



Najib and Husni at the press conference to announce the subsidy rationalisation.

# Govt **will review** projects

MRT lines 1, 2 and 3 unaffected and will proceed as planned

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**PUTRAJAYA:** The Government has yet to decide which projects would be postponed, but maintained that the Mass Rapid Transit (MRT) project would proceed as planned, according to Prime Minister Datuk Seri Najib

Tun Razak.

He said the Government, in addressing the narrowing of the country's current account surplus on the balance of payments, would consider carefully the public sector projects to be undertaken.

"Projects with low import content and high-multiplier effects would be given priority, without jeopardising economic growth. However, projects with high import components would be sequenced accordingly.

"The MRT lines 1, 2 and 3 would proceed as planned," Najib said at a press conference to announce the Government's subsidy rationalisation yesterday.

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# Najib: HSR project still under negotiation

Also present at the event were Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah and Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar.

Najib said the Government might reschedule some of these projects, but did not name any.

On the high-speed rail (HSR) link between Malaysia and Singapore, Najib said the project was "still under negotiations".

Earlier, analysts had said that there was a high possibility that the Government would reschedule the multi-billion-ringgit HSR project. The Land Public Transport Commission has been carrying out a study on the HSR project. The study includes a detailed assessment on the technical and engineering aspects, cost, financial and operations, and benefits of the project.

On the fiscal deficit, he said the Government's

target was 3% of gross domestic product by 2015. "The ringgit's slide is a reflection of the external economy and woes beyond our control and it is not giving us undue stress," Najib said when asked on the lower ringgit.

The ringgit has depreciated by about 8% year-to-date. It reached a fresh three-year low of 3.34 against the US dollar last week.

Najib also announced that a subsidy rationalisation would be carried out in stages. In the first steps, he said, the prices of the RON95 petrol and diesel would be increased by 20 sen per litre, effective today.

Najib said the Government's total fuel subsidy allocation for 2013 was RM24.8bil. The reduction of subsidy would save the Government RM3.3bil per annum, he added.

However, he said given that it would only be implemented today, it would save some RM1.1bil.



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