget.

Amid media reports of pockets of retrenchments in the private sector, their employers would be well advised to take the cue from the government by deciding on such a move only as a last resort and to the barest minimum via exercising prudence.

The nation is of course not all about the civil service though it is the backbone of the administration and the government's delivery system, and the prime minister made it clear that his top concern is in alleviating the burden of the rakyat.

As he rightly pointed out, the reality is that Malaysia's economy is still stable with strong growth as well as resilient and competitive.

And the current situation is not due to the government's failure to plan but factors beyond the government's control, particularly the slump in the oil and gas industry leading to a drastic plunge in crude oil prices.

When Najib, who is also Finance Minister unveiled the 2016 Budget last October, the government's

capacity to spend was based on projections of crude oil price at US\$48 per barrel but it is now hovering around US\$30, and could very well go down further.

There are as usual many critics and doomsayers of the Malaysian economy as there are in any country with a robust opposition but let us not be distracted by illusions or perceptions when there are more than enough grounds to show that with the prudent measures being taken, it is going to be equally robust as well.

"Indeed, every decision that we make today is the best for the rakyat and will surely be recorded in history. Furthermore, Malaysia is neither a failed state nor a bankrupt nation as alleged," said the prime minister.

When Najib mentioned about what the government decided today would surely be recorded in history, it is not far-fetched to suggest that what he meant was his decision to go ahead with implementing the goods and services tax (GST) from April 1 last year despite widespread public protests.

If the prime minister had wanted to always base his leadership on populist moves, certainly he would abandon or postpone the GST but as it turned out, he has not only proven his critics wrong, but very wrong.

Today, as he put it again yesterday, GST is the saviour of the people and this is not mere rhetoric.

Imagine what would have happened to the country had he gone with the popular anti-GST wave?

There would be a serious deficit with the huge shortfall in revenue contributions from national oil company Petronas to the national coffers with dire repercussions to the economy.

Within just 10 months since the GST was imposed, the Customs Department has collected almost RM24 billion from this new source of consumption tax alone.

The notable budget recalibration measures announced yesterday included a three per cent reduction on employees' contribution to the Employees Provident Fund (EPF) from March 2016 to December 2017 with contributions by employers to remain unchanged.

This measure is expected to increase public consumption expenditure by a whopping RM8 billion a year.

Creativity also features in the way the budget recalibration was devised and this is something very refreshing.

For the first time ever, the MyBeras programme is introduced under which every hardcore poor will be supplied with 20kg of rice every month until the end of this year.

This is certainly a more beneficial and creative move compared with the Selangor government's purely populist decision to allow people in the state to use water free of charge for the first 20 cubic

metres of consumption since the Pakatan Rakyat coalition came to power in the state in 2008.

Water conservationists have spoken out against the free-water move because it has led to tremendous wastages of this vital resource that has resulted in frequent supply shortages and disruptions in Selangor.

And Najib also brought the best news ever to first-time house buyers yesterday when he announced that with immediate effect, house prices up to RM300,000 for all new housing projects will be limited only to them.

This writer is of the view that first-time house buyers can't thank the prime minister enough for this gesture for only they know the 'trauma' of trying to own their first property when houses are snapped by speculators and those who can afford to buy multiple houses.

And back to the GST, by and large amid the sharp fall in crude oil price and the weakening ringgit, it is obvious that the crucial role it plays in topping up the economy has begun to sink in among the rakyat.

The phrase "When the going gets tough, the tough get going" was attributed to Joseph P. Kennedy, the father of former U.S. President John F. Kennedy, who himself came up with the phrase "Don't ask what the government can do for you, ask what you can do for the government".

The younger Kennedy's famous words are perhaps the best way for the rakyat to keep their faith on the GST moving forward as the government goes all out to address the economic woes.

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