

## **After 61 years, a new govt to table first budget**

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KUALA LUMPUR, Nov 2 (Bernama) -- Today will go down in history as the first federal budget that will be tabled in Parliament by a new government since Independence in 1957.

The Pakatan Harapan-led government's 2019 Budget will be presented by Finance Minister Lim Guan Eng at 4 pm.

While the expectations are high, this could turn out to be one of the toughest budget amid a list of alleged misappropriations, dubious spending and a ballooning unjustifiable debt left behind by the Barisan Nasional-led government, making the fiscal balance sheet almost beyond fix.

Lim said recently that the upcoming 2019 Budget would be "difficult" as the government needed to reduce the RM1 trillion national debt to bring the economy back on track fiscally within three years.

"This means the new government would have to undertake a herculean task to clean up its balance sheet and at the same time steer the economy out of an impending economic slowdown in the coming years," Kenanga Investment Bank said in a Research Note.

The 2019 Budget allocation would be based on average crude oil price of US\$70 per barrel, although the benchmark Brent crude oil was nearing US\$80 per barrel currently.

The good news is that the government is determined to fix the mess left by the previous administration and it would not be done at the expense of the people's well-being.

To date, some indications point to the possibility of new taxes.

Speculations were a rife on the possible introduction of inheritance tax, capital gain tax, or even new taxes on soda and e-commerce.

However, Deputy Finance Minister Datuk Amiruddin Hamzah said the new taxes would not burden the people, and that their revenue would be used for the people, as well as to reduce the burden of repaying the national debt.

He said the revenue would be used for the upkeep of government operations to ensure the continuity of the development agenda, close the urban-rural development gap, as well as settle the government debt.

Prime Minister Tun Dr Mahathir Mohamad has also given his assurance that the budget would be designed to place Malaysia on a stronger footing, and ensure the prosperity of the rakyat and the next generation.

Besides possible new policies and “tough” measures, it would be interesting to see how the government would make up the shortfall in revenue due to the abolishment of the Goods and Services Tax (GST).

The government’s revenue for 2018 will decline to RM21 billion following the reinstatement of the Sales and Services Tax on Sept 1, 2018 to replace the GST. The net impact is a RM17 billion loss in the government’s coffers this year.

The new government obviously has to do more with less and it has do it with all its might.

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