

Kelantan acknowledges to receive deficit assistance due to limited sources of revenue

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KOTA BHARU, Sept 10 (Bernama) -- It was irrefutable that Kelantan has limited sources of revenue due its status as an agriculture state that put it among the recipients of federal government's Financial Deficit Assistance, said Deputy Menteri Besar Datuk Mohd Amar Nik Abdullah.

"However, Kelantan is not the only one that need deficit assistance from the federal government as all states in Malaysia need the assistance including the rich states such as Selangor, Penang and Johor," he told reporters at his office at the Kota Darulnaim Complex here today.

Mohd Amar was commenting on the statement by Finance Minister Lim Guan Eng that the federal government hoped the Kelantan government could manage the state's financial affairs more prudently, in addition to increase its revenue professionally and systematically.

Currently, Kelantan is the biggest recipient of the deficit assistance of RM363 million for the period 2013 to 2017.

Mohd Amar said the amount given by the federal government to Kelantan was not free as it was in the form of loan or deficit assistance that need to be paid and deducted from the annual allocation.

"It is unfair for Guan Eng to suggest the Kelantan government to be more prudent because we have always been frugal in our spending," he said.

“I would like to stress that the Kelantan government always spend its money wisely and because of this we have received the good financial management award from the Auditor-General.

He said there was no state that could be fully self-reliant, and it was necessary to obtain assistance from the federal government as stated in the National Financial Council’s record.

Mohd Amar also said the Kelantan government’s repayment record was very good.

“If the federal government does not want to give Kelantan the allocation, then it has to give us oil royalty as one of the Kelantan big revenues come from the royalty,” he said.

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