

Smaller budget for next year

Written by Joy Lee

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KUALA LUMPUR: The upcoming Budget 2010 will likely be smaller than the previous year with a reduction in operating expenditure and the reviewing of subsidies to ease the government's deficits.

"It will be smaller. We are going to cut the operating expenditure and the Prime Minister has already reaffirmed that during his visit to Bank Negara," Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said at a press briefing yesterday after opening the National Accountants Conference here. However, he declined to comment on the quantum of the reduction.

The government allocated RM207.9 billion under the Budget 2009 last year comprising operating expenditure of RM154.2 billion and development expenditure of RM53.7 billion.

According to a recent report from Maybank Investment Bank, the budget could see a 10% trim in operating expenditure mainly from subsidies as well as supplies and services which amounted to a third of the expenditure. The budget is scheduled to be unveiled in parliament on Oct 23.

"What we are doing is to enhance the efficiency of the government for higher quality but at reduced cost," he said, adding among its efforts was to reduce unnecessary procurement and expenses on overseas travel.

The minister declined to comment on the government's expenses on development, but noted that the development expenditure would be the balance of allocations made under the Ninth Malaysia Plan (9MP). "We will utilise the balance under the 9MP, so this will be a completion of the 9MP development budget," he said.



PLATFORM FOR INTELLECTUAL EXCHANGE... From left: Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah, Malaysian Institute of Accountants (MIA) CEO Rosli Abdullah, MIA president Abdul Rahim Abdul Hamid and National Accountants Conference (NAC) 2009 organising chairman Sam Soh Siong Hoon in Kuala Lumpur yesterday at a handing-over ceremony of the World Congress of Accountants, which Malaysia will be hosting for the first time in November next year. Photo by Mohd Izwan Mohd Nazam

He said that the government would be looking at various options to boost its revenue to fund its expenses.

"We have a constraint on resources. We are looking at various avenues. For next year's budget, we will have an alternative source to enhance our financial resources," Husni said, adding that the national debt at this juncture was still manageable.

The New Economic Model, which will be launched next year as a precursor to the 10th Malaysia Plan, would emphasise the private sector's role in being the catalyst for future growth.

"Private investments over the past few years have been stagnant and we want to spur this so that they play a bigger role in our future growth," Husni said.

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