



MINISTRY OF FINANCE



Belanjawan 2024
**MALAYSIA
MADANI**


BUDGET SPEECH

20

24

ECONOMIC REFORMS, EMPOWERING THE PEOPLE



The background features a stylized mountain range with multiple layers of peaks and valleys. The colors transition from a light blue at the top to a darker blue and finally to a dark grey at the bottom, creating a sense of depth and atmosphere.

Belanjawan 2024 Speech

Copyright Reserved

All rights reserved. No part of this publication may be reproduced, stored in retrieval system or transmitted in any form or by any means electronic, mechanical, photocopying, recording and/or otherwise without the prior permission of:

Secretary General of the Treasury,
Ministry of Finance Malaysia,
Level 10, Centre Block,
Kompleks Kementerian Kewangan,
No. 5, Persiaran Perdana, Precinct 2,
Federal Government Administrative Centre,
62592 Putrajaya.

E-mail: belanjawan2024@mof.gov.my

Budget Speech is an annual publication released on the same day as the Annual Budget.

The 2024 edition is released on 13 October 2023.

Printed by:

Institut Penilaian Negara (INSPEN)
Jabatan Penilaian dan Perkhidmatan Harta,
Kementerian Kewangan Malaysia,
Persiaran INSPEN, 43000 Kajang,
Selangor, Malaysia
Tel : 03 8911 8800 / 8911 8888
Fax : 03 8925 8100
E-mail : webmaster@inspen.gov.my

This publication is also available for download at:
<https://belanjawan.mof.gov.my/>



Cover Rationale

The imagery selected for this cover captures the tranquil beauty of layered mountain ranges bathed in shades of blue. This serene landscape symbolizes the vastness of our aspirations, the various challenges we encounter at different stages of our journey, and the higher peaks of success and knowledge we aim to achieve. Much like the undulating peaks of the mountains, our nation has faced its ups and downs but continues to rise, fostering unity and striving for progress.

With the upcoming year's budget and plans, the Government commits to not only reaching new heights in economic growth and stability but also ensuring that every individual, like every peak in the range, plays a vital role in the nation's onward journey.

Contents

14 PREAMBLE

17 ECONOMIC PERFORMANCE AND CHALLENGES

FOCUS 1

GOOD GOVERNANCE FOR SERVICE AGILITY

20 Measure 1: Commitment to Fiscal Reform

31 Measure 2: Institutional Reform Agenda

34 Measure 3: Prioritising Services & Rakyat-Oriented Projects

FOCUS 2

RESTRUCTURING OF THE ECONOMY TO BOOST GROWTH

43 Measure 4: Revamping the Economic Structure

51 Measure 5: Empowering MSMEs

59 Measure 6: Supporting Primary Sectors

69 Measure 7: Sustainable Agenda & Energy Transition

FOCUS 3

RAISING RAKYAT'S STANDARD OF LIVING

81 Measure 8: Protecting the Welfare of the Rakyat

88 Measure 9: Empowering the Government Focus Group

96 Measure 10: Providing Excellent Basic Facilities

115 Measure 11: Strengthening Unity & Security

124 Measure 12: Wellbeing of Civil Servants

127 CLOSING

131 Appendix I - Touchpoints Budget 2024

197 Appendix II - Tax Measures Budget 2024





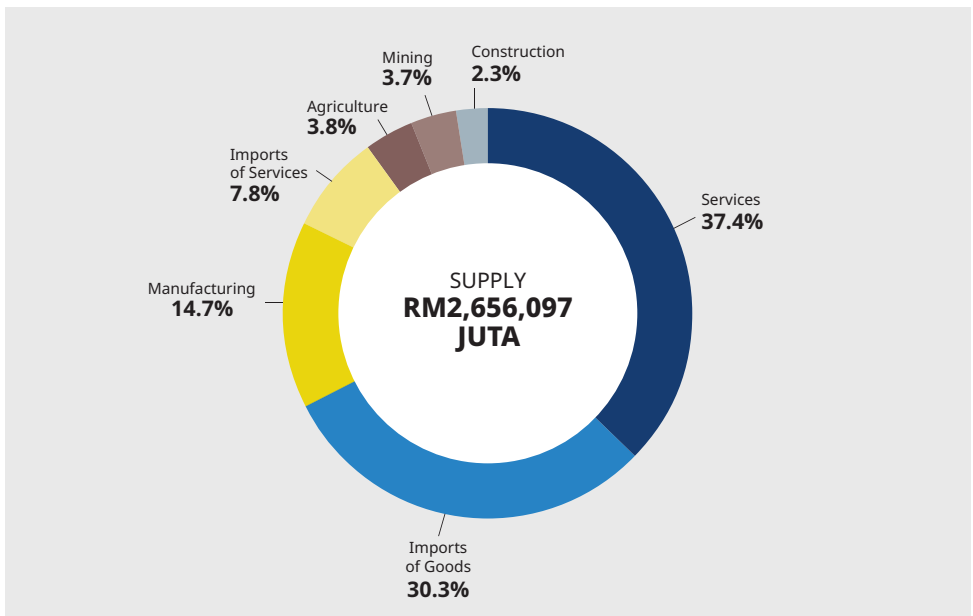
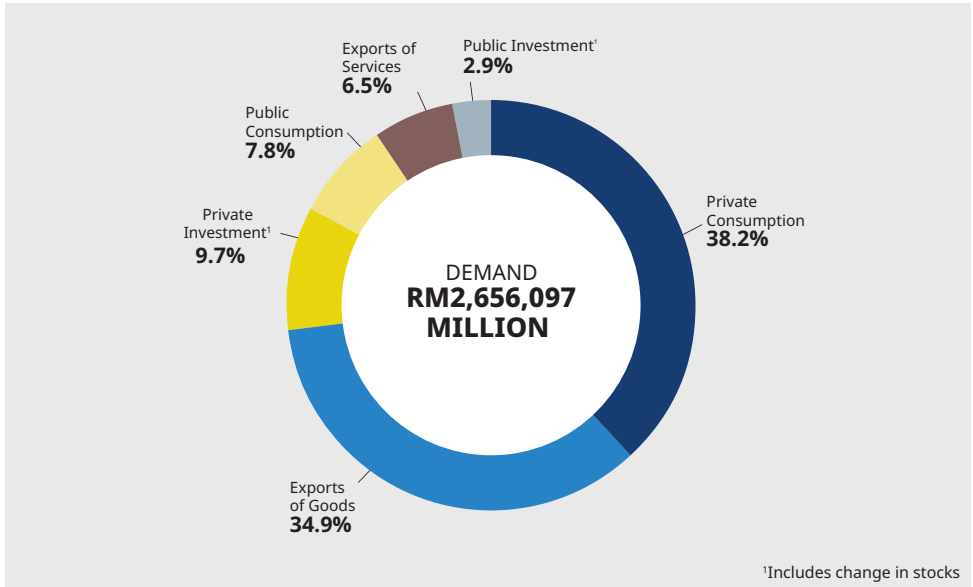
“

Malaysia has tremendous potential, abundant resources, a skilled workforce, professionals, and competitive citizens who can position us strategically as a leader in the Asian economy as we aspired.”

YAB Dato' Seri Anwar Ibrahim
PRIME MINISTER AND FINANCE MINISTER

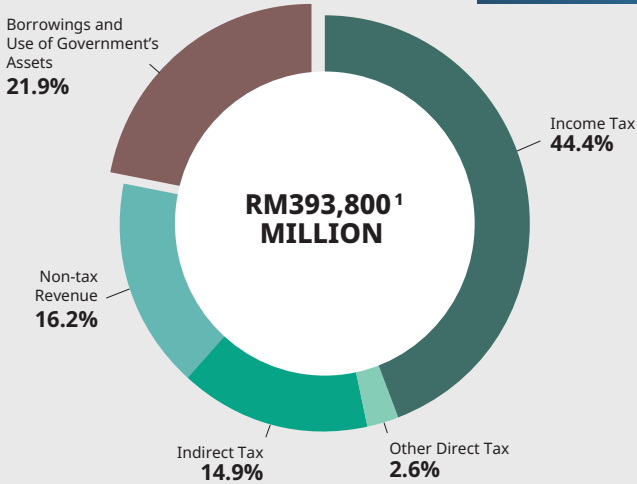
The Economy 2024

in constant 2015 prices
(share to total in %)



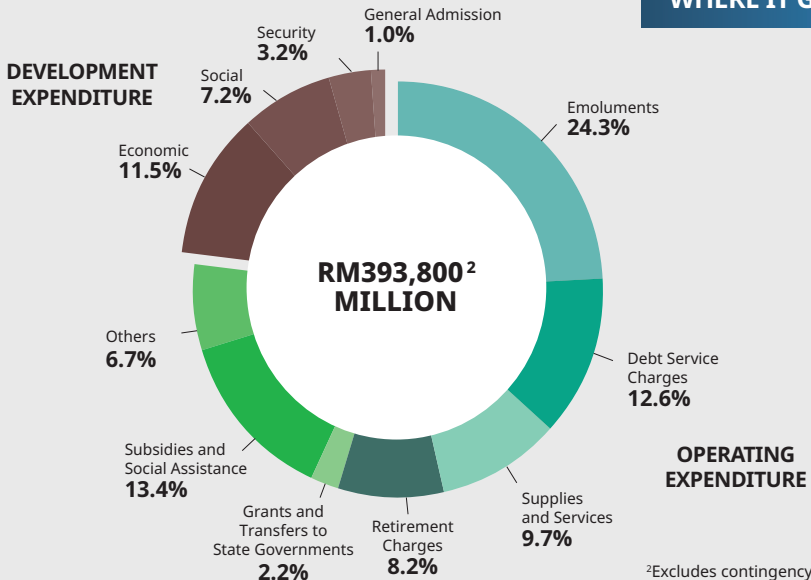
The Federal Government Budget 2024

WHERE IT COMES FROM



¹Consists of revenue and borrowings

WHERE IT GOES



²Excludes contingency reserves



Belanjawan 2024 Speech

by:
YAB Dato' Seri Anwar Ibrahim
Prime Minister and Minister of Finance

Introducing
The Supply Bill (2024)

In Dewan Rakyat
Friday, 13 October 2023

Theme:
Economic Reforms, Empowering The People

Dato' Speaker Sir,

I beg to move the Bill intituled "An Act to apply a sum from the Consolidated Fund for the service of the year 2024 and to appropriate that sum for the service of that year" be read a second time.

BELANJAWAN 2024 SPEECH

By:
YAB Dato' Seri Anwar bin Ibrahim
Prime Minister and Minister of Finance

Introducing
The Supply Bill (2024)

In Dewan Rakyat
Friday, 13 October 2023

Theme:
Belanjawan 2024: Economic Reforms, Empowering the People

Tan Sri Speaker Sir,

I beg to move the Bill intituled “An Act to apply a sum from the Consolidated Fund for the services of the year 2024 and to appropriate that sum for the services of that year” be read a second time.

PREAMBLE

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera.

Allah SWT decreed in surah Al-Qasas, verse 77:

وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ ۖ وَلَا تَنْسَ نَصِيبَكَ مِنَ الدُّنْيَا ۗ وَأَحْسِنَ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ الْفَسَادَ فِي الْأَرْضِ ۗ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ

“But seek, with the wealth which Allah has bestowed on you, the reward and happiness of the Hereafter. Do not forget your share (of the needs and provision) from this world and be good (to others) as Allah has been good to you (by giving more than what you needed), and do not seek mischief in the land. Allah does not like the mischief makers.”

1. This reminder from Allah SWT to humanity is indeed meaningful. There must be strength of will to devise ways to ensure the wellbeing of the people during this chaotic and challenging time as the world is no longer what it used to be.

2. We are now going through an unusually strange epoch, one that is unprecedented in the history of human civilisation. The world has yet to fully recover from the lethal grip of the COVID-19 pandemic, which has not only debilitated us health-wise, but also weakened the entire limb and nodes of our country’s fundamental and societal structure.

3. Thus, accepting that we are living in a post-normal era, characterised by chaos, complexity, and contradiction, is the first step to help us navigate our way out. The circumstance is further made complex due to multifarious factors that move at alarming speed, scope, scale and simultaneity. As a result, the *Rakyat* is victimised, ecosystems damaged, and food supply chain disrupted.

4. Therefore, we must reflect and reset by addressing the impediments in the country's economic system. We start by improving governance, public administration, and eradicating corruption. Among the notable examples is the implementation of the broad-based subsidy system that has also benefitted the elites and the super-rich.

5. Our economic policy should be geared towards growth and economic fairness. A large portion of subsidies now benefit the rich class of society. It is hoped that by plugging leakages in our subsidy system, the proceeds generated can benefit the *Rakyat*, including an increase in wages for the working class.

6. Past rash actions related to subsidies have resulted in the country's debt and liabilities reaching RM1.5 trillion or 82% of the GDP. Debt service payments alone are expected to register RM46.1 billion or 15.2% of revenue in 2023. Only by reducing the deficit and liabilities can the Government restore the country's fiscal position for long-term sustainability.

7. This determination to change must begin with the commitment of every citizen, emanating from confidence and conscience. This is expressed by the Algerian thinker Malik Bennabi as “the inner struggle of conscience,” followed by “collective consciousness for renewal” – a shared awareness between the leaders and the *Rakyat* towards reform.

8. Therefore, Belanjawan 2024 which I term as the **Second Belanjawan MADANI demonstrates the commitment and determination of the Unity Government in actualising our intent to elevate the country and *Rakyat*'s economic stature.**

ECONOMIC PERFORMANCE AND CHALLENGES

9. *Alhamdulillah*, as we approach a full year, the Unity Government has strived to restore the strength of our homeland. Malaysia's domestic economy continues to be resilient and strong.

- The **unemployment rate has successfully dropped to 3.4% as of August 2023**; comparable to pre COVID-19 levels (3.3%).
- Although reliance on imported food remains high, the determination of all parties has led to a successful and gradual reduction in inflation every month. **In August 2023, the inflation rate contracted to 2%, which is among the lowest in the region** and even better than some advanced economies.
- Malaysia continues to be a preferred destination for foreign investors. **For the first half of 2023, we successfully secured approved investments worth RM132.6 billion**, which is 60% more than this year's target. This achievement includes foreign direct investment (FDI) valued at RM63.3 billion, involving a total of 2,651 projects and is expected to create more than 51,000 job opportunities.
- Malaysia also remains a preferred tourist destination. As of August 2023, foreign tourist arrivals accounted for nearly 13 million, three times more than last year.

- These indicators reflect the actual strength of the country. *Insha-Allah*, the economic performance will continue to recover, despite the challenges faced by the ringgit.

10. While these achievements prove the country is on track, we should not rest on our laurels and become complacent. We must acknowledge that the challenging global economic situation has dampened our economic performance. **The Gross Domestic Product (GDP) in the second quarter of 2023 recorded a more moderate growth of 2.9%** compared to 5.6% in the first quarter of 2023. Overall, we achieved a growth of 4.2% in the first half of 2023.

11. This development reflects the subdued demand in exports as well as the high-base effect in the second quarter of last year. In line with this development, **the GDP growth projection for the year 2023 needs to be revised to approximately 4%.**

12. Therefore, we need to take this opportunity to comprehensively reform our economic structure to restore the nation's status as an Asian champion.

13. Consequently, ***Ekonomi MADANI: Memperkasa Rakyat*** was launched as the primary economic framework in addressing complex immediate and long-term challenges by raising the country's ceiling and floor. Among the primary focus of the framework is to reform the economic structure and raise the standards of living of the *Rakyat*. The new initiatives set out under

Ekonomi MADANI aim to achieve seven intermediate targets as medium-term targets based on global benchmarks.

14. *Ekonomi MADANI* also serves as an overall framework and reference point for the recently launched policies, frameworks and strategic enablers, namely the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), and the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

15. Today, the ***Second Belanjawan MADANI*** is presented as a continuation of the ***Ekonomi MADANI*** framework. All efforts will follow the priorities and targets of *Ekonomi MADANI*, which has been divided into three focus areas:

First: Good Governance for Service Agility;

Second: Restructuring of the Economy to Boost Growth; and

Third: Raising *Rakyat's* Standard of Living.

I. GOOD GOVERNANCE FOR SERVICE AGILITY

Measure 1: Commitment to Fiscal Reform

16. The *Ekonomi MADANI* framework has charted a clear goal, which is to improve the *Rakyat*'s standards of living and to regain our lead as a regional economic champion. For this, the country's financial resources must be managed efficiently while also ensuring that our national wealth generates prosperity for the *Rakyat*.

17. Hence, reforms need to be implemented notwithstanding that it may be an arduous and challenging process. Such reforms include expanding the revenue base, implementing targeted subsidies, and eradicating all forms of systemic corruption and malpractices. We also need an efficient, excellent and agile public service in realising the country's agenda in building back better.

First: Fiscal Responsibility

18. The increase in subsidies for 2023 was met through savings from other spending and **additional revenues**. **For 2023, the revised estimated revenue is RM303.2 billion compared to the previous RM291.5 billion.** Total deficit remains projected at 5% of GDP.

19. For 2024, **the Government expects GDP to grow between 4% to 5%.** The projection by the World Bank and International Monetary Fund (IMF) is for Malaysia's economy to grow at 4.3%.

With the reforms being implemented under *Ekonomi MADANI*, the Government is confident into achieving a GDP growth nearing 5%.

20. The Government's revenue collection is expected to record an increase from RM303.2 billion this year to RM307.6 billion in 2024. The fiscal deficit in 2024 is projected to decrease to 4.3%, compared to the target of 5% this year and 5.6% in 2022.

21. In the medium term, we will achieve a 3% deficit of GDP or lower, as set out under the *Ekonomi MADANI* framework. *Alhamdulillah*, this House passed the **Public Finance and Fiscal Responsibility Bill 2023** or the Fiscal Responsibility Act (FRA) yesterday. This reinforces the Government's commitment in strengthening governance as well as ensuring transparency and accountability. The FRA delegates the power from the Minister of Finance to the Parliament to supervise accountability.

Second: Belanjawan 2024 Estimation

22. The *Second Belanjawan MADANI* will allocate **RM393.8 billion, the highest budget ever tabled**. From that amount, **RM303.8 billion is for operating expenditure, RM90 billion for development expenditure**, and RM2 billion for contingency savings.

23. This expenditure includes an increase in the Twelfth Malaysia Plan ceiling by an additional RM15 billion, bringing the total to RM415 billion for a period of five years. This increase

demonstrates that the Government is adopting an expansionary fiscal stance while being prudent to gradually reduce the fiscal deficit.

Third: Revenue Base Expansion

Tan Sri Speaker Sir,

24. The country's revenue base must be expanded. **Malaysia is the third highest country globally for petrol subsidies. The price of our RON95 petrol is among the cheapest in the world** at RM2.05 per litre, even cheaper than Saudi Arabia, the world's major oil producer (RM2.94). Compare the prices of petrol in regional countries whose incomes are lower than ours: Indonesia at RM4.45 per litre and Thailand at RM5.99 per litre.

In addition to that, our tax revenues are among the lowest collected in ASEAN at just 11.8% of GDP compared to Singapore (12.6%) and Thailand (16.4%), for the year 2021.

25. Thus, as a measure to improve the quality of service and assistance to the *Rakyat*, it is the responsibility of the Unity Government to broaden the revenue base. Beginning next year, several tax reform measures will be implemented to broaden the country's revenue base, without burdening the *Rakyat*. This is a difficult decision, but one that is necessary to increase revenue, reduce subsidies, without burdening the *Rakyat*.

26. FIRST: The Government plans to increase the Service Tax rate to 8% from the current 6%. However, in order not to burden the *Rakyat*, this increase will not include services such as food and beverage as well as telecommunications. The Government will also expand the scope of taxable services comprising logistics, brokerage, underwriting, and karaoke services.

27. SECOND: Taking into consideration input from various stakeholders during a series of engagements, the Government will enforce the implementation of the Capital Gains Tax on net gains from disposal of local companies' unlisted shares at the rate of 10% beginning 1 March 2024. The Government will also consider exemption of the Capital Gains Tax on the disposal of shares related to certain activities such as approved Initial Public Offering (IPO), internal restructuring, and venture capital related investments subject to stipulated conditions.

28. THIRD: The Government will draft a new legislation to implement a High Value Goods Tax at a rate of 5% to 10% on certain high value items such as jewellery and watches based on the threshold value of the goods. However, as an impetus for the tourism industry, tourists will be allowed to claim the relevant tax refunds before their departure from the country.

Tan Sri Speaker Sir,

29. Malaysia needs to be in line with international taxation standards especially in curbing the erosion of tax base activities and the transfer of profits to countries with low tax rates. Considering feedback from the industry and latest international development, **the Government is expected to implement the global minimum tax in 2025, applicable to companies with annual global turnover of at least EUR750 million.** The Government will also continue to monitor the development of the global minimum tax at an international level.

30. With regards to the implementation of e-invoice by the Inland Revenue Board of Malaysia (IRB), considering the feedback received and to provide ample time to taxpayers:

- The Government has agreed to **enforce e-invoice on a mandatory basis to taxpayers with an annual income or sales exceeding RM100 million beginning 1 August 2024.**
- Meanwhile, e-invoice for taxpayers in other income categories will be enforced in phases with a comprehensive implementation beginning 1 July 2025.
- The use of the Tax Identification Number (TIN) will be expanded to support the implementation of e-invoice. This can further increase the number of taxpayers following

voluntary tax compliance, thus, reduce revenue leakages. Such related matters will be given continued attention.

31. Enforcement agencies will continue to intensify joint efforts in addressing revenue leakages. For instance, cigarette smuggling control measures have contributed to a decrease in the percentage of illegal cigarettes in the local market to 56.6% in 2022 compared to 63.8% in 2020. As the number of illegal cigarettes in the market are still high, inter-agency cooperation will be enhanced, including tightening the control on alcoholic beverage product smuggling.

32. Starting 1 January 2024, the Government will tighten smuggling control measures and expanded to include alcoholic beverage products.

- Transshipment activities for alcoholic beverage products will be restricted to dedicated ports only.
- Designate Bukit Kayu Hitam Immigration, Customs, Quarantine and Security (ICQS) Complex as a single exit point for northern region.
- The importation of cigarettes import activities for domestic market must be done in a full container load.

33. The Government appreciates the commitment of enforcement agencies such as the Royal Malaysian Police (RMP), the Malaysian Anti-Corruption Commission (MACC),

and the Royal Malaysian Customs Department (RMCD) in enhancing enforcement efforts and operations to combat leakages of national revenue. The agility of RMP to combat crime and efforts of MACC to uncover financial syndicates and cartels should be appreciated. As a measure of encouragement, I agree that **enforcement agencies which demonstrate continued commitment and excellent performance will be rewarded accordingly.**

Fourth: Targeted Subsidies

Tan Sri Speaker Sir,

34. *Belanjawan 2023* allocated RM64 billion for expenditure on subsidies and aid but the expenditure this year is expected to reach RM81 billion, among the highest by any government in the world. There is therefore, a need to reassess its effectiveness and implementation. Subsidies on goods for the *Rakyat* must be implemented and handled prudently to prevent an increase in cost of living that can burden the *Rakyat*. Nevertheless, as I have previously stressed, the subsidies benefit the rich class of society more and are also enjoyed by more than 3.5 million foreigners. We therefore implore the Honourable Members of this House and the *Rakyat* to understand the need to restrict subsidies, that are intended for the underprivileged, so that they are not benefitting the super-rich and 3.5 million foreigners.

35. Therefore, beginning next year, a **targeted subsidy approach will be implemented in phases.** If we can save on subsidy expenditure, *Insyah-Allah* we will increase the allocation of cash assistance to the *Rakyat*, through the *Sumbangan Tunai Rahmah (STR)*, from RM8 billion to RM10 billion benefitting almost 9 million *Rakyat*.

FIRST: Chicken and Egg

36. The egg and chicken subsidies, which were initially introduced only during festive seasons, have been in place since February 2022. The Government has since then incurred a cost of RM3.8 billion for the egg and chicken subsidies. These are also enjoyed by the rich and 3.5 million foreigners.

37. *Alhamdulillah*, current trends indicate that the supply of chicken and egg has started to stabilise, and the current market price is now below the controlled ceiling price. Thus, the Government will consider floating the price of chicken and egg in accordance with the lower market price compared to the price limit set by the Government. This will be announced by the Ministry of Agriculture and Food Security soon, after discussion with suppliers to seek assurance that there will not be any unreasonable price increases by companies and sellers.

38. Announcements on further concrete measures will be made by the Ministry of Agriculture and Food Security within two weeks.

SECOND: Electricity

39. The provision of broad-based electricity subsidies are burdensome and, again, benefit the rich more. I wish to stress that it is unfair to say the electricity tariff has increased, because in reality, 90% of the *Rakyat* are unaffected. For example, in 2022, the trend show that **10% of consumers with the highest electricity consumption enjoyed 50% of the subsidy. It is absurd that the highest 10% enjoy 50% of the subsidy meant for the poor, the middle- and lower-class in society. The Government is therefore determined to stop subsidising the super-rich, while 50% of the consumers with the lowest electricity consumption enjoy only 10% of the subsidies provided.**

40. Therefore, beginning this year, the Government has implemented a targeted subsidy by lifting a part of the subsidy for the highest 10% of electricity consumption, but at the same time, maintaining the same subsidy for 90% of consumers. **This targeted approach has saved over RM4.6 billion of the projected electricity subsidy of RM20 billion.** To reiterate, the electricity rate will remain the same for 90% of the *Rakyat*, and any increase will only affect 10% of consumers with the highest electricity consumption, and not the other 90%. This means that while the electricity subsidy will be continued, it will be reduced for the upper class. However, the Government will still bear RM16 billion in electricity subsidy for 2023, especially for residential consumers and micro, small, and medium entrepreneurs (MSMEs).

41. The Government will continue to improve the approach of targeted electricity subsidies according to the level of electricity consumption. The Government hopes this decision will send the right signal to consumers to be prudent and practise efficiency in energy consumption, including at Government offices nationwide.

42. The Government agrees to continue providing electricity bill rebates of up to RM40 per month to hardcore poor households with an allocation of RM55 million to further reduce the burden on these households even though the electricity rate and tariff remained the same. Apart from this, the Government also agrees to waive deposit payment of electricity bill in consumers' own names.

THIRD: Diesel Fuel

43. Diesel fuel also faces serious issues on leakages. The current price of subsidised diesel is set at RM2.15 compared to the market price of RM3.75 per litre. This means that the Government must bear RM1.60 per litre of diesel or around RM1.5 billion in total per month. According to diesel consumption data, sales of subsidised diesel have increased by 40% since 2019 even though the number of vehicles using diesel has only increased by less than 3%. This means that there is a possibility of serious smuggling activities due to the cheap diesel prices in Malaysia.

44. To prevent further leakages and smuggling, the Government intends to rationalise diesel prices in phases. Conceptually, the price of subsidised diesel will continue to be enjoyed by selected consumers such as freight transport. Meanwhile, other users will be charged higher prices. This approach can reduce the leakages of subsidies while at the same time reduce the impact on the price of goods for the *Rakyat*.

ENFORCEMENT MEASURES

45. To achieve the goal of targeted subsidy, enforcement needs to be more effective against both the consumers and the sellers. Their honesty will determine whether this goal will be successful or otherwise. Although we do not deny any traders' right to make reasonable profits, the abhorrent practice of cartels and price pacts that cause excessive and uncontrolled price increases are against the principles of MADANI. The Government will not remain silent if targeted subsidies are used as an excuse to increase prices recklessly and unreasonably.

46. Therefore, the Government's focus is to eliminate this parasitic practice through strict and comprehensive control measures. This is the duty of the Ministry of Domestic Trade and Cost of Living (KPDN) as well as the Malaysian Competition Commission (MyCC) with an allocation of RM10 million specifically to perform this duty.

Measure 2: Institutional Reform Agenda

47. The Chinese philosopher Mengzi formulated four fundamental points as pillars of moral strength:

*仁 rén (humaneness), 义 yì (righteousness),
智 zhì (wisdom) and 礼 lǐ (values, spirituality, ritual propriety).*

48. It is this internal strength that strengthens the Government's determination to implement reforms to end the suffering of the *Rakyat*, eradicate systemic corrupt practices, bureaucracy, and hasten *Rakyat*-oriented projects, as well as to develop a stable political order.

First: Special Task Force on Agency Reform (STAR)

49. We have established the Special Task Force on Agency Reform (STAR), chaired by the Chief Secretary to the Government, which has succeeded in accelerating the implementation of projects, especially those involving the issues of overcrowding in hospitals and refurbishment of dilapidated schools and clinics. Next year, **the STAR Team is entrusted to accelerate implementation in the maintenance of lifts with an allocation of RM91 million and Government quarters with an allocation of RM170 million.**

A total of RM2.4 billion is allocated to build, maintain, and refurbish quarters for civil servants which are in a disgraceful state due to their dilapidated conditions. We place enormous responsibilities on the police, army, fire department personnel, prison officers, and others, but they are subjected to decrepit and unrepaired basic facilities.

Second: Legislative Reform

50. With the passing of the Public Finance and Fiscal Responsibility Bill 2023, the Unity Government's onward commitment is to **table the Government Procurement Bill in the Parliament next year**, in line with the aim of governance reform.

The Government will allocate RM18 million to facilitate legislative reform. This includes the implementation of the Revision of Sentence of Death and Imprisonment for Natural Life (Temporary Jurisdiction of the Federal Court) Act 2023.

51. **The Judiciary must be an independent institution that protects the supremacy of the Federal Constitution and the rule of law. An allocation of RM38 million is allotted to increase the productivity of the country's judicial institutions.** Among the priority areas for this provision is to refurbish overall infrastructure as well as upgrading ICT facilities in courts that are obsolete and damaged. This also includes **RM20 million to empower the Judicial Academy of Malaysia that has been heavily emphasised by the Right Honourable Chief Justice, and the Syariah Judicial Academy of Malaysia** in training

judges of the upper courts in a more planned and effective manner.

Third: Public Institutions Reform

52. Based on several studies carried out to improve revenue sustainability, social protection, governance of Government-Linked Companies (GLCs) and national debt management, the received recommendations that will be implemented are as follows:

- **improve imposition of stamp duty** and coordinating the administration of tax incentives to reduce leakage in revenue collection;
- **strengthen tax administration** including facilitating tax refund and centralising tax collection efforts;
- **expand coverage of the social protection system**, mainly for senior citizens and informal sectors;
- **restructure development financial institutions (DFIs)** by merging Bank Pembangunan Malaysia Berhad, SME Bank, and Exim Bank; and
- **strengthen the venture capital ecosystem through the centralisation of venture capital agencies** such as Penjana Kapital and MAVCAP under Khazanah Nasional Berhad.

Fourth: Public-Private-Philanthropy Partnership

53. In line with the *Ekonomi MADANI* framework, the Government will focus on Public-Private-Philanthropy Partnership (PPPP) in implementing projects for the *Rakyat*.

54. In addressing various issues of the *Rakyat* on the ground, **the Government will allocate RM100 million to continue supporting efforts undertaken by NGOs and civil society organisations including Yayasan Hasanah.**

55. To ensure that the income of institutions, organisations and funds approved under **subsection 44(6) of the Income Tax Act 1967** continue to be sustainable and able to support welfare initiatives envisaged by the Government, it is proposed that the **25% limit on terms of use of the accumulated funds for participation in business be increased up to 35%.** With this flexibility, cooperation between the Government and NGOs can be further strengthened to improve the *Rakyat's* quality of life.

Measure 3: Prioritising Services & *Rakyat*-Oriented Projects

56. The Government will continue to defend the fate of the *Rakyat* and focus on services and projects that benefit the *Rakyat's* wellbeing. Among others, the Government will address the lingering basic problems of the *Rakyat*.

First: Managing Rakyat's Difficulties

(a) Repairing Lavatories

57. It is unacceptable that for long we have allowed our children to attend school with deplorable basic facilities particularly broken and dilapidated lavatories. I wish to congratulate the Ministry of Education for their success. *Insyah-Allah*, repair works of lavatories in 8,354 schools nationwide are about to be fully completed by the end of this year. Next year, this same resolve will be intensified to refurbish public lavatories nationwide. This year, KPKT must monitor the condition of public lavatories. **RM150 million is thus allocated to maintain and repair public lavatories in 150 local authorities nationwide.**

(b) Road Accidents

58. With more roads, we are also seeing an increase in accidents. Over the past decade, we have recorded an average of over 6,000 deaths due to road accidents. The latest tragic incident that claimed the lives of an entire family of six on Jalan Kuantan-Segamat-Bandar Muadzam had the whole country in mourning. The Government will continue to prioritise aspects of road safety.

59. *Alhamdulillah*, as of August, more than 4,100 potholes on federal roads have been identified and repaired. Our aim this year is to resolve all the complaints regarding potholes on Federal Roads nationwide. **The Government is committed to**

ensuring that action is taken within 24 hours after receiving complaints regarding potholes on Federal Roads.

- **State Governments should also make full use of the MARRIS allocation of RM5.4 billion provided by the Federal Government to ensure that state roads are in the best condition to be used by the *Rakyat*.**
- Next year, RM2.8 billion is set aside to maintain federal roads and bridges with RM300 million specifically for G1 to G4 contractors.
- **The role of District Engineers will be continuously enhanced to expeditiously deal with unexpected and minor complaints involving Federal Roads. The Government will increase the allocation to RM200 thousand from the current RM100 thousand for 115 District Engineers with a total allocation of RM30 million.**
- RM100 million is provided to maintain streetlights, including replacing them with LEDs that can save up to 60% electricity. RM50 million is also provided for the same purpose to local authorities nationwide.
- Finally, RM50 million is also allocated to treat accident prone areas, which includes upgrading existing traffic lights to smart traffic lights on Federal Roads to resolve traffic congestion.

(c) Justice for the *Rakyat*

60. *Alhamdulillah*, following the increase in the eligibility limit to receive full legal aid to RM50,000, the number of civil and shariah cases receiving legal aid has increased to 8,500 cases. Next year, **the function of the Legal Aid Department will be strengthened to ease the plight of the poor in obtaining equitable justice.**

61. This *Belanjawan MADANI* allocates an additional RM10 million under the *Kumpulan Wang Amanah Rakyat Malaysia Luar Negeri (KWARM)* to safeguard our citizens who fall victim to employment fraud syndicates and other welfare cases abroad.

(d) Second Chance Policy

62. As of July 2023, nearly 14,000 bankruptcy cases with small debts below RM50,000 have been discharged from bankruptcy. As a result of the implementation of the Second Chance Policy, the Insolvency Act (Amendment) 2023 has also automatically exempted current and past cases that meet the requirements from declaring bankruptcy.

63. Next year, the **Second Chance Policy will be extended to young individuals aged 40 and below with debts not exceeding RM200,000.**

(e) Public Service Delivery

64. *Rakyat* in remote areas also have equal rights to government services. Next year, the Government will intensify the initiatives to deliver services directly to the *Rakyat* with an allocation of **RM26 million** including:

- Program Menyemai Kasih Rakyat (MEKAR) which offers services from the National Registration Department (JPN);
- Mobile clinic services by university teaching hospitals to provide basic treatments including early screening for breast cancer;
- Mobile dental clinics with expansion of service to new areas in Penampang and Keningau, Sabah;
- Mobile banks in collaboration with local banks to bring banking services to remote areas; and
- Mobile courts dedicated to handle civil cases.

(f) Online Fraud (Scam)

65. Issues on scam has been on the rise. Since the establishment of the **National Scam Response Centre (NSRC)**, more than **49,000** calls have been handled with up to **RM60 million** in transactions successfully frozen. Next year, the **Government will increase the allocation to the NSRC to RM20 million** from the current **RM10 million** to further improve the capability of the NSRC in combating scam-related crimes.

66. **Bank Negara Malaysia (BNM)** in collaboration with the financial sector is developing the **National Fraud Portal (NFP)**, which is expected to be completed by the middle of **2024**. With the automated ability to track funds, we hope that this Portal will accelerate the time taken to detect, freeze, and return the funds.

67. At the same time, related agencies are examining the need to undertake relevant amendments to the law including the Criminal Procedure Code to enable more effective actions to be taken against syndicates and account mules, further expediting the return of money to scam victims.

Second: Development of Sabah & Sarawak

68. Sabah and Sarawak will be given focus as we make up for time on fulfilling the Malaysia Agreement 1963. Under the Unity Government, the attempt to honour the agreement achieved by the previous leaders in the Malaysia Agreement 1963 has been realised.

69. FIRST: Next year, the Federal allocation for the development of Sarawak will increase to RM5.8 billion from RM5.6 billion. Meanwhile, for Sabah, the allocation will increase to RM6.6 billion compared to RM6.5 billion. To increase the effectiveness of the allocation, the Federal Government has also delegated the authority to implement development projects valued under RM50 million to technical agencies in Sabah and Sarawak.

70. SECOND: The Unity Government has increased the interim Special Grants rate for Sarawak and Sabah to RM300 million compared to RM16 million for Sarawak and RM125.6 million for Sabah previously. In Sarawak's case, the amount has not been reviewed since 1969. I wish to highlight this to avoid any confusion. The rate has not been reviewed since 1969, hence the increase to RM300 million. For Sabah, on the other hand, a subsequent review was conducted afterwards.

71. THIRD: The Inland Revenue Board of Malaysia (Amendment) Bill 2023 was passed by the Dewan Rakyat yesterday to include a representative of the Sabah State Government named by the Chief Minister of Sabah and a representative of the Sarawak State Government named by the Premier of Sarawak in line with the results of the Inter-Governmental Committee (IGC) Report 1963. *Alhamdulillah*, we managed to implement it in 2023.

72. FOURTH: The Federal Government and the Sabah State Government have reached an agreement regarding the transfer of electricity supply regulatory powers, which will come into effect on 3 January 2024. Although the regulatory power will be transferred to the Sabah State Government, the Federal Government will continue to assist the Sabah State Government in strengthening the electricity supply industry in Sabah by providing subsidies to Sabah Electricity Sdn Bhd (SESB) until the SESB Transformation Plan is successfully implemented within seven years, that is by 2030.

73. FIFTH: To ensure stability and reduce electricity supply disruptions in Sabah, especially in the eastern area, the Federal Government will support the implementation of hybrid solar energy generation as well as the construction of a network of electricity transmission lines in southern Sabah.

74. SIXTH: The Federal Government is also negotiating the handover of Bintulu Port and the operation of the Rural Air Service (RAS) to the State Government.

Third: Public Sector Digitalisation

75. By the end of the Twelfth Plan, our aim is to be ranked among the top 20 in the Government Efficiency Sub-Index in the Global Competitiveness Report. To further improve the efficiency of public services, **the development of the National Digital Identity (NDI) will be expedited as a reliable self-verification platform.**

76. In empowering the digitisation of public service delivery, the GovTech Nucleus Unit has been created to build internal expertise. This unit will also facilitate the development of the National Digital Identity and other user-friendly applications at optimal cost.

II. RESTRUCTURING OF THE ECONOMY TO BOOST GROWTH

Measure 4: Revamping the Economic Structure

77. The *Ekonomi MADANI* framework is aimed at establishing Malaysia as a regional economic champion. To achieve this goal, the economic structure needs to be restructured and reorganised so that existing potentials can be harnessed. **NIMP targets a total investment of up to RM95 billion and involving 3.3 million job opportunities with median salaries of up to RM4,510 per month by 2030.**

78. The Government will allocate up to 10% from the total NIMP investment as a catalyst to accelerate the NIMP mission with a 2024 startup fund amounting to RM200 million.

First: Priority of the HGHV Sector

79. Premature deindustrialisation is one of the major structural issues affecting our economy. The contribution of the manufacturing industry has remained below 25% of GDP. To curb this problem, future investment priorities are focused on high growth and high value (HGHV) areas.

80. The outcome-based incentive is a new dimension that uses a tiered system in granting incentives. This will encourage companies to spur the economy through investments in HGHV areas and to eventually create new economic clusters, expanding domestic network, and provide

balance between economy and environment sustainability. With this, companies will enjoy incentives to match with commitments realised. As a start, the Government propose tiered reinvestment tax incentives in the form of investment tax allowance of either 70% or 100%.

81. To support the high-value activities ecosystem, the Government proposes that the **Pengerang Integrated Petroleum Complex (PIPC)** as a development hub for chemical and petrochemical sector with tax incentive package in the form of a preferential tax rate or investment tax allowance.

Second: Malaysia as an Investment Destination

82. Furthermore, the Government will also continue to intensify efforts to obtain more high-impact investments. In developing Malaysia's advantage as a preferred destination for foreign investment, the Government will implement several new policies and directives to improve ease of doing business.

- The Industrial Area in Bayan Lepas, Penang and Kulim Hi-Tech Park, Kedah have brought together the world's leading companies in the electronics and electrical (E&E) sector. **To build a wider ecosystem for the E&E cluster in the northern region, the Government will open a high-tech industrial area in Kerian, Northern Perak.**
- **The responsibilities of MITI and MIDA are no longer limited to only the approval of investment incentives**

but will be expanded to facilitate FDI and domestic direct investment (DDI) from the application stage until the investment is realised. For this, an Investment and Trade Coordination Action Committee (JTPPP) has been established and will be report directly to me, as the National Investment Council chairperson.

Third: Internationalisation of Startups

83. The emergence of more local startups is essential to accelerate the restructuring of the country's economy. The Government aims to rank in the Top 20 for the Global Startup Ecosystem by 2030, in addition to making Kuala Lumpur as the Southeast Asian regional hub for digital industry and startups.

84. In accordance to the decision of the National Digital Economy and Fourth Industrial Revolution Council, RM28 million is provided to develop the MYStartup platform as a single window in bringing together startups to streamline business activities throughout their lifecycle. This initiative will optimise a fund of RM200 million under various funding agencies and venture capitals on a single platform.

85. To internationalise local startups and increase their competitiveness in becoming regional champions:

- **GLCs and Government-Linked Investment Companies (GLICs) will provide funds of up to RM1.5 billion to encourage startups, including Bumiputera SME entrepreneurs, to venture into HGHV fields such as digital economy, space technology and E&E.**

86. To support capital funding for startups:

First: allocation of RM100 million to MyCIF for a period of 3 years to complement initiatives related to food security, the environment, community, and State Islamic Religious Council to create opportunities to develop waqf assets for health, education, and agro-based enterprises.

Second: tax incentives for individual investors investing in startups through the equity crowdfunding (ECF) platform will also be expanded to individual investors through Limited Liability Partnership nominee companies and extended until 31 December 2026.

Third: angel investors tax incentive to be extended until 31 December 2026 to encourage capital funding in technology related startups.

Fourth: Global Islamic Economy Leader

87. I have alluded to the approach of the Islamic financial sector in Malaysia, which has yet to fulfil the meaning of *maqasid shariah* based on justice and benefit for all as it uses similar financial instruments as an alternative to conventional banks.

88. The words of the late Nejatullah Siddiqi should be appreciated. He said, ***“more than anything else, Islamic banking and finance, a sub-culture of Islamic economics, has been a quest for justice and morality into the ordinary business of life.”***

89. *Alhamdulillah*, the Islamic finance field has presented us with a modern banking method without usury for the past four decades. Nevertheless, this development should not stop here. The direction of the Islamic economy should be determined to be able to achieve the wider objectives of Islam, including bridging gaps between economic practices that are in line with the teachings of the al-Quran and Sunnah.

90. The International Conference on Islamic Economics and Finance (ICIEF2023) in December 2023 will look at this issue and accelerate efforts to pioneer the transition to a more inclusive Islamic financial system.

91. This conference is expected to draw more than 400 thinkers and technocrats in the field of Islamic finance and involve nearly 100 presentation papers to address issues and uncover actions to dignify Islamic finance.

92. The readjustment of the Islamic financial system is necessary in the effort to strengthen the impact of the Islamic financial sector to provide equality, wellbeing, and prosperity to all levels of the society.

- Through **Value-based Intermediation (VBI)**, Islamic banks and takaful operators can explore impactful innovation through offering various types of capital that meet the needs of all levels of society, especially those without access to financial services.
- **Pilot programmes by BNM and Islamic financial institutions to advance an impact-based investments by expanding the use of Investment Account (IA).** This effort combines elements of risk sharing between investors in Sustainable Development Goals (SDG)-based investments and social investments wherein part of the profits will be channelled for social development such as financing the education of the poor.
- *Alhamdulillah*, Malaysia remains in pole position in the overall global Islamic Finance Development Indicator (IFDI) for 10 years in a row. **The Malaysia International Islamic Financial Centre (MIFC) will continue to**

strengthen the country's competitiveness in the Islamic finance field while positioning Malaysia as a prime destination for Islamic fund acquisition and investment activities as well as a re-takaful hub.

- To delve deeper into the universal values of the Islamic economy and its experience in the current context, the **Government is providing RM20 million to spur research as well as creativity and innovation in Islamic economy.** This effort will be led by the International Centre for Education in Islamic Finance (INCEIF) in collaboration with MIFC and the industry.

93. The Government proposes **income tax exemption be given on income arising from Islamic Securities Selling and Buying (ISSB) from the year of assessment 2024.** This is to increase the overall volume of securities trading and the liquidity of the shariah-compliant stock market through the involvement of more investors and brokers in ISSB transactions in addition to ensuring equal treatment is given to Securities Borrowing and Lending (SBL) transactions.

94. To support the development of the Labuan International Business and Finance Centre (Labuan IBFC) as an Islamic financial and shariah-compliant hub, the Government also proposes **full income tax exemption for a period of 5 years for Labuan entities carrying out trading activities related to Islamic finance** such as Islamic digital banking, Islamic digital

bourses, ummah-related companies, and Islamic digital token issuers from the year of assessment 2024.

95. The organisation of the 19th Malaysia International Halal Showcase last month recorded RM3 billion sales of halal products, which is 24% higher than the initial target. The world's largest halal exhibition matched 469 local companies with 231 international buyers from 44 countries.

- In line with the Halal Industry Master Plan 2030, which sets a benchmark for the halal industry's contribution of 11% of GDP by 2030, **9 financial institutions are offering special programmes for halal SMEs on an integrated halal platform that provides access to special funds and capacity building programmes.**
- In addition, the Government will reduce the **halal certificate processing period from 51 to 30 days.** The Halal Development Corporation (HDC) and JAKIM will collaborate to lead efforts to simplify the halal certification process, especially for halal products exporters.

96. The previously launched **i-TEKAD social finance programme has benefitted nearly 4,000 micro-entrepreneurs with encouraging response from 12 financial institutions. Therefore, the Government is allocating additional funds of up to RM25 million in matching grants with financial institutions to benefit micro entrepreneurs.**

97. The Government provided RM200 million last April to redevelop waqf lands in Penang through soft loans. Next year, the **Government will increase the funding to RM500 million to provide soft loans to increase the redevelopment of waqf lands nationwide.**

Measure 5: Empowering MSMEs

98. The *Second Belanjawan MADANI* will continue to support MSMEs in line with the goals of the *Ekonomi MADANI* framework. Supporting the increase of business capacity and competitiveness in raising the income of the *Rakyat* and the country will remain a key priority.

First: Financing facilities

99. Next year, **the total value of loans and financing guarantees available for the benefit of MSMEs amount to RM44 billion.**

100. Indeed, micro-entrepreneurs and small traders are provided with financing facilities amounting to RM2.4 billion under agencies such as BNM, BSN and TEKUN.

- **RM1.4 billion under BSN micro financing schemes** to help provide business capital, equipment purchases, premises and marketing to hawkers and small entrepreneurs.

- **RM330 million under TEKUN** to provide financing facilities to small traders such as *batik* and craft operators, Orang Asli entrepreneurs and Bumiputera of Sabah and Sarawak. **RM30 million is provided specifically to finance businesses run by the Indian community.**
- From this total, **RM720 million is set aside to encourage women and youth** to venture into business.

101. Under BNM, a total of RM8 billion in financing facilities are provided to support SME companies. From this amount, **RM600 million is dedicated to support micro-enterprises and low-income entrepreneurs, small contractors, the application of sustainability practices and food security-related sectors.**

102. For 2024, RM600 million has been allocated under Khazanah Nasional's Dana Impak for investments in promoting inclusive economic growth by uplifting rural, semi-urban communities and the underserved communities to obtain access to financial services.

103. So far, the *Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)* has guaranteed more than 100,000 SMEs including 75% non-Bumiputera SMEs and 25% Bumiputera SMEs with a total approved value of more than RM75 billion. Next year, **SJPP will guarantee up to 80% of SME entrepreneurs' loans, especially to those involved in the green economy,**

technology, and halal fields, with up to RM20 billion of guarantee available to SMEs.

104. Since its establishment, Amanah Ikhtiar Malaysia (AIM) has successfully assisted 1 million borrowers, particularly single mothers, and the poor, by providing small business capital. AIM has shown excellent performance by recording the lowest non-performing loan (NPL) rate of 0.26% in 2022. **To support AIM's role in poverty eradication, the Unity Government will allocate RM100 million.**

105. Next year, **RM100 million in financing facilities will be provided to the cooperatives through the Revolving Capital Fund under the Malaysia Co-operative Societies Commission of Malaysia**, to assist more cooperatives.

Second: Strengthening MSMEs Competitiveness

106. MSME entrepreneurs should be quick to adapt to technology and digitise their products and services for wider market reach. The Government will enhance current efforts in encouraging MSMEs to boost business resiliency and competitiveness in adopting automation and digitalisation solutions.

- A total of **RM100 million is provided for digitalisation grants of up to RM5,000 for the benefit of more than 20,000 MSMEs.** This grant can be used to upgrade sales, inventory, and digital accounting systems.

- **RM900 million under a BNM fund is provided to encourage SMEs to increase productivity levels through automation and digitalisation.**
- **RM40 million is provided for the implementation of a Shop Malaysia Online Programme to enable home-based enterprises among small traders, especially within the F&B industry.**
- **The role of the Digital Economy Centre in each state constituency will continue to be enhanced to support small entrepreneurs selling their products online with an allocation of RM25 million.**

107. To encourage enterprises to remain competitive, **the Government proposes to reduce the period companies are allowed to claim capital allowances on purchasing of ICT equipment and computer software packages to 3 years, instead of 4 years, from year of assessment 2024.**

Third: Local Talent Development

108. In today's world, the complexity of the economy demands highly skilled new talent to constantly adapt to the fast-changing world. Consequently, the development of local talent needs to be immediate with precise refinement to ensure that it is in line with the industry requirements of employers.

109. The total allocation for TVET education next year amounts to RM6.8 billion. The *First Belanjawan MADANI* had piloted efforts to revamp the country's TVET education through collaboration with GLCs and private companies. As of 5 October, 17 GLCs and 44 private companies have been involved in the signing of 61 memorandums of understanding covering cooperation through curriculum development as well as the provision of equipment and expertise.

110. For example, PETRONAS has collaborated with *Institut Kemahiran Belia Negara (IKBN)* Bandar Penawar, Johor to provide industrial training services, curriculum development and equipment that meet the specifications of the petrochemical industry in Pengerang. Next year, **RM100 million is allocated to provide industry-recognised professional certification to TVET graduates and as an incentive for the industry to collaborate with public TVET institutions.**

111. Next year, the Human Resources Development Corporation (HRD Corp) will allocate RM1.6 billion to provide 1.7 million training opportunities. At the same time, **HRD Corp will reallocate a special fund using 15% of the total levy collected to implement the *Program Latihan MADANI* including retraining and skill improvement programmes for MSMEs and vulnerable groups such as former inmates, the disabled, the elderly and retirees.**

112. Efforts to create more future talent that meet industry needs will be streamlined and expanded through close cooperation between Government agencies and industry players.

- To address the lack of local talent and skills mismatch, **the Academy in Industry Programme will be implemented to provide on-the-job training for a period of up to 18 months with an allocation of RM70 million.**
- The country's competitiveness for key sectors such as aerospace, medical devices and digital depends on the talent market of skilled and excellent workforce. Therefore, the Government will offer RM30 million as incentive to the industry to train locals, including to offer their expertise as instructors and to fund new innovations to produce new products.

113. The Skills Development Fund Corporation (PTPK), through the TVET Training Fund amounting to RM180 million, will provide education loans to 12,000 trainees under the Skills Certification Programme. RM20 million is reserved for the benefit of trainees in the maritime field, pursuing creative arts at National Academy of Arts, Culture and Heritage (ASWARA), and maintenance, repair, and overhaul (MRO) for the aerospace sector.

114. A total of RM17 million is allocated to implement the Tahfiz TVET Programme which will provide opportunities for *tahfiz* students in diversifying their skillsets while pursuing their *hafazan* education.

115. To encourage the *Rakyat* to improve their skills and explore new area of employment, tax relief of up to RM2,000 for expenses incurred in upskilling or self-enhancement courses will be extended until year of assessment 2026.

116. The Government will also expand the scope for lifestyle relief to include fees for attending skill enhancement courses such as language courses, photography, tailoring classes, among others.

117. A multi-tiered levy system for foreign workers will be implemented before the end of 2024, to reduce dependency on foreign workers whereby higher levy rates will be imposed for employers with a large foreign workforce. Collection of this levy will be channelled to a fund to benefit employers for automation or training of local workers.

Fourth: Economy of the Rakyat

118. The Government will continuously strive to uplift the *Rakyat's* economy and provide a dignified life. I am determined to see this country be known for its clean, presentable, and safe business facilities and stalls. I assure you that the welfare of hawkers and traders in the markets will

continue to be looked after to ensure the comfort of the business community and visitors.

First: Dilapidated hawker centres and public market infrastructure in 150 local authorities' areas will be refurbished and upgraded with an allocation of RM110 million.

Second: The Government aims to beautify and improve the cleanliness of 10,000 stalls and kiosks with an allocation of RM10 million.

Third: 4,000 units of new streamlined, comfortable, and safe business spaces will be built in every local authorities' area with an allocation of RM50 million. The Government has also agreed to waive kiosk rental fees for the first 6 months for the *Rakyat* to operate their business.

Fourth: MARA, Perbadanan Usahawan Nasional Berhad (PUNB), Perbadanan Pembangunan Bandar (UDA) and the Kuala Lumpur City Hall (DBKL) will also upgrade their business facilities.

119. Efforts on the purchase of local products will be intensified through the **Buy Made in Malaysia Goods Campaign and the MySTI programme to promote use of use of local R&D goods and services** with an allocation of RM27 million.

120. To date, more than 1,200 business franchises have been registered under KPDM, among which 720 are owned by local companies with domestic sales value reaching RM30 billion. In fact, well-acclaimed local franchise brands such as Marrybrown, Daily Fresh Foods, Secret Recipe, Smart Reader and LaundryBar have been operating in 80 countries. To expand the franchise trade in boosting exports, the Government is providing **RM10 million under the Franchise Strengthening Programme.**

Measure 6: Supporting Primary Sectors

First: Logistics Sector

121. Equal focus is also directed towards the development of the transportation and logistics infrastructure, in line with initiatives to attract more investors and tourists as well as boost trade activities. To strengthen the ecosystem and efficiency of the country's ports:

- **RM50 million is provided as a matching grant with the Port Klang Authority to maintain Jalan Pelabuhan Klang** while enforcing the overload limit on heavy vehicles.
- **RM20 million is provided as a matching grant with the Port Authorities to upgrade the Malaysia Maritime Single Window (MMSW) system** to unite trading communities at the port through an integrated digital portal with various Government agencies.

- **The proposed development of a Port in Carey Island** will be realised through a Request for Proposal (RFP) to further strengthen the role of Port Klang.

122. To encourage more commitments from investors to make Malaysia a global service centre, the Government will introduce tax incentive for Global Service Hub with income tax rate incentive of 5% or 10% on an outcome basis for a period of up to 10 years.

123. The Government is committed to upgrade existing airports to enhance operational capabilities to meet the increasing influx of investors, traders, and tourists. A total of **RM47 million will be provided to enhance passenger facilities at Tioman Airport terminals** and to extend the existing runway to 1,300 metres.

Second: Tourism and Creative Sector

124. The country is rich in cultural and heritage diversity besides being home to many invaluable natural treasures. We excel in niche markets in ecotourism, scuba diving, golf, wedding ceremonies and medical tourism segments. This huge potential should be developed with a thorough framework to revitalise the tourism sector to become an engine of economic growth for the country.

125. Therefore, the **next Visit Malaysia Year has been set for 2026**, with a target of 26.1 million foreign tourist arrivals and an estimated domestic expenditure of RM97.6 billion.

126. The Government will provide **RM350 million to boost promotion and tourism activities for Malaysia to regain its position as the world's preferred tourist destination.** This provision includes among others:

- organising Visit Malaysia 2026 Campaign;
- cooperation with the industry for promotional activities and to organise both domestic and international tourism events;
- assistance to more than 200 cultural activists to organise arts and cultural activities;
- charter flight matching grants to improve accessibility of international flights into Malaysia; and
- funds to the Islamic Tourism Centre (ITC) to develop Muslim-friendly tourism industry in Malaysia.

127. Heritage areas, buildings and sites that are tourist attractions will continue to be preserved to maintain their beauty, safety, and cleanliness.

- **RM20 million will be provided for the benefit of the State Governments to maintain and conserve tourist attractions such as Tasik Timah Tasoh in Perlis,**

Kenong Rimba Park in Pahang and Pantai Teluk Kemang in Negeri Sembilan.

- **A total of RM80 million is also provided to preserve and conserve heritage buildings and sites that could potentially be recognised by UNESCO, such as Gua Niah, Sarawak; Lembah Bujang, Kedah and Royal Belum, Perak.**
- **RM20 million is also provided to Think City in enhancing and conserving the value of Kuala Lumpur as a creative and cultural district.**

128. Recognising the significant contribution of the tourism and manufacturing sectors to the development of the country, the Government is committed to **introduce new initiatives under the Malaysian Visa Liberalisation Plan**, involving the following facilities:

First: **Facilitate Employment Pass approvals for strategic investors in key sectors;**

Second: **Introduce Long-Term Social Visit Pass for international students who have graduated to meet industrial skilled personnel needs; and**

Third: **Improve Visa-On-Arrival facilities, social visit passes and Multiple Entry Visa offers to**

encourage the entry of tourists and investors, especially from India and China.

129. The Government has also agreed to **ease existing conditions for the application of Malaysia My Second Home (MM2H) Programme** to increase the arrival of tourists and foreign investors to Malaysia. This improvement to MM2H is expected to increase investment activities in the Malaysian financial market and the country's real estate industry.

Tan Sri Speaker Sir,

130. Local creative talent will continue to be supported to encourage the production of more artistic works in Malaysia as well as uplifting their income. The Government will provide **RM160 million to implement various initiatives for the benefit of creative artists**, among others:

- RM60 million under the Digital Content Fund to promote local works and support content based on national values;
- RM90 million under the Film in Malaysia Incentive (FIMI) initiative for encouraging international-standard film productions locally; and
- RM10 million to provide for the MyCreative Matching Grant Scheme to support artists in the production of creative projects.

131. Following the State of Selangor’s decision to lower the entertainment duty rate, **the Government also intends to lower the entertainment duty rate for the Federal Territory from 25% to new rates as follows:**

- **Full exemption of entertainment duty for stage performances by local artists;**
- **Reduction of entertainment duty to 5% for theme parks, family recreation centres, indoor game centres and simulators; and**
- **Reduction to 10% entertainment duty for stage performances by international artists and other entertainment events such as film screenings as well as sports and games events.**
- **I would also like to take this opportunity to call on State Governments to consider a reduction in entertainment duty, which can support the development of local creative talent as well as boost the country’s tourism activities.**

132. I evaluated the inputs received during the *Jelajah Belanjawan MADANI* in the State of Johor, especially in relation to the Government’s approach in attracting foreign film productions to Malaysia and in competing against incentives offered by other countries. The Government therefore proposes to set a preferential income tax rate of

between 0% to 10% on foreign film production companies, actors and crews filming in Malaysia.

133. In recognition and appreciation of laureates and arts, cultural and heritage players, the **Government will once again organise the annual *Anugerah Seni Negara*.**

Third: Technology and Innovation

134. Malaysia needs to emphasise an economic growth model led by research, development, commercialisation, and innovation (R&D&C&I) activities. To ensure Malaysia is successfully listed among the Top 30 countries in the Global Innovation Index by 2025:

- A total of **RM510 million is allocated as R&D funding under the Ministry of Science, Technology, and Innovation as well as the Ministry of Higher Education.** From this, RM50 million is exclusively for a matching grant for public universities to collaborate with the private sector in intensifying research and innovation activities that can be commercialised.
- A total of **RM76 million is also allocated to empower the R&D&C&I ecosystem** through the provision of a fund to support the commercialisation of products created by business enterprises, NGOs as well as Government departments and agencies.

- The INNOVATHON programme, which was successfully launched this year, featured many creations by local talent which can be commercialised. **The INNOVATHON programme will be continued to enrich and stimulate innovation among the *Rakyat*.**

135. To inculcate innovation among industry players, **RM10 million will be provided**, involving the E&E technology field under MIMOS, the space sector under MYSA as well as the drone and robotics technology under MRANTI.

Fourth: Plantations and Commodities Sector

136. As of June 2023, the agricommodity sector has contributed RM38 billion or approximately 5% to GDP and RM77.4 billion or 11% to the national export. These commendable achievements are despite the various global economic challenges and volatility. These include the impact of the implementation of non-tariff barriers by importing countries such as the European Union Deforestation-free Regulation (EUDR), the issue of the reliance on foreign labour and adaptation to modern technology. The YAB Deputy Prime Minister II will be leading the discussion with Indonesia to jointly collaborate in order to face the pressures from the European Union.

137. The Government will provide **RM2.4 billion to FELDA, FELCRA and RISDA** to continue boosting agricommodity activities and improve the socioeconomic status of smallholders.

138. By 2027, palm oil plantations that are more than 25 years in age are expected to cover an area of more than 560,000 hectares and this will adversely impact the productivity of fresh fruit bunches, with losses of up to RM7 billion a year. To curb this problem, the Government will provide a Palm Replanting Programme Incentive with an allocation of RM100 million in grants and loans to 7,000 private oil palm smallholders.

139. The national palm oil industry needs to continue to be defended against misconception from Europe. The Government will provide **RM70 million to enhance the sustainability level of the palm industry as well as intensify efforts to counter the Anti-Palm Oil Campaigns** in the international arena.

140. The Malaysian Rubber Board (LGM) has successfully developed a method of using stimulant gas that can catalyse the production of rubber up to three times as well as to increase the lifespan of rubber trees to up to 25 years. RM10 million is provided for the implementation of a pilot project to use stimulant gas for the benefit of rubber smallholders in a 1,000 hectare-wide plantation.

141. The Government will allocate **RM90 million to RISDA and FELCRA to encourage smallholders to optimise the use of farmland to produce food crops and livestock** such as mushrooms, pineapple, MATAG coconut, cattle, and chicken.

142. To increase the productivity of plantation products and reduce the dependence on foreign labour through mechanisation and automation such as drones and self-driving vehicles, **the scope of automation tax incentives will be expanded to include commodities sector under the Ministry of Plantation and Commodities.**

143. In Belanjawan 2023, I increased the activation pricing level for the Rubber Production Incentive (IPG) from RM2.50 to RM2.70 per kilogramme. Once again, after listening to the grievances of rubber farmers, **the Government has agreed to increase the IPG activation pricing level to RM3 per kilogramme with an allocation of RM400 million.**

Fifth: GLIC and GLC Companies

144. GLICs and GLCs continue to play a significant role as the driving force of the country's economy. The accumulated investment value of GLCs this year is estimated to reach RM130 billion. Among the focus in investments include DDI, venture capital in high-innovation startups and green growth for climate resilience.

145. Furthermore, GLICs and GLCs have also increased their contribution, in the implementation of various programmes, for the welfare of the *Rakyat* and the country, from RM250 million in 2023 to RM300 million in 2024.

Measure 7: Sustainable Agenda & Energy Transition

146. The NETR outlines six key drivers of energy transition, including renewable energy, hydrogen, green mobility as well as carbon capture utilisation and storage (CCUS).

First: Towards Net Zero Carbon Emission

147. To realise the aspirations in the NETR, the Government will set aside a seed fund, the National Energy Transition Facility totalling RM2 billion.

148. Apart from this, financial institutions are allocating a total of RM200 billion in financing to encourage the industries to transition to a low-carbon economy.

149. To achieve the 70% renewable energy capacity target by 2050, the Corporate Green Power Programme will be continued as part of the Third Party Access (TPA) implementation model. The Government will continue to further explore the TPA model and develop other appropriate implementation methods to drive further investment in boosting renewable energy capacity.

150. The Government will continue to boost growth of the local electric vehicle (EV) industry and spur adoption of EV usage among the *Rakyat*.

- **The Government welcomes investment of more than RM170 million by leading companies such as TNB,**

Gentari and Tesla Malaysia to install around 180 EV charging stations.

- **To encourage the use of electric motorcycles, the Government will introduce the Electric Motorcycle Usage Incentive Scheme to the *Rakyat* with an annual income of below RM120,000. This scheme will provide up to RM2,400 rebate to buyers.**
- To support the needs of the LRT3 projects, Prasarana Malaysia Berhad has agreed to acquire 150 electric buses and build 3 bus depots at the cost of RM600 million.
- The Government plans to extend individual income tax relief of up to RM2,500 on expenses of EV charging facilities for a period of 4 years and to extend tax deduction on EV rental costs for a period of 2 years.

151. Efforts to encourage the installation of solar panels will also be intensified.

- The Government will extend the Net Energy Metering (NEM) programme until 31 December 2024 to encourage the installation of solar panels on residential premises.
- The Government is also developing a rooftop solar buyback programme with minimal cost implications to the system.

- At the same time, the Government is encouraging companies to offer a “Zero Capital Cost” subscription model, such as the one that will be offered by Gentari, for the residential housing category.

152. Putrajaya will be modelled as Malaysia’s low-carbon city. The Government will commence installation of solar panels on Government building rooftops in collaboration with TNB and Gentari. The Government will also begin using EVs as part of its vehicle fleet.

153. The Government will continue to support the Sustainable and Responsible Investment (SRI) framework. As such, the Government proposes the tax exemption for fund management companies managing SRI funds and tax deductions on the cost of issuing SRI Sukuk will be extended until the year of assessment 2027.

154. To encourage companies to participate in the voluntary carbon market, the Government is proposing further tax deduction up to RM300,000 be given to companies that incur expenses on Measurement, Reporting and Verification (MRV) related to the development of carbon projects. The expenditures are deductible from the carbon credit income traded on Bursa Carbon Exchange (BCX).

155. The Government will ensure the Petroleum Income Tax Act 1967 remains relevant to the current upstream oil and gas industry, thereby will increase the interest of foreign investors. The

Petroleum Income Tax Act 1967 Revision Committee, comprise of the Ministry of Finance, IRB and PETRONAS, is currently reviewing and formulating tax incentives for the Carbon Capture Storage (CCS) and Hydrogen Sulphide projects. *Insyah-Allah*, this study will be finalised by the end of the year.

Second: Preservation of Natural Treasures

156. The Government will continue to support State Governments' efforts in increasing the percentage of protected forest areas and protecting endangered wildlife. Next year, **the allocation for Ecological Fiscal Transfer for Biodiversity Conservation (EFT) will be increased to RM200 million, from RM150 million this year.**

157. Community rangers have been successful in combating trespassing, illegal logging and mining, as well as wildlife killing. **The Government will increase the number of community rangers to 2,000 personnel from 1,000 this year to enhance enforcement in permanent forest reserves. RM60 million is allocated with a focus to appoint rangers among Malaysian Armed Forces and RMP veterans, Orang Asli, and local communities.**

158. Between 2018 and 2022, more than 46,000 complaints were received involving human-wildlife conflicts, such as elephants, tigers, and tapirs damaging properties and agricultural crops, resulting in estimated loss of RM43 million. **A total allocation of RM10 million is provided to help ease the burden of losses**

incurred by the *Rakyat* affected by these human-wildlife conflicts.

159. The Federal Government will **pioneer the issuance of a biodiversity sukuk of up to RM1 billion** to fund among others, replantation efforts of degraded forests that will in turn generate carbon credits. This replanting initiative will be undertaken in collaboration with interested State Governments who will potentially benefit from the carbon credits generated.

160. The Government has provided various tax deductions on preservation and conservation activities. To encourage more participation from the private sector to contribute in charity or community projects, the Government will provide **tax deduction to entities sponsoring tree planting activities or environmental preservation and conservation awareness projects that are verified by Forest Research Institute Malaysia (FRIM).**

161. In addition, to support the social enterprise movement in producing positive environmental and social impacts, in line with the pillars of sustainability and wellbeing under Malaysia MADANI, **the Government will extend the application period for tax exemption on all income of Social Enterprise until 2025.**

Third: Disaster Management Readiness

162. Under the Twelfth Malaysia Plan, a significant allocation reaching RM22 billion to fund flood mitigation projects has been set aside. These long-term high-impact projects are essential in

ensuring the *Rakyat's* wellbeing and reducing life and property losses. Notwithstanding, the Government remains firm in its stance on procurement, wherein it should be implemented on a tender basis to avoid wastage of the *Rakyat's* money.

163. Next year, a total of **33 High Priority Flood Mitigation Projects will be implemented at a cost of RM11.8 billion.** Among the projects involved include Flood Mitigation Plans at the following areas:

- Sungai Pahang Basin, Pahang;
- Sungai Langat Phase 2, Selangor;
- Sungai Jelai, Kuala Pilah, Negeri Sembilan;
- Sungai Likas, Kota Kinabalu, Sabah;
- Kuching Phase 2; Sarawak;
- Baling Phase 2, Kedah; and
- Integrated River Basin Development, Sungai Kelantan Phase 2, Kelantan.

164. Letters of Acceptance (SST) for 24 projects are expected to be issued this year beginning October 2023 involving a total cost of RM5.1 billion. The remaining projects will be issued SSTs in the first quarter of 2024.

165. Meanwhile, to reduce the risk of stagnant water and flash flooding, **RM20 million is provided to 150 local authorities to carry out repair works on damaged sewers and drains.**

166. To curb landslide tragedies similar to the occurrence at Batang Kali, Selangor late last year, the Government has allocated **RM563 million for slope repairs nationwide including for monitoring, prevention and reporting programmes as well as early warnings involving more than 2,000 high-risk slopes.**

Tan Sri Speaker Sir,

167. Overall, the **National Disaster Management Agency (NADMA) as the main agency for flood preparedness is allocated RM300 million.**

- This includes **RM100 million which will be channelled immediately after this Presentation** using the 2023 allocation for flood preparedness and response later this year.
- The Government has agreed to **increase the allocation under the National Disaster Relief Fund next year to RM200 million** from RM100 million this year.
- **NADMA will also enhance the comfort levels at evacuation centres to ensure the welfare of the victims are protected.** This includes providing nine Permanent Evacuation Centres, refurbishing lavatories, bathrooms, and stores at 1,500 Temporary Evacuation Centres, as well as renting mobile lavatories.

- At all times, the Government is committed to increasing the allocation as required to ensure best management of disasters.

168. We must all remember Blake, a member of the K9 Detection Unit of the Fire and Rescue Department who left us after rendering tremendous service to the country. **The Government will improve the medical facilities and treatment for K9 dogs of the Fire and Rescue Department as well as increase the number of K9 detection dogs for the Fire and Rescue Department, RMP and RMCD with an allocation of RM5 million.**

Fourth: Food Security

169. The disruption of the global food supply chain has had a direct impact on the domestic market for essential items. Increased in rice prices, which are not only observed in Malaysia, are due to the decision of 19 countries to limit the export of rice to meet their own domestic demand. Last month, the Government decided on four urgent measures to ease the *Rakyat's* concerns regarding the price hike of imported white rice (BPI) and the increase in demand for local white rice (BPT).

170. The Government will continue to intensify efforts to enhance the productivity and resilience of the agro-food industry to improve the self-sufficiency level and strengthen food security.

- The **Second Belanjawan MADANI** will allocate **RM2.6 billion** to provide various forms of subsidies and incentives to farmers and fishermen. This is an increase of RM600 million compared to this year, in line with the Government's decision to raise the rate of the Paddy Price Subsidy Scheme from RM360 to RM500 per metric tonne, effective two months ago.
- I have heard the grouses of paddy farmers when the purchase price by manufacturers was lowered to a minimum of RM1,200 per metric tonne from a much higher level previously. The Government has set the price floor at RM1,200 since 2014. It gives me great pleasure to announce that **the Government has decided to increase the purchase price floor of paddy to RM1,300 per metric tonne to support the income of farmers.**
- The Government has **embarked on a five seasons in 2 years paddy cultivation pilot effort in several areas such as Bota Kiri, Perak; Kangar, Perlis; and Kota Sarang Semut, Kedah.** This is in line with efforts to upgrade the irrigation infrastructure in Muda Agricultural Development Authority (MADA) areas in Perlis and Kedah to increase rice output with an investment of RM3 billion.
- The Government has also agreed to increase the allocation for hill paddy or huma paddy subsidies from

RM40 million to RM50 million and this, among others, will be able to expand the hill paddy planting area from 43,000 hectares.

- For the benefit of fishermen, the Government will maintain the subsidised diesel price at the lowest level of RM1.65 per litre for selected classes of fishermen, with a quota of 840 million litres per annum. Fishermen are also provided a monthly allowance of up to RM300 per month and the Fishermen's Catch Incentive of up to RM1,000 per month. The Government will provide RM10 million for the purpose of building new and refurbishing dilapidated houses for fishermen.
- Next year, **RM400 million will be allocated to implement the Food Security Strengthening Programme.** Focus will be on increasing the domestic production of imported food crops that are still dependent on external imports.
 - Among others, **RM150 million to collaborate with State Governments** in optimising land use to increase crop and livestock production.
 - **RM50 million to implement a new method of fertiliser procurement through open tendering to allow farmers to choose their preferred fertiliser.** This project will be carried out on a pilot basis covering

90,000 hectares of land, including in Perak, Selangor, Terengganu and Penang.

- **RM50 million to supply 50,000 farmers with bio-organic fertilisers** to increase soil fertility.
- To support the increase in production capacity of agricultural products and the competitiveness of young agropreneuers, **Agrobank provides financing facilities** to agro-food entrepreneurs with the availability of funds of up to RM430 million.
- The Government will protect farmers, breeders and fishermen hit by natural disasters that destroy their crops and livestock.
 - **RM50 million is allocated under the Agricultural Disaster Fund to provide compensation of up to 50% of the value of losses due to disasters.**
 - **RM50 million has also been allocated as startup funds under *Skim Takaful Tanaman Padi*** for the benefit of more than 240,000 paddy farmers.

171. In essence, I call for the involvement and cooperation of the private sector in embracing all their strengths and expertise to work together to increase local food production to reduce reliance on imported supplies.

III. RAISING RAKYAT'S STANDARD OF LIVING

172. As expressed in Thirukkural:

இயற்றலும் ஈட்டலுங் காத்தலும் காத்த
வகுத்தலும் வல்ல தரசு

*(Iyatralum Eettalum Kaatthalum Kaattha
Vaguthalum Vallathu Arasu)*

The person, capable of advancing (wealth from various sources of income), gathering (wealth from that income in a centre), protecting (the accumulated wealth) and managing the expenditure of that protected wealth (in advantageous ways), is the King.

173. The increase in national revenue from economic and fiscal restructuring will be fully utilised to elevate the standard of living of the *Rakyat* to a more meaningful level. Emphasis is given to the channelling of cash assistance directly to the underprivileged as well as providing education, healthcare, and basic infrastructure for all.

Measure 8: Protecting the Welfare of the *Rakyat*

174. For 2024, a total of **RM58.1 billion** is provided to finance various forms of Government assistance to the *Rakyat* including subsidies, incentives, and aid. Almost 50% of this allocation is to control the price of goods and services to benefit the *Rakyat*.

175. For example, **RM225 million** is allocated to fund the cost of distribution of essential goods such as petrol, LPG, flour, rice and cooking oil to rural and remote areas under the Community Drumming Programme. The programme will be expanded to new areas including the Abai district, Sandakan, Sabah and Engkerebai, Mukah, Sarawak.

First: Payung Rahmah Programme

176. The *Payung Rahmah* Programme is a manifestation of the Government's concern about the plight of the *Rakyat*. The battle in dealing with the rising cost of living, which was initiated by the late Datuk Seri Salahuddin Ayub, shall not end, and will be further enhanced.

177. The Government will allocate **RM200 million** to continue the implementation of the *Payung Rahmah* programme.

- For example, the ***Jualan Rahmah*** Programme, which offers essential items priced up to 30% lower, will be expanded to more state constituencies nationwide.

- The *Pasar Rahmah* Programme, which offers incentives to 1.2 million traders at wholesale markets, night markets and farmers markets will be continued to reduce the cost of doing business, thereby lowering sale prices.

Second: Sumbangan Tunai Rahmah (STR) & Sumbangan Asas Rahmah (SARA)

178. I have heard the grievances of the *Rakyat* who are facing cost of living challenges amidst rising prices. This issue has always been the Government's utmost priority to ensure that low-income households continue to be given the appropriate assistance.

179. The targeting of subsidies will enable the Government to improve and increase cash assistance to the *Rakyat* through the STR. Next year:

- STR will benefit 9 million recipients or 60% of Malaysia's adult population.
- STR allocation will increase by RM2 billion or 25% from RM8 billion to RM10 billion.
- The maximum STR will increase from RM3,100 to RM3,700.

- The minimum STR rate for singles will also increase from RM350 to RM500.
- The first STR payment for households is usually RM300. For STR 2024, the first STR payment will be increased to RM500, which will be distributed before Ramadan, *Insyah-Allah*.
- This year, we introduced the *Sumbangan Asas Rahmah (SARA)* by crediting the STR recipients' MyKad with RM100 per month for a period of six months. Through SARA, recipients need only to present their myKad to retail outlets to procure basic necessities. Considering the positive feedback, the Government has decided to extend the SARA benefit to 700,000 STR recipients who will receive RM100 per month for a period of 12 months.
- STR 2024 will adopt a different approach whereby the Government will accept new applications as early as November 2023 and applications will be open throughout the year compared to just once a year previously. *Insyah-Allah*, the first payment of up to RM500 will be made in February 2024.

Third: Meaningful Income

180. The People's Income Initiative (IPR) launched this year has managed to increase the monthly income of more than 2,000 participants. Under the INSAN programme, participants managed to earn an average sales revenue of up to RM14,000 per month. **Next year, RM500 million will be provided to increase the participation of more hardcore poor in the IPR programme to increase their income.**

181. Based on the latest data, efforts to eradicate hardcore poverty continue to show progress, with the hardcore poverty rate falling from an estimated 1% in 2020 to 0.2% or 18,000 households at present. With all the efforts in place, the Government is confident that hardcore poverty will be eradicated.

182. The Government agrees to also make the **upskilling programmes under the MyFutureJobs platform accessible to all MySTEP appointments.** This platform will provide job matching opportunities that will help build their future careers and generate higher income. This initiative will offer 50,000 jobs opportunities on a contractual basis in the public sector and GLCs starting January 2024.

183. The Government will continue to encourage vulnerable groups such as PWDs, former inmates and senior citizens to secure jobs with meaningful salaries.

- To encourage private employers to employ the vulnerable, **SOCSO will provide a special incentive of RM1,500 per month for a period of six months to support the employment of more than 3,300 job seekers** with an allocation of RM30 million.
- **The 1% employment policy for PWDs will be extended to former inmates and senior citizens via job matching under MYFutureJobs and the MySTEP programme.** Vulnerable groups participating in the MySTEP programme will be offered contractual placements with an allowance of RM1,500 for a period of six months in various ministries, GLICs and GLCs as well as with the Government's strategic partners.

184. The Government will continue Career Building Programme through SOCSO to ensure that informal workers, especially those in the gig economy, are given the opportunity to participate in career development and micro credential skills training programmes. **RM35 million will be provided to fund the training fees and provide income replacement incentives for 9,000 gig workers who attend training programmes.**

Fourth: Channelling of Cash Assistance

185. For 2024, the assistance that will be channelled by the Department of Social Welfare (JKM) is worth more than RM2.4 billion. The assistance is expected to benefit more than 450,000 *Rakyat*, especially hardcore poor households, senior citizens,

children and PWDs. I am pleased to share that eligibility for the assistance will be expanded in line with the increase in the 2023 Food Poverty Line Income (PLI) to RM1,198 per month.

186. A portion of the income generated from the sales of special plate numbers will be utilised for the benefit of the underprivileged.

First: The Government will continue to provide free driving test **for B2 motorcycle, e-hailing and taxi licenses for the benefit of more than 40,000 youths** from underprivileged families.

Second: A total of 10,000 **free helmets including for children will be distributed** to underprivileged families.

Third: The FLYsiswa initiative was introduced by the Unity Government as a subsidy for the purchase of flight tickets to reduce the financial burden of students who wish to return to their hometowns. Next year, **the FLYsiswa initiative will be continued and will benefit nearly 60,000 students** from underprivileged families, especially in Sabah and Sarawak.

Fifth: Social Protection

187. The Government is improving social protection programmes to ensure that the focus groups continue to receive the appropriate protection.

First: **The Government's share of contribution under the Self-Employment Social Security Scheme (SKSPS) will be increased to 90% with an allocation of RM100 million.** On behalf of the gig workers, I would like to urge gig economy companies to cover the remaining 10% of the contribution on behalf of gig workers. I am sure platform operators are very attentive to their employees' welfare.

Second: **The limit of the Government incentive under the EPF's i-Saraan programme will be increased to RM500 per year, limited to RM5,000 for life.**

Third: **The limit of the Government incentive under the EPF's i-Suri programme will be increased to RM300 per year, limited to RM3,000 for life.**

Fourth: **The Housewives' Social Security Scheme will be continued with an allocation of RM50 million** benefitting more than 400,000 housewives registered under e-Kasih.

Fifth: The EPF's i-Sayang programme will be expanded to allow wives to transfer 2% of the employees' portion of their EPF contributions to their husbands.

188. Furthermore, the Government will increase the monthly salary ceiling for SESCO contributions from RM5,000 to RM6,000. This increase will expand the cash benefits at a rate of 20.2% to benefit 1.45 million workers and their dependants.

189. The accounts of EPF members will be restructured to boost retirement savings. The new EPF Flexible Account will be introduced as a new account that will be accessibility to members at any time.

Measure 9: Empowering the Government Focus Group

190. In line with inclusive development, efforts will continue to be intensified to ensure equality of opportunities among the *Rakyat* in providing specific assistance to certain groups, especially the vulnerable and those in need of assistance.

First: Bumiputera Agenda

191. We must take heed from past mistakes that led to dereliction and negligence, to the detriment of Bumiputera agencies:

- The main institutions of the country cannot deviate from the initial goals of its establishment. Past mismanagement

has also forced the Government to incur losses in Tabung Haji (RM20 billion), FELDA (RM10 billion) and LTAT (RM2 billion). When faced with problems, it is unreasonable that these institutions' chosen solution is to sell their strategic assets. Therefore, in the interest of stakeholders, these institutions should exercise due care in managing their institutions in a prudent and professional manner to realise the long-term investment potential.

- Moving forward, Bumiputera investment institutions will be centralised under *Yayasan Pelaburan Bumiputera (YPB)*. *Pelaburan Hartanah Berhad (PHB)* will be merged under PNB and strengthened through the provision of the Government's strategic lands, especially in Kuala Lumpur, for housing development projects. Ekuinas will also be placed under the umbrella of YPB to strengthen Bumiputera business expansion in collaboration with PNB and PUNB.
- Education institutions under MARA including UiTM should focus on training and upskilling new Bumiputera talent in high-growth areas such as Islamic economy, aerospace, and the creative industry.
- Next year, RM1.6 billion worth of financing facilities and guarantees will be provided specifically for Bumiputera MSME entrepreneurs to increase capacity and

competitiveness, including the provision of venture capital financing for Bumiputera startups.

- The Government will provide a special fund for the CAKNA 2 Scheme, to assist small G1 to G4 Bumiputera contractors to complete small-scale Government projects amount to RM2.4 billion. The implementation of the CAKNA 1 Scheme, with a non-debt feature to assist Government vendors, will also be expanded to all Government agencies.

Second: Women and Children

192. The *Ekonomi MADANI* framework announced a target to increase the Female Labour Force Participation Rate to 60%. To further encourage women to return to the labour force, **tax incentive for women returning to work will be extended until 31 December 2027.**

193. The Government is **proposing income tax exemption limit on childcare allowances received by employees or paid directly by employers to childcare centres be increased from RM2,400 to RM3,000 per year.**

194. Immigration detention centres are not meant for children. We need not refer to international conventions to realise this. All that is needed is empathy. The Government has therefore, pioneered the Baitul Mahabbah programme under the Immigration Department of Malaysia to provide a temporary settlement for these children. For

2024, the **Government will expand this programme to three more temporary settlements, one each in Sabah, Sarawak and the Peninsular, with an allocation of RM10 million.**

195. Attention will continue to be given to early childhood education. For next year, **KEMAS is allocated RM586 million.**

- **A total of 10 new TABIKA and TASKA at the cost of RM31 million will be built**, including in Kampung Paya Berenjut, Kemaman, Terengganu; Felda Jelai 1, Tampin Negeri Sembilan and Taman Kota Masai, Johor Bahru, Johor.
- **A total of RM20 million is also provided to upgrade KEMAS Early Childhood Education premises.**

196. Next year, **26 new preschools under the Ministry of Education will be built involving a cost of RM82 million.** This includes the construction of preschools at:

- Sekolah Kebangsaan Abang Kadir Gedong, Simunjan, Sarawak;
- Sekolah Kebangsaan Bunut Rendang, Kuantan, Pahang; and
- Sekolah Jenis Kebangsaan Cina Chabau, Melaka.

197. The inculcation of Islamic education and the knowledge of the Al-Quran will continue to be strengthened from an early age. **The Government will implement the KEMAS Pre-Tahfiz Programme with an allocation of RM20 million, targeting to produce 100,000 young hufaz by 2026.**

Second: Youths

198. To inculcate the spirit of volunteerism among youths aged 18 to 20 years, the Government will implement the “pay it forward” concept. **A RM500 reward will be provided to youths who have successfully participated in volunteering activities with organisations recognised by the Government.**

199. In addition, the Rakan Muda Programme has been given a new lease of life to mould the identity and personality of young Malaysians. **The Government will allocate RM20 million to Rakan Muda to enhance the content of youth programmes.**

200. Since its inception, the *Tunas Usahawan Belia Bumiputera (TUBE)* Programme has produced more than 7,000 Bumiputera youth entrepreneurs and created nearly 14,000 job opportunities. This programme will continue next year with an allocation of RM20 million. The TEKUN Belia Mobilepreneur financing scheme will also be continued with an allocation of RM10 million for youth in delivery services using motorcycles.

201. To promote Malaysia as an e-sports development hub, a total of RM30 million is allocated to encourage companies or international gaming studios to invest in Malaysia, including for product development by utilising local talents.

Third: Key Communities

a) Orang Asli

202. The Orang Asli community is allocated RM333 million in 2024 compared to RM305 million this year. This allocation includes the implementation of socio-economic development and infrastructure projects in Orang Asli villages as well as the provision of social assistance.

203. For example, a total of RM28 million is allocated to enhance Orang Asli entrepreneur development programmes and the replantation at Orang Asli plantations such as in Batang Padang, Perak and Hulu Langat, Selangor.

b) Persons with Disabilities (PWD)

204. The Government will continue to protect the wellbeing and empower PWDs to be self-sufficient.

- A total of **RM1.2 billion is provided to channel various forms of assistance** such as caregiving to chronically ill and bedridden PWDs, PWDs who are unable to work and allowances for PWD workers.

- Next year, **the allowance for PWD trainees who participate in the Community Based Rehabilitation Programme will be increased to RM300 per month compared to RM150 per month.** This increase is expected to benefit more than 18,000 PWD trainees with an additional allocation of RM30 million.
- BSN will provide RM50 million under a special financing facility to benefit PWD micro entrepreneurs.

c) Senior Citizens

205. For 2024, a total of **RM1 billion is allocated to protect the wellbeing of senior citizens.** This includes providing cash assistance and channelling funds to senior citizen care institutions and activity centres.

206. The Government proposes for the **Industrial Building Allowance to be given to Private Nursing Homes for Senior Citizen** approved by the Ministry of Health at the rate of 10% of cost of buildings built or purchased, including renovation costs for each year of assessment. This allowance is given for qualifying expenditure incurred from 1 January 2024 to 31 December 2026.

d) Inmates and Refugees

207. The PEKA (Your Second Chance) Programme under the Prisons Department has successfully provided employment opportunities for selected inmates who are approaching the end of their sentence. Next year, apart from continuing to work with companies to ensure the success of the PEKA Programme, **a total of RM10 million is also provided for the implementation of the PEKA TVET Programme to provide CIDB-accredited competency training to inmates.**

208. In the spirit of second chances, the Government will also table **amendments to the Drug Dependents (Treatments and Rehabilitation) Act 1983** to enable drug addicts to receive treatment and rehabilitation without being incarcerated.

209. Malaysia is not spared from the spillover effects of the humanitarian crisis in regional countries. Most of the refugees and asylum seekers in Malaysia are those facing persecution in Myanmar. The Government will consider **providing controlled access to basic needs including jobs, services, and education.**

Measure 10: Providing Excellent Basic Facilities

“Without education and liberty, that soil and the sun of mankind, no reform is possible, no measure can give the result desired.”

(José Rizal)

210. The *Ekonomi MADANI* framework sets the target for Malaysia to be among the top 25 countries in the United Nations Human Development Index (HDI). Among dimensions measured by the HDI are the education and health levels of citizens.

First: Education and Higher Education

(a) Mainstream Education

211. Education remains the main component receiving the highest allocation in the *Second Belanjawan MADANI*. **The Ministry of Education specifically, will be allocated RM58.7 billion compared to RM55.2 billion in 2023.**

212. Next year, **RM1.9 billion will be allocated to upgrade and maintain schools nationwide.**

- This includes **RM930 million for the upgrading of dilapidated buildings and infrastructure in 450 schools, comprising 185 projects in Sarawak and 155 projects in Sabah.**

- A total of RM1 billion is allocated for **the maintenance of all types of schools such as national, religious, and vernacular schools**, including special education schools with a focus on the needs of students with autism.

213. Next year, **the construction of 26 new schools will commence with a total cost of RM2.5 billion, including:**

- **SMK Laya-Laya, Tuaran Sabah;**
- **SMK Baie, Bintulu, Sarawak;**
- **SMK Seri Melati, Kuantan, Pahang;**
- **SMK Bandar Universiti, Bandar Seri Iskandar, Perak;**
and
- **SMK Binjai, Kota Bharu, Kelantan.**

214. Beginning next year, the Government **has agreed to raise the threshold of parents' income criteria for the application of the Federal Small Scholarship (BKP), in line with the PGK rate of RM2,589 compared to the previous RM1,500.** This change will benefit an additional 35,000 children from underprivileged families.

215. To ensure that children from poor families do not drop out of school, the Government has agreed to **expand the provision of assistance under *Kumpulan Wang Amanah Pelajar Miskin* up to Form Three students** compared to Form One previously. In total, over 1 million students will receive benefits with an allocation RM150 million.

216. The Ministry of Education recorded a decrease in the participation of upper secondary students in the Science, Technology, Engineering and Mathematics (STEM) stream to 40.94% in 2022 from 45.2% in 2017.

- To strengthen STEM education, a **STEM Special Committee across ministries will be established** to set targets and measures to increase the participation among secondary school students in STEM fields.
- The Government will provide **RM100 million to maintain and upgrade school computer labs and acquire new equipment for STEM learning**. Industry representatives will also be involved as instructors and provide equipment to increase the interest of students in STEM.

217. The Government will continue to empower and protect the wellbeing of students with special needs.

- Next year, **18 new special education blocks will be built with a total cost of RM180 million**. This includes SMK Kubang Rotan, Kedah; SK Bandar Baru Perda, Pulau Pinang and SMK Dato' Ali Ahmad, Perlis.
- A total of **RM30 million is also allocated provide equipment to support students with special education needs and provision of PWD-friendly infrastructure** to facilitate students and teachers in schools.

218. To further instil *Karamah Insaniah* among school students, character-building programmes that focus on the values of leadership, personality, manners and integrity will be implemented.

219. Malaysia recorded the highest school closures compared to regional countries during the COVID-19 pandemic. Pursuant to this, there are students who still suffer learning losses. **To this end, RM100 million is provided to implement a holistic approach involving all parties to assist these affected students.**

220. As the National Education Blueprint is being drafted, the Ministry of Education will tour the country (*Jelajah Masa Depan Pendidikan Negara* tour) to listen and consider the suggestions and concerns of parents, educators and the industry.

(b) Higher Education

221. The success of higher education is measured by the number of accomplished young talents produced. Universities, as knowledge hubs, need to be ready to equip graduates with the necessary skills and knowledge required by the job market. For this purpose, the **Ministry of Higher Education is allocated RM16.3 billion compared to RM15.3 billion this year.**

222. Low internet coverage in universities is one of most frequent complaints I received during my *Siri Temu Anwar* sessions with students. This should be dealt with utmost urgency. **The Second**

Belanjawan MADANI will provide RM250 million to replace and expand the coverage of WIFI in all public universities. This also includes RM5 million for the digitalisation project at University Teaching Hospitals.

223. To increase the level of comfort and safety in institutes of higher education (IPT), **RM300 million is provided to maintain and repair infrastructure as well as replace dilapidated equipment.** This includes RM50 million for the procurement of equipment at four technical universities in Malaysia.

224. The Government will continue to increase the accessibility of knowledge by **encouraging vulnerable communities, including PWDs, Orang Asli, single mothers, and senior citizens to participate in Lifelong Learning Programme in community colleges. A total of RM5 million is provided for the benefit of 5,000 focused communities** in 105 community colleges nationwide.

225. To improve the socio-economic level of and empower local entrepreneurs, the Government will provide **RM1 million to each public university to improve the implementation of *Program Pengupayaan Komuniti MADANI* and the PWD Community Based Rehabilitation Programme.**

226. Malaysia needs to move quickly to position itself to seize opportunities arising from global digital transformation. Innovation and digital talent need to be strengthened, especially in artificial intelligence (AI), to support sustainable economic growth in the

country. To bolster the exploration of cross-disciplinary AI, I am pleased to announce **the establishment of the country's first AI learning centre, the Faculty of Artificial Intelligence (AI) at Universiti Teknologi Malaysia with an initial allocation of RM20 million.**

227. Debts must be paid. To inculcate responsibility among borrowers, the Government has agreed to provide **a discount on PTPTN loan repayment from 14 October 2023 until 31 March 2024 with the following rates:**

First: 10% discount on the balance of debt for full settlement of the loan;

Second: 10% discount on payment of at least 50% of the remaining debt in a single payment; and

Third: 15% discount on payment by salary deduction or scheduled direct debit.

228. Lastly, I would like to take this opportunity to emphasise the welfare of university students. I will not, under any circumstances, allow students who have received placement offers, especially those from underprivileged families, to be denied access to public universities or have their right to enrol be denied simply because they cannot afford the enrolment fees. Inability to pay tuition fees must not be used as a reason to prohibit students from sitting their exams.

- Starting January 2024, **the registration fees for admission to public universities will be capped at RM1,500**. This is in line with the value of the National Higher Education Fund Corporation (PTPTN) Advance Loan (WPP), which amounts to RM1,500 for all eligible prospective students.
- At the same time, **existing students who cannot afford to pay their tuition fees will not be barred from registering for subjects each semester** and payments can be settled after subject registration. Any payment regulations set by universities should take into consideration the welfare of students.
- Moving forward, the universities' Student Affairs Division, in collaboration with PTPTN or other relevant bodies, should play a role in simplifying the process and assisting students and prospective students facing tuition fee payment issues.

Second: Health Services

Tan Sri Speaker Sir,

229. The Health White Paper, which was presented at this House last June, has outlined some of the key challenges of the nation's health system that need to be addressed, including integrating the public and private health sectors, which have been separated for all these while. The Second Belanjawan MADANI will lay the

framework to achieve the four pillars of the national health reform strategy.

230. Next year, **the Ministry of Health Malaysia will be allocated RM41.2 billion** compared to RM36.3 billion this year, making it the largest increase among the ministries. A total of RM5.5 billion of this allocation is for the procurement of medicines, consumables, reagents and vaccines. This includes purchasing medication from the ASEAN region at reasonable prices, prevent leakages while reducing dependency on medicines from Europe and the United State of America.

231. Malaysia has yet to meet the ratio of one doctor to 400 patients. To this end, the accessibility to health facilities will continue to be increased to minimise congestion.

- Next year, **several new development projects will be implemented** including:
 - Universiti Sains Islam Malaysia (USIM) Teaching Hospital Complex (USIM) Phase 1 in Kota Tinggi, Johor at a cost of RM938 million;
 - Preliminary work for the construction of Hospital Sultanah Aminah 2, Johor Bahru, Johor;
 - Additional Pathology Block at Hospital Raja Perempuan Zainab II, Kelantan at a cost of RM175 million;

- Additional building for the Emergency and Trauma Department at Hospital Sultan Abdul Aziz Shah, Universiti Putra Malaysia, Serdang, Selangor; and
- Five new health clinics including Rantau, Negeri Sembilan; Kuala Tahan, Jerantut, Pahang; Kuala Jengal, Dungun, Terengganu; and Pulau Mantanani, Kota Belud, Sabah at a cost of RM150 million.
- The Government also supports the establishment of a Cancer Institute in Sarawak.
- To control congestion at MOH hospitals, the Government will also continue to enhance cooperation by **decanting patients to other hospitals**, including military, university and private hospitals, with an allocation of RM200 million.

232. The commitment of the Unity Government to refurbish dilapidated clinics will be intensified. A total of **RM300 million is allocated to refurbish 400 rundown clinics** with wooden structures and dilapidated wiring.

233. A total of **RM766 million is also allocated for the procurement of medical equipment at MOH hospitals** to replace equipment that is Beyond Economic Repair (BER) and to meet the needs of various new service disciplines. This includes **RM200 million for procurement of ambulance** to ensure healthcare service readiness in responding to emergency calls.

234. Only 3% of national health clinics are equipped with digital health records. Digital records are crucial in allowing quick access to patients' data that can be shared across all Government healthcare facilities. The Government will **RM150 million for the maintenance of ICT** systems under the Ministry of Health, including providing **Clinic Management System Subscription (CCMS) to 100 Government health clinics.**

235. To protect the *Rakyat* and ensure their wellbeing, healthcare services should shift from treatment to disease prevention. RM130 million will be allocated for *Agenda Nasional Malaysia Sihat (ANMS)*, including for health screening, early screening for new-borns and providing vaccines for pregnant mothers.

236. At the same time, to mitigate health risk, the following measures will be implemented:

- **An excise duty will be imposed on chewing tobacco products at a rate of 5% plus RM27 per kilogramme**, similar to the excise duty imposed on snuff tobacco.
- **The current excise duty rate for sugar sweetened beverages will be increased from 40 cents to 50 cents per litre.** The revenue collected from this excise duty will be allocated for addressing and treating diabetes, including support for dialysis centres.

237. The *Skim Perubatan MADANI* will be expanded nationwide with an allocation of RM100 million, benefitting 700,000 *Rakyat*, and the *mySalam* scheme will be continued for two more years. RM50 million will be allocated for claims on medical device expenses claims such as heart stents.

Third: Rural Development

238. The Belanjawan 2024 speech that I am reading today was carried in a bag produced by the local craft community. I am confident that we can indeed uplift the economic dignity of the local community to generate meaningful income for them.

239. In support of the efforts to uplift the community's economy, the Government will introduce the *Program Komuniti MADANI* under the purview of the ICU, Prime Minister's Department. This is important as this is the first time in this country where I will be providing approval for every village, community, rural and urban areas, longhouses as well as Orang Asli villages to decide for themselves on how funds ranging from RM50,000 to RM100,000 will be used to generate economic growth. This programme aims to boost community-level economic activities, involving five key sectors, which are agriculture and food, sewing and handicrafts, herbs and health, tourism, and hospitality as well as green and recycling activities.

240. Every community, whether in rural or urban areas, will be given the freedom to deliberate and decide on their chosen focus sectors. The Government will allocate RM1 billion under the *Dana Komuniti MADANI (DKM)* to provide grants ranging from RM50,000 to RM100,000 to communities to facilitate the *Program Komuniti MADANI* success.

241. To bridge the gap between regions, the improvement of rural infrastructure will continue to be a top priority.

First: RM1.63 billion is allocated for the construction and upgrading of roads in villages and rural areas including in Bachok, Kelantan; Tambun Tulang, Perlis; and Kuala Lukut to Chuah, Port Dickson, Negeri Sembilan.

Second: A total of RM939 million is allocated to provide water supply to 5,150 households and electricity supply to 2,200 households.

Third: RM134 million is allocated for the installation of 60,000 units of streetlights in villages and the maintenance of over 500,000 units of village streetlights.

Fourth: RM57 million for the implementation of 115 projects, including 54 new projects to upgrade deteriorated bridges and construct new bridges.

Fifth: RM100 million is allocated for the upgrading, construction and repair of basic facilities such as community halls, town halls, paved walkways and covered pathways in villages and rural and remote areas under the Social Amenities Project.

242. The Unity Government pledges to solve the issue of clean water supply, especially in Kelantan, Sabah, and the Federal Territory of Labuan. **A total of RM1.1 billion will be allocated, to implement solutions for water supply issues.**

- For the State of Kelantan, **the construction project of the Machang Water Treatment Plant Phase 1 with a capacity of 250 million litres per day** will be implemented to enhance the water supply reserve. **Asbestos cement pipes will also be replaced** to reduce water loss rates and disruptions in water supply due to leaking pipes. While waiting for the project to be completed, **the number of rented tankers and static tanks will be increased** to ensure those in Kelantan receive immediate water supply in case of disruptions.
- To address the water supply issue, especially in Kota Kinabalu, Sabah, the focus will be on **restoring and replacing infrastructure and equipment to enhance the capacity of water treatment plants.**

- For the Federal Territory of Labuan, efforts are directed towards replacing dilapidated pipes and repairing existing infrastructure.

243. The Government agrees to introduce the *Program Kampung Angkat MADANI*. This programme will focus on providing basic facilities, including internet access in remote rural areas. To ensure efficient cooperation across the Government and to break down silos, I have instructed all Chief Secretaries and Heads of Services to pool their resources across ministries and collaborate with GLCs, GLICs and private organisations to make this programme a success.

Fourth: Digital Connectivity

244. As of September 2023, Digital Nasional Berhad (DNB) has successfully developed a 5G network with coverage in populated areas at 70.2%. As promised, the 5G network is expected to reach approximately 80% coverage in populated areas by the end of this year. The *Rakyat* can now enjoy high-quality 5G services offered by all telecommunications companies. To boost 5G adoption, concerted efforts will be intensified through collaboration with telecommunication companies to ensure that more consumers and businesses can benefit from this.

245. At the same time, **CyberSecurity will develop a 5G Cybersecurity Testing Framework and Local Expertise in 5G Technology** to enhance preparedness against cyber threats. RM60 million is allocated for this purpose.

Fifth: Road Network & Public Transportation

246. A well-connected road network facilitates the movement of the *Rakyat* while streamlining the activities of traders and boosts the local economy. Going forward, major road infrastructure projects will continue to be intensified.

- ***Insya-Allah*, the Sarawak Pan Borneo Highway will be fully completed next year. Meanwhile, the tender process for the 19 work packages of work for Phase 1b of the Pan Borneo Sabah project, spanning 366 kilometres with a cost of RM15.7 billion, will be completed by November this year.**
- **The Sarawak-Sabah Link Road (SSLR) Phase 2 project, spanning over 320 kilometres, involving a cost of nearly RM7.4 billion, will also commence at the end of this year.**
- **Taking into account the increasing number of vehicles, the North-South Expressway (PLUS) lane expansion project, from four to six lanes, will be continued from Sedenak to Simpang Renggam at a cost of RM931 million.**

247. Public transportation subsidies such as for buses, trains and air services will continue to be provided to ensure continuity of best services for the *Rakyat*.

- **A total of RM96 million is allocated under the Stage Bus Support Fund** to help cover the daily operating costs of stage bus operators providing bus services in rural areas along low-passenger routes.
- **RM150 million is allocated to continue the Stage Bus Service Transformation Programme**, including expanding its services to benefit three new locations, namely Kota Bharu, Kuantan, and Kota Setar.
- **Government will continue to subsidise air transportation for a sum of RM209 million to benefit residents in the rural and remote areas of Sabah and Sarawak.**
- **Continuation of the monthly My50 pass** to benefit over 180,000 residents in the Klang Valley who rely on PRASARANA's bus and rail services for their daily commute.

248. The Government has agreed to resume the previous proposal to construct five LRT3 stations that were previously cancelled. These stations are Tropicana, Raja Muda, Temasya, Bukit Raja and Bandar Botanik. The retention of these stations is expected to complement and enhance the public transportation network in the Klang Valley, benefitting around 2 million residents, with a cost of RM4.7 billion.

249. Based on Initial estimates by the Penang State Government, the construction of the Penang LRT to Seberang Perai, will amount to RM10 billion through the public-private partnership (PPP) approach.

Sixth: Housing

250. This year, the Government has mobilised a special team under the Ministry of Local Government Development (KPKT) to address issues on delayed, sick and abandoned private housing projects that have burdened homebuyers. **As of August 2023, 256 sick projects involving over 28,000 housing units have been restored**, with a Gross Development Value of RM23.37 billion.

251. Overall, a total of **RM2.47 billion will be allocated to implement housing projects for the *rakyat*** in 2024.

- A special guarantee fund of RM1 billion has been allocated to encourage reputable developers to revive identified abandoned projects.
- A total of **RM546 million is allocated to continue the implementation of 36 *Program Perumahan Rakyat (PPR)***, including a new project in Kluang, Johor. *Insya-Allah*, 15 PPR projects are expected to be completed next year to benefit 5,100 potential new residents.

- **14 Program Rumah Mesra Rakyat** will continue, with the construction of **3,500 housing units** with an allocation of **RM358 million**.
- The Government will allocate **RM460 million** to aid approximately **65,000 impoverished rural residents** for the construction of new homes or the renovation of their existing dilapidated houses.
- A sum of **RM100 million** is allocated for the maintenance of low- and medium-cost public and private strata housing projects nationwide. This includes repairing water tanks, roofs, and electrical systems, as well as installing closed-circuit television cameras.

252. The Government will provide guarantees of up to **RM10 billion** under ***Skim Jaminan Kredit Perumahan (SJKP)*** that will benefit **40,000 borrowers**.

253. The Unity Government appreciates the efforts of the Pahang State Government in rescuing the abandoned New Generation FELDA Housing project, involving **1,840 housing units** across **10 project sites** throughout Pahang since 2014. This noble effort should serve as an example to other State Governments in assisting FELDA to complete abandoned housing projects.

254. To facilitate the redevelopment of strata schemes, the **residents' approval threshold for en-bloc sales will be**

reduced from 100% to a level consistent with international practices, such as in Singapore. This change aims to encourage urban renewal and promote the redevelopment of ageing buildings in the city. However, to start off, we will need determination to ensure that we can address this issue.

255. Under the Unity Government, the Government has taken over the development of Bandar Malaysia to ensure that strategically located lands are optimally utilised for Rakyat-oriented projects based on MADANI values. This includes affordable housing projects for veterans, taking into consideration considering the interests of Bumiputera communities in the Federal Territories, as well as the provision of parks and green spaces that can be enjoyed by all residents of Klang Valley.

256. The Government will allocate RM100 million to the Chinese New Villages to provide basic infrastructure and social facilities to ensure the wellbeing of the residents.

257. As a measure to control property prices, the Government intends to impose a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.

258. Meanwhile, beginning 2024, the Government also intends to propose that property transfer documents involving beneficiaries relinquishing their rights to eligible beneficiaries based on will or *faraid* or the Distribution Act 1958 will only be

subject to a stamp duty of RM10, instead of the previous ad-valorem rate.

Measure 11: Strengthening Unity & Security

259. The *Kembara Kenali Borneos* by His Majesty Seri Paduka Baginda The Yang Di-Pertuan Agong and Her Majesty Seri Paduka Baginda The Raja Permaisuri Agong received enthusiastic national reception from the *Rakyat* of Sabah and Sarawak. It is undeniable that the true image of Malaysia is vividly portrayed by the *Rakyat* of Sabah and Sarawak.

First: National Security and Defence

260. Recently, our national borders have faced threats from external elements attempting to disrupt our security. The nation's security is challenged by provocation relating to race, religion, and royalty. The sovereignty of our borders and national waters must be defended for national security and to maintain harmony.

For the coming year, the **Ministry of Defence is allocated RM19.7 billion**, an increase of RM2 billion compared to this year. Meanwhile, the **Ministry of Home Affairs (KDN) is allocated RM19 billion**, an increase of RM500 million compared to this year and the allocation will be utilised towards enhancing our capabilities in maintaining and procuring urgent defence assets in a transparent manner and in accordance with current governance.

261. To strengthen the level of national defence readiness and security preparedness, the Government will **initiate the procurement process for new assets**. This includes:

- The acquisition of 12 new helicopters for the Royal Malaysian Air Force;
- The procurement of key assets for the Royal Malaysian Army, including 60 infantry armoured vehicles, 50 High Mobility Light Tactical Vehicles (HMLTVs), 6 Hovercraft Integrated Fast Interceptors and 733 various types of support vehicles;
- The refurbishment of 2 submarine assets, in addition to continuing the acquisition of 3 Royal Malaysian Navy Littoral Mission Ships (LMS); and
- The acquisition to replace old assets with 7 twin-engine aircraft and 5 light helicopters for RMP.

262. The tensions in the South China Sea must be addressed through peaceful dialogue. Malaysia reiterates its commitment to a peaceful resolution of issues through the Declaration on the Conduct of Parties in the South China Sea (DOC). However, this does not mean that we can compromise our sovereignty.

263. The **security of the national borders and waters will continue to be upheld while improving the efficiency and**

effectiveness of controls at international entry points. For the upcoming year:

- The Government will **increase maritime assets**, including the acquisition of 45 units of various types of Malaysian Army boats and 9 next generation patrol ships and interceptor boats for the Malaysian Maritime Enforcement Agency (APMM).
- The Government will also **build seven border posts** in Melikin and Pa' Daleh, Sarawak, **1 security post** in Sungai Desa Aji Kuning, Sebatik Island, Sabah as well as commence **preliminary work on the construction of 2 ICQS** in Nabawan and Kalabakan, Sabah.
- The Government will **establish a single border agency (SBA)** to enhance the management of the country's borders. RM20 million is provided for the maintenance, improvement, and procurement of assets at international entry points nationwide.

264. The wellbeing of uniformed members and retirees will continue to be preserved.

- **RM400 million is provided for the maintenance and refurbishment of all Armed Forces Family Homes.**
- **RM20 million to upgrade the sewerage system of Malaysian army camp sewerage in phases.**

- The Government will continue to intensify the PROTEGE-RTW initiative, which involves job training placements in collaboration with companies awarded government contracts. The scope of this initiative will also be expanded to include veterans from the Armed Forces under contracts entered into by the Ministry of Defence.
- In order to protect the welfare and socio-economic development of veteran members, the Government will ensure that every Government programme has a specific quota for veterans. This includes entrepreneurship programmes, training programmes, employment opportunities and financing facilities.

Second: Syiar Islam

265. Next year, **the Government is allocating RM1.9 billion for the management and development of Islamic affairs.**

266. In the forthcoming year, Islamic education will continue to flourish and be embraced by the Muslim community in Malaysia.

Next year:

- Two Islamic education institutions will be constructed next year, with a cost of RM220 million, namely the complex of ***Kompleks Sekolah Menengah Integrasi Sains Tahfiz, Bukit Jalil, Kuala Lumpur*** and the ***Sekolah Menengah Kebangsaan Agama Jempol, Negeri Sembilan.***

- A total of RM150 million is allocated to JAKIM for the maintenance and upgrading of the infrastructure of Islamic education institutions, including public religious schools, registered *pondok* institutions and *tahfiz* schools.
- *Insya-Allah*, the organisation of knowledge-sharing events by Islamic scholars and intellectuals across the country, especially at the Seri Perdana Complex, will be continued and expanded to enhance the understanding and appreciation of religious knowledge among the Muslim community.
- In appreciation of the significant contributions and roles played by over 70,000 *takmir* teachers, KAFA teachers, *imams*, *bilal*, *siak*, *noja* and *marbut* at the community level, the Government has agreed to provide a special contribution of RM700, which will be channelled directly to them, with a total allocation of over RM50 million.

267. Since 2003, the previous Government stopped per capita assistance to *Sekolah Agama Rakyat*, citing deviations in the approach to Islamic education. The Unity Government has decided to reinstate a grant of RM20,000 to all *Sekolah Agama Rakyat* registered under JAKIM. This allocation is expected to support the role of *Sekolah Agama Rakyat* in nurturing a new generation of Muslims with a balance between worldly and hereafter knowledge.

Third: Sports and Culture as a Means of Unity

(a) Sports

268. Importance needs to be given to cultivate a sense of unity in youths. Besides promoting an active and healthy lifestyle, sports also serve as a crucial platform for fostering unity among Malaysians. While we are diverse, our spirit for sportsmanship remains as one.

269. Tomorrow is the National Sports Day. The Government will continue **to expand sports and recreational programmes for the people**, including:

- Basic Sports Training Skills: Swimming Programme (KLAS Renang) for children, PWD and senior citizens from underprivileged families;
- organising sports and recreational activities to cultivate active and healthy senior citizens; and
- *Program Perkhemahan Keluarga*, aims to utilise camping facilities provided by the Ministry of Youth and Sports at a nominal fee in six *Kem Wawasan Negara*, including in Ulu Sepri, Rembau, Negeri Sembilan and Ulu Kenas, Kuala Kangsar, Perak.

270. The Government proposes to **provide tax relief specifically for sports equipment and activities, limited to RM1,000. This relief will also be expanded to sports training fees.**

271. We celebrate the success of our national heroes who have brought honour to Malaysia at the Asian Games in Hangzhou by winning 32 medals. Next year, the Government will allocate **RM72 million to strengthen the podium athlete ecosystem. This includes RM20 million under the Road to Gold initiative as preparation to achieve the first gold medal at the Paris 2024 Olympics.**

272. I am certain that everyone has witnessed the inspirational tale of Aqil Naufal, a student at *Felda Lepar Utara 1* in Pahang, who exhibited a strong passion for sports despite facing adversities. Aqil's aspiration to become a football player has come to fruition with the help of the Government and the encouragement from the Malaysian Amputee Football Association (MAFA).

273. To strengthen the para-athlete ecosystem, **RM12 million is allocated to the National Sports Council for training and preparation programmes for athletes heading to international para-sports events.**

274. A total of **RM50 million is provided for the maintenance and upgrading of youth and sports facilities nationwide, especially for dilapidated infrastructure.**

275. Following the encouraging response this year, the Government will continue to provide a **matching grant fund of RM50 million to encourage the organisation of high-performance sports events by sports association and the private sector.**

276. To develop future generations who are knowledgeable, skilled and talented in sports, **the Government agrees to provide tax deduction of up to 10% of aggregate income for individuals or companies that contribute to institutions, organisations, or funds approved under subsection 44(6) of the Income Tax Act 1967, which implements education programmes, including sports education.**

(b) Culture, Language and Literature

277. Literature has the power to ignite the reader's imagination and foster a patriotic love for the country while instilling moral inspiration and noble values in the nation's soul. To elevate the arts, culture, language and national literature, **the Government hereby allocates RM50 million to agencies with the potential to showcase the nation's artistic and literary works, enhance heritage theatre performances and promote interest in reading the great literary works among the youth.**

278. The Government will allocate **RM10 million to collaborate with State Governments**, including to:

- intensify cultural activities in Sabah and Sarawak;

- preserve the languages of minority communities such as the Siam ethnic group;
- establish an Ethnic and Cultural Centre in Perak; as well as
- rehabilitate the Songket Weaving Centre at the Tuanku Nur Zahirah Complex, Kuala Terengganu, and the Desa Ukiran Kayu in Besut, Terengganu.

279. To support local handicraft, the **Government will provide special exemption for the acquisition of up to RM200,000 for each order received by handicraft entrepreneurs registered with the Malaysian Handicraft Development Corporation (*Kraftangan Malaysia*).**

280. To foster unity and cohesion within the community, **RM20 million is allocated to strengthen the role of *Kawasan Rukun Tetangga (KRT)*** as the reference point in disseminating information and providing community services. The Government will provide **RM20 million as *Geran Pertubuhan MADANI*** for the benefit of locals to implement volunteer and unity programmes as well as activities related to crime prevention and disaster preparedness.

281. **A total of RM50 million will be provided for the renovation and maintenance of registered non-Muslim places of worship.**

Measure 12: Wellbeing of Civil Servants

Tan Sri Speaker Sir,

282. In an effort to encourage the production of high-quality Malaysian batik, **the Government agrees to expand the Official Ceremonial Attire Provision to include Malaysian batik attire for all eligible civil servants.**

283. To ensure the welfare of civil servants, **the Government agrees to enhance the Ex-Gratia Work Disaster Scheme by raising the salary ceiling from RM4,000 to RM6,000**, in line with the amendment to the SOCSO Scheme for the private sector. This increase in the salary ceiling allows for a 50% increase in benefit payments under the Ex-Gratia Work Disaster Scheme, totalling approximately RM1.6 million. In other words, civil servants or their beneficiaries will enjoy higher compensation claims in the event of accidents that occur while on duty.

284. Finally, the Government is currently reviewing the remuneration scheme for civil servants, which was last reviewed in 2012. The study of the Public Service Remuneration System (SSPA) will examine the needs of all service schemes and is expected to be finalised by the end of the next year.

285. While awaiting the completion of this study, many civil servants are running out of patience, and I understand as they have waited for more than a decade. The Government has agreed to provide an Early Incentive Payment of the

Public Service Remuneration System Review, amounting to RM2,000 to all civil servants' grade 56 and below including police, firefighters, soldiers, armed forces, all uniformed personnel and contract appointees. RM1,000 will also be provided to all *Jawatan Utama Sektor Awam* officers.

286. The incentive of RM1,000 will also be extended to all government retirees, including pensionable veterans and non-pensionable veterans. This payment will be disbursed at the end of February 2024 to alleviate the burden of preparing for their children's schooling and preparations for the month of *Ramadan* and *Syawal*.

287. The Government urges the private sector employers to also consider reviewing the adequacy of salaries and rewards for employees, considering the challenges from the cost of living. To this end, the Government will intensify engagement sessions next year. I call upon the private sector, particularly companies with reasonable profits, to provide the appropriate rewards for their staff.

288. Recent developments in the Gaza Strip have become increasingly critical as Israel has imposed a harsh and cruel blockade on Gaza's residents and has been forcefully attempting to displace them to the southern part of the peninsula. Malaysia will launch a humanitarian fund to support and assist the Palestinian people with a fund of RM10 million and we urge companies and the public to participate in the name of justice and humanity. Several Islamic world

leaders have taken the initiative, and I have also contacted several leaders, to express our readiness to support the Palestinian people, either through the OIC or other means, to stress that this mad and evil act must be stopped.

CLOSING

Tan Sri Speaker Sir,

289. Thus, a significant responsibility in crafting the budget for the *Rakyat's* benefit has been fulfilled. Since the beginning of my tenure in this role, I have often reminded myself and my team that *taklif wa la tashrif*, responsibility is not a privilege. The nation must be brought back on track to ensure the peace and wellbeing of the *Rakyat*.

290. An interesting story between Caliph Umar Abdul Aziz and his son Abdul Malik, highlights the importance of being tactful and cautious when implementing changes. When Abdul Malik urged his father to act more decisively and swiftly with a stern reprimand, saying, "Father, why not implement the changes faster? By Allah, I am ready, even if both of us have to sacrifice ourselves to uphold the truth!" Caliph Umar Abdul Aziz responded:

*لا تعجل يا بني. فإن الله ذم الخمر في القرآن مرتين وحرمها في الثالثة. وإنني أخاف أن
أحمل الحق على الناس جملة، فيدفعوه جملة، ويكون من ذا فتنة*

Oh, my child, do not be hasty. Allah criticises alcohol twice in the Quran and forbids it only on the third mention. I fear that if I were to force all the truths upon people (at once), they would reject them altogether, (and) this would mean that I would become the cause of even greater corruption. (This is the statement attributed to Caliph Umar Abdul Aziz, as quoted by Imam al-Shatibi in his book "al-Muwafaqat.")

291. This *Belanjawan* is a statement of the Government's resolve to revitalise the economy in these challenging times. The Government is open to hearing feedback and criticism from all quarters, but it does not mean unfettered slander is acceptable. Combined with the global economic and geopolitical challenges that are unsettling, this attitude hinders our nation's progress.

292. Therefore, I call upon everyone to return to constructive politics, fostering *segulai sejalai* in rebuilding our nation. **All of us love this country.** Malaysia has tremendous potential, abundant resources, a skilled workforce including professionals and competitive citizens who are able to position us strategically as a leader of the Asian economy that we aspire to be.

293. Therefore, I call upon us to prioritise the future of our nation. Unity among the people, grounded in generosity and mutual respect, will bring stability to our country and this is essential for the Government to generate prosperity for all. After more than six decades as a sovereign nation, it is time for us to set things right and ensure that every *Rakyat* can experience happiness and a dignified life in this country without ever feeling marginalised.

Wassalamualaikum Warahmatullahi Wabarakatuh.

Tan Sri Speaker Sir, I beg to propose.

Appendix I

Touchpoints Budget 2024

FOCUS 1: GOOD GOVERNANCE FOR SERVICE AGILITY

Value

Measure 1: Commitment to Fiscal Reform

1. Fiscal Responsibility

-
- Malaysia's Gross Domestic Product growth forecast in 2024 **4% - 5%**
 - World Bank and International Monetary Fund (IMF) forecast: 4.3%
 - Government revenue estimates for 2024 **RM307.6b**
 - Fiscal deficit estimates for 2024 **4.3%**
 - Tabling the Public Finance and Fiscal Responsibility Bill 2023 during the Third Meeting of the Second Session of Fifteenth Parliament 2023 **-**

2. Budget 2024 Estimation

-
- Total allocation of the Second Belanjawan MADANI: **RM393.8b**
 - Operating Expenditure: RM303.8b
 - Development Expenditure: RM90.0b
 - Contingency Reserves: RM2.0b
 - New Ceiling for Mid-Term Review of the Twelfth Plan (2021-2025) **RM415b**

3. Revenue Base Expansion

-
- Expand scope of taxable services comprising logistics services, brokerage, underwriting and karaoke services and increase the Service Tax rate to 8%. The increase does not include services such as food and beverage, telecommunications, vehicle parking space and logistics **-**
 - Implementation of Capital Gains Tax on net gain derived from disposal of local companies' unlisted shares based on a rate of 10% starting from 1 March 2024 **-**
 - Tax exemption will be considered on disposal of shares related to certain activities such as approved Initial

Public Offering (IPO), internal restructuring and venture capital companies subject to stipulated conditions

- Implementation of High Value Goods Tax that will be imposed at a rate of 5% to 10% on certain items based on threshold value of the goods starting from 1 May 2024 -
- The Government is expected to implement global minimum tax beginning 2025 and only applicable to multinational companies with an annual global turnover of at least EUR750m. The implementation is aligned with the global minimum tax through the Base Erosion and Profit Shifting (BEPS) initiative under the OECD -
- Implementation of e-invoice on a mandatory basis for taxpayers with annual income or sales exceeding RM100m beginning 1 August 2024. Meanwhile, for taxpayers based on other income category, will be enforced in phases, with a target of comprehensive implementation by 1 July 2025 and supported with the use of Tax Identification Number (TIN) -
- Scope of taxation on foreign source income will be expanded to include gains from disposal of capital assets starting 1 March 2024. However, tax exemption will be given subject to substantial economic conditions -
- Amendments to the income tax assessment system under Labuan Business Activity Tax Act 1990 to be based on the current year will be implemented beginning year of assessment 2025 -
- Starting 1 January 2024, measures to control cigarette smuggling to be further tightened and expanded to include alcoholic beverage products, as follows: -
 - Limit transshipment activities of alcoholic beverage products to dedicated ports only

- Designate the Bukit Kayu Hitam Immigration, Customs, Quarantine and Security Complex as a single exit point for northern region
- The importation of cigarettes for domestic use must be done in a full container load
- Establish special task force for cigarettes and alcoholic beverage products under the Multi-Agency Task Force (MATF)
- Enforcement agencies demonstrating continued commitment and excellent performance will be rewarded accordingly -

4. Targeting of Subsidies

- Beginning 2024, retargeted subsidy approach to be implemented in phases and a portion of the savings will be channelled to increase the allocation of cash assistance through *Sumbangan Tunai Rahmah* -
- **First: Chicken and Egg**
 - Temporary price controls to be lifted to enable the local market to function freely in ensuring availability of chicken and egg supply in the market -
- **Second: Electricity Bill**
 - Improve targeted electricity subsidy approach based on electricity consumption levels -
 - Continue Electric Bill Rebates Programme up to RM40 per month to hardcore poor households **RM55m**
 - Waive deposit payment for electricity bill in their own names -
- **Third: Diesel Fuel**
 - Implement rationalisation of diesel subsidies in phases -
- **Enforcement Measure**
 - Strengthen capacity and functions of the Malaysian Competition Commission (MyCC) as a strict control measure to eliminate anticompetitive practices **RM10m**

Measure 2: Institutional Reform Agenda

5. Special Task Force on Agency Reform (STAR)

- Build, maintain and refurbish quarters for civil servants, teachers, hospital staff, policemen, army and fire department personnel: RM2.4b
 - Accelerate the maintenance and refurbishment of quarters (RM1b)
 - Accelerate the maintenance of lifts (RM91m) and quarters (RM170m)

6. Legislative Reform

- The Government is committed to table the Government Procurement Bill in 2024 -
- Launching of legislative reform to include: RM18m
 - Implement the Revision of Sentence of Death and Imprisonment for Natural Life (Temporary Jurisdiction of the Federal Court) Act 2023
 - Empirical study on separation of powers of the Attorney-General and Public Prosecutor
 - Defend Malaysia's sovereignty from Sulu claims
- Enhance and increase productivity of the judicial institutions, including: RM38m
 - Refurbish court facilities in selected locations
 - Upgrade obsolete and damaged ICT facilities in courts nationwide
- Empower the role of the Judicial Academy of Malaysia and the Shariah Judicial Academy of Malaysia to provide training for judges in a better planned and effective manner RM20m
- Legislative review of the Trustee Act 1949 and the Trustees (Incorporation) Act 1952 to address money laundering and terrorism financing issues RM1.5m

- Expand the role of the Special Cyber Court in phases to address cyber crime cases nationwide -
- The Consumer Credit Act (CCA) will be finalised by the end of 2023 and will increase the level of protection for all consumers, especially non-bank credit consumers and micro and small entrepreneurs -
 - After gazettelement of the CCA, the Consumer Credit Oversight Board (CCOB) will be established as a competent authority under the Ministry of Finance

7. Public Institutions Reform

- Findings on studies to improve revenue sustainability, social protection, governance of Government-Linked Companies (GLCs) and national debt management have been received. These recommendations will be refined and implemented:
 - Improve imposition of stamp duty and coordinating the administration of tax incentives to reduce leakage in revenue collection -
 - Strengthen tax administration including facilitating tax refund and centralising tax collection efforts -
 - Expand coverage of social protection system especially for senior citizens and informal sector workforce -
 - Restructure Development Financial Institutions (DFIs) through merger of Bank Pembangunan Malaysia Berhad, SME Bank and EXIM Bank -
 - Strengthen venture capital ecosystem through consolidation of venture capital agencies such as Penjana Kapital and MAVCAP under Khazanah Nasional Berhad -

- Implement and monitor key initiatives and programmes of the MADANI Framework and Ekonomi MADANI:
 - Performance Acceleration Coordination Unit (PACU): instilling of the MADANI values programme and governance reform -
 - Ekonomi MADANI Monitoring Unit: implement key measures under Budget 2024 and Mid-Term Review of the Twelfth Plan -
- Exemption on procurement of *Rakyat*-centric projects, repair and refurbishment works to be extended until 31 December 2024: -
 - The Government also intends to implement several reforms in Government procurement as follows:

Item	Ministry	Exemption Information
a) Exemption on the Procurement of Works for All Minor Maintenance and Repair Works Project of the Federal Government	All Ministries	<ul style="list-style-type: none"> • Exemption on AP182 of up to RM1m • Increase threshold for quotation up to RM1m • Increase limit value for balloting up to RM200,000
b) Implementation of <i>Rakyat</i> -centric and Social Amenity Projects by the Ministry of Rural and Regional Development	KKDW	<ul style="list-style-type: none"> • Increase threshold for direct appointment and requisition work up to RM200,000 • Increase threshold for quotation up to RM1m
c) Special Programme by the Ministry of Local Government Development to Maintain and Replace Lifts at Affordable Public and Private Housing	KPKT	<ul style="list-style-type: none"> • Increase threshold for quotation up to RM1.2m
d) Procurement of Supply/Service and Works for Dilapidated Schools under Ministry of Education Malaysia	MOE	<ul style="list-style-type: none"> • Increase threshold for direct appointment and requisition works up to RM200,000 • Increase threshold for quotation up to RM1m
e) Amendment on Threshold Value for Quotation on Procurement of Supply/Service and Works for Dilapidated Clinics and Facilities under Ministry of Health	MOH	<ul style="list-style-type: none"> • Increase threshold for direct appointment and requisition works to RM200,000 • Quotation of up to RM1m
f) New Procurement Method to Accelerate Implementation of Government <i>Rakyat</i> -centric Projects	All Ministries	Selected pre-qualified open tender

8. Public – Private – Philanthropy Partnership

-
- Support for social sectors in collaboration with NGOs or civil society as partners to address various socioeconomic issues: **RM100m**
 - Students Dropout Initiative (RM15m)
 - Mental Health Initiative (RM15m)
 - Income Generating Initiative (RM15m)
 - Rural Electricity and Water Initiative (RM15m)
 - Flora & Fauna Enhancement Initiative (RM10m)
 - Social Enterprise Empowerment Initiative (RM15m)
 - Collaboration between Yayasan Hasanah and APPGM Initiative (RM15m)
 - Amendments to conditions under subsection 44(6) ITA 1967 as follows:
 - The accumulated funds utilisation limit of not more than 25% for participation in business to be increased to not more than 35% to ensure income sustainability of approved institutions, organisations or funds -
 - Tax deduction up to 10% of aggregate income for individuals or companies that contribute to institutions, organisations or funds, approved under subsection 44(6) ITA 1967 which implement education programmes including sports education -

Measure 3: Prioritising Services & Rakyat-Oriented Projects

9. Managing Rakyat's Difficulties

- Repair Lavatories
 - Maintain and repair public lavatories in 150 local authorities nationwide to ensure proper function and cleanliness **RM150m**
- Road Accidents

The Government is committed to ensure actions are taken within 24 hours after receiving complaints regarding potholes on federal roads:

 - Funding for the Malaysian Road Records Information System (MARRIS) to maintain state roads, including damaged drainage, slopes and bridges due to disasters **RM5.4b**
 - Allocation to upgrade and maintain Federal roads and bridges, including RM300m for G1 to G4 contractors **RM2.8b**
 - Enhance District Engineers' service to address minor and unexpected complaints of Federal Roads and increase allocation for each district to RM200,000 **RM30m**
 - Maintain streetlights and traffic lights including replacing LEDs on Federal Roads nationwide **RM100m**
 - Replacement of streetlights to LED in phases within local authorities' areas **RM50m**
 - Improve infrastructure for road safety in accident prone areas including treating blackspots, pedestrian crossings, installing streetlights, traffic lights and smart traffic light **RM50m**
- Justice for *Rakyat* – Strengthening Legal Aid Services by the Legal Aid Department (JBG): **RM3m**
 - Increase hiring of temporary officers to support JBG in handling rising number of cases more effectively
 - Increase number of legal aid cases handled by Panel Solicitors

	Value
<ul style="list-style-type: none"> ○ Enhance mediators' credibility and qualifications through intensive and professional certified training ○ Expand operation of mobile clinics for legal aid in remote areas 	
<ul style="list-style-type: none"> ● Consular assistance through <i>Kumpulan Wang Amanah Rakyat Malaysia Luar Negeri (KWARM)</i> to Malaysians stranded abroad, including victims of job scam syndicates and other welfare cases 	RM10m
<ul style="list-style-type: none"> ● Second Chance Policy <ul style="list-style-type: none"> ○ Second Chance Policy to discharge from bankruptcy extended to include youth aged below 40 with debts not exceeding RM200,000 	-
<ul style="list-style-type: none"> ● Public Service Delivery: <ul style="list-style-type: none"> ○ Expand <i>Program Menyemai Kasih Rakyat (MEKAR)</i> to improve access of National Registration Department (JPN) services to the <i>Rakyat</i> in remote areas of Malaysia (RM5m) ○ Expand mobile clinic services under University Teaching Hospital Outreach Programme to provide basic treatment, health education and early cancer screening (RM10m) ○ Expand mobile dental clinics nationwide, including addition of new locations in Penampang and Keningau, Sabah (RM60,000) ○ Expand Mobile Banking initiative, Mobile Court initiative (specifically for civil cases) and Mobile Community Services in remote areas (RM11.5m) 	RM26m
<ul style="list-style-type: none"> ● Increase allocation to the National Scam Response Centre (NSRC) to enhance their effectiveness to combat financial scams 	RM20m
<ul style="list-style-type: none"> ● Establish the National Fraud Portal (NFP) to expedite detection, freezing and return of funds 	-

10. Development of Sabah & Sarawak

-
- Federal allocation for development of:
 - Sarawak **RM5.8b**
 - Sabah **RM6.6b**
 - Delegation of authority to implement development projects valued below RM50m to technical agencies of Sabah and Sarawak -
 - Special Grants under Article 112D of the Federal Constitution to Sabah and Sarawak **RM600m**
 - Inclusion of representatives from Sabah and Sarawak State Government as board members of LHDN -
 - Transfer of electricity supply regulatory authority from the Federal Government beginning 3 January 2024 and provision of subsidies to Sabah Electricity Sdn Bhd (SESB) until the completion of SESB Transformation Plan in 2030 -
 - Support implementation of solar hybrid system and construction of electricity transmission line in south of Sabah -
 - Negotiation to realise the handover of Bintulu Port to Sarawak Government and Rural Air Services (RAS) operation to Sarawak and Sabah Government -

11. Public Sector Digitalisation

-
- Accelerate implementation of National Digital Identity (NDI) to drive business growth and strengthen e-KYC (electronic Know-Your-Customer) to minimise the risk of scams -
 - GovTech Nucleus Unit to facilitate implementation of NDI and other user-friendly applications at optimal cost

FOCUS 2: RESTRUCTURING OF THE ECONOMY TO BOOST GROWTH

Value

Measure 4: Revamping the Economic Structure

- Allocate up to 10% of total NIMP investment as a catalyst to accelerate NIMP missions, with initial funding for: **RM200m**
 - NIMP 2030 Industrial Development Fund (RM100m)
 - NIMP 2030 Strategic Co-Investment Fund (RM100m)

12. Priority of the HGHV Sector

-
- Reinvestment tax incentive for high-value activities using tiering mechanism in the form of investment tax allowance of either 70% or 100% -
 - Pengerang Integrated Petroleum Complex (PIPC) as a development hub for chemical and petrochemical sector with tax incentive package as follows: -
 - Chemical and petrochemical product manufacturing companies with minimum investment of RM500m eligible for tax rates of either 5% or 10% on income from qualifying chemical and petrochemical manufacturing activities for a period of up to 10 years or an Investment Tax Allowance of 100% for a period of up to 10 years and can be set off against up to 70% of the statutory income for each year of assessment
 - Industrial park developer in PIPC eligible for tax rate of 10% on the disposal or rental of land or buildings for qualifying projects for a period of 10 years
 - Green classification for foreign direct investment (FDI) and domestic direct investment (DDI) by the Malaysian Investment Development Authority (MIDA) to ensure Malaysia remains at the forefront of high-value green investments -

13. Malaysia as an Investment Destination

- Ease of doing business:
 - Establish a high-tech industrial area in Kerian, Perak to widen the E&E cluster ecosystem in the northern region -
 - Establish an Investment and Trade Coordination Action Committee (JTPPP) under MITI to facilitate FDI and DDI from application stage until realisation -
 - Allocation for the Domestic Investment Strategic Fund under MIDA **RM100m**
 - Development of technology-based applications by Collaborative Research in Engineering, Science and Technology (CREST) **RM10m**

14. Internationalisation of Startups

- Establish a Single Window Ecosystem, MYStartup Malaysia, as an integrated platform to help realise the aspiration of making Kuala Lumpur the regional hub for the digital industry and startups **RM28m**
- Continue support to startups across the business life cycle through various funding agencies and venture capital firms, including: **RM200m**
 - Cradle Fund (RM30m)
 - MAVCAP (RM100m)
 - KMP (E&E & RE) (RM10m)
 - MTDC (RM3m)
 - MOSTI (HTDF) (RM5.3m)
 - MDV (TACT 2.0) (RM22.7m)
 - MDV (Tech FMG) (RM25m)
 - MRANTI (RM4m)
- To support capital funding for startups: **RM100m**
 - Additional allocation to be channelled to MyCIF for a period of 3 years to catalyse collaboration with food

	Value
security initiative, environment, community and State Islamic Religious Council to create opportunities for developing waqf assets for health, education and agro-based enterprises	
<ul style="list-style-type: none"> • Business Export Programme 3.0 for SMEs to expand internationally in high value sectors (SME Bank) 	RM3m
<ul style="list-style-type: none"> • <i>Juara Lestari Perusahaan Sosial 2.0</i> for social enterprises to obtain accreditation from KUSKOP (SME Bank) 	RM1m

15. Global Islamic Economy Leader

<ul style="list-style-type: none"> • Organise 15th International Conference on Islamic Economics and Finance (ICIEF2023) in December 2023 to address issues and formulate actions that can be taken to enhance status of Islamic finance 	-
<ul style="list-style-type: none"> • Efforts to strengthen impact of Islamic financial sector: <ul style="list-style-type: none"> ○ Through Value-based Intermediation (VBI) ○ Pilot programmes by BNM and Islamic financial institutions to advance impact-based investments by expanding the use of Investment Account (IA) ○ Malaysia International Islamic Finance Centre (MIFC) to continue strengthening the country's competitiveness in Islamic finance ○ Allocation to catalyse research, creativity and innovation in Islamic economy led by International Islamic Finance Education Centre (INCEIF) in collaboration with MIFC and industry 	RM20m
<ul style="list-style-type: none"> • Propose income tax exemption on income derived from Islamic Securities Selling and Buying (ISSB) from the year of assessment 2024 	-
<ul style="list-style-type: none"> • 9 financial institutions offering special programmes for SMEs in halal industry under an integrated platform providing access to special funds and capacity building programmes 	-

	Value
• Shorten duration for halal certification from 51 to 30 days	-
• Funds for i-TEKAD, a social finance initiative providing matching grants to support micro enterprises	RM25m
• Soft loans to catalyse redevelopment of waqf lands nationwide	RM500m

Measure 5: Empowering MSMEs

16. Business Loan Facility

• Total value of loans and financing guarantees available for micro, small and medium-sized entrepreneurs (MSMEs), including:	RM44b
○ Bank Simpanan Nasional (BSN) micro financing scheme to provide business capital, equipment purchases, premises and marketing to hawkers and small traders (RM1.4b)	
○ <i>Skim Pembiayaan Inklusif</i> by TEKUN Nasional to empower micro-entrepreneurs and small traders (RM330m, including RM30m financing for the Indian community)	
○ Dedicated allocation to encourage women and youth to venture into business (RM720m)	
○ BNM funds to support SMEs, including RM600m dedicated to help micro and low-income entrepreneurs, small contractors, to encourage adoption of sustainability and low-carbon practices and sectors related to food security (RM8b)	
○ <i>Skim Jaminan Pembiayaan Perniagaan</i> (SJPP)'s guarantee to assist SMEs, including in focus sectors such as Halal, High Technology, Green Economy and Healthcare (RM20b)	
○ Allocation to Amanah Ikhtiar Malaysia to eradicate poverty (RM100m)	

Value

- Allocation to Malaysian Co-operative Societies Commission's *Tabung Modal Pusingan* to strengthen capability of cooperatives (RM100m)
- Further information on loans and loan guarantees in the following tables:

MICRO CREDIT SCHEMES

Financing terms are subject to the conditions and credit rating of financial institutions

Amanah Ikhtiar Malaysia (AIM)

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Skim Pembiayaan Ikhtiar	RM100m	Women from lower income group to start small business to generate family income	Financing rate: 8% - 10% Size: Up to RM30,000 Tenure: Up to 3 years

Bank Negara Malaysia (BNM)

Programme/ Scheme	Available Fund	Purpose	Financing Terms
Micro Enterprise Facility (MEF)	RM367m	Financial access for business purposes to viable entrepreneurs/ micro-enterprises including gig workers who utilise digital platforms and self-employed individuals	Financing rate: To be determined by respective financial institutions Size: Up to RM50,000
i-TEKAD	RM100m	Assist low-income micro-entrepreneurs to strengthen financial management and business intelligence towards generating continuous income	Financing rate, size and tenure: To be determined by respective financial institutions <i>Note: RM50m allocation from MEF and RM50m from startup capital (e.g. matching grants and social finance fund)</i>

Bank Simpanan Nasional (BSN)

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Skim Mikro Umum	RM300m	Micro/small businesses in all sectors	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Mikro Nita	RM250m	Women in micro/small businesses	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Mikro Borneo	RM250m	Micro/small businesses in Sabah and/or Sarawak	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Mikro Belia	RM150m	Micro/small businesses by those aged 30 years and below	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Pembiayaan Perkampungan Baru Cina	RM148m	Micro/small businesses of residents or those operating in Chinese New Villages	Financing rate: 4% Size: Up to RM150,000 Tenure: Up to 5 years
Skim Mikro Perintis	RM100m	Micro/small businesses, gig/IPT or graduates starting a business	Financing rate: 4% Size: Up to RM20,000 Tenure: Up to 5 years 3 months Moratorium: 3 months
Skim Mikro Penjaja	RM100m	Hawkers	Financing rate: 4% Size: Up to RM20,000 Tenure: Up to 5 years
Skim Mikro Veteran	RM100m	Micro/small businesses by veterans of uniformed bodies	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Mikro OKU	RM50m	Micro/small businesses by PWD entrepreneurs	Financing rate: 3% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Pembiayaan Usahawan Perusahaan Kecil Komuniti Cina	RM5m	Micro/small businesses of the Chinese community	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
Skim Penjaja Kecil Cina	RM4m	Hawkers in the Chinese community	Financing rate: 4% Size: Up to RM20,000 Tenure: Up to 5 years

TEKUN Nasional

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Tabung Ekonomi Kumpulan Usaha Niaga – Bumiputera 2.0	RM290m	Bumiputera micro entrepreneurs	Financing rate: 4% Size: Up to RM100,000 Tenure: Up to 10 years
Skim Pembangunan Usahawan Masyarakat India	RM30m	Members of the Indian community venturing into business	Financing rate: 4% Size: Up to RM100,000 Tenure: Up to 10 years
Mobilepreneur 4.0	RM10m	Delivery riders	Financing rate: 4% Size: Up to RM10,000 Tenure: Up to 3 years

Bank Negara Malaysia Funds for MSMEs

- More than RM8b made available under BNM Funds
- Funds to be channelled through participating financial institutions (PFIs), consisting of all licensed banks, designated DFIs and Credit Guarantee Corporation Malaysia Berhad (CGC)
- Applications to be made through PFIs and approvals subject to PFIs credit assessment:

Scheme	Available Funds	Purpose	Financing Terms
All Economic Sectors (AES)	RM2.9b	Improve access to financing for SMEs and support growth	Financing rate: Up to 7% (including guarantee fee) Size: Up to RM5m Tenure: Up to 5 years
Business Recapitalisation Facility (BRF)	RM1b	Support SMEs to grow, without increasing their indebtedness during the recovery phase	Financing rate: Up to 3.5% (not including guarantee fee); up to 5% (including guarantee fee); no profit limit rate for equity investments Size: Up to RM5m Tenure: Up to 10 years
SME Automation and Digital Facilities (ADF)	RM914m	Incentivise SMEs to automate processes and digitise operations to increase productivity and efficiency	Financing rate: Up to 4% (including guarantee fee) Size: Up to RM3m Tenure: Up to 10 years
Low Carbon Transition Facility (LCTF)	RM892m	Help SMEs to embrace sustainable and low- carbon practices	Financing rate: Up to 5% (including guarantee fee) Size: Up to RM10m Tenure: Up to 10 years

Scheme	Available Funds	Purpose	Financing Terms
Bank Negara Malaysia Funds for MsMEs			
High Tech and Green Facilities (HTG)	RM808m	Help SMEs and innovative startups to grow, and invest in strategic sectors and technologies (e.g. digital, green and biotechnology)	Financing rate: Up to 3.5% (not including guarantee fee); up to 5% (including guarantee fee) Size: Up to RM10m Tenure: Up to 10 years
Agrofood Facilities (AF)	RM798m	Increase food production for domestic consumption and exports	Financing rate: Up to 3.75% (including guarantee fee) Size: Up to RM5m Tenure: Up to 8 years
PENJANA Tourism Financing (PTF)	RM464m	Dedicated fund for businesses in tourism sectors still affected by the pandemic	Financing rate: Up to 3.5% (including guarantee fee) Size: Up to RM500,000 for SMEs and up to RM75,000 for micro Tenure: Up to 7 years (including moratorium period)

RM600m has been allocated under BNM funds for four segments:

1. Micro and entrepreneurs from low-income group

- RM200m from MEF, of which RM50m is assigned to iTEKAD

2. Small contractors (G1 to G4)

- RM200m under AES for CAKNA 2 programme, which provides pre-contract financing to G1 to G4 Bumiputera small contractors, for small-scale Government projects up to RM1.5m per contract

3. Food security

- RM100m under AF to increase food production and import capacity to import to fulfil increasing demand for food

4. Sustainable and low carbon practices

- RM100m under LCTF to support SMEs to obtain and maintain climate-related certifications

SME FINANCING FACILITIES

Financing terms subject to conditions and credit assessment of financial institutions

Agrobank

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Agrofood Financing Fund	RM400m	Agropreneurs aspiring to expand their operations and new entrants to the agri-food sector	Financing rate: As low as 3% Size: Up to RM5m Tenure: Up to 10 years Grace period: Up to 6 months depending on eligibility
Agrofood Value Chain Modernisation Programme	RM30m	Agropreneurs intending to modernise and incorporate technology into their operations	Financing rate: As low as 3% Size: Up to RM1m Tenure: Up to 10 years Grace period: Up to 12 months depending on eligibility

Bank Rakyat

Programme/ Scheme	Fund Size	Target Group	Financing Terms
BR Plus i-Biz Lady	RM100m	Women in MSMEs and/or cooperatives for business continuity and to mitigate cash flow issues	Financing rate: SME: BFR + 1.5% (including guarantee fee) Cooperatives: BFR + 0% Micro: 7.5% Size: Up to RM1m Tenure: Up to 7 years
Sports Industry Financing Scheme (SPIS)	RM30m	MSMEs in sports industry (30% fund for women)	Financing rate: 4% Size: Up to RM100,000 Tenure: Up to 7 years

Export-Import Bank of Malaysia Berhad (EXIM Bank)

Programme/Scheme	Fund Size	Target Group	Financing Terms
Exporter Sustainability Incentive Scheme (SIP ²)	RM1b	SMEs to enter international markets	Financing rate: Effective rate – 1.5% incentive Size: Up to RM10m Tenure: Up to 7 years

Majlis Amanah Rakyat (MARA)

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Program Pembangunan Keusahawanan Spike & Spike GLC	RM50m	Bumiputera contractors for working capital for contracts from Government/ agencies/ GLCs	Financing rate: 6% Size: Up to RM1m Tenure: According to tenure of contract
Program Pembangunan Keusahawanan Belia	RM19m	Bumiputera entrepreneurs 40 years and below	Financing rate: 0% Size: Up to RM500,000 (depending on qualifications of entrepreneur) Tenure: Up to 5 years
MARA Integrated Smart Auto Financing Scheme	RM16m	Bumiputera entrepreneurs in automotive industry providing 3S services	Financing rate: 2% Size: Up to RM1m Tenure: Up to 10 years
Skim Pembiayaan Pembangunan Usahawan Profesional	RM15m	Professional Bumiputera entrepreneurs	Financing rate: 4% Size: Up to RM250,000 (Sole Proprietorship/ Partnership) or RM500,000 (Company Sdn. Bhd.) Tenure: Up to 10 years
Skim Pembiayaan Perniagaan Khas Wanita	RM10m	Bumiputera women entrepreneurs	Financing rate: 3.5% Size: Up to RM150,000 Tenure: Up to 10 years

Malaysian Industrial Development Finance (MIDF)

Programme/Scheme	Fund Size	Target Group	Financing Terms
Soft Financing Scheme for Automation and Modernisation	RM126m	SMEs in manufacturing and manufacturing-related services	Financing rate: 4% Size: Up to RM20m Tenure: Up to 25 years
Aerospace and Electrical and Electronics (E&E) Industry Investment Fund	RM75m	Aerospace and E&E companies	Matching grant: Up to 80% based on eligible expenses Total: Up to RM40m Tenure: Up to 12 months Management fee: 2%
Soft Financing Scheme for SMEs	RM51m	SMEs in manufacturing, manufacturing-related and services sectors	Financing rate: 4% Size: Up to RM5m Tenure: Up to 25 years
Second Chance Financing	RM34m	SMEs in manufacturing and services sectors	Financing rate: 3% Size: Up to RM5m Tenure: Up to 10 years
Matching Grant for Bumiputera Aerospace SMEs	RM26m	Bumiputera aerospace SMEs	Matching grant: Up to 80% based on eligible expenses Size: Up to RM2.5m Tenure: Up to 12 months Management fee: 2%
Sustainable and Green Business Financing	RM25m	Manufacturing and services companies in the green technology ecosystem	Financing rate: 2% Size: Up to RM10m Tenure: Up to 25 years
Sustainable Mobility Business Financing	RM10m	Companies in the automotive ecosystem	Financing rate: 2% Size: Up to RM5m Tenure: Depending on type of financing

Perbadanan Usahawan Nasional Berhad (PUNB)

Programme/Scheme	Fund Size	Target Group	Financing Terms
PROSPER Financing	RM200m	Bumiputera SMEs	Financing rate: 5% - 8% Size: Up to RM10m Tenure: Up to 7 years

Malaysia Cooperative Societies Commission (SKM)

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Tabung Modal Pusingan (TMP)	RM287m	Cooperatives to implement viable projects	Financing rate: 1% - 6% Size: Up to RM30m Tenure: Up to 25 years Grace period: 3 - 6 months

SME Bank Berhad

Programme/ Scheme	Fund Size	Target Group	Financing Terms
SME Recapitalisation Fund	RM500m	Assist SMEs facing gearing and/or leverage issues	Financing rate: 6% Size: Up to RM5m Tenure: Up to 5 years
SME Technology Transformation Fund	RM400m	MSMEs to undergo technology transformation in line with Industry4WRD	Financing rate: 4% Size: Up to RM3m Tenure: Up to 10 years
Program Jaguh Serantau	RM300m	Bumiputera SMEs exporting to regional markets or ready to expand regionally	Financing rate: Based on risk Size: Up to RM10m Tenure: Up to 20 years
Dana Kemampanan PMKS Bumiputera 2.0	RM200m	Bumiputera MSMEs in all economic sectors with focus on strategic sectors identified by Government	Financing rate: 5% Size: Up to RM3m Tenure: Up to 7 years Grace period: Up to 6 months
HalalBiz Financing Scheme	RM100m	SMEs in the Halal industry	Financing rate: 5% Size: Up to RM1m Tenure: Up to 7 years
Industrial Building System (IBS) Promotion Fund	RM70m	MSMEs who are contractors, manufacturers and installers of IBS system	Financing rate: Year 1 - 7: BFR + 0%, Year 8 - 15: BFR + 1.5% per year Size: Up to RM10m Tenure: Up to 15 years
Special Tourism Fund	RM60m	MSMEs in tourism and tourism related services	Financing rate: 4% - 5.5% Size: Up to RM5m Duration: Up to 10 years
Dana Pemantapan Automasi	RM50m	MSMEs in 3D sector to acquire assets for automation and to reduce reliance on foreign workers	Financing rate: 4% - 5% Size: Up to RM3m Tenure: Up to 10 years
Social Enterprise Financing Scheme	RM15m	Working capital and asset acquisition by social enterprises	Financing rate: 3% - 4% Size: Up to RM500,000 Tenure: Up to 5 or 7 years

Unit Peneraju Agenda Bumiputera (TERAJU)

Programme/ Scheme	Fund Size	Target Group	Financing Terms
Dana Kemakmuran Bumiputera (DKB)	RM21m	Bumiputera SMEs in High Growth High Value (HGHV) sectors for basic infrastructure construction and purchase of machinery and equipment	Grant: Up to RM2m Tenure: 5 years
Dana Sektor Ekonomi Baru (DSEB)	RM17m	Bumiputera startups, SMEs in new, strategic and high value sectors	Financing rate: 5% Size: Up to RM10m Tenure: 7 years

Bank Pembangunan Malaysia Berhad (BPMB)

Type	Programme/ Scheme	Fund Size	Target Group	Terms
Subsidised loan	MADANI Development Scheme	RM2b	Companies involved in sectors contributing to the Twelfth Malaysia Plan and Ekonomi MADANI, which are not covered by other schemes	Financing rate: Government: COF + Margin - Subsidy of 1.5% Commercial: BFR + Margin - Subsidy of 1.5% Sukuk/Bon: Guarantee fee - Subsidy of 1.5% Size: Up to RM100m Aggregate of RM500m allocated for Bumiputera companies across all schemes
	Sustainable Development Financing Scheme	RM1.2b	Companies involved in adaptation and mitigation of climate change and energy transition	
	Industry Digitalisation Transformation Scheme	RM1b	Companies undertaking digital transformation through technology adoption, including, but not limited to, AI, robotics and automation	
	Tourism Infrastructure Scheme	RM1b	Companies involved in tourism activities and infrastructure projects	
	Maritime, Logistics and Transportation Scheme	RM1b	Companies involved in marine, oil and gas, aerospace and logistic activities and services	

Type	Programme/ Scheme	Fund Size	Target Group	Terms
Bank Pembangunan Malaysia Berhad (BPMB)				
Loan/equity financing	Rehabilitation and Support through Equity Scheme (RESET)	RM500m	Companies requiring equity support to rehabilitate its operations and/or to improve their balance sheet	Expected rate of return: 8% - 15% IRR Size: Up to RM30m Tenure: Up to 5 years
	Working Capital Scheme	RM500m	Companies requiring working capital financing to support business continuity and/or operations that have been affected by the COVID-19 pandemic	Financing rate: 5% Size: Minimum RM5m Tenure: Up to 3 years
	Matching Funding Platform	RM100m	SMEs seeking funding through peer-to-peer (P2P) funding platforms	Financing rate: 11% - 14% Size: Up to RM2m Tenure: Up to 2 years

Guarantee Financing Scheme for Businesses

1. Green Technology Financing Scheme (GTFS 4.0) (RM1b)
2. Syarikat Jaminan Pembiayaan Perniagaan (SJPP) guarantee scheme with a total of RM20b to be provided for lending by financial institutions. Guarantee of RM1b for each focus sector (Halal, High Technology, Green Economy and Healthcare)

SJPP Guarantee	Guarantee Terms
Financing Guarantee	Up to 80%
Financing Limit	Up to RM20m
Guarantee Fee	Up to 1% per year
Tenure	Up to 10 years

17. Strengthening Competitiveness of MSMEs

- The digitalisation and automation of MSMEs:
 - Digitalisation grants of up to RM5,000 to upgrade sales, inventory and digital accounting systems **RM100m**
 - BNM fund to encourage SME companies to increase business productivity through automation and digitalisation **RM900m**
 - Shop Malaysia Online Programme to encourage small traders especially in home-based F&B businesses **RM40m**
 - Enhance Digital Economy Centre in each state constituency to support small entrepreneurs in online businesses **RM25m**
 - *e-Usahawan Desa* Programme to develop digital skills among rural women and youth, empowering economies **RM10m**
- Continuing the Market Development Grant to facilitate the export of and promote high-value local products, especially in the agriculture, halal and handicraft sectors **RM30m**
- Various entrepreneur programmes under SME Corp: **RM130.6m**
 - MSMEs Capacity and Capability Enhancement Scheme (RM55m)
 - Bumiputera Enterprise Enhancement Programme (BEEP) 2.0 (RM30m)
 - *Tunas Usahawan Belia Bumiputera* (TUBE) (RM20m)
 - *Program Pembangunan Perniagaan Usahawan Mikro* (BizME) (RM6.6m)
 - SME Rating and Accreditation Programme (RM6.1m)
 - Programme for Enhancement of Strategic Industry and High Growth Enterprise (PRESTIGE) (RM5m)
 - SMEs Export Enhancement Programme (SMEs Go Global) (RM4.9m)
 - Inclusive SME Ecosystem (I-SEE) (RM3m)

	Value
18. Local Talent Development	
<ul style="list-style-type: none"> • TVET education allocation 	RM6.8b
<ul style="list-style-type: none"> • Provide industry-recognised professional certification to TVET graduates and as an incentive for industry to collaborate with public TVET institutions 	RM100m
<ul style="list-style-type: none"> • Provide special fund to implement <i>Program Latihan MADANI HRD Corp</i> that will cover reskilling and upskilling programmes for MSMEs entrepreneurs and vulnerable groups through following programmes: <ul style="list-style-type: none"> ○ Seniors Back in Action (SEBA) ○ Second Chances and Opportunities for People to Excel (SCOPE) ○ Persons with Disabilities (PWD) Talent Enhancement 	RM20m
<ul style="list-style-type: none"> • Provide skills credit fund or MySkills Credit through HRD Corp to fund individual choice of skills training 	-
<ul style="list-style-type: none"> • Implement the Academy in Industry programme to provide skills training by companies for up to 18 months – National Dual Training System (SLDN) and local talent development programme 	RM70m
<ul style="list-style-type: none"> • Incentive for industries to train local workforce including offering their expertise as instructors and fund new innovations to produce new products 	RM30m
<ul style="list-style-type: none"> • Government to implement multi-tier levy to employ foreign workers where revenue collected will be used for employers' benefit for automation or training of local workers 	-
<ul style="list-style-type: none"> • Upgrade Integrated Foreign Worker Management (ePPAx) system in line with new foreign worker hiring mechanism 	RM10m
<ul style="list-style-type: none"> • Skills Development Fund Corporation (PTPK)'s TVET Training Fund, where RM20m will be for upskilling and certification in: <ul style="list-style-type: none"> ○ Maritime field (RM10m) ○ Arts at ASWARA (RM5m) 	RM180m

	Value
<ul style="list-style-type: none"> ○ Maintenance, repair and overhaul (MRO) in the aerospace sector (RM5m) 	
<ul style="list-style-type: none"> ● Allocation to implement Tahfiz TVET Programme aiming to open opportunities for <i>tahfiz</i> students to diversify skills while furthering studies and continuing lessons in <i>hafazan</i> 	RM17m
<ul style="list-style-type: none"> ● Upgrade and repair buildings and equipment at MARA Education Institutions 	RM50m

19. Rakyat's Economy

<ul style="list-style-type: none"> ● Protect welfare of hawkers and traders in markets: <ul style="list-style-type: none"> ○ Repair dilapidated stalls, hawker centres and public infrastructure in 150 local authorities' areas (RM110m) ○ Improve cleanliness and appearance of 10,000 stalls (RM10m) ○ Build 4,000 units of new trade spaces and waive kiosk rental fees for the first 6 months in local authorities' areas (RM50m) ○ Government agencies under MARA, Perbadanan Usahawan Nasional Berhad (PUNB), Perbadanan Pembangunan Bandar (UDA) and the Kuala Lumpur City Hall (DBKL) will also upgrade their business facilities 	RM170m
<ul style="list-style-type: none"> ● Buy Malaysian Goods Campaign (KBBM) and Use Local R&D Product Initiative (MySTI): <ul style="list-style-type: none"> ○ Enhancing KBBM (RM14m) ○ Strengthen MySTI programme through acquisition of goods/services from local R&D by ministry/agency and develop MySTI ecosystem (RM13m) 	RM27m
<ul style="list-style-type: none"> ● Franchise Development Programme to increase franchise trade and exports 	RM10m
<ul style="list-style-type: none"> ● Franchise Entrepreneur <ul style="list-style-type: none"> ○ Enhanced Franchise Development Programme (RM2m) ○ Be Your Own Boss (RM6m) 	RM8m

	Value
<ul style="list-style-type: none"> • Vendor Development: <ul style="list-style-type: none"> ○ Vendor 2.0 Capacity Development Programme (RM5m) ○ Vendor 2.0 Research and Commercialisation Grant (RM10m) 	RM15m
<ul style="list-style-type: none"> • Implement Productivity-Linked Wage System Implementation Grant Programme (G-PLWS) to assist employers in implementing PLWS 	RM2m
<ul style="list-style-type: none"> • Premises Development Programme (<i>Tamu Desa</i>) to develop entrepreneurial infrastructure for hawkers and small traders especially in Sabah and Sarawak 	RM20m

Measure 6: Supporting Primary Sectors

20. Logistics Sector

<ul style="list-style-type: none"> • To strengthen the country's ecosystem and efficiency of our ports: <ul style="list-style-type: none"> ○ Matching grant with Port Klang Authority (maintenance of Federal Roads around Port Klang) ○ Matching grant with port authorities to upgrade the Malaysia Maritime Single Window (MMSW) system ○ Proposal for development of a port in Carey Island through RFP 	RM50m RM20m -
<ul style="list-style-type: none"> • Extend Tioman Airport runway to 1,300 metres and improve passenger facilities 	RM47m

21. Tourism and Creative Sector

<ul style="list-style-type: none"> • Allocation to boost tourism promotion and activities: <ul style="list-style-type: none"> ○ Visit Malaysia Campaign 2026 (RM240m), including RM10m for Malaysia Convention and Exhibition Bureau (MYCEB) ○ Initiatives to boost tourism sector, including: <ul style="list-style-type: none"> ▪ Tourism Sector Matching Grant (GSSP) (RM30m) 	RM350m
--	---------------

	Value
<ul style="list-style-type: none"> ▪ Gamelan Matching Grant (GAMELAN) (RM15m) ▪ Cultural Sector Matching Grant (GSSK) (RM25m) ▪ International & Chartered Flights Stimulus Grant (GSPC) (RM23m) ▪ Muslim-friendly tourism industry development programme by Islamic Tourism Centre (ITC) (RM15m) 	
<ul style="list-style-type: none"> • Resume the annual <i>Anugerah Seni Negara</i> (ASN) in recognition and appreciation of laureates and arts, cultural and heritage players (RM2m) 	
<ul style="list-style-type: none"> • Maintain and preserve tourist attraction sites such as Tasik Timah Tasoh in Perlis, Kenong Rimba Park in Pahang and Pantai Teluk Kemang in Negeri Sembilan 	RM20m
<ul style="list-style-type: none"> • Conserve and preserve UNESCO heritage buildings and sites in Malaysia: <ul style="list-style-type: none"> ○ UNESCO – existing and potential locations including Gua Niah, Lembah Bujang, Royal Belum State Park (RM80m) ○ UNESCO – Habitat Foundation Matching Grant and Island Waste Initiative (RM10m) 	RM90m
<ul style="list-style-type: none"> • Elevate and conserve value of Kuala Lumpur as a creative and cultural city through Think City as well as bolster Kuala Lumpur as a modern tourist attraction starting from Masjid Jamek and the surrounding areas 	RM20m
<ul style="list-style-type: none"> • Malaysia Visa Liberalisation Plan: <ul style="list-style-type: none"> ○ First: Facilitate Employment Pass approvals for strategic investors in key sectors ○ Second: Introduce Long-Term Social Visit Pass for international students who have graduated to meet industry’s need for skilled personnel ○ Third: Improve Visa on Arrival (VOA) facilities, Social Visit Pass and Multiple Entry Visa offers to encourage 	-

	Value
entry of tourists and investors, especially from China, India and the Middle East	
• Ease the requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia	-
• Implementation of the following initiatives to spur local creative talent and artists, including:	RM160m
○ Digital Content fund to boost the digital creative industry, promote local arts and encourage production of local content based on national values (RM60m)	
○ Promote Malaysia as an international film destination through cash rebate provisions under the Film in Malaysia Incentive (FIMI) (RM90m)	
○ MyCreative Matching Grant Scheme to support local artists for the production of creative projects (RM10m)	
• Preferential tax rate between 0% to 10% for foreign film production companies, actors and crews filming in Malaysia	-
• Preferential treatment for Government purchases of up to RM200,000 per order from handicraft entrepreneurs registered with the Malaysian Handicraft Development Corporation (<i>Kraftangan Malaysia</i>)	-
• Expansion of <i>Kembara Rihuh</i> to enhance local creative industry	RM10m

22. Technology and Innovation

• R&D fund allocation under Ministry of Science, Technology & Innovation (MOSTI)	RM100m
• R&D fund allocation under Ministry of Higher Education (KPT), including:	RM410m
○ Matching grants for collaboration between public universities and private sector to spur commercialisation of research and innovation (RM50m)	

	Value
<ul style="list-style-type: none"> • Fund to enhance R&D&C&I ecosystem to spur product commercialisation by enterprises, NGOs as well as Government departments and agencies 	RM76m
<ul style="list-style-type: none"> • Continue the INNOVATHON Programme to foster an innovation culture among the <i>Rakyat</i> 	RM7m
<ul style="list-style-type: none"> • Industrial Technology Innovation Centre (ITIC) to spur local industries towards higher value technology through matching grants to improve technology services, commercial intervention of R&D products and training: <ul style="list-style-type: none"> ○ MIMOS – Electrical & electronics (E&E) technology ○ MYSA – Aerospace technology ○ MRANTI – Drone and robotics technology 	RM10m
<ul style="list-style-type: none"> • MyGenom Programme through the sequencing of Malaysian genomes to establish a genetic database to promote precision medicine for advanced medical treatment and to optimise healthcare expenditure 	RM10m
<ul style="list-style-type: none"> • Continuation of the <i>Ruang Daya Cipta</i> (RDC) Programme to provide opportunities for local communities to Science, Technology, and Innovative (STI) products 	RM5m

23. Plantations and Commodities

<ul style="list-style-type: none"> • Allocation for FELDA, FELCRA and RISDA to boost agricommodity activities and improve socioeconomic status of smallholders 	RM2.4b
<ul style="list-style-type: none"> • Oil Palm Replanting Incentive Programme with 50% allocation in grants and 50% in soft loans: <ul style="list-style-type: none"> ○ Eligibility conditions: <ul style="list-style-type: none"> ▪ Private smallholders ▪ Oil palm trees aged more than 25 years ▪ Licensed by Malaysian Palm Oil Board (MPOB) ○ Method: Repayment from the 5th year 	RM100m

	Value
<ul style="list-style-type: none"> ● Enhance palm oil industry productivity level and intensify efforts to counter global Anti-Palm Oil Campaigns 	RM70m
<ul style="list-style-type: none"> ● Allocation to encourage smallholders to optimise production of food crops and livestock: <ul style="list-style-type: none"> ○ RISDA (RM40m) ○ FELCRA (RM50m) 	RM90m
<ul style="list-style-type: none"> ● Increase activation pricing level of Rubber Production Incentive (IPG) to RM3 per kilogramme 	RM400m
<ul style="list-style-type: none"> ● Use of stimulant gas – Ethylene Gas (HEVEA 3) to increase latex production 	RM10m

24. GLICs and GLCs

<ul style="list-style-type: none"> ● Domestic Direct Investment (DDI) by GLICs and GLCs 	RM115b
<ul style="list-style-type: none"> ● GLCs and GLICs to allocate funds to spur startups, including Bumiputera SME entrepreneurs venturing into high-growth, high-value (HGHV) sectors such as digital economy, aerospace technology and E&E 	RM1.5b
<ul style="list-style-type: none"> ● Khazanah through <i>Dana Impak</i> to invest in promoting inclusive economic growth by uplifting of rural, semi-urban, and underserved communities 	RM600m
<ul style="list-style-type: none"> ● Green investment commitment by GLICs and GLCs to achieve net zero carbon emissions target 	RM11.3b
<ul style="list-style-type: none"> ● Large-scale solar generation initiatives by Tenaga Nasional Berhad, including to supply electricity to Government buildings in Putrajaya 	RM3.7b
<ul style="list-style-type: none"> ● Development of Integrated Renewable Energy Zone and green investment platform by UEM Group Berhad 	RM1.4b
<ul style="list-style-type: none"> ● Greater TVET participation in TVET training institutions to increase relevancy with 12,000 new TVET students trained across high-technology sectors 	-

	Value
<ul style="list-style-type: none"> • Improve gender parity across all GLICs and GLCs with a commitment to achieve 30% female representation in boardrooms and senior leadership 	-
<ul style="list-style-type: none"> • Corporate Social Responsibility by GLICs and GLCs, including but not limited to: <ul style="list-style-type: none"> ○ EPF Protégé Programme to enhance local graduate employability ○ Forest and biodiversity conservation efforts by Yayasan Hasanah ○ Financial assistance to local university students by Lembaga Tabung Haji ○ Support of Cancer Research Malaysia to fight cancer and improve public awareness 	RM300m

Measure 7: Sustainable Agenda & Energy Transition

25. Towards Net Zero Carbon Emission

<ul style="list-style-type: none"> • Allocation for National Energy Transition Facility fund 	RM2b
<ul style="list-style-type: none"> • Financing funds by financial institutions to facilitate transition towards a low-carbon economy 	RM200b
<ul style="list-style-type: none"> • Improve implementation of Corporate Green Power Programme by exploring appropriate Third Party Access (TPA) model in line with tariff review measures 	-
<ul style="list-style-type: none"> • Tenaga Nasional Berhad (TNB), Gentari and Tesla Malaysia to install EV charging stations including along major highways 	RM170m
<ul style="list-style-type: none"> • Electric Motorcycle Usage Incentive Scheme of RM2,400 cash rebates for <i>Rakyat</i> with annual income below RM120,000 	RM20m
<ul style="list-style-type: none"> • Procurement of 150 electric buses and construction of 3 bus depots by Prasarana Malaysia Berhad to support needs of 5 LRT3 stations 	RM600m

	Value
<ul style="list-style-type: none"> ● Promote solar installation: <ul style="list-style-type: none"> ○ Extend offer Net Energy Metering (NEM) programme until 31 December 2024 ○ Government to develop rooftop solar buyback programme with minimal cost implications to the system 	-
<ul style="list-style-type: none"> ● Greening the Government's assets and operations: <ul style="list-style-type: none"> ○ Intensify installation of solar in Putrajaya especially at Government premises ○ Introduction of EV usage for Government vehicle fleet, subject to availability and suitability 	-
<ul style="list-style-type: none"> ● Petroleum (Income Tax) Act 1967 Review Committee (PITA 4WRD) to finalise study on Carbon Capture & Storage (CCS) tax incentive and hydrogen sulfide gas by end of the year 	-
<ul style="list-style-type: none"> ● Forest Carbon Project Development Fund 	RM5m

26. Preservation of Natural Treasures

<ul style="list-style-type: none"> ● Allocation for Ecological Fiscal Transfer for Biodiversity Conservation (EFT) to increase percentage of protected forest areas and protect endangered wildlife 	RM200m
<ul style="list-style-type: none"> ● Allocation for community rangers through Biodiversity Protection and Patrolling Programme (BP3) and Permanent Forest Reserve Smart Patrol (HSK) for Central Forest Spine (CFS): <ul style="list-style-type: none"> ○ Malaysian Armed Forces and Royal Malaysia Police (RMP) veterans (RM20m) ○ <i>Orang Asli</i> (RM15m) ○ Local communities, Sabah & Sarawak community rangers (RM25m) 	RM60m
<ul style="list-style-type: none"> ● One-off assistance for property and agricultural loss due to human-wildlife conflicts 	RM10m

	Value
<ul style="list-style-type: none"> ● Issuance of biodiversity sukuk, for reforestation and replanting of degraded forests to generate carbon credits, in collaboration with interested state governments 	RM1b
<ul style="list-style-type: none"> ● National River Trail Programme (NRT) with Nature-Based Solutions (NBS) approach in management and sustainable use of environment 	RM10m
<ul style="list-style-type: none"> ● River upgrading, cleaning and treatment programme: <ul style="list-style-type: none"> ○ Sungai Tuaran Conservation Project along Sekolah Menengah Kebangsaan Tun Fuad Stephens, Kiulu, Tuaran, Sabah ○ River Conservation Projects to reduce Flood Risk (Twelfth Malaysia Plan) in Federal Territory of Kuala Lumpur 	RM185m

27. Disaster Management Readiness

<ul style="list-style-type: none"> ● 33 High Priority Flood Mitigation Projects to be undertaken next year, including: <ul style="list-style-type: none"> ○ Lembangan Sungai Pahang, Pahang ○ Sungai Langat Phase 2, Selangor ○ Sungai Jelai, Kuala Pilah, Negeri Sembilan ○ Sungai Likas, Kota Kinabalu, Sabah ○ Kuching Phase 2 Sarawak ○ Baling Phase 2, Kedah ○ Integrated River Basin Development, Sungai Kelantan Phase 2, Kelantan 	RM11.8b
<ul style="list-style-type: none"> ● Flood Mitigation Plan (RTB) in Federal Territory 	RM47m
<ul style="list-style-type: none"> ● Flood preparedness for local authorities (PBT): <ul style="list-style-type: none"> ○ Upgrade drainage and repair damaged drains (RM20m) ○ Repair flood retention ponds (RM50m) 	RM70m
<ul style="list-style-type: none"> ● Maintain and repair slopes nationwide for landslide prevention 	RM563m
<ul style="list-style-type: none"> ● Disaster Readiness Initiative by National Disaster Management Agency (NADMA): 	RM300m

	Value
<ul style="list-style-type: none"> ○ Early distribution (2023) (RM100m) ○ National Disaster Relief Fund (2024) (RM200m) to improve comfort levels of affected individuals at permanent and temporary relief centres ○ The Government is prepared to increase allocation whenever needed 	
<ul style="list-style-type: none"> ● Enhance K9 Detection Dogs initiative: <ul style="list-style-type: none"> ○ Improve medical and treatment facilities for K9 dogs of Fire and Rescue Department (BOMBA) ○ Expand the K9 detection and rescue dogs workforce for BOMBA, RMP and Royal Malaysian Customs Department 	RM5m

28. Food Security

<ul style="list-style-type: none"> ● Total allocation for various forms of subsidies and incentives to farmers and fishermen 	RM2.6b
<ul style="list-style-type: none"> ● Initiatives for paddy farmers: <ul style="list-style-type: none"> ○ Increase rate of Paddy Price Subsidy Scheme to RM500 per metric tonne ○ Increase floor price of paddy to RM1,300 per metric tonne ○ Pilot the five seasons in two years paddy cultivation initiative in several rice granary areas, including in Perak, Kedah and Perlis ○ Increase subsidy allocation for hill paddy or huma paddy 	<ul style="list-style-type: none"> - - - RM50m

	Value
<ul style="list-style-type: none"> ● Initiatives for fishermen: <ul style="list-style-type: none"> ○ Fishermen Diesel and Petrol Subsidy Scheme (LKIM) by maintaining diesel subsidy at RM1.65 per litre to selected classes of fishermen, with a quota of 840 million litres per annum ○ Monthly Subsistence Allowance of up to RM300 per month and Fishermen Catch Incentive of up to RM1,000 per month ○ Fishermen Housing Assistance to refurbish and build new homes for low-income fishermen 	<p>-</p> <p>-</p> <p>RM10m</p>
<ul style="list-style-type: none"> ● Food Security Strengthening Programme focusing to increase production of local food crops, among others: <ul style="list-style-type: none"> ○ Cooperation with State Governments in optimising land use to increase crop and livestock production (RM150m) ○ Implement new method of fertiliser procurement through an open tender basis to provide farmers with a choice (RM50m) ○ Special programme for new procurement of bio and organic fertilisers through open tender (RM50m) 	RM400m
<ul style="list-style-type: none"> ● Loan facilities under Agrobank to increase production capacity of agrofood entrepreneurs and improve competitiveness of young agropreneurs 	RM430m
<ul style="list-style-type: none"> ● Agricultural Disaster Fund (TBP) as post-disaster social protection and compensation to agropreneurs (up to 50% of the value of losses due to disasters) 	RM50m
<ul style="list-style-type: none"> ● Funding for <i>Skim Takaful Tanaman Padi</i> to benefit more than 240,000 farmers 	RM50m

FOCUS 3: RAISING RAKYAT'S STANDARD OF LIVING

Value

Measure 8: Protecting the Welfare of the Rakyat

- Provide financing through various forms of Government assistance to *Rakyat* including subsidies, incentives and aid **RM58.1b**
- Community Drumming Programme to distribute essential goods such as petrol, LPG, flour, rice and cooking oil to rural and remote areas. The programme will be expanded to new areas such as the Abai district, Sandakan, Sabah and Engkerebai, Mukah, Sarawak **RM225m**

29. Payung Rahmah Programme

- Continuation of the *Payung RAHMAH* initiative to help B40 group with rising cost of living **RM200m**
- Expansion of the *Jualan Rahmah* Programme, which offers essential items priced up to 30% lower, to more state constituencies nationwide -
- Price Standardisation Programme in Sabah, Sarawak and Labuan **RM40m**
- *Sumbangan Tunai Rahmah* (STR) Programme **RM10b**

Sumbangan Tunai Rahmah (STR) 2024

STR Category	No. of Recipients	Number of Children			
		0	1-2	3-4	≥5
Household (Basic) ≤RM2,500	3.1m	RM1,000	RM1,500	RM2,000	RM2,500
Household (Basic) RM2,501 – RM5,000	1.0m	RM500	RM750	RM1,000	RM1,250
Single Senior Citizen	1.3m	RM600			
Single ≤RM2,500	3.3m	RM350			

- Beginning 2024, all STR recipients will also receive *Sumbangan Asas Rahmah* (SARA)

- Two new categories will be introduced, which are poor and hardcore poor household under *e-Kasih* and Department of Social Welfare (JKM), and for example, these categories are eligible to receive RM100 monthly for 12 months under the SARA Programme beginning January 2024 as well as STR up to RM2,500 (depending on number of children)
- STR 2024 new applications will start in November 2023 and will be opened throughout the year, first payment up to RM500 will be done in February 2024

Sumbangan Asas Rahmah (SARA)

SARA Category	No. of Recipients	Rate
STR Hardcore Poor*	0.2m	RM1,200
STR Poor*	0.5m	RM1,200
STR Household	3.7m	RM300
STR Single	4.3m	RM150

*New categories based on *e-Kasih* and JKM data

Value

30. Meaningful Income

- Expand the People's Income Initiative (IPR) **RM500m**
- Offer for upskilling programme and job matching on a contract basis in the public sector and GLCs starting January 2024 under the MyFutureJobs platform accessible for all MySTEP appointments **RM25m**
- Encourage vulnerable groups such as the disabled, former inmates and senior citizens to secure jobs with meaningful salaries through:
 - Special incentive under SOCSO of RM1,500 per month for period of 6 months to encourage private sector employers to employ those from vulnerable groups **RM30m**
 - Expand 1% Policy on Employment Opportunities for PWD to also include former inmates and senior citizens via the **-**

Value

MYFutureJobs job-matching and MySTEP programme. Those from vulnerable groups participating in the MySTEP programme will be offered placement on a contract basis with an allowance of RM1,500 for a period of 6 months in various ministries, GLICs and GLCs as well as Government's strategic partners

- Continue SOCSO's Career Building Programme to ensure informal workers, especially gig workers, are given opportunity to participate in career development and microcredential skills training programmes, allocation includes fund training fees and income replacement incentives **RM35m**
- Expand implementation of Professional Training and Education for Growing Entrepreneurs Ready to Work (Protégé - RTW) Programme to Malaysian Armed Forces (ATM) veterans **-**

31. Channelling of Cash Assistance

-
- Allocation for JKM **RM2.4b**
 - Expand welfare assistance eligibility requirements in line with the increase in 2023 Food Poverty Line Income (PGK) to RM1,198 per month
 - Utilise income generated from sales of special plate numbers to ease the burden of underprivileged: **RM30m**
 - Continue MyLesen Programme, bearing driving test fees for B2 motorcycle licence category, e-hailing, and taxis for youths from underprivileged families
 - Distribute 100,000 helmets to underprivileged families, including providing free helmets to children
 - Extend FLYsiswa initiative to reduce financial burden of students from underprivileged families

32. Social Protection

- | | |
|--|---------------|
| <ul style="list-style-type: none"> • The Government's contribution under the Self-Employment Social Security Scheme (SKSPS) to be increased to 90%. Operating companies are urged to cover the remaining 10% of contribution on behalf of gig workers | RM100m |
| <ul style="list-style-type: none"> • The annual limit of the 15% Government incentive under the EPF <i>i-Saraan</i> programme to be increased to RM500, limited to RM5,000 for life | RM79m |
| <ul style="list-style-type: none"> • The annual limit of the 50% Government incentive under the EPF <i>i-Suri</i> programme to be increased to RM300, limited to RM3,000 for life | RM20m |
| <ul style="list-style-type: none"> • Extend Housewife Social Security Scheme (SKSSR) contribution by SOCSO to benefit housewives registered under <i>e-Kasih</i> | RM50m |
| <ul style="list-style-type: none"> • Expand the EPF <i>i-Sayang</i> programme to allow wives to transfer 2% of their EPF contributions (employee's portion) to their husband's EPF account on a voluntary basis | - |
| <ul style="list-style-type: none"> • EPF Flexible Account to be introduced as a new account that will be accessible to members at any time | - |
| <ul style="list-style-type: none"> • Increase monthly salary ceiling for SOSCO contributions from RM5,000 to RM6,000 | - |

Measure 9: Empowering the Government Focus Group

33. Bumiputera Agenda

- | | |
|--|---|
| <ul style="list-style-type: none"> • Pelaburan Hartanah Berhad (PHB) to be merged under Permodalan Nasional Berhad (PNB) and strengthened through the provision of Government strategic lands especially in Kuala Lumpur for housing development projects | - |
| <ul style="list-style-type: none"> • Ekuinas will be placed under the umbrella of Yayasan Pelaburan Bumiputra (YPB) to strengthen Bumiputera business expansion in collaboration with PNB and PUNB | - |

	Value
<ul style="list-style-type: none"> • Loan facilities and guarantees for Bumiputera MSMEs to increase capacity and competitiveness, including the provision of venture capital financing to Bumiputera startups 	RM1.6b
<ul style="list-style-type: none"> • Organise Bumiputera Economic Congress to set a new direction and approach for Bumiputera Agenda to be fairer, more equitable and inclusive 	-
<ul style="list-style-type: none"> • Introduce new initiative, CAKNA 2 scheme to assist small G1 to G4 Bumiputera contractors to complete Government small-scale projects up to RM1.5m 	-
<ul style="list-style-type: none"> • Extend the implementation of CAKNA 1 scheme, with a non-debt feature for all Government agencies to assist Government vendors 	-

34. Women & Children

<ul style="list-style-type: none"> • Expand <i>Baitul Mahabbah</i> programme under Immigration Department of Malaysia to provide temporary placement for children in Sabah, Sarawak and Peninsular as well as upgrade Tadika Kompleks Kediaman Kakitangan Awam (KKKA) in KLIA 	RM10m
<ul style="list-style-type: none"> • Allocation for <i>Jabatan Kemajuan Masyarakat</i> (KEMAS): <ul style="list-style-type: none"> ○ Upgrade KEMAS Early Childhood Education (PPAK) premises in phases to provide comfortable, safe and complete infrastructure (RM20m) ○ Build 10 new KEMAS facilities, including PPAK, Taman Asuhan Kanak-Kanak (TASKA) and Taman Bimbingan Kanak-Kanak (TABIKA) (RM31m): <ol style="list-style-type: none"> 1. PPAK KEMAS Segamat, Johor 2. PPAK KEMAS Tampin, Negeri Sembilan 3. TABIKA KEMAS Berkembar Jalan Ciku, Taman Kota Masai, Johor 4. TABIKA (KOMTA) KEMAS Kg Sri Batu, Kuala Lumpur 5. TABIKA KEMAS Berkembar Taman Krubong Jaya, Melaka 6. TABIKA KEMAS Kampung Jijan 2, Seremban, Negeri Sembilan 	RM586m

Value

7. TABIKA KEMAS Felda Jelai 1, Tampin, Negeri Sembilan
8. TABIKA (KOMTA) KEMAS Kem PGA Polis Bukit Galing, Kuantan, Pahang
9. TABIKA KEMAS Rumah Agan Sg Mador, Bintangor, Sarawak
10. TASKA KEMAS Kampung Paya Berenjut, Kemaman, Terengganu

- Build 26 new preschools in Sekolah Kebangsaan (SK) and Sekolah Jenis Kebangsaan Cina (SJKC) under Ministry of Education (MOE), including at:

RM82m

1. SK Permas Jaya 1, Pasir Gudang, Johor
2. SK Sungai Tiang, Pendang, Kedah
3. SK Port Dickson, Port Dickson Negeri Sembilan
4. SK Bunut Rendang, Kuantan, Pahang
5. SK Kampong Padang, Kuantan, Pahang
6. SK Penjom, Lipis, Pahang
7. SK Sungai Isap, Kuantan, Pahang
8. SK Balik Pulau, Barat Daya, Pulau Pinang
9. SK Seberang Jaya, Seberang Perai Tengah, Pulau Pinang
10. SK Kampung Jambu, Taiping, Perak
11. SK Kuak Hulu, Hulu Perak, Perak
12. SK Seri Iskandar, Bandar Seri Iskandar, Perak
13. SK Seri Samudera, Manjung, Perak
14. SK Sultan Abdullah, Changkat Jering, Perak
15. SK Kampong Biah, Keningau, Sabah
16. SK Lahad Datu III, Lahad Datu, Sabah
17. SK Abang Kadir Gedong, Simunjan, Sarawak
18. SK Bandar Samariang, Kuching, Sarawak
19. SK Pendidikan Khas Kota Samarahan, Sarawak
20. SK Jalan 3, Bandar Baru Bangi, Selangor
21. SK Kebor Besar, Manir, Terengganu
22. SK Merang, Setiu, Terengganu
23. SK Pechah Rotan, Kuala Nerus, Terengganu
24. SK Gong Badak, Kuala Terengganu, Terengganu
25. SK Permaisuri, Setiu, Terengganu
26. SJKC Chabau, Melaka

- Implement Pre-Tahfiz Programme at TABIKA KEMAS to strengthen Islamic education and Al-Quran knowledge **Value RM20m**
- Address malnutrition among Malaysian children to produce healthy generation **RM19m**
- Strengthen *Skuad Waja 3.0* and implement Sexual Harassment Advocacy Programme (AGS) to curb domestic violence and sexual harassment issues involving women and children **RM5m**
- Cooperation between Government, Sime Darby Foundation and NGOs to protect pregnant teenagers, including provision of beds, food, supplements and clothings **RM5m**

Funding for Women

Programme/ Scheme	Fund Size	Target Group	Financing Terms
BSN Skim Mikro Nita	RM250m	Women in micro/small businesses	Financing Rate: 4% Size: Up to RM50,000 Tenure: Up to 5 years
AIM Skim Pembiayaan Ikhtiar	RM100m	Women from lower income group to start small business to generate family income	Financing Rate: 8% - 10% Size: Up to RM30,000 Tenure: Up to 3 years
Bank Rakyat BR Plus i-Biz Lady	RM100m	Women in MSMEs and/or cooperatives for business continuity and to mitigate cash flow issues	Financing Rate: SME: BFR + 1.5% (including guarantee fee) Cooperatives: BFR + 0% Micro: 7.5% Size: Up to RM1m Tenure: Up to 7 years
MARA Skim Pembiayaan Perniagaan Khas Wanita	RM10m	Bumiputera women entrepreneurs	Financing Rate: 3.5% Size: Up to RM150,000 Tenure: Up to 10 years

	Value
35. Youth	
<ul style="list-style-type: none"> • A RM500 reward will be provided to youths who have successfully participated in volunteering activities with organisations recognised by the Government 	RM20m
<ul style="list-style-type: none"> • Expand the <i>Rakan Muda</i> programme to build youth identity 	RM20m
<ul style="list-style-type: none"> • Establish National Career Placement and Exploration Centre under SOCSO as one-stop-centre for young graduates and job seekers for career and employment support 	RM7m
<ul style="list-style-type: none"> • Implement Career Exploration Programme in schools to provide exposure for students and career counselling teachers 	RM1m
<ul style="list-style-type: none"> • Continue <i>Tunas Usahawan Belia Bumiputera</i> Programme (TUBE) to produce more Bumiputera youth entrepreneurs and create job opportunities 	RM20m
<ul style="list-style-type: none"> • Continue TEKUN Youth Mobilepreneur scheme to provide financing for youth in delivery services to purchase a motorcycle 	RM10m
<ul style="list-style-type: none"> • Implement Malaysia Games Initiative to encourage international e-sports companies or studios to invest in Malaysia to develop digital products with local talent 	RM30m
<ul style="list-style-type: none"> • Reintroduce Accelerator Programme for Construction (ACE) for G1 to G4 Bumiputera youth contractors with several improvements 	RM5m

36. Key Communities

- | | |
|--|---------------|
| <ul style="list-style-type: none"> • Implement socioeconomic and infrastructure development projects as well as provide social assistance for <i>Orang Asli</i> community, including: <ul style="list-style-type: none"> ○ Allocation to intensify development programme of <i>Orang Asli</i> entrepreneurs and replantation of <i>Orang Asli</i> plantations such as in Batang Padang, Perak and Hulu Langat, Selangor (RM28m) ○ Special Community Feeding Programme for <i>Orang Asli</i> children to overcome malnutrition (RM2m) | RM333m |
|--|---------------|

	Value
<ul style="list-style-type: none"> • Allocation for various forms of assistance such as caregiving to chronically ill bedridden PWD, PWD who are unable to work, and allowances for PWD workers 	RM1.2b
<ul style="list-style-type: none"> • Increase the allowance for PWD trainees who participate in the Community-Based Rehabilitation (PDK) from RM150 to RM300 per month 	RM30m
<ul style="list-style-type: none"> • BSN financing facility for PWD micro entrepreneurs 	RM50m
<ul style="list-style-type: none"> • Develop care and support course modules for PWD aimed at comprehensive development of PWD potential 	RM2m
<ul style="list-style-type: none"> • Overall allocation to safeguard the wellbeing of senior citizens, including providing cash assistance and channelling funds for senior citizens' care and activity centres 	RM1b
<ul style="list-style-type: none"> • Industrial Building Allowance to be given to Private Nursing Homes for Senior Citizens approved by Ministry of Health at the rate of 10% of cost of buildings built or purchased, including renovation costs for each year of assessment. This allowance is given for qualifying expenditure incurred from 1 January 2024 to 31 December 2026 	-
<ul style="list-style-type: none"> • PEKA (Your Second Chance) Programme to provide CIDB-accredited competency training for inmates approaching end of prison sentence 	RM10m
<ul style="list-style-type: none"> • Government to table amendments to the Drug Dependants (Treatments and Rehabilitation) Act 1983 to enable drug addicts to receive treatment and rehabilitation without being admitted to correctional institutions 	-
<ul style="list-style-type: none"> • The Government to consider controlled access to basic needs, including employment, services and education for refugees and asylum seekers 	-
<ul style="list-style-type: none"> • Upskilling programme in collaboration with the Malaysian Prison Department to assist inmates to improve skills and knowledge in managing agricultural activities and projects 	RM5m

- | | Value |
|--|---------------|
| <ul style="list-style-type: none"> Allocation for <i>Anjung Sinar</i>, a transit centre for youth aged 18 and above who are leaving JKM without families or from less privileged families, to ensure their welfare by providing education, skill and employment opportunities | RM1.5m |
| <ul style="list-style-type: none"> Indian Community Programme – Empowering socioeconomy of the community (MITRA) | RM100m |

Measure 10: Providing Excellent Basic Facilities

37. Education & Higher Education

- | | |
|--|----------------|
| <ul style="list-style-type: none"> Allocation for Ministry of Education (MOE) | RM58.7b |
| <ul style="list-style-type: none"> Allocation to upgrade and maintain public schools nationwide: <ul style="list-style-type: none"> Upgrade dilapidated buildings and infrastructure in 450 schools, comprising 185 projects in Sarawak and 155 projects in Sabah (RM930m) Maintenance of all types of schools (National, Religious and Vernacular Schools including special education schools with focus on needs of autistic students) (RM1b) | RM1.9b |
| <ul style="list-style-type: none"> Construction of 26 new schools, including Sekolah Kebangsaan (SK), Sekolah Menengah Kebangsaan (SMK) and college: <ol style="list-style-type: none"> SK Taman Scientex Jaya, Kulai, Johor SK Kulai Utama, Kulai, Johor SK Bandar Dato Onn, Johor Bahru, Johor SK Bukit Rahman Putra (2), Gombak, Selangor SK Taman Sri Manja, Petaling Jaya, Petaling Utama, Selangor SK Bukit Sentosa (2), Hulu Selangor, Selangor SMK Bukit Gedong, Kuala Nerang, Kedah SMK Binjai, Kota Bharu, Kelantan SMK Taman Bukit Indah (2), Johor Bahru, Johor SMK Taman Kota Masai (3), Johor Bahru, Johor SMK Taman Mutiara Rini (3), Johor Bahru, Johor SMK Air Putih, Daerah Barat Daya, Pulau Pinang SMK Seri Melati, Kuantan, Pahang SMK Bandar Universiti, Bandar Seri Iskandar, Perak | RM2.55b |

	Value
15. SMK Datuk Nakhoda Intan, Seberang Perai Tengah, Pulau Pinang	
16. SMK Laya-Laya, Tuaran, Sabah	
17. SMK Baie, Bintulu, Sarawak	
18. SMK Puchong Intan, Puchong, Petaling Perdana, Selangor	
19. SMK Bandar Putra Permai, Seri Kembangan, Selangor	
20. SMK Agama Jempol, Negeri Sembilan	
21. Sekolah Taman Pulai Indah, Johor Bahru, Johor	
22. Sekolah Bandar Seri Impian, Kluang, Johor	
23. Sekolah Seri Damai, Kuala Lumpur	
24. Sekolah Bayu Sutera, Sendayan, Seremban	
25. Kolej Tingkatan Enam Sri Permatang, Seberang Perai Selatan, Pulau Pinang	
26. Kolej Tingkatan Enam, Miri, Sarawak	
<ul style="list-style-type: none"> ● Increase parents' income threshold in application for <i>Biasiswa Kecil Persekutuan</i> (BKP), according to PGK rate of RM2,589 	-
<ul style="list-style-type: none"> ● Continue <i>Bantuan Awal Persekolahan</i> of RM150 to students 	RM788m
<ul style="list-style-type: none"> ● Expand provision of assistance under <i>Kumpulan Wang Amanah Pelajar Miskin</i> (KWAPM) to students up to Form 3 in Government and Government-Aided Schools 	RM150m
<ul style="list-style-type: none"> ● Funding for scholarships and educational loans across ministries 	RM3.9b
<ul style="list-style-type: none"> ● Improve <i>Rancangan Makanan Tambahan</i> (RMT) through daily milk supply to students, expand scope of recipients and increase rate of daily milk supply 	RM784m
<ul style="list-style-type: none"> ● Establish Science, Technology, Engineering and Mathematics (STEM) Special Committee across ministries to set targets and measures to increase STEM participation among secondary school students 	-
<ul style="list-style-type: none"> ● Empower and cultivate STEM Education, including: <ul style="list-style-type: none"> ○ Maintain and upgrade school computer and science labs ○ Acquire new equipment for STEM learning ○ Collaboration with industry players 	RM100m

	Value
<ul style="list-style-type: none"> ● Build 18 new special education blocks, including: <ol style="list-style-type: none"> 1. SK Nusantara, Johor 2. SK Kubang Kerian 3, Kelantan 3. SK Taman Paroi Jaya, Negeri Sembilan 4. SK Bandar Baru Perda, Pulau Pinang 5. SK Rampangi, Sarawak 6. SK Khir Johari, Selangor 7. SK Asyakirin, Sarawak 8. SK Permaisuri Nur Zahirah, Terengganu 9. SMK Sultan Abdul Jalil, Johor 10. SMK Kubang Rotan, Kedah 11. SMK Muadzam Shah, Kedah 12. SMK Tunku Seri Indera Putera, Kedah 13. SMK Sri Kiambang, Kelantan 14. SMK Pendeta Za'Ba, Negeri Sembilan 15. SMK Dato' Ali Ahmad, Perlis 16. SMK Tamparuli, Sabah 17. SMK Lanang, Sarawak 18. SMK Seksyen 4 Kota Damansara, Selangor 	RM180m
<ul style="list-style-type: none"> ● Ensure equitable education for special need students by upgrading PWD-friendly facilities and infrastructure as well as providing teaching and learning (PdP) equipment 	RM30m
<ul style="list-style-type: none"> ● Instil <i>Karamah Insaniah</i> among school students by implementing character-building programmes with focus on leadership, personality, manners and integrity 	-
<ul style="list-style-type: none"> ● Apply a holistic approach involving all parties to help affected students left behind and require further guidance post COVID-19 pandemic 	RM100m
<ul style="list-style-type: none"> ● Assistance to remote rural schools for immediate repairs, <i>gotong-royong</i> and basic facility enhancements to ensure comfort of students and teachers 	RM10m
<ul style="list-style-type: none"> ● Allocation for Ministry of Higher Education (MOHE) 	RM16.3b
<ul style="list-style-type: none"> ● Replace and extend coverage of Wi-Fi in all public universities, including digitalisation project at teaching hospitals 	RM250m
<ul style="list-style-type: none"> ● Maintain and repair infrastructures in institutions of higher education (IPT), as well as replace dilapidated equipments, 	RM300m

	Value
including procurement of teaching and learning equipment at Malaysian Technical University Network (MTUN)	
<ul style="list-style-type: none"> • Encourage vulnerable communities, including PWD, <i>Orang Asli</i>, single mothers and senior citizens, to participate in MADANI 	RM5m
<ul style="list-style-type: none"> • TVET Lifelong Learning Programme (PSH) in community colleges 	
<ul style="list-style-type: none"> • Improve implementation of <i>Program Upaya Komuniti MADANI Kementerian Pendidikan Tinggi (UpayaKPT)</i> and Community-Based Rehabilitation Programme (PDK) 	RM20m
<ul style="list-style-type: none"> • Establish the first AI learning centre in the country that is the Faculty of Artificial Intelligence (AI) at Universiti Teknologi Malaysia 	RM20m
<ul style="list-style-type: none"> • PTPTN loan repayment discount from 14 October 2023 until 31 March 2024 at the following rates: <ul style="list-style-type: none"> ○ 10% discount on balance of debt for full settlement ○ 10% discount for payment of at least 50% of remaining debt in a single payment ○ 15% discount for payment by salary deduction or scheduled direct debit 	-
<ul style="list-style-type: none"> • Beginning January 2024, registration fee for admission to public universities will be capped at RM1,500 in line with the value of National Higher Education Fund Corporation (PTPTN) Advance Loan (WPP) for all eligible prospective students 	-
<ul style="list-style-type: none"> • Existing students who cannot afford to pay tuition fees will not be barred from registering for subjects each semester and payments can be settled after registration. Payment regulations by universities should consider welfare of students 	-
<ul style="list-style-type: none"> • University Student Affairs Division, in collaboration with PTPTN or other bodies, to simplify process, and assist students as well as prospective students facing payment issues 	-

- | | Value |
|---|--------------|
| <ul style="list-style-type: none"> Continue Malaysian Research and Education Network (MYREN) project in public universities, polytechnics and community colleges to upgrade bandwidth capacity | RM80m |

38. Health Services

- | | |
|--|----------------|
| <ul style="list-style-type: none"> Allocation for Ministry of Health Malaysia (KKM), with RM5.5b specifically for procurement of medicine, consumables, reagents and vaccines | RM41.2b |
| <ul style="list-style-type: none"> New health development projects: <ul style="list-style-type: none"> USIM Teaching Hospital Complex Phase 1 in Kota Tinggi, Johor (RM938m) Preliminary work for Hospital Sultanah Aminah 2, Johor Bahru, Johor Additional Pathology Block at Hospital Raja Perempuan Zainab II, Kelantan (RM175m) Additional building for the Emergency and Trauma Department at Hospital Sultan Abdul Aziz Shah, UPM, Selangor (RM26m) Build 5 new health clinics including in Rantau, Negeri Sembilan; Kuala Tahan, Jerantut, Pahang; Hutan Melintang, Perak; Kuala Jengal, Dungun, Terengganu; and Pulau Mantanani, Kota Belud, Sabah (RM150m) Support the establishment of a Cancer Institute in Sarawak | - |
| <ul style="list-style-type: none"> Continue to outsource patients from KKM hospitals to other hospitals, including military, university and private hospitals | RM200m |
| <ul style="list-style-type: none"> Refurbish 400 rundown clinics under KKM to ensure healthcare facilities are safe and comfortable | RM300m |
| <ul style="list-style-type: none"> Medical equipment procurement in KKM hospitals to replace Beyond Economic Repair (BER) equipment and meet the needs of various new service disciplines | RM566m |
| <ul style="list-style-type: none"> Ambulance procurement to ensure healthcare service readiness to respond to emergency calls | RM200m |

	Value
<ul style="list-style-type: none"> ● Maintenance of KKM ICT systems, including provision of Cloud-based Clinic Management System (CCMS) to 100 Government health clinics 	RM150m
<ul style="list-style-type: none"> ● <i>Agenda Nasional Malaysia Sihat</i> (ANMS) to foster healthy lifestyles: <ul style="list-style-type: none"> ○ Intensify health screening programmes, including PeKA B40 Scheme ○ Cervical Cancer Screening Programme to increase existing screening coverage using <i>Human Papillomavirus</i> (HPV) screening test ○ Conduct early screening of hearing problems and congenital heart diseases for newborns ○ Prevent whooping cough by providing free vaccines to pregnant women ○ <i>Agenda Nasional Malaysia Sihat</i> (ANMS) 2.0 	RM80m RM10m RM10m RM10m RM23m
<ul style="list-style-type: none"> ● Continue the Mammogram Subsidy Programme 	RM6m
<ul style="list-style-type: none"> ● Continue MySalam Scheme for two years, including allocation of a special fund for medical device claims 	RM50m
<ul style="list-style-type: none"> ● Expand <i>Skim Perubatan MADANI</i> nationwide 	RM100m
<ul style="list-style-type: none"> ● Intensify dengue and vector control activities, including by using <i>Wolbachia</i>, to address critically high occurrence of dengue cases and outbreaks 	RM40m
<ul style="list-style-type: none"> ● Centre of Excellence for Mental Health to strengthen support and psychosocial services to protect against mental illness 	RM25m
<ul style="list-style-type: none"> ● Extend SOSCO Health Screening Programme for workers to allow early medical intervention 	RM10m

	Value
39. Rural Development	
<ul style="list-style-type: none"> • <i>Dana Komuniti MADANI</i> (DKM) for local socioeconomic development with funds distributed through local administrators 	-
<ul style="list-style-type: none"> • Allocation of RM1b under DKM for grants ranging from RM50,000 to RM100,000 to communities to facilitate <i>Program Komuniti MADANI</i> 	RM1b
<ul style="list-style-type: none"> • Initiatives to bridge the rural-urban gap: <ul style="list-style-type: none"> ○ Construct and upgrade roads in villages and rural areas covering 550 kilometers. New projects in 2024 include: <ul style="list-style-type: none"> ▪ Upgrade roads in Kampung Permatang Pasir – Kampung Telaga Ara – Kampung Be'oh – Kampung Gong Kulim, Bachok, Kelantan ▪ Construct road from Long Boh to Behor Mempelam, Tambun Tulang, Perlis ▪ Construct new bridge and access road from Kuala Lukut to Chuah, Port Dickson, Negeri Sembilan ○ Provide water supply to 5,150 households and electricity supply to 2,200 households ○ Install 60,000 units of streetlights in villages and maintain over 500,000 units of streetlights in villages ○ Implement 115 projects, including 54 new projects, to upgrade dilapidated bridges and construct new bridges 	RM1.63b
<ul style="list-style-type: none"> • Upgrade, construct and repair basic facilities such as community halls, town halls, paved walkways and covered pathways in villages and rural areas 	RM939m
<ul style="list-style-type: none"> • Continue <i>Program Rentas Parti Parlimen</i> (APPGM) to implement activities related to Sustainable Development Goals at community level in strategic collaboration with NGOs and the private sector 	RM134m
<ul style="list-style-type: none"> • Continue and expand <i>Kebun Komuniti (Kebuniti) MADANI</i> Programme to several locations in support of food security agenda 	RM57m
	RM100m
	RM20m
	RM10m

- | | Value |
|---|---------------|
| <ul style="list-style-type: none"> ● Allocation and loans to resolve water supply issues in Kelantan, Sabah and Federal Territory of Labuan <ul style="list-style-type: none"> ○ Kelantan: Construction of Machang Water Treatment Plant Phase 1 with a capacity of 250m litres per day, replacement of asbestos cement pipe, increase the number of rented tankers and static tanks ○ Sabah: Restore and replace infrastructure and equipment to enhance capacity of water treatment plants ○ Federal Territory of Labuan: Replace dilapidated pipes and repair existing infrastructure | RM1.1b |
| <ul style="list-style-type: none"> ● <i>Program Kampung Angkat MADANI:</i> <ul style="list-style-type: none"> ○ Focus on providing basic facilities, including internet access in remote rural areas ○ To ensure agility of Government agencies and avoid working in silos, all Chief Secretaries and Heads of Services to pool resources across ministries and collaborate with GLCs, GLICs and private organisations to make this programme a success | - |

40. Digital Connectivity

- | | |
|--|---------------|
| <ul style="list-style-type: none"> ● Implementation of MyDigital MADANI to continue digital connectivity across 3,700 schools and 47 industrial areas by 2025 | RM800m |
| <ul style="list-style-type: none"> ● Development of 5G Cybersecurity Testing Framework and Local Expertise in 5G Technology to enhance preparedness against cyber threats | RM60m |

41. Road Network & Public Transportation

- | | |
|---|----------------|
| <ul style="list-style-type: none"> ● Expedite tender process for 19 work packages for construction of Phase 1B of Sabah Pan Borneo Highway, covering over 366km, to ensure completion by November 2023 | RM15.7b |
| <ul style="list-style-type: none"> ● Accelerate Sarawak - Sabah Link Road (SSLR) Phase 2 project spanning over 320km | RM7.4b |

	Value
<ul style="list-style-type: none"> ● Extend and upgrade North-South Expressway (PLUS) from four to six lanes from Sedenak to Simpang Renggam 	RM931m
<ul style="list-style-type: none"> ● Stage Bus Support Fund to help cover daily operating costs of operators providing bus services on low-passenger routes in rural areas 	RM96m
<ul style="list-style-type: none"> ● Expand Stage Bus Service Transformation (SBST) to additional locations, namely Kota Bharu, Kuantan and Kota Setar 	RM150m
<ul style="list-style-type: none"> ● Extend air transport subsidies for benefit of rural and remote residents in Sabah and Sarawak 	RM209m
<ul style="list-style-type: none"> ● Continue monthly My50 pass 	RM200m
<ul style="list-style-type: none"> ● Estimated total cost for resumption of construction proposal of five previously cancelled LRT3 stations, namely Tropicana, Raja Muda, Temasya, Bukit Raja and Bandar Botanik (RM4.7b) 	
<ul style="list-style-type: none"> ● Estimated total cost to construct Penang LRT to ensure transportation network connectivity from Penang to Seberang Perai (RM10b) 	
<ul style="list-style-type: none"> ● Upgrade, construct, and maintain roads in smallholder plantations (JLPK) nationwide to facilitate transportation of agricultural inputs and commodity products 	RM20m

42. Housing

<ul style="list-style-type: none"> ● Allocation for <i>Projek Perumahan Rakyat</i> (PPR): ○ Special Guarantee Fund to encourage reputable developers to revive abandoned projects (RM1b) ○ Continue PPR, including a new project in Kluang, Johor (RM546m) ○ Continue 14 <i>Program Rumah Mesra Rakyat</i> to construct 3,500 housing units (RM358m) ○ Construct and upgrade residential homes under <i>Skim Pembangunan Kesejahteraan Rakyat</i> for hardcore poor (RM460m) 	RM2.47b
---	----------------

Value

- Maintain low- and medium-cost public and private strata properties (RM100m)

- Guarantee from Syarikat Jaminan Kredit Perumahan (SJKP) to benefit 40,000 borrowers: **RM10b**

Guarantee Terms	
Guarantee Limit	Up to RM500,000
Tiered Gurantee Fees	0.25% per annum up to RM300,000 and 0.5% per annum for amounts exceeding RM300,000 up to RM500,000

- Resident approval threshold for en-bloc sales to be reduced from 100% to a level consistent with international practices to encourage urban renewal and redevelopment of ageing buildings in cities -
- Development of *Bandar Malaysia* to be carried out by the Government to ensure strategic lands are fully utilised for *Rakyat*-oriented projects -
- Allocation to Chinese New Villages to provide basic infrastructure and social facilities for residents **RM100m**

Measure 11: Strengthening Unity & Security**43. National Security & Defence**

- Allocation for Ministry of Defence, Malaysia (MINDEF) **RM19.7b**
- Allocation for Ministry of Home Affairs (MOHA) **RM19b**
- Procurement of new security and defence assets for the nation: -
 - Royal Malaysian Air Force (TUDM): 12 new helicopters
 - Malaysian Army (TDM): 60 infantry fighting vehicles, 50 High Mobility Light Tactical Vehicles (HMLTVs), 6 Hovercraft Integrated Fast Interceptors and 733 various types of support vehicles

	Value
<ul style="list-style-type: none"> ○ Royal Malaysian Navy (TLDM): refurbishment of 2 submarine assets and 3 Littoral Mission Ships (LMS) ○ RMP: 7 twin-engine aircrafts and 5 light helicopters 	
<ul style="list-style-type: none"> ● Increase maritime assets, including procurement of 45 units of various types of Army boats and 9 new generation patrol ships and Malaysian Maritime Enforcement Agency (APMM) interceptor boats 	-
<ul style="list-style-type: none"> ● Build border outposts, security posts and ICQS: <ul style="list-style-type: none"> ○ 7 border outposts including in Melikin and Pa' Daleh, Sarawak ○ 1 security post in Sungai Desa Aji Kuning, Pulau Sebatik, Sabah ○ Preliminary works on construction of 2 ICQS in Nabawan and Kalabakan, Sabah 	-
<ul style="list-style-type: none"> ● Maintain, repair and implement acquisition of capital assets at international entry points to improve quality of service delivery to <i>Rakyat</i> and foreign visitors 	RM20m
<ul style="list-style-type: none"> ● Establish single border agency (SBA) 	-
<ul style="list-style-type: none"> ● Increase border control with more than 35 border control posts for PGA, Immigration, ESSCOM, APMM, including: <ul style="list-style-type: none"> ○ Construction of Sg. Aji Kuning, Tawau, Sabah Security Post ○ Upgrade Control Post and Construction of new office block in Wang Kelian ICQS Complex 	RM96m
<ul style="list-style-type: none"> ● Build new Prison Department quarters in Miri, Sarawak and Lahad Datu, Sabah 	RM135m
<ul style="list-style-type: none"> ● Refurbish and upgrade all <i>Rumah Keluarga Angkatan Tentera</i> (RKAT) 	RM400m
<ul style="list-style-type: none"> ● Upgrade sewerage systems of army camps nationwide in phases 	RM20m
<ul style="list-style-type: none"> ● Supply water and electricity at the Kedah – Thailand border (Op Pagar II) and at the Perak – Thailand border (Op Pagar III) 	RM10m

	Value
<ul style="list-style-type: none"> ● Maintain highest level of readiness to protect sovereignty, regional integrity and national maritime interest: <ul style="list-style-type: none"> ○ Procure capital assets for TLDM ○ Dredging at Lumut operational jetty 	RM20m
<ul style="list-style-type: none"> ● Special quota for veterans in Government programmes, such as entrepreneurial, training and employment programmes, and funding facilities 	-
<ul style="list-style-type: none"> ● Continue Malaysia's commitment to support and assist the development of Nusantara, Indonesia's new capital in Kalimantan and the surrounding border area 	-

44. Syiar Islam

<ul style="list-style-type: none"> ● Allocation for management and development of Islamic affairs 	RM1.9b
<ul style="list-style-type: none"> ● Construction of two Islamic education institutions: <ul style="list-style-type: none"> ○ Kompleks Sekolah Menengah Integrasi Sains Tahfiz, Bukit Jalil, Kuala Lumpur ○ Sekolah Menengah Kebangsaan Agama Jempol, Negeri Sembilan 	RM220m
<ul style="list-style-type: none"> ● Maintain and upgrade infrastructure and operations of Islamic education institutions under JAKIM including public religious schools, registered <i>pondok</i> institutions and <i>tahfiz</i> schools 	RM150m
<ul style="list-style-type: none"> ● Continue to organise and intensify knowledge programmes by Islamic scholars nationwide especially in Kompleks Seri Perdana to enhance Muslim's Islamic knowledge 	-
<ul style="list-style-type: none"> ● Special one-off contribution of RM700 aid to KAFA teachers, <i>Guru Takmir, Imam, Bilal, Siak, Noja</i> and <i>Marbut</i> 	RM50m
<ul style="list-style-type: none"> ● Reinstate assistance grant of RM20,000 to all <i>Sekolah Agama Rakyat</i> registered under JAKIM 	-

45. Sports and Culture as Means of Unity

- | | |
|--|--------------|
| <ul style="list-style-type: none"> ● Increase sports and recreational programmes for the <i>Rakyat</i>: <ul style="list-style-type: none"> ○ Basic Sports Training Skills: Swimming Programme (<i>KLAS Renang</i>) for children, PWD and senior citizens from underprivileged families ○ Organise sports and recreational activities for senior citizens and PWD ○ <i>Program Perkhemahan Keluarga</i> (PK) at 6 <i>Wawasan Negara</i> camps, including in Ulu Sepri, Rembau, Negeri Sembilan and Ulu Kenas, Kuala Kangsar, Perak | RM5m |
| <ul style="list-style-type: none"> ● Enhance high-performance sports, including the Road to Gold (RM20m) initiative in preparation for the Paris 2024 Olympics | RM72m |
| <ul style="list-style-type: none"> ● Strengthen the ecosystem of the Podium Programme | RM65m |
| <ul style="list-style-type: none"> ● Training and preparation programmes for para-athletes heading to international para-sports events by the National Sports Council (MSN) | RM12m |
| <ul style="list-style-type: none"> ● Maintain and upgrade youth and sports facilities nationwide especially for dilapidated infrastructure | RM50m |
| <ul style="list-style-type: none"> ● Matching grants to encourage organisation of high-performance sports events at national or international level by sports association and private sector | RM50m |
| <ul style="list-style-type: none"> ● Allocation for agencies with potential to showcase nation's artistic and literary works, to enhance heritage theatre performances and to promote interest in reading great works among youth | RM50m |
| <ul style="list-style-type: none"> ● Allocation for collaboration with State Governments for cultural activities: <ul style="list-style-type: none"> ○ Intensify cultural activities in Sabah and Sarawak ○ Preserve languages of minority communities such as Siam ethnic group ○ Establish Ethnic and Cultural Centre in Perak | RM10m |

	Value
<ul style="list-style-type: none"> ○ Rehabilitate Songket Weaving Centre at Tuanku Nur Zahirah Complex, Kuala Terengganu and Desa Ukiran Kayu in Besut, Terengganu 	
<ul style="list-style-type: none"> ● Preferential treatment for Government purchases of up to RM200,000 per order from handicraft entrepreneurs registered with the Malaysian Handicraft Development Corporation (<i>Kraftangan Malaysia</i>) 	-
<ul style="list-style-type: none"> ● Strengthen role of <i>Kawasan Rukun Tetangga</i> (KRT) as catalyst and bridge builder to realise aspirations of a progressive society 	RM20m
<ul style="list-style-type: none"> ● <i>Geran Pertubuhan MADANI</i> to benefit locals for implementation of volunteering, unity, crime prevention and disaster preparedness activities 	RM20m
<ul style="list-style-type: none"> ● Financial assistance for maintenance works at places of worship for non-Muslims registered under the Registrar of Societies 	RM50m
<ul style="list-style-type: none"> ● Allocation for <i>Yayasan Kebajikan Atlet Kebangsaan</i> (YAKEB) 	RM1m
<ul style="list-style-type: none"> ● <i>Kembara Perpaduan Malaysia MADANI</i> as flagship programme for national unity agenda through following programmes: <ul style="list-style-type: none"> ○ Unity Week Celebration ○ National Principles Exploration ○ <i>Ini Warisan Kita</i> ○ <i>Citra Nusa Muzium</i> ○ <i>Harmoni MADANI</i> ○ Unity Promotion 	RM40m

Measure 12: Wellbeing of Civil Servants**46. Enhancement of Civil Servants' Wellbeing**

- | | |
|--|---------------|
| • Expand Official Ceremony Attire Facility to include Malaysian batik for eligible civil servants | - |
| • Raise salary ceiling for Ex-Gratia Work Disaster Scheme from RM4,000 to RM6,000 in line with amendment to SOCSO Scheme for private sector | RM1.6m |
| • The Government is currently reviewing the remuneration scheme for civil servants, which was last reviewed in 2012. The Public Service Remuneration System (SSPA) review will examine the needs of all services schemes and is expected to be finalised by the end of next year | - |
| • Civil service incentive payment to be made by end of February 2024 as follows: | |
| ○ Early Incentive Payment of the Public Service Remuneration System Review amounting to RM2,000 to all civil servants grade 56 and below, including contract appointees, and RM1,000 to all <i>Jawatan Utama Sektor Awam</i> (JUSA) including police, firefighters, soldiers, armed forces personnel and all uniformed personnel | - |
| ○ Incentive of RM1,000 will also extended to all Government retirees, including pensionable and non-pensionable veterans | - |
| • Launch humanitarian fund to support Palestinians | RM10m |



“

A reform must be implemented even it is difficult. This includes expanding the revenue base, implementing targeted subsidies and eradicating all forms of systemic corruption and malpractice. We also need an efficient, intelligent and agile public service in realising the country's build back better agenda.

”

YAB Dato' Seri Anwar Ibrahim
PRIME MINISTER & FINANCE MINISTER



Appendix II

Tax Measures

Budget 2024

List of Appendices

- 203 APPENDIX 1**
Expansion Of Scope Of Income Tax Relief For
Medical Treatment Expenses For Self, Spouse And Child
- 204 APPENDIX 2**
Expansion Of Scope Of Income Tax Relief For Medical Treatment,
Special Needs And Carer Expenses For Parents
- 205 APPENDIX 3**
Review Of Income Tax Relief For Lifestyle
- 207 APPENDIX 4**
Extension Of Individual Income Tax Relief
For Up-Skilling And Self-Enhancement Courses Fee
- 208 APPENDIX 5**
Extension Of Individual Income Tax Relief
For Electric Vehicle Charging Facilities
- 209 APPENDIX 6**
Review Of Conditions For Institutions/Organisations/Funds Approved
Under Subsection 44(6) Income Tax Act 1967
- 211 APPENDIX 7**
Review Of Income Tax Exemption For Child Care Allowance
Under Perquisites From Employment
- 212 APPENDIX 8**
Extension Of Income Tax Exemption For Social Enterprise
- 213 APPENDIX 9**
Capital Gains Tax On Disposal Of Unlisted Shares
- 214 APPENDIX 10**
Tax Deduction On Environmental, Social And Governance
Related Expenditures
- 216 APPENDIX 11**
Review Of Capital Allowance On Information And
Communication Technology Equipment And Computer Software

- 217 APPENDIX 12**
Extension Of Tax Exemption On Management Fees Income
For Sustainable And Responsible Investment Funds
- 218 APPENDIX 13**
Extension Of Tax Deduction On Issuance Of Sustainable
And Responsible Investments Sukuk
- 219 APPENDIX 14**
Expansion Of Scope Of Income Tax Exemption On The Sustainable
And Responsible Investments Sukuk Grant And Bond Grant Scheme
- 220 APPENDIX 15**
Review Of Income Tax Exemptions On Shariah-Compliant Fund
Management Services
- 221 APPENDIX 16**
Review Of Stamp Duty For Transfer Of Property Ownership
By Renunciation Of Rights
- 222 APPENDIX 17**
Review Of Stamp Duty For Property Ownership By Non-Citizen
- APPENDIX 18**
223 Income Tax Exemption For Islamic Financial Activities
Under Labuan IBFC
- 224 APPENDIX 19**
Incentive For Reinvestment Under
The New Industrial Master Plan 2030
- 225 APPENDIX 20**
Tax Incentive For Global Services Hub
- 228 APPENDIX 21**
Review Of Tax Incentive For Automation In Manufacturing,
Services And Agriculture Sectors
- 229 APPENDIX 22**
Review Of Tax Incentive For Women Career Comeback Programme
- 230 APPENDIX 23**
Review Of Tax Incentives For Returning Expert Programme

- 231 APPENDIX 24**
Review Of Tax Incentive For Equity Crowdfunding
- 232 APPENDIX 25**
Extension Of Tax Incentive For Angel Investor
- 233 APPENDIX 26**
Review Of Green Technology Tax Incentive
- 237 APPENDIX 27**
Extension Of Tax Incentive For Rental Of Electric Vehicle
- 238 APPENDIX 28**
Tax Deduction On Contributions For
Environmental Preservation And Conservation Projects
- 239 APPENDIX 29**
Further Tax Deduction For Voluntary Carbon Market
- 240 APPENDIX 30**
Import Duty And Sales Tax Exemption On Manufacturing Aids
- 241 APPENDIX 31**
Entertainments Duty Exemption In The Federal Territories
- 242 APPENDIX 32**
Review Of Excise Duty Rate On Sugar Sweetened Beverages
- 243 APPENDIX 33**
Imposition Of Excise Duty On Chewing Tobacco
- 244 APPENDIX 34**
Expansion Of Taxable Service Scope And
Changes On The Service Tax Rate

Expansion Of Scope Of Income Tax Relief For Medical Treatment Expenses For Self, Spouse And Child

Current Position

With effect from year of assessment 2023, the income tax relief limit for medical expenses is increased from RM8,000 to RM10,000. The scope of medical treatment expenses covers:

- i. Serious illness for taxpayer, husband/wife or child;
- ii. Fertility treatment for taxpayer or husband/wife;
- iii. Vaccination for taxpayer, husband/wife or child limited to RM1,000;
- iv. Full medical check-up, mental health examination and COVID-19 detection test including the purchase of self-test kit for taxpayer, husband/wife or child limited to RM1,000; and
- v. Diagnostic and rehabilitation treatment for children with learning disabilities such as Autism, Down Syndrome and Specific Learning Disabilities limited to RM4,000.

Proposal

To support the National Dental Health Policy in promoting dental care among the rakyat, it is proposed the scope of tax relief be expanded to cover dental examination and treatment expenses from dental practitioners registered with the Malaysian Dental Council limited to RM1,000.

Effective Date

From the year of assessment 2024.

Expansion Of Scope Of Income Tax Relief For Medical Treatment, Special Needs And Carer Expenses For Parents

Current Position

Individual income tax relief of up to RM8,000 is given on medical expenses, special needs and parental care as follows:

- i. Treatment in clinics and hospitals;
- ii. Treatment at nursing homes;
- iii. Dental treatment not including cosmetic dental treatment; and
- iv. Treatment and home care nursing, daycare centres and residential care centres.

Proposal

To increase level of awareness among tax payers on parents' health and continue practicing a healthy lifestyle in line with the Malaysia MADANI pillars which prioritise on the prosperity of the rakyat and nurture compassion values, it is proposed the scope of tax relief be expanded to full medical examination for parents limited to RM1,000.

Effective Date

From the year of assessment 2024.

Review Of Income Tax Relief For Lifestyle

Current Position

Income tax relief for lifestyle of up to RM2,500 is provided to individual taxpayer on the purchase of reading materials including e-book, printed/electronic daily newspapers, personal computers, smartphones or tablets, internet subscriptions, sports equipments and gymnasium membership fees.

Additional relief for lifestyle of up to RM500 is specifically allocated for:

- i. Purchasing sports equipments;
- ii. Payment of rental/entry fees to sports facilities; and
- iii. Registration fees for participating in sports competitions.

Proposal

To streamline and improve income tax relief for lifestyle and sports activities, it is proposed the limit and scope of tax relief for lifestyle be restructured as follows:

- i. The lifestyle relief of up to RM2,500 is for the purchase of reading materials including e-book, printed/electronic daily newspapers, purchase of personal computers, smartphones or tablets and internet subscriptions.

The scope be expanded to include fees for self skills enhancement course. Whereas, the purchase of sports equipment and gymnasium membership fees are removed from the scope of lifestyle relief.

- ii. Specific tax relief be introduced for "Sports Equipment and Activities" limited to RM1,000.

The scope of relief covers the purchase of sports equipment, rental or entry fees to sports facilities, registration fees for participating in sports competitions and gymnasium membership fees. This relief is also expanded to sports training fees imposed by associations/sports clubs/companies registered with the Sports Commissioner or Companies Commission of Malaysia and carrying out sports activities as listed under the Sports Development Act 1997.

Effective Date

From the year of assessment 2024.

Extension Of Individual Income Tax Relief For Up-Skilling And Self-Enhancement Courses Fees

Current Position

Individual income tax relief of up to RM2,000 from the total education fees relief of RM7,000 is given on fees paid for attending up-skilling or self-enhancement courses recognised by the Department of Skills Development, Ministry of Human Resources. The tax relief is given for the year of assessment 2022 and year of assessment 2023.

Proposal

To further encourage Malaysian citizens to improve and enhance their skills as well as to venture into new areas of income, it is proposed the income tax relief be extended for a period of 3 years.

Effective Date

From the year of assessment 2024 until the year of assessment 2026.

Extension Of Individual Income Tax Relief For Electric Vehicle Charging Facilities

Current Position

Individual income tax relief up to RM2,500 on expenses related to installation, rental, purchasing including hire-purchase equipment or subscription fees for Electric Vehicle (EV) charging facilities is given for the year of assessment 2022 and the year of assessment 2023.

Proposal

To further support the development of the local EV industry and in-line with the New Industrial Master Plan 2030, it is proposed individual income tax relief on expenses related to installation, rental, purchasing including hire-purchase equipment or subscription fees for EV charging facilities be extended for a period of 4 years.

Effective Date

From the year of assessment 2024 until the year of assessment 2027.

Review Of Conditions For Institutions/Organisations/Funds Approved Under Subsection 44(6) Income Tax Act 1967

Current Position

Subsection 44(6) Income Tax Act 1967 (ITA 1967) provides income tax exemption as an incentive to institutions/organisations/funds that carry out charitable activities and operated not solely for profit. Institutions/organisations/funds must adhere to the approval conditions as stipulated in the legislation and regulations set by the Director General of Inland Revenue (DGIR) in the Guidelines for Approval Under Subsection 44(6) ITA 1967.

Institutions/organisations/funds that have been granted approval will receive benefits, income tax exemption on all income received as provided under Paragraph 13(1) Schedule 6 ITA 1967 and donors are eligible for a tax deduction restricted to 10% of the aggregate income.

Among the conditions that must be complied by institutions/organisations/funds after obtaining approval under subsection 44(6) ITA 1967 are as follows:

- i. At least 50% of the income earned in the previous year must be spent in the following year for activities to achieve the objectives of the institutions/organisations/funds; and
- ii. Institutions/organisations/funds are allowed to participate in business with the condition that they utilise not more than 25% of the accumulated funds on the first day of the assessment year. All income generated must be channelled back into the fund to be used to fulfil its charitable objectives.

In the event where the institutions/organisations/funds breach any of the approval conditions stated in the guidelines or the ITA 1967, DGIR may withdraw the approval under subsection 44(6) of the ITA 1967.

Proposal

To enhance tax compliance among institutions/organisations/funds approved under subsection 44(6) ITA 1967, it is proposed the approval conditions be reviewed as follows:

- i. The accumulated funds utilisation limit of not more than 25% for participation in business activities be increased up to 35% to ensure the income of the approved institutions/organisations/funds continues to be sustainable;
- ii. Institutions/organisations/funds may choose any of the following options to continue receiving the subsection 44(6) incentives benefits:

Option	Utilisation of Accumulated Funds	Threshold of Charitable Activity Expenditure
1	Up to 25%	At least 50%
2	Over 25% and up to 35%	At least 60%

- iii. Approval conditions have been set out in the guidelines and DGIR approval letters to institutions/organisations/funds. In the event any of the conditions are breached, DGIR will not withdraw the approval under subsection 44(6) for institutions/organisations/funds during the validity period. The approval status is upheld to ensure that donors remain eligible for tax deductions on contributions made to institutions/organisations/funds throughout the approval period; and
- iv. For any breach of conditions within the approval period, the institutions/organisations/funds will not be eligible for tax exemption and DGIR will raise tax assessment on all income received by the institutions/organisations/funds in the year of assessment the breach of conditions occurred.

Effective Date

From the year of assessment 2024.

Review Of Income Tax Exemption For Child Care Allowance Under Perquisites From Employment

Current Position

From the year of assessment 2008, income tax exemption is given on perquisites received by employees including child care allowance for children aged 12 and below. Income Tax exemption on child care allowances received by employees or paid directly by employers to childcare centres is given up to RM2,400 per year.

From the year of assessment 2013, employers who provide child care centres in the workplace are given tax incentive is as follows:

- i. Double deduction on expenditure for management and maintenance of child care centres;
- ii. Double deduction on allowances or subsidies to employees for child care expenses; and
- iii. Industrial Building Allowance at an annual rate of 10% for buildings used as child care centres.

Proposal

To instill the value of compassion among employers in line with Malaysia MADANI pillars, it is proposed the income tax exemption on child care allowances received by employees or paid directly by employers to child care centres be increased from RM2,400 to RM3,000 per year.

Effective Date

From the year of assessment 2024.

Extension Of Income Tax Exemption For Social Enterprise

Current Position

In the 2022 Budget, income tax exemption is given on all income of Social Enterprise up to 3 years of assessment subject to the validity period of accreditation by the Ministry of Entrepreneur Development and Cooperatives. The exemption is for applications received by the Ministry of Finance from 1 January 2022 until 31 December 2023.

Proposal

To assist Social Enterprise in raising funds that create positive social or environmental impact in line with Malaysia MADANI's pillars of sustainability, prosperity and compassion, it is proposed the application period for tax exemption on all income of Social Enterprise be extended for 2 years.

Effective Date

For applications received by the Ministry of Finance from 1 January 2024 until 31 December 2025.

Capital Gains Tax On Disposal Of Unlisted Shares

Current Position

Tax on gains from the disposal of real property and shares in real property companies is imposed under the Real Property Gains Tax Act 1976 at a rate of 10% to 30% depending on the holding period. There is no tax imposed on gains from the disposal of shares except shares in real property companies.

Proposal

In line with Budget 2023 announcement to implement Capital Gains Tax (CGT) on the disposal of unlisted shares for companies, it is proposed CGT rate be imposed as follows:

Shares Acquisition Date	CGT Rate
Before 1 March 2024	The taxpayers may choose: <ol style="list-style-type: none"> i. 10% on the net gain of the disposal of shares; or ii. 2% on the gross sales value.
From 1 March 2024	10% on the net gain of the disposal of shares

To ensure the smooth implementation of CGT and reduce the cost of doing business, it is proposed CGT exemption be given on the disposal of shares related to the following activities:

- i. Initial Public Offering (IPO) approved by Bursa Malaysia; and
- ii. Restructuring of shares within the same group.

Effective Date

From 1 March 2024.

Tax Deduction On Environmental, Social And Governance Related Expenditures

Current Position

Environmental, Social and Governance (ESG) represents the criteria used to assess a company's sustainability practices and ethics, encompassing environmental impact, social responsibility and governance effectiveness. The implementation of ESG will support Government initiatives and efforts in achieving sustainable development goals.

However, compliance to ESG standards will increase the costs of doing business as it is not allowed for tax deduction under Income Tax Act 1967.

Proposal

To encourage more corporate participation in complying with ESG standards towards sustainable and inclusive development in line with Ekonomi MADANI as well as enhancing the governance in tax administration system, it is proposed tax deduction up to RM50,000 for each year of assessment be given on ESG related expenditure as follows:

ESG Related Expenditure	Description
Enhance Sustainability Reporting Framework	ESG reporting by companies listed on the Bursa Malaysia stock exchange
Climate Risk Management and Scenario Analysis	ESG reporting by financial institutions regulated by the Bank Negara Malaysia
Tax Corporate Governance Framework (TCGF) of Lembaga Hasil Dalam Negeri Malaysia (LHDNM)	Preparation of reports related to TCGF by companies
Transfer Pricing Documentation	Preparation of transfer pricing documentation by companies
E-Invoicing implementation	Consultation fee for implementing e-invoicing incurred by Micro, Small and Medium Enterprises (MSME)
Any reporting requirement related to ESG	ESG reporting by companies to approved regulator by the Minister of Finance

Effective Date

From the year of assessment 2024 until the year of assessment 2027.

Review Of Capital Allowance On Information And Communication Technology Equipment And Computer Software

Current Position

Capital expenditure incurred by companies on purchase of information and communication technology (ICT) equipment and computer software are allowed to claim capital allowance as follows:

Qualifying Expenditure	Effective Date	Capital Allowance Rates
Purchase of ICT equipment and computer software packages	From the year of assessment 2017	Initial Allowance: 20%
Consultation, licensing and incidental fees related to customised computer software development	From the year of assessment 2018	Annual Allowance: 20%

Proposal

To assist companies to remain competitive in tandem with the current technological advancement, it is proposed capital allowances rates be revised as follows:

Qualifying Expenditure	Capital Allowance Rates
Purchase of ICT equipment and computer software packages	Initial Allowance: 40%
Consultation, licensing and incidental fees related to customised computer software development	Annual Allowance: 20%

With the revised rate, the capital allowance claim period be reduced from 4 years to 3 years.

Effective Date

From the year of assessment 2024.

Extension Of Tax Exemption On Management Fees Income For Sustainable And Responsible Investment Funds

Current Position

Companies that provide Sustainable and Responsible Investments (SRI) fund management services to investors, business trusts investors or Real Estate Investment Trusts (REITs) investors in Malaysia approved by the Securities Commission Malaysia are given tax exemption on management fees income for managing SRI funds.

Proposal

To further strengthen SRI's fund management services in line with Malaysia MADANI's pillars of sustainability, prosperity and compassion, it is proposed the income tax exemption be extended for a period of 4 years.

Effective Date

From the year of assessment 2024 until the year of assessment 2027.

Extension Of Tax Deduction On Issuance Of Sustainable And Responsible Investments Sukuk

Current Position

Tax deduction is given on the issuance cost of Sustainable and Responsible Investments (SRI) sukuk approved or authorised or lodged with the Securities Commission Malaysia. SRI sukuk is used exclusively for financing activities or transactions related to eligible SRI projects with the aim of preserving and conserving the environment, promoting sustainable development and enhancing the quality of life of the community.

The incentive is given from the year of assessment 2016 until the year of assessment 2023.

Proposal

To further promote the issuance of SRI sukuk that achieve green, social and sustainable standards in line with Malaysia MADANI, it is proposed the tax deduction be extended for a period of 4 years.

Effective Date

From the year of assessment 2024 until the year of assessment 2027.

Expansion Of Scope Of Income Tax Exemption On The Sustainable And Responsible Investments Sukuk Grant And Bond Grant Scheme

Current Position

Capital Market Development Fund (CMDf) has provided Green Sustainable and Responsible Investments (SRI) Sukuk Grant amounting to RM6 million. Each Green SRI sukuk issuer needs to apply the grant to the Securities Commission Malaysia (SC) to finance the external review expenses up to RM300,000.

The Green SRI Sukuk Grant covers all types of SRI sukuk and bonds that meet the ASEAN Green, Social and Sustainability Bond Standards approved by SC. The grant is then renamed to SRI Sukuk Grant and Bond Grant Scheme. The income tax exemption on the grant is given from 1 January 2018 until 31 December 2025.

Proposal

To further encourage the issuance of SRI sukuk and bonds that achieve green, social and sustainable standards in Malaysia, it is proposed the income tax exemption be expanded to include SRI-Linked Sukuk Grants and bonds issued under the ASEAN Sustainability-Linked Bond Standards (ASEAN SLBS) approved by SC.

Effective Date

For applications received by SC from 1 January 2024 until 31 December 2025.

Review Of Income Tax Exemptions On Shariah-Compliant Fund Management Services

Current Position

Shariah-compliant fund management services companies approved by the Securities Commission Malaysia are given 100% income tax exemption on statutory income from fund management services as follows:

Investor Categories	Years of Assessment
Foreign investors in Malaysia	2007 until 2023
Local investors	2008 until 2023
Business Trust investors or Real Estate Investment Trusts (REITs) investors in Malaysia	2014 until 2023

Proposal

To further support the growth of Shariah-compliant fund management services, it is proposed the income tax exemption period for Shariah-compliant fund management services companies be extended for 4 years with 60% tax exemption.

Effective Date

From the year of assessment 2024 until the year of assessment 2027.

Review Of Stamp Duty For Transfer Of Property Ownership By Renunciation Of Rights

Current Position

Transfer of property ownership involving inheritance property is subject to a fixed duty of RM10 under Item 32(i) of the First Schedule, Stamp Act 1949 if the ownership is transferred from the administrator to an eligible beneficiary in accordance with a will/faraid or the Distribution Act 1958.

If eligible beneficiary renounces his/her right to another eligible beneficiary or non-beneficiary, ad valorem duty is charged under Item 66(c) of the First Schedule, Stamp Act 1949.

Proposal

In line with the Malaysia MADANI pillars which prioritise the prosperity of the rakyat and nurture compassion values, it is proposed the transfer of property ownership in which the eligible beneficiary renounces his/her right to another eligible beneficiary in accordance with a will/faraid or the Distribution Act 1958 be subjected to a fixed duty of RM10.

Effective Date

For the instrument of property ownership transfer executed from 1 January 2024.

Review Of Stamp Duty For Property Ownership By Non-Citizen

Current Position

Foreign-owned companies and non-citizen individuals are allowed to own properties in Malaysia and subject to the same ad valorem stamp duty rate on instrument of transfer as imposed on Malaysian citizens as follows:

Sales Price/Market Value of Property (whichever is higher)	Stamp Duty Rate
First RM100,000	1%
RM100,001 to RM500,000	2%
RM500,001 to RM1,000,000	3%
RM1,000,001 and above	4%

Proposal

As part of the property price control mechanism, it is proposed a flat rate stamp duty of 4% be imposed on the instrument of transfer executed by foreign-owned companies and non-citizen individuals (except Malaysian permanent residents).

Effective Date

For instrument of property ownership transfer executed from 1 January 2024.

Income Tax Exemption For Islamic Financial Activities Under Labuan IBFC

Current Position

Labuan entity that undertakes trading activities such as banking, insurance and trust companies are taxed at a fixed rate of 3% on audited net profits, while Labuan entity that undertakes non-trading activities such as equity holding are taxed at a fixed rate of 0% on audited net profits. Labuan entities are also subject to substantive requirements which are full-time employees and annual operating expenses in Labuan.

Proposal

As an initiative to develop the Labuan International Business and Financial Centre (IBFC) as an Islamic and Shariah-compliant financial centre, it is proposed full income tax exemption for a period of 5 years be given to Labuan entity that undertakes Islamic financial-related trading activities such as Islamic digital banking, Islamic digital bourses, *ummah*-related companies and Islamic digital token issuers.

Effective Date

From the year of assessment 2024 until the year of assessment 2028.

Incentive For Reinvestment Under The New Industrial Master Plan 2030

Current Position

Manufacturing and agricultural companies undertaking expansion, diversification, automation and modernization projects are eligible for Reinvestment Allowance (RA) under Schedule 7A of the Income Tax Act 1967. The companies are eligible to claim RA of 60% of the capital expenditure incurred and can be set-off against up to 70% of statutory income for 15 consecutive years of assesment. This tax incentive is still in effect.

Proposal

To encourage existing companies that have exhausted their RA eligibility period and to increase capacity and investment in high-value activities under the New Industrial Master Plan 2030, it is proposed tax incentives be given as follows:

Investment Tax Allowance	Tier 1	Tier 2
Qualifying Capital Expenditure	100%	60%
Statutory Income to be Set-Off	100%	70%

The eligible investment tax allowance rate will be determined by outcome-based approach.

Effective Date

For applications received by the Malaysian Investment Development Authority from 1 January 2024 until 31 December 2028.

Tax Incentive For Global Services Hub

Current Position

To attract quality investment, the Government has introduced the Principal Hub tax incentive with the objective of transforming Malaysia into a global business hub for high-value activities which are managing, controlling and supporting core business functions such as risk management, decision-making, strategic business and finance. The incentive given is income tax at a rate of 0%, 5% and 10% subject to certain condition such as incur minimum annual business expenditure and provide full-time high value employment. However, the current tax incentives are not based on outcome-based approach.

Proposal

To maintain Malaysia's competitiveness as a key player in the global services sector in the region and to establish the country as a high-impact strategic services hub, it is proposed Global Services Hub tax incentive based on outcome-based approach be introduced as follows:

	New Company		Existing Company	
	Tier 1	Tier 2	Tier 1	Tier 2
Exemption Years	5 + 5		5	
Tax Incentive	Tax Rate 5%	Tax Rate 10%	Tax Rate at 5% on the value-added income	Tax Rate at 10% on the value-added income
Types of Income Exempted	<ul style="list-style-type: none"> i. Services income; or ii. Services and trading income. 			
Qualifying Services & Additional Services	<p>Undertake the following activities:</p> <ul style="list-style-type: none"> i. Regional P&L/Business Management Unit; ii. Strategic business planning; iii. Corporate development; <p>AND</p> <p>Any 2 qualifying activities under the services category as follows:</p> <ul style="list-style-type: none"> i. Strategic services; ii. Business services; iii. Shared services; or iv. Other services. 			
Conditions (Outcome-based)	<ul style="list-style-type: none"> i. Annual operating expenditure; ii. High value full-time employees; iii. C-Suite with a minimum monthly salary of RM35,000; iv. Local ancillary services; v. Collaboration with higher education institution/TVET; vi. Training for Malaysian students/citizen; vii. Environmental, Social and Governance (ESG) elements; or viii. Other conditions as determined by the Minister of Finance. 			

The determination of the eligibility for the income tax rate that a company will enjoy for each year of assessment is based on the outcome-based approach.

In addition, it is proposed income tax rate of 15% be given for a period of 3 consecutive years of assessment and limited to 3 non-citizen individuals holding key/C-Suite positions with a monthly salary of at least RM35,000 appointed by a new company approved with Global Services Hub tax incentive.

Effective Date

For applications received by the Malaysian Investment Development Authority from 14 October 2023 until 31 December 2027.

Review Of Tax Incentive For Automation In Manufacturing, Services And Agriculture Sectors

Current Position

Manufacturing, services and agricultural companies that incurred capital expenditure for automation equipment including the adaptation of Industry 4.0 elements are given 100% Accelerated Capital Allowance (ACA) on the first RM10 million of the qualifying capital expenditure and can be fully absorbed within 1 year. Companies are also eligible for income tax exemption equivalent to 100% on the same capital expenditure.

The tax incentive is for applications received by the Malaysian Investment Development Authority and the Ministry of Agriculture and Food Security from 1 January 2023 until 31 December 2027.

Proposal

To increase agricultural productivity and minimise dependency on foreign labour, it is proposed the scope of ACA be expanded to include the commodity sector under the Ministry of Plantation and Commodities (KPK).

Effective Date

For applications received by KPK from 14 October 2023 until 31 December 2027.

Review Of Tax Incentive For Women Career Comeback Programme

Current Position

Women in career break and return to work are eligible for income tax exemption on employment income received for a maximum period of 12 consecutive months.

The eligibility criteria set are as follows:

- i. Women returned to work after a career break of at least 2 years before or up to 27 October 2017; and
- ii. Employment income received in the year of assessment 2018 until the year of assessment 2024.

The tax incentive is for applications received by the Talent Corporation Malaysia Berhad not later than 31 December 2023.

Proposal

In line with the Sustainable Development Goals (SDGs) and Ekonomi MADANI targets to increase women workforce, it is proposed the eligibility criteria for the Women Career Comeback Programme tax incentive be enhanced as follows:

- i. Women returning to work after a career break at least 2 years before the date of application received by the Talent Corporation Malaysia Berhad; and
- ii. Employment income received from the year of assessment 2025 until the year of assessment 2028.

Effective Date

For applications received by the Talent Corporation Malaysia Berhad from 1 January 2024 until 31 December 2027.

Review Of Tax Incentives For Returning Expert Programme

Current Position

The Returning Expert Programme under the Talent Corporation Malaysia Berhad offers the following tax incentives:

- i. Income tax at a fixed rate of 15% on employment income for 5 consecutive years of assessment; and
- ii. Import and excise duties exemption for the purchase of a Completely Built-Up (CBU) vehicle or excise duty exemption for the purchase of a Completely Knocked-Down (CKD) vehicle, subject to an exemption amount of up to RM100,000.

The tax incentive is for applications received by the Talent Corporation Malaysia Berhad from 1 January 2021 until 31 December 2023.

Proposal

To further encourage global talent circulation and attract professional Malaysian diaspora to return, it is proposed the tax incentive be reviewed as follows:

- i. Income tax at a fixed rate of 15% on employment income received by an individual for 5 consecutive years of assessment; and
- ii. Exemption on excise duty for the purchase of a CKD vehicle subject to an exemption amount of up to RM100,000.

Effective Date

For applications received by the Talent Corporation Malaysia Berhad from 1 January 2024 until 31 December 2027.

Review Of Tax Incentive For Equity Crowdfunding

Current Position

Individual investors who invest in equity crowdfunding (ECF) are eligible for tax exemption on aggregate income equivalent to 50% of the amount invested subject to the following conditions:

- i. The eligible amount for tax exemption is limited to RM50,000 for each year of assessment;
- ii. The deductible amount is limited to 10% of the aggregate income for that year of assessment. The excess amount which is not deductible will be disregarded;
- iii. The investor, investee company and amount of investment must be verified by the Securities Commission Malaysia;
- iv. The investor must not have any family relationship with the investee company;
- v. Investment must be made through ECF platform approved by the Securities Commission Malaysia; and
- vi. The investment is not allowed to be wholly or partly disposed within 2 years from the date of investment.

The tax incentive is for investment made from 1 January 2021 until 31 December 2023.

Proposal

To attract more individual investors to invest in start-up companies through ECF platform, it is proposed the tax incentive be expanded to investment made by individual investor through Limited Liability Partnership nominee company and be extended for a period of 3 years.

Effective Date

For investment made from 1 January 2024 until 31 December 2026.

Extension Of Tax Incentive For Angel Investor

Current Position

An angel investor investing in a tech start-up company in the form of ordinary shares is eligible for tax exemption at the aggregate income level. The amount of aggregate income exempted is equivalent to the amount of investment made in a tech start-up company.

The tax incentive is for applications received by the Ministry of Finance from 1 January 2021 to 31 December 2023.

Proposal

To attract more angel investors to provide capital funding for tech start-up companies, it is proposed the tax incentive be extended for a period of 3 years.

Effective Date

For investment made from 1 January 2024 until 31 December 2026.

Review Of Green Technology Tax Incentive

Current Position

Companies undertaking qualifying green activities are given tax incentives as follows:

i. Green Investment Tax Allowance (GITA)

Investment Tax Allowance of 100% on capital expenditure for qualifying green activities for a period of 3 years. The allowance can be set-off against up to 70% of statutory income.

ii. Green Income Tax Exemption (GITE)

- a. Income tax exemption of 70% of statutory income on qualifying green services activities for a period of 3 years of assessment; and
- b. Income tax exemption of 70% of statutory income for a period of up to 10 years of assessment on solar leasing activity.

These tax incentives are for applications received by the Malaysian Investment Development Authority (MIDA) until 31 December 2023.

Proposal

In line with Malaysia's aspiration to be an inclusive, sustainable and carbon neutral nation by 2050, it is proposed green technology tax incentives be reviewed as follows:

GITA Project (Business Purposes)

Qualifying Activities	% GITA	% of Statutory Income to be Set-Off	Incentive Period
<u>Tier 1</u> i. Green hydrogen	100%	100% or 70%	up to 10 years (5+5)
<u>Tier 2</u> i. Integrated waste management ii. Electric Vehicle charging station	100%	100%	5 years
<u>Tier 3</u> i. Biomass ii. Biogas iii. Mini hydro iv. Geo thermal v. Solar vi. Wind energy	100%	70%	5 years

GITA Asset (Own Consumption)

Qualifying Activities	% GITA	% of Statutory Income to be Set-Off	Incentive Period
<p><u>Tier 1</u></p> <ul style="list-style-type: none"> i. List of qualifying assets approved by Minister of Finance ii. Battery Energy Storage System iii. Green building 	100%	70%	Qualifying capital expenditure incurred from 1 January 2024 to 31 December 2026
<p><u>Tier 2</u></p> <ul style="list-style-type: none"> i. List of qualifying assets approved by Minister of Finance ii. Renewable Energy System iii. Energy efficiency 	60%	70%	

GITE Solar Leasing

Tier	Tax Exemption on Statutory Income	Incentive Period
>3MW - ≤10MW	70%	5 years
>10MW - ≤30MW		10 years

Effective Date

GITA Project	For applications received by MIDA from 1 January 2024 until 31 December 2026
GITA Asset	Qualifying capital expenditure as verified by the Malaysian Green Technology and Climate Change Corporation for the purchase of green technology assets starting from 1 January 2024 until 31 December 2026.
GITE Solar Leasing	For applications received by MIDA from 1 January 2024 until 31 December 2026.

Extension Of Tax Incentive For Rental Of Electric Vehicle

Current Position

In the 2023 Budget, companies that rent non-commercial electric vehicles (EV) are given tax deduction up to RM300,000 effective from the year of assessment 2023 until the year of assessment 2025.

Proposal

To encourage the use of EV and to support green mobility ecosystem in line with the National Energy Transition Roadmap, it is proposed tax deduction on EV rental cost be extended for a period of 2 years.

Effective Date

Until the year of assessment 2027.

Tax Deduction On Contributions For Environmental Preservation And Conservation Projects

Current Position

Global climate change has become a threat to the nature's sustainability and biodiversity in Malaysia. The Government has implemented various efforts and initiatives to preserve and conserve the environment, including reforestation activities such as 100 Million Tree Planting Campaign 2021 – 2025.

Forest Research Institute Malaysia (FRIM) is the Government agency involved directly in encouraging the participation of the private sector through corporate social responsibility (CSR) programmes in tree planting activities as well as instilling awareness and disseminating information to the public on the importance of protecting mother nature.

To encourage the participation of the private sector to contribute in charity or community projects, tax deduction under subsection 34(6)(h) Income Tax Act 1967 are given on expenses incurred by the company for provision of services, public amenities, charity or community projects pertaining to education, health, housing, enhancement of income of the poor, infrastructure, information and communication technology, maintenance of heritage building including environmental preservation or conservation projects.

Proposal

To support the CSR programmes implemented by FRIM, it is proposed tax deduction under subsection 34(6)(h) Income Tax Act 1967 be given to entities contributing or sponsoring activities related to tree planting projects or environmental preservation and conservation awareness projects verified by FRIM.

Effective Date

For applications received by the Ministry of Finance from 1 January 2024 until 31 December 2026.

Further Tax Deduction For Voluntary Carbon Market

Current Position

In line with the efforts to encourage companies to invest in Clean Development Mechanism Projects to reduce greenhouse gases, income tax exemption on the sale of Certified Emissions Reduction (CERs) was given from the year of assessment 2008 until the year of assessment 2012.

In 2022, Bursa Malaysia launched a voluntary carbon market (VCM) initiative known as the Bursa Carbon Exchange (BCX). This initiative acts as a voluntary platform for carbon credit trading between carbon development project owners with any entity that aims to shift to low carbon practices. Expenditure related to development of carbon projects incurred by carbon credit trading companies is allowed for tax deduction under subsection 33(1) Income Tax Act 1967.

Proposal

In line with the Government's aspiration to become a carbon-neutral nation by 2050 and to encourage more companies to participate in VCM, it is proposed further tax deduction up to RM300,000 be given to companies for costs incurred on the Development and Measurement, Reporting and Verification (MRV) related to the development of carbon projects. The further tax deduction is deductible from the carbon credits income traded on BCX.

The development of carbon projects must be registered with an international standards body recognised by Bursa Malaysia and expenditure on development of carbon projects must be certified by the Malaysia Green Technology and Climate Change Corporation (MGTC).

Effective Date

For applications received by the MGTC from 1 January 2024 until 31 December 2026.

Import Duty And Sales Tax Exemption On Manufacturing Aids

Current Position

Manufacturing aids refers to goods used in the manufacturing process to accelerate, improve, complement and complete the manufacturing process of the finished goods, but it is not part of the finished goods.

Manufacturers are not entitled for import duty and sales tax exemption on the importation and locally purchased of manufacturing aids under the Customs Act 1967 and the Sales Tax Act 2018.

Proposal

To enhance the competitiveness of manufacturing sector, it is proposed import duty and sales tax exemption be given to eligible manufacturers on the importation and locally purchased of manufacturing aids subject to types of industry and category of goods determined.

Effective Date

From 1 January 2024.

Entertainments Duty Exemption In The Federal Territories

Current Position

Entertainments duty at the rate of 25% is imposed on admission fees to entertainment places or events such as theme parks, stage performances, sports events and competitions as well as film screening in cinemas.

Under subsection 12(1)(b) Entertainments Duty Act 1953, the Minister of Finance may exempt entertainments duty on any entertainment events held in the Federal Territories, while under subsection 12(2), the State Authorities may exempt entertainments duty on any entertainment events held in their respective states.

Proposal

In supporting national creative industry's development, nurturing cultural unity and strengthening family bonding, it is proposed an exemption of the current entertainments duty rate be given to selected type of entertainments held in the Federal Territories as follows:

Type of Entertainments	Entertainments Duty Rate	
	Current	After Exemption
Stage performance by international artist / Light Show / Circus	25%	10%
Film screening (Cinema) / Theatre		
Exhibition / Zoo / Aquarium		
Sports Event / E-Sports / Bowling / Snooker / Pool / Billiard / Karaoke		5%
Theme Park / Family Recreation Centre / Indoor Games Centre / Simulator		
Stage performance by local artist		

Effective Date

For applications received by the Ministry of Finance from 1 January 2024 until 31 December 2028.

Review Of Excise Duty Rate On Sugar Sweetened Beverages

Current Position

The imposition of excise duty on sugar sweetened beverages at the rate of RM0.40 per litre based on sugar content threshold has come into effect from 1 July 2019 on the following beverages:

Tariff Code	Type of Beverages	Sugar Content Threshold
22.02	Beverages including carbonated drink containing added sugar or other sweetening matter or flavoured and other non-alcoholic beverages	>5g/100ml
	Flavoured milk-based beverages containing lactose	>7g/100ml
20.09	Fruit juices and vegetable juices whether or not containing added sugar or other sweetening matter	>12g/100ml

Proposal

In line with the effort to improve the health and well-being of the rakyat especially through the prevention of diabetic disease and obesity, it is proposed the excise duty rate for sugar sweetened beverages be increased to RM0.50 per litre.

Effective Date

From 1 January 2024.

Imposition Of Excise Duty On Chewing Tobacco

Current Position

Smokeless tobacco products such as chewing and sucking tobacco and snuff tobacco are subjected to import and excise duties and sales tax as follows:

Types of Duty/Tax	Chewing Tobacco	Snuff Tobacco
Import duty	5% + RM50/kg	5% + RM40/kg
Excise duty	Not applicable	5% + RM27/kg
Sales tax	10%	10%

Proposal

To improve the health and well-being of the rakyat as well as considering the risk of consuming chewing tobacco is the same as smoking, it is proposed excise duty at a rate of 5% + RM27/kg be imposed on chewing and sucking tobacco under the tariff code 2403.99.5000.

Effective Date

From 1 January 2024.

Expansion Of Taxable Service Scope And Changes On The Service Tax Rate

Current Position

Service tax is imposed on taxable services specified in the First Schedule, Service Tax Regulations 2018 with tax rates as follows:

Group	Taxable Services	Tax Rate
A	Accommodation	6%
B	Food and Beverage	
C	Nightclubs, Dance Halls, Cabarets, Health and Wellness Centres, Massage Parlours, Public Houses and Beer Houses	
D	Private Club	
E	Golf Club and Golf Driving Range	
F	Betting and Gaming	
G	Professionals	
H	Credit Card and Charge Card	
I	Other Service Providers	6%

In the Budget 2022, the scope of courier services has been expanded to include delivery services. However, the implementation of service tax on delivery services had been postponed.

Proposal

In line with measures to strengthen the fiscal position through a progressive approach, it is proposed:

A. Expansion of Taxable Services Scope

The existing taxable services be expanded to include **new type of taxable services** as follows:

- i. Group C: **Karaoke centre** services;
- ii. Group I:
 - a. **Delivery** services (except for delivery of food and beverage);
 - b. **Brokerage and underwriting** services for **non-financial services** such as brokerage for ship and aircraft space, commodity and real estate; and
 - c. **Logistic** services.

For the purpose of mandatory registration by service providers of karaoke centers, delivery services, brokerage and underwriting (other than financial) and logistics, the **threshold value** of taxable services is set at RM500,000.

B. Changes on the Service Tax Rate

Service tax rate is increased from 6% to **8%** on all taxable services **except** for the following taxable services which are subject to service tax at the rate of 6%:

- i. Group B: Food and beverage;
- ii. Group I: Telecommunication services;
- iii. Group I: Vehicle parking space services; and
- iv. Group I: Logistic services.

Effective Date

Starting from 1 March 2024.



ISSN 2637-0182



9 772637 018000