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**Khazanah's Authorized Comments on Budget 2010**

**by Tan Sri Dato' Azman Hj. Mokhtar, Managing Director**

This was a delicate budget to craft given the trilemma of the fragility of the global economic recovery, the need to address the fiscal deficit and the urgent drive for structural transformation towards a more innovative and competitive economy.

Against this difficult backdrop, it was a balanced yet bold budget. The evidence of taking the bull by its horns is most apparent in the significant cut in government expenditure, the first in 23 years, and especially in operating expenditure. While the market and the public will await the crucial implementation details, the boldness of the budget is also evident in addressing difficult but pivotal issues such as the focus to reduce fuel subsidies, some early moves towards a more open and progressive automotive policy, preparing the ground for a broader tax base and tackling bureaucracy in critical areas such as education and human capital policies. The ongoing work and the repeated focus on NKRA's will certainly help support the need to get greater bang for the limited buck that a fiscal consolidation year will demand.

There is much for Khazanah and our Government-Linked Companies ("GLCs") to continue doing and supporting in this budget; from driving and aggregating private investments, implementing investments in niche growth sectors and continuing with our transformation program.

**End**