

Economist – Sabah needs huge specific allocation from Budget

NST 9.10.2019 4

KOTA KINABALU: An economist has expressed the hope that the 2020 National Budget will touch on increasing the number of more affordable housing and allocation for health and education as well as providing huge specific allocation for Sabah.

Universiti Malaysia Sabah (UMS) senior lecturer from the Financial Economics Programme, Faculty of Business, Economics and Accountancy, Dr Rafiq Idris (pictured) said increasing the number of low and medium cost housing in

Malaysia is vital as many people especially in the B40 and M40 groups still do not own a house.

Education and health, he said are among important sectors which contribute to the economy and the well-being of Malaysians.

“As such, the allocation for these sectors should also be increased,” he said.

And, for Sabah specifically, Dr Rafiq hoped the incentives for downstream activities would be introduced as this sector could further stimulate the state’s economy in the

long run.

According to him, the manufacturing sector’s contribution is than 10 per cent of the state’s GDP “and therefore incentive for this sector should be created and diversified”

“Furthermore, specific allocation for the improvement of water and electricity supply in the state is necessary.

“This is important for the wellbeing of the people and business community. Stable supply of water and electricity is also crucial in attracting

foreign direct investment into Sabah,” he said.

Meanwhile, Dr Rafiq said the 2020 Budget is being planned during an uncertain global environment - the world economy is slowing down and trade war is happening between the world major economies.

“This is a challenging environment for the government but I wish to emphasise that when the economy is slow, it is not a good idea to spend less because it will only make the economy move even slower,” he said.

