



**社会经济研究中心**  
**SOCIO-ECONOMIC**  
**RESEARCH CENTRE**

**Ministry of Finance Economic and Fiscal**  
**Outlook and National Budget 2022**

**- Expansionary, Pro-Recovery, Transformational -**

BUDGET  
**2022**

# Part 1: 2022 Budget and Economic Prospects

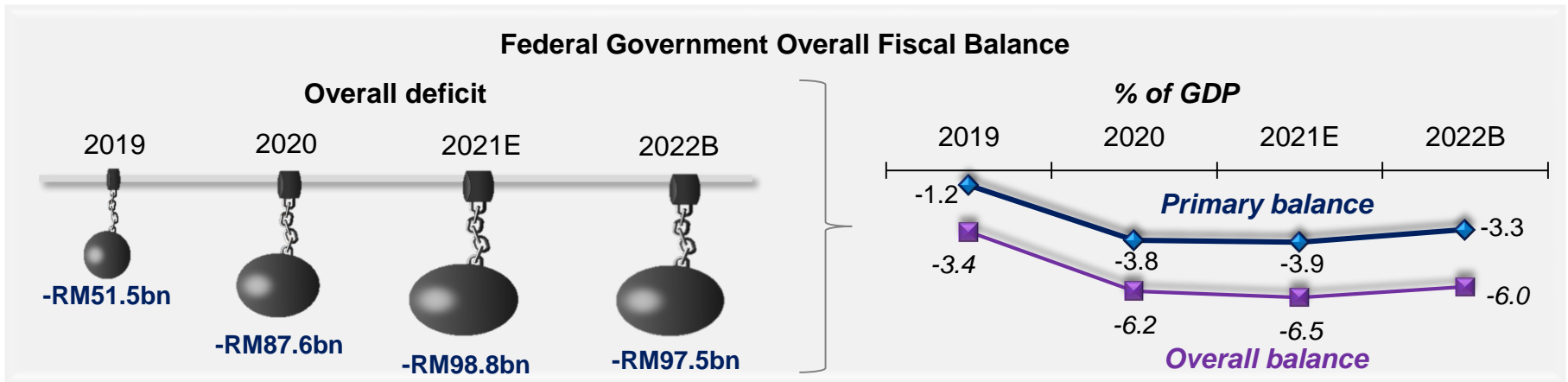
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- The Budget seeks to secure a firmer recovery, enhance economic resilience and drive reform for medium-term growth sustainability.
- Ministry of Finance expects the economy to expand strongly (5.5-6.5%; mid-point estimate at 6.0%) in 2022, underpinned by:
  - Strong private consumption and a robust rebound in public investment in tandem an expansionary Budget
  - However, private investment remains cautious and slower exports

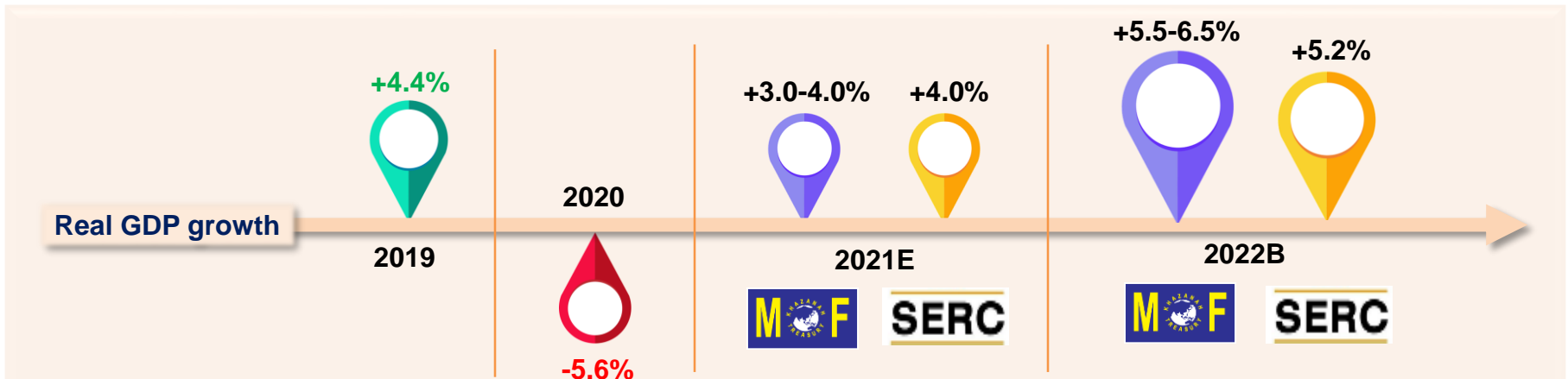


## The Budget and the Economy

**25<sup>th</sup>** consecutive year of budget deficit since 1998



The economy is poised to grow higher by **5.5%-6.5%** in 2022 (2021E: +3.0 ~ +4.0%)



MOF=Ministry of Finance

Note: Primary balance excludes debt service charges.

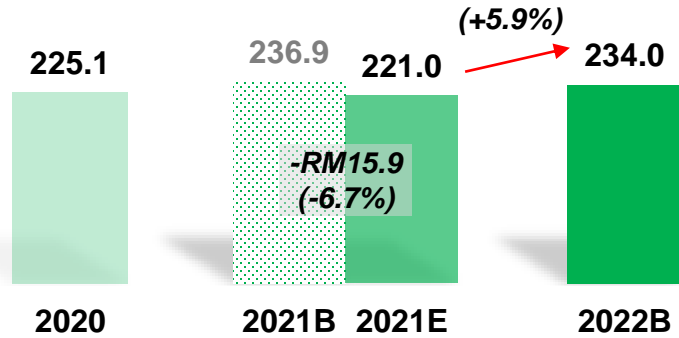
# 2022 Budgetary operations snapshot



## TOTAL REVENUE

Budget's tax measures are expected to generate net revenue gain of RM6.2 billion

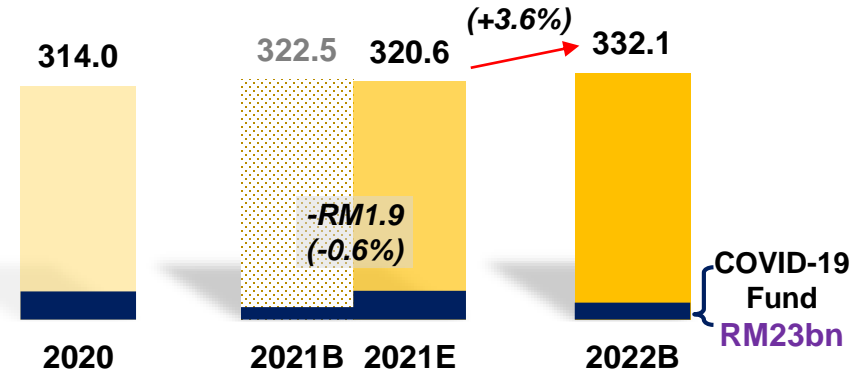
RM billion



## TOTAL EXPENDITURE\*

Total expenditure set a new record high

RM billion



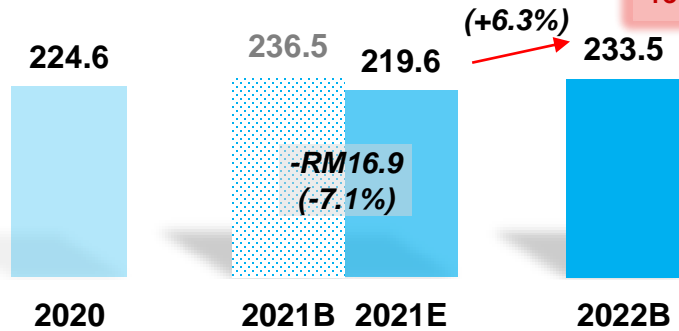
\* 2021B and 2021E consist of RM17bn and RM39bn of COVID-19 Fund respectively.



## OPERATING EXPENDITURE (70.3% of total expenditure in 2022)

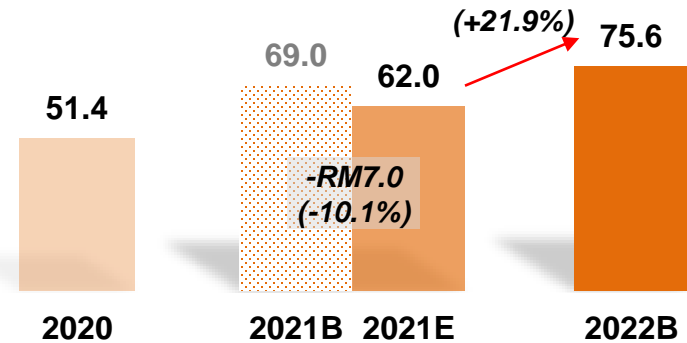
Operating expenditure almost matches total revenue

RM billion



## DEVELOPMENT EXPENDITURE (22.8% of total expenditure in 2022)

RM billion

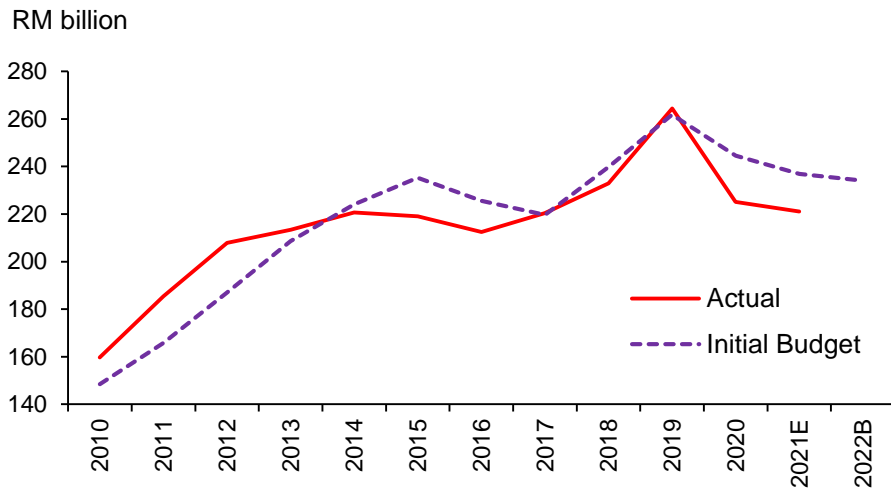


2021B refers to initial budget estimates in 2021 Budget  
2021E refers to revised estimates in 2022 Budget

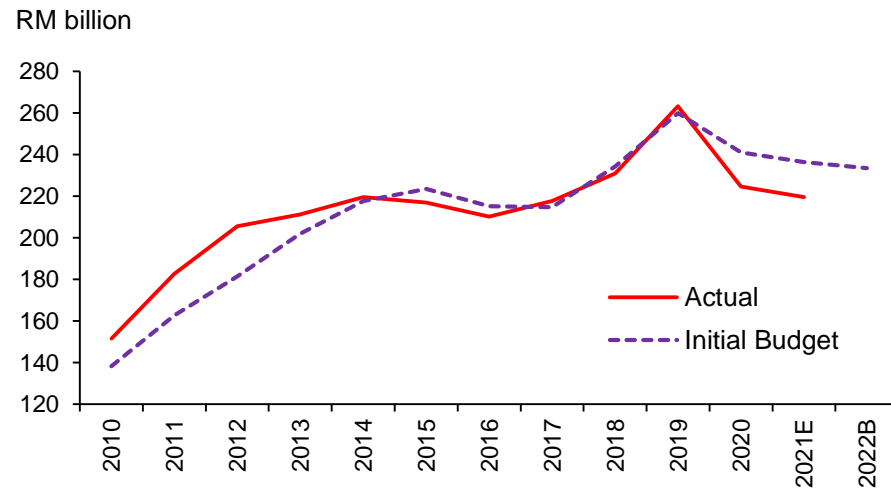
Source: MOF

# Budgetary operation trends – Actual vs. estimates

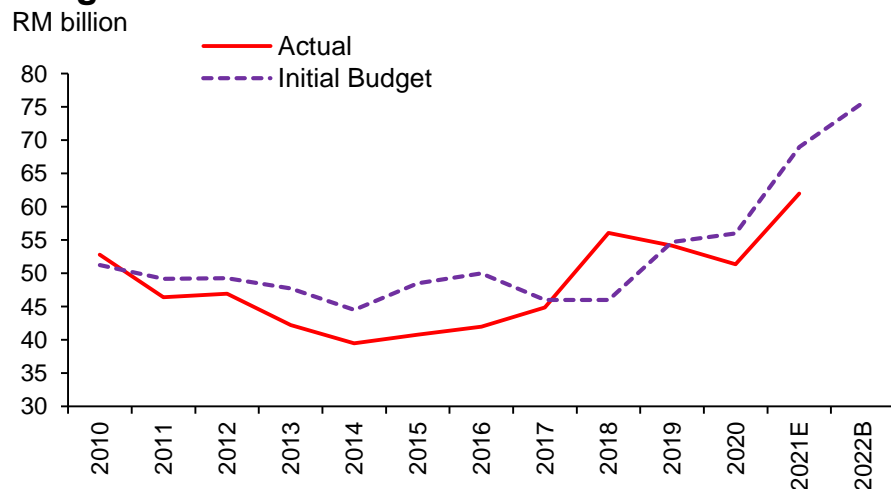
## Broadly, federal revenue was off target



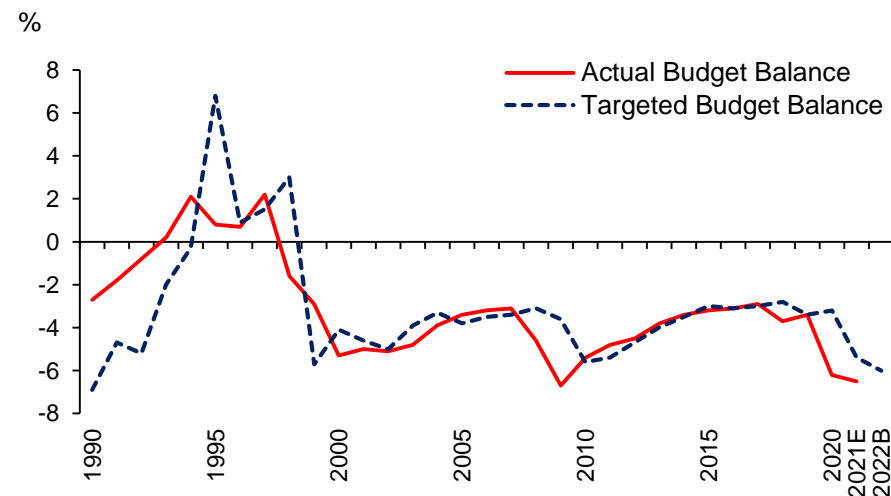
## Actual operating expenditure higher than estimated



## Development expenditure mostly fell short of Budget's allocation



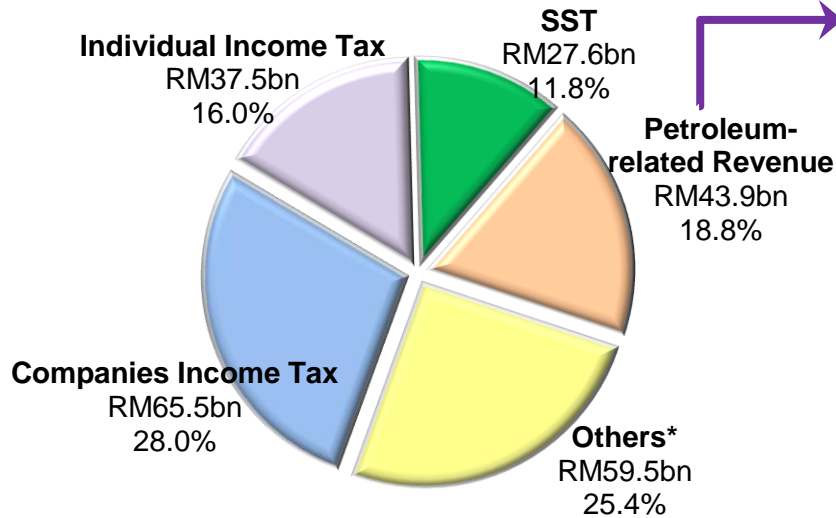
## Fiscal deficit higher than the target



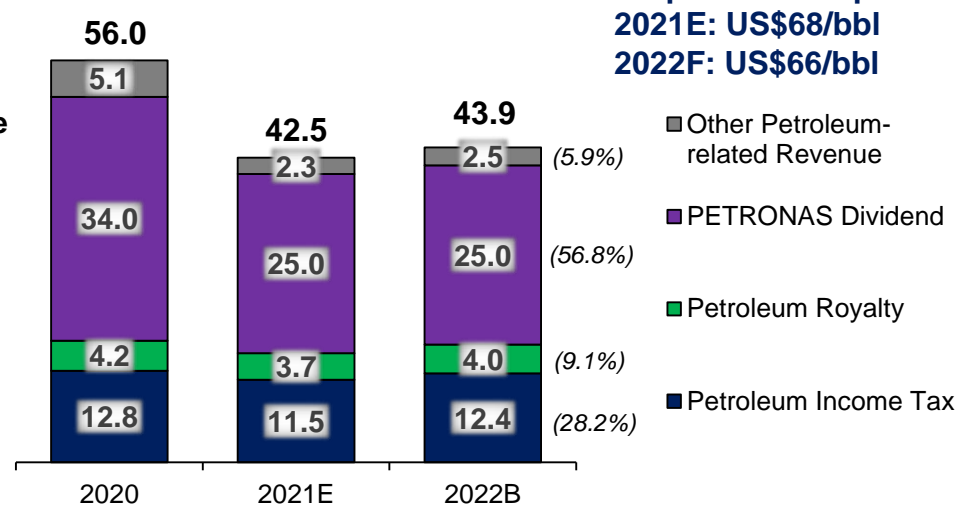
Source: MOF

# Distribution in revenue

## 2022B: Where the money comes from?



## Petroleum-related revenue (RM billion)



Oil price assumption:  
2021E: US\$68/bbl  
2022F: US\$66/bbl

- Other Petroleum-related Revenue
- PETRONAS Dividend
- Petroleum Royalty
- Petroleum Income Tax

Figure in parenthesis indicates % share of total in 2022B

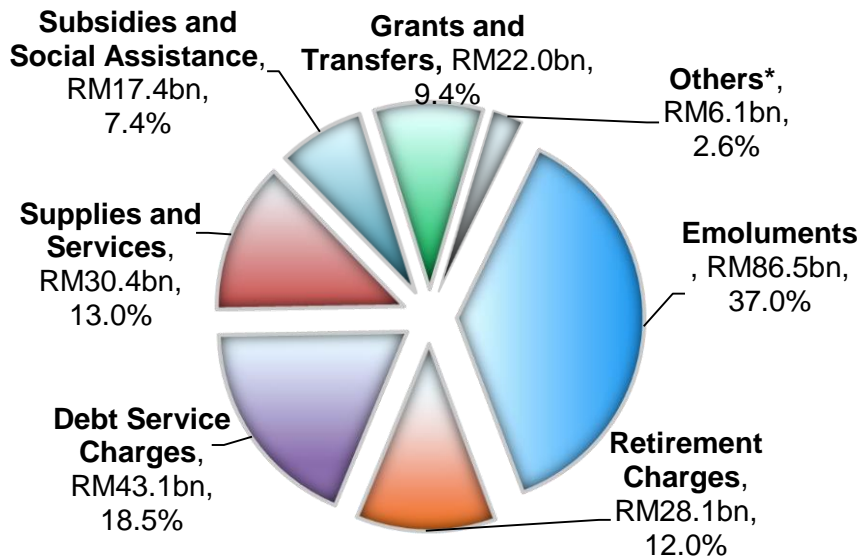
\* Include non-tax revenue, excise duty, stamp duty, etc.

Major components of total revenue	2021E (RM billion)	Share (%)	2022B (RM billion)	Share (%)	Change (RM billion)	Change (%)
<b>Direct taxes</b>	<b>120.0</b>	<b>54.3</b>	<b>127.3</b>	<b>54.4</b>	<b>+7.3</b>	<b>+6.1%</b>
Companies Income Taxes	60.6	27.4	65.5	28.0	+4.9	+8.1%
Individuals Income Taxes	36.4	16.5	37.5	16.0	+1.1	+3.0%
<b>Indirect taxes</b>	<b>41.8</b>	<b>18.9</b>	<b>44.0</b>	<b>18.8</b>	<b>+2.3</b>	<b>+5.4%</b>
SST	26.5	12.0	27.6	11.8	+1.0	+3.9%
<b>Non-tax revenue and non-revenue receipts</b>	<b>59.2</b>	<b>26.8</b>	<b>62.6</b>	<b>26.8</b>	<b>+3.4</b>	<b>+5.8%</b>
<b>Total</b>	<b>221.0</b>		<b>234.0</b>		<b>+13.0</b>	<b>+5.9%</b>

Source: MOF

# Distribution in operating expenditure (OE)

## 2022B: Where the money goes?



- OE is expected to increase by 6.3% (or RM13.9 billion) to RM233.5 billion in 2022 (-2.2% in 2021), largely due to large increases in:
  - Supplies and services (+30.5% or RM7.1 billion)
  - Debt service charges (+10.5% or RM4.1 billion)
  - Emoluments (+2.3% or RM2.0 billion).
- Debt service charges make up 18.4% of total revenue in 2022, exceeding the fiscal rule of 15% of total revenue.

\* Includes asset acquisition, refunds and write-offs, grants to Statutory Funds, etc.

Major components of operating expenditure	2021E (RM billion)	Share (%)	2022B (RM billion)	Share (%)	Change (RM billion)	Change (%)
Emoluments	84.5	38.5%	86.5	37.0%	+2.0	+2.3%
Retirement charges	27.6	12.6%	28.1	12.0%	+0.5	+1.8%
Debt service charges	39.0	17.8%	43.1	18.5%	+4.1	+10.5%
Supplies and services	23.3	10.6%	30.4	13.0%	+7.1	+30.5%
Subsidies and social assistance	16.7	7.6%	17.4	7.4%	+0.7	+3.9%
Grants and transfers	20.9	9.5%	22.0	9.4%	+1.1	+5.1%
<b>Total</b>	<b>219.6</b>		<b>233.5</b>		<b>+13.9</b>	<b>+6.3%</b>

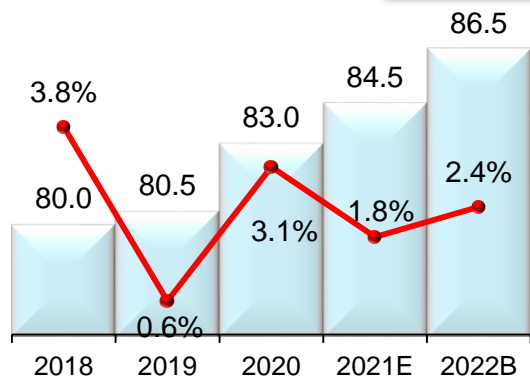
Source: MOF

# Distribution in operating expenditure by component

## Emoluments

(RM bn)

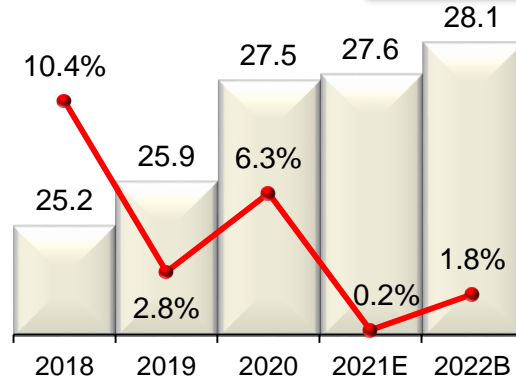
2019-2022B  
CAGR: +2.0% pa



## Retirement charges

(RM bn)

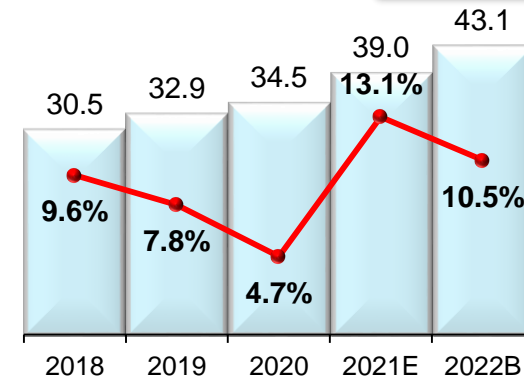
2019-2022B  
CAGR: +2.8% pa



## Debt service charges

(RM bn)

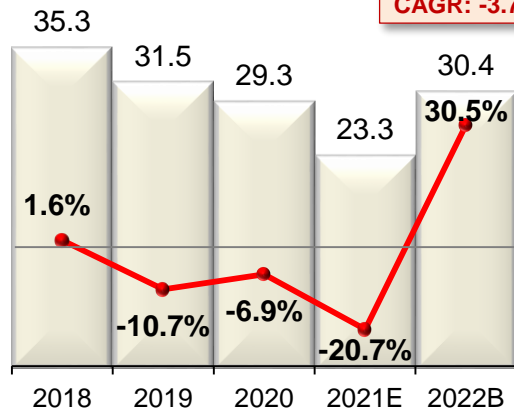
2019-2022B  
CAGR: +9.0% pa



## Supplies and services

(RM bn)

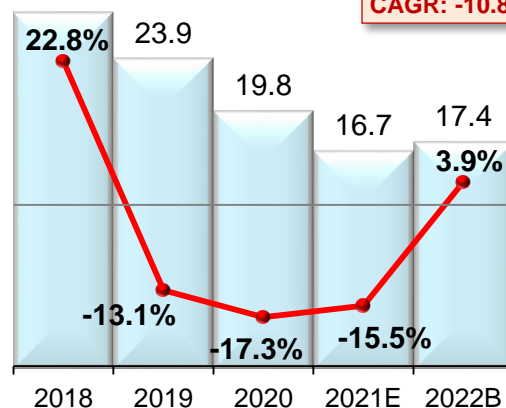
2019-2022B  
CAGR: -3.7% pa



## Subsidies and social assistance

(RM bn)

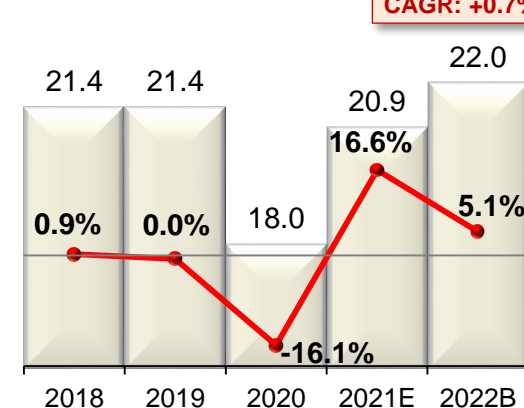
2019-2022B  
CAGR: -10.8% pa



## Grants and transfers<sup>1</sup>

(RM bn)

2019-2022B  
CAGR: +0.7% pa



Note: Line chart indicates an annual rate of change in component of operating expenditure; straight line indicates 0%

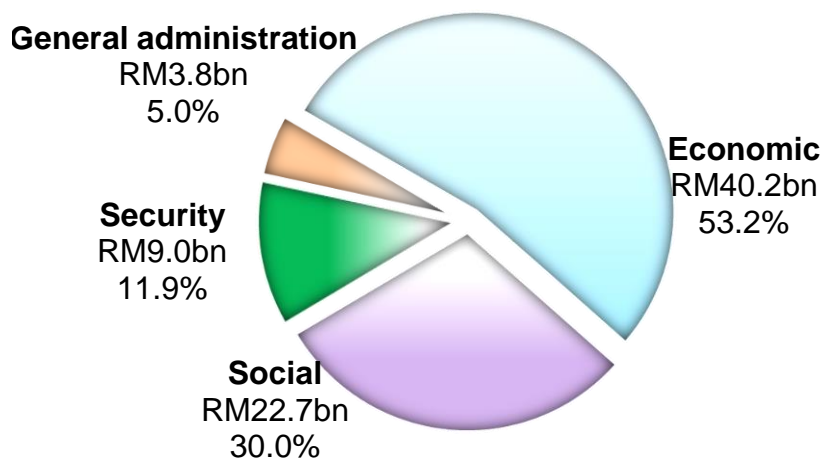
<sup>1</sup> Includes grants and transfers to state governments and grants to statutory bodies

Source: MOF



# Distribution in development expenditure (DE)

## 2022B: Where the money goes?



- DE is expected to increase by 21.9% to RM75.6 billion in 2022 (+20.7% in 2021), mainly for mainly for the transport, education and training, housing, energy and public utilities and environment as well as security sector.
- It is questionable whether the **Ministries and agencies have the capacity to effectively implement and disburse the record high level of expenditure**. Past records have consistently showed a shortfall in expenditure of about 8-10% in 2020-2021; 11-16% in 2013-2016 due to weak execution.

Major components of gross development expenditure	2021E (RM billion)	Share (%)	2022B (RM billion)	Share (%)	Change (RM billion)	Change (%)
<b>Economic</b>	<b>33.8</b>	<b>54.5%</b>	<b>40.2</b>	<b>53.2%</b>	<b>+6.4</b>	<b>+19.1%</b>
Transport	13.0	21.0%	15.5	20.5%	+2.5	+19.2%
Energy and public utilities	3.0	4.8%	3.2	4.2%	+0.2	+6.4%
Agriculture	2.8	4.5%	2.9	3.8%	+0.0	+1.6%
Trade and industry	2.4	3.8%	2.1	2.8%	-0.3	-11.8%
<b>Social</b>	<b>17.3</b>	<b>28.0%</b>	<b>22.7</b>	<b>30.0%</b>	<b>+5.3</b>	<b>+30.7%</b>
Education and training	8.1	13.1%	12.0	15.8%	+3.8	+47.3%
Health	4.4	7.1%	4.5	5.9%	+0.1	+1.4%
<b>Total</b>	<b>62.0</b>	<b>100.0%</b>	<b>75.6</b>	<b>100.0%</b>	<b>+13.6</b>	<b>+21.9%</b>

Source: MOF

# Distribution in development expenditure (DE) (cont.)

By Sector	2020	2021E	2022B	2020	2021E	2022B	2020	2021E	2022B
	RM million			% YoY			% Share		
<b>Economic</b>	<b>28,712</b>	<b>33,767</b>	<b>40,205</b>	<b>-8.3</b>	<b>17.6</b>	<b>19.1</b>	<b>55.9</b>	<b>54.5</b>	<b>53.2</b>
Transport	12,779	13,014	15,509	-7.1	1.8	↑19.2	24.9	21.0	20.5
Trade and industry	2,576	2,365	2,087	-15.7	-8.2	↓-11.8	5.0	3.8	2.8
Energy and public utilities	2,315	2,976	3,167	-16.1	28.6	6.4	4.5	4.8	4.2
Agriculture	2,003	2,815	2,860	-13.4	40.5	1.6	3.9	4.5	3.
Environment	1,324	1,537	2,059	-23.2	16.1	↑34.0	2.6	2.5	2.7
Communications	75	182	975	5.6	142.7	↑435.7	0.1	0.3	1.3
<b>Social</b>	<b>13,827</b>	<b>17,347</b>	<b>22,671</b>	<b>-4.5</b>	<b>25.5</b>	<b>30.7</b>	<b>27.0</b>	<b>28.0</b>	<b>30.0</b>
Education and training	6,737	8,118	11,955	-11.7	20.5	↑47.3	13.1	13.1	15.8
Health	3,983	4,397	4,457	118.0	10.4	1.4	7.8	7.1	5.9
Housing	1,015	1,582	1,771	-52.3	55.9	↑11.9	2.0	2.6	2.3
<b>Security</b>	<b>5,785</b>	<b>7,317</b>	<b>8,970</b>	<b>3.0</b>	<b>26.5</b>	<b>↑22.6</b>	<b>11.2</b>	<b>11.8</b>	<b>11.9</b>
<b>General Administration</b>	<b>3,036</b>	<b>3,569</b>	<b>3,754</b>	<b>9.4</b>	<b>17.6</b>	<b>5.2</b>	<b>5.9</b>	<b>5.7</b>	<b>4.9</b>
<b>Total</b>	<b>51,360</b>	<b>62,000</b>	<b>75,600</b>	<b>-5.2</b>	<b>20.7</b>	<b>↑21.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Share to GDP (%)</b>	<b>3.6</b>	<b>4.1</b>	<b>4.6</b>						

34.4% of RM400 billion of DE in 12MP

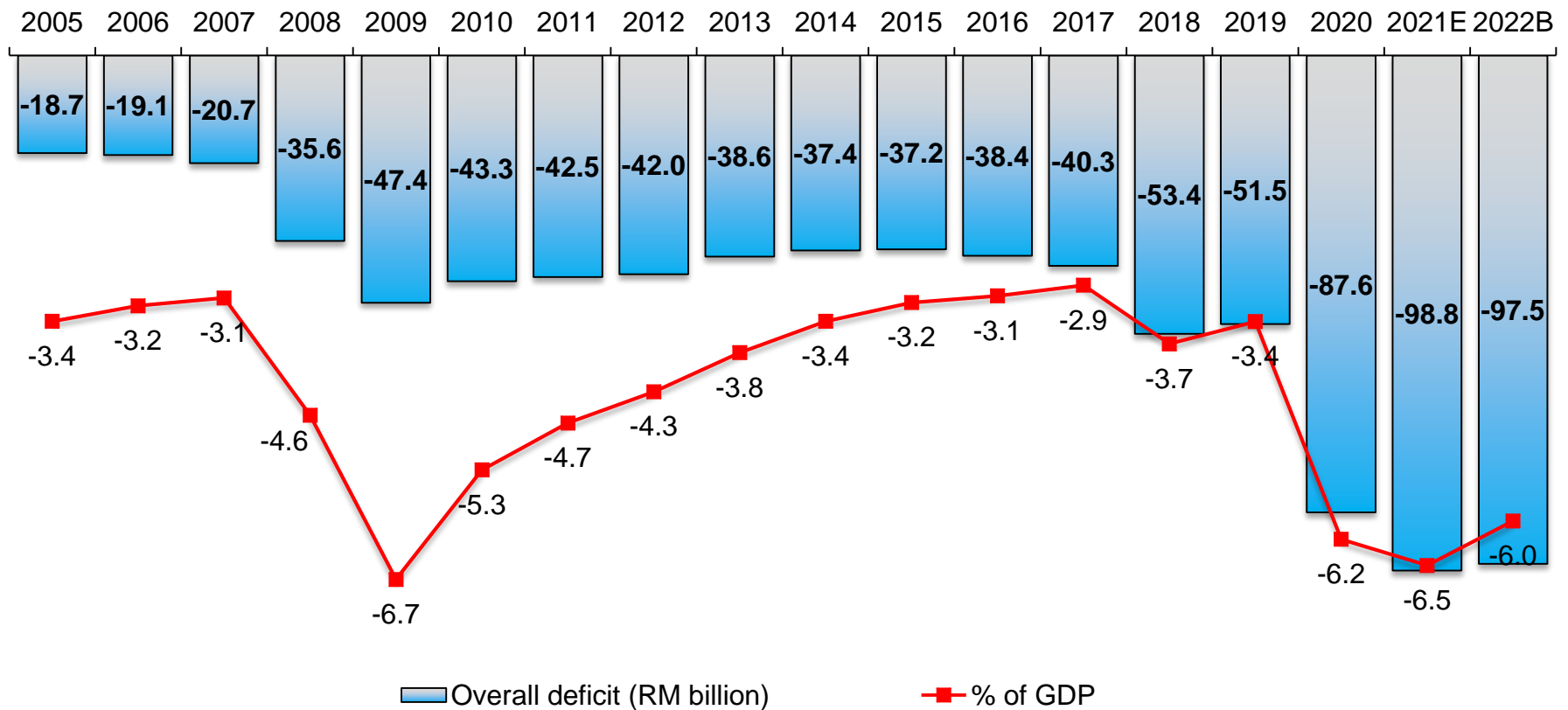
- RM66.9 billion – 5,575 ongoing projects
- RM8.7 billion – 1,180 new projects

Source: MOF

# Fiscal balance trajectory












- 2022 Budget deficit of 6.0% of GDP marks 25<sup>th</sup> consecutive year of deficit since 1998.
- The fiscal consolidation trajectory is expected to be more gradual than initially projected in the medium term.

## Federal Government Overall Fiscal Balance







Source: MOF

# Medium-Term Fiscal Framework (MTFF) 2022-2024

	MTFF 2022-2024	
	Total (RM billion)	Share of GDP (%)
 Revenue	736.0	13.9
 Non-petroleum	600.7	11.3
 Petroleum-related	135.3	2.6
 Operating expenditure	726.9	13.7
 <b>Current balance</b>	<b>9.1</b>	<b>0.2</b>
 Gross development expenditure	250.0	4.7
 Less: Loan recovery	1.8	0.0
 Net development expenditure	248.2	4.7
 COVID-19 Fund <sup>^</sup>	23.0	0.5
 <b>Overall balance</b>	<b>-262.1</b>	<b>-5.0</b>
 <b>Primary balance</b>	<b>-122.6</b>	<b>-2.3</b>



## Underlying assumptions (average)

 Real GDP growth (%)	5.5
 Nominal GDP growth (%)	7.7
 Crude oil price (USD per barrel)	67
 Oil production (barrels per day)	580,000

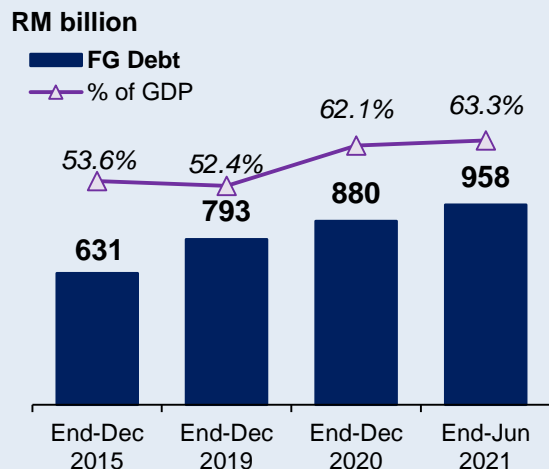
<sup>^</sup> A specific trust fund established under Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19) Act 2020) to finance economic stimulus packages and recovery plans

Note: MTFF estimate, excluding budget measures

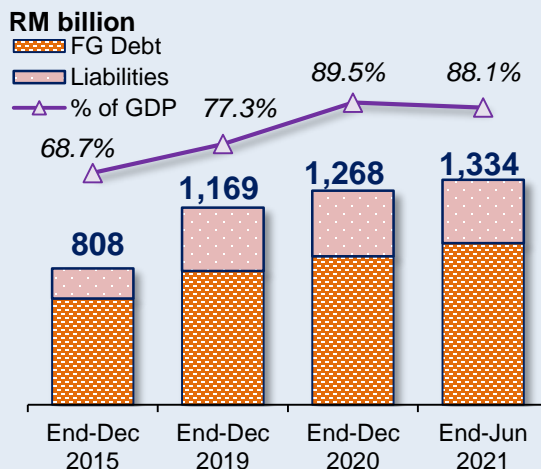
Source: MOF

# How worried should we be about Federal deficit and debt?

## Federal Government (FG)'s debt



## Debt and liabilities



Note: Liabilities in 2015 cover government guarantee only.

## Debt burden thresholds and benchmarks under the DSF

Debt burden thresholds and benchmarks	PV of external debt in percent of		External debt service in percent of		PV of total public debt in % of
	GDP	Exports	Exports	Revenue	GDP
<b>Weak</b>	30	140	10	14	35
<b>Medium</b>	40	180	15	18	55
<b>Strong</b>	50	240	21	23	70
	<i>Current level</i>		<i>Current level</i>		<i>Current level</i>
<b>Malaysia (End-Dec 2020)</b>	67.6 (>Strong)	97.4 (<Weak)	12.2 (Weak-Medium)	53.3 (>Strong)	62.1 (Medium-Strong)

Note: Malaysia's current level is the actual level, not present value

Source: BNM; MOF

DSF=Debt Sustainability Framework

PV=Present value

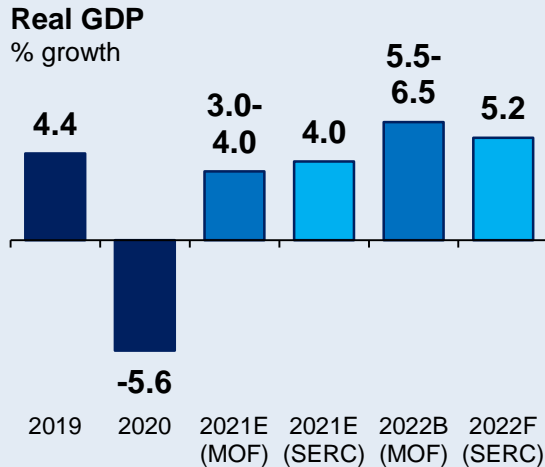
- The Debt Sustainability Analysis framework simulation demonstrates increased Government's debt vulnerabilities in the event if any shocks, thus limiting the fiscal space and the ability to raise additional borrowing for counter-cyclical responses. Debt service charges had increased by 9% pa in 2018-2022 to reach RM43.1 billion in 2022, making up 18.4% of total revenue. This means that for every RM1 revenue collected, 18.4 cents go to service payment of domestic and external loans.

- Rebuild fiscal space and restore fiscal and debt stability:

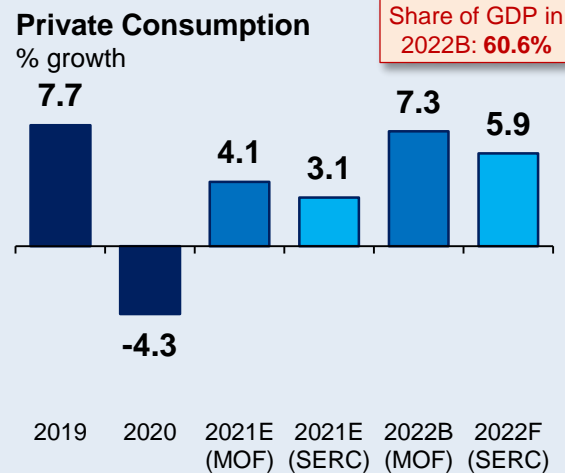
- An expansion of revenue base (reforming the tax system, and strengthening tax collection efforts);
- Rationalisation and prioritisation of expenditure; and
- Increases in economic output outpace increases in public debt levels.

# Drivers of better economic recovery in 2022 ...

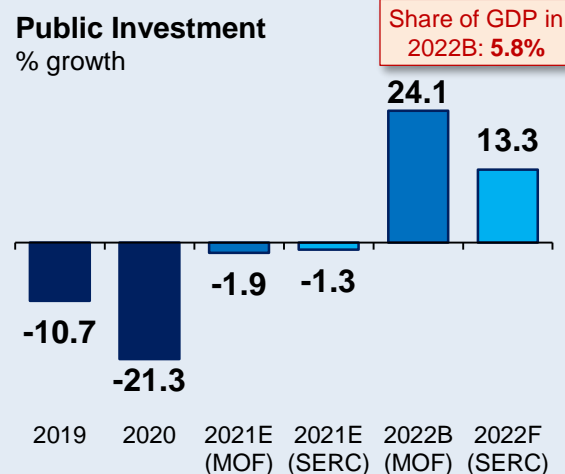
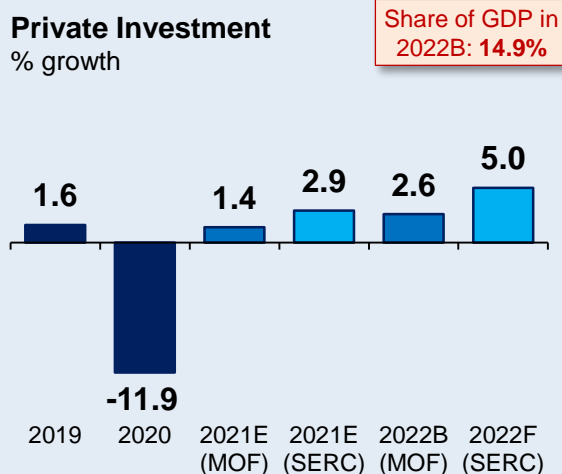
## Real GDP growth will expand higher in 2022 ...



## ... supported by a strong growth in private consumption ...



## ... and a revived private investment; public investment will rebound strongly



- Both SERC and MoF expect the economy continuing to recover in 2022 but there are some underlying differences.
- MoF sees stronger consumer spending (2022F: 7.3% vs 2021E: 4.1%) on some pent-up demand; improvement in the job market and wage growth. SERC less optimistic as slow recovery in job growth, inflation risk, household's balance sheet repair (rebuild more precautionary savings), leaving some for discretionary consumption and spending.
- Private investment revival may be tempered by the shortage of workers; rising cost of raw materials amid lingering uncertainty about domestic political condition. The unexpected one-off 33% "Prosperity Tax" on corporates' chargeable income above RM100 million will dampen investment prospects.

Source: DOSM; MOF

# Drivers of better economic recovery in 2022 (cont.)

## Services sector (57.8% of total GDP)

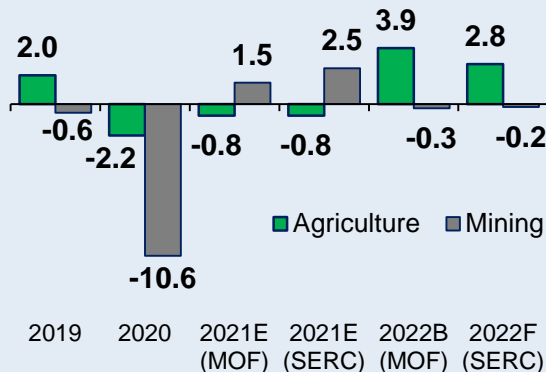


## Manufacturing (23.6%)

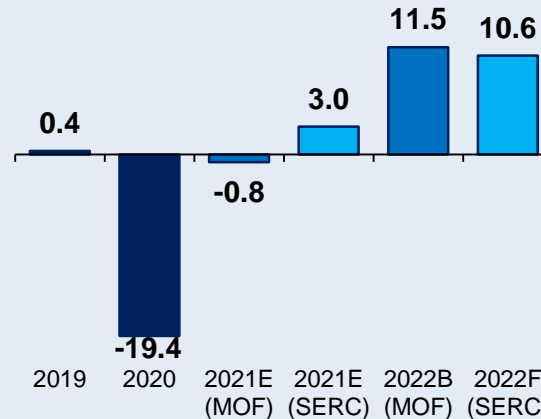


## Agriculture (6.9%); Mining (6.3%); and Construction (4.0%)

### Agriculture and Mining, % growth



### Construction, % growth



## Services

- Driven by **wholesale and retail trade** (wider usage of e-commerce and rapid transition to digitalisation), **information and communications** (broader internet usage - continued surge in e-commerce, e-learning and online entertainment activities), and **finance and insurance** (continued economic recovery and resumption of investment activities).

## Manufacturing

- Steady performance in both export- and domestic-oriented industries.

## Agriculture

- Supported by commodity segment; oil palm subsector is anticipated to rebound, in tandem with a **higher output of CPO**, improved fresh fruit bunches (FFB) production and better oil extraction rate.

## Mining

- Influenced by the duration of uncertainties surrounding the pandemic; **lower crude oil** and condensates production, following the scheduled shut down of oil and gas plants and facilities for maintenance.

## Construction

- Continuation and acceleration of major infrastructure projects (incl. LRT3, MRT3, Johor-Singapore RTS, and Pan Borneo highways); Utility projects (incl. Baleh Hydroelectric, Sarawak Water Supply Grid Programme and Large-Scale Solar 3 plant); affordable houses; and ongoing commercial projects.

Source: DOSM; MOF

Note: % in parenthesis refers to share of GDP in 2022B

# List of major projects and programs

## Transport sector RM15.5bn

### Upgrading, expansion and maintenance of infrastructure



Mass Rapid Transit 2 (MRT2)



Light Rail Transit Line 3 (LRT3)



Jalan Marabahai Spur at Tuaran, Sabah



Electrified Double Track Gemas – Johor Bahru



Mass Rapid Transit 3 (MRT3)



Replacing bridges at Sik and Baling, Kedah



Pan Borneo Highway



A study on an alternative route for Jalan Seremban-Kuala Pilah, Negeri Sembilan



Klang Valley Double Track Phase 2



Rapid Transit System (RTS) Link



Kuantan Port Expansion



Expansion of Airport in Sandakan

## Energy and public utilities RM3.2bn

### Construction of:

- Baleh Hydroelectric Dam
- Sarawak Water Supply Grid Programme
- Large-Scale Solar 3 plant



## Health sector RM4.5bn

### Procurement of medical service vehicles and equipment



### Construction of:

- Kapar Hospital in Selangor

### Upgrading of:

- Hemodialysis facilities at the Ministry of Health Malaysia hospitals in Kedah, Penang and Perak
- Autopsy room of Sultan Ismail Hospital Forensic Department, Johor

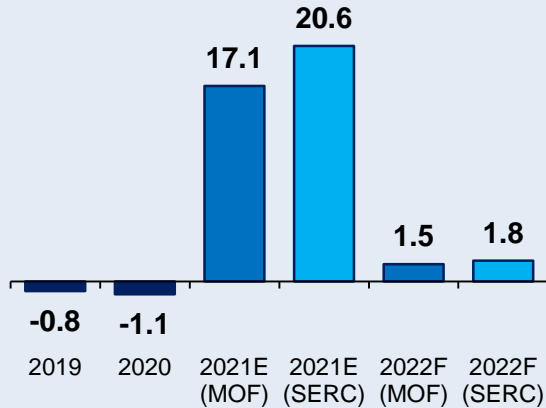
Source: MOF



# Exports driver continuing, albeit much slower

## Exports performance

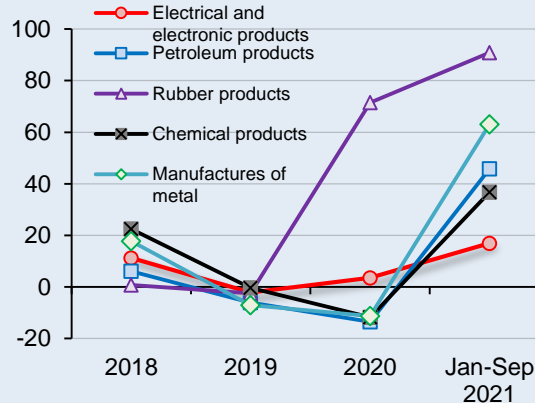
%, YoY



## Major export items

### Selected export products

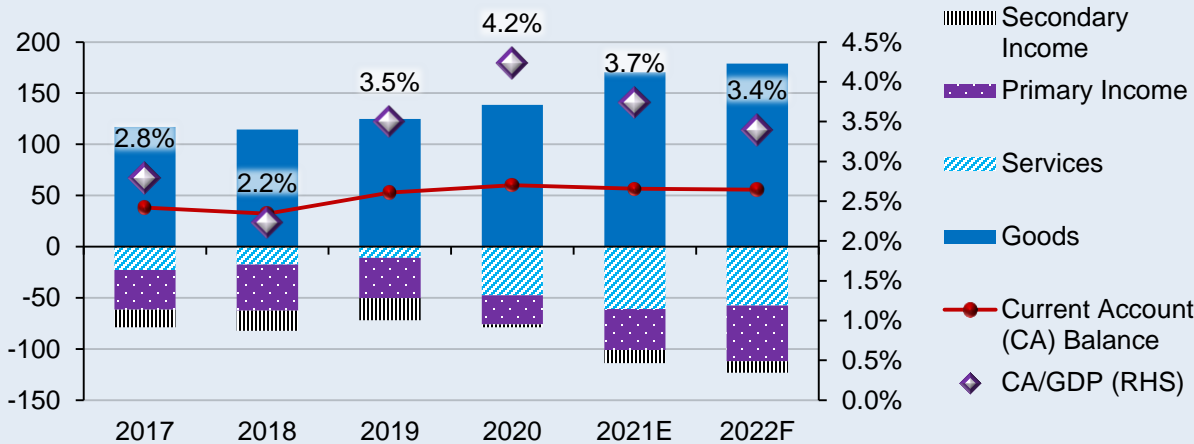
%, YoY



## Current account balance narrows further despite stronger trade balance

RM billion

CA/GDP ratio



Source: DOSM; MOF

Growth should moderate as trade approaches its pre-pandemic long-run trend



Supply-side issues such as semiconductor scarcity and port backlogs, rising cost of raw materials as well as the shortage of workers, may strain supply chains and weigh on trade in particular areas



Ratification of RCEP & CPTPP ?

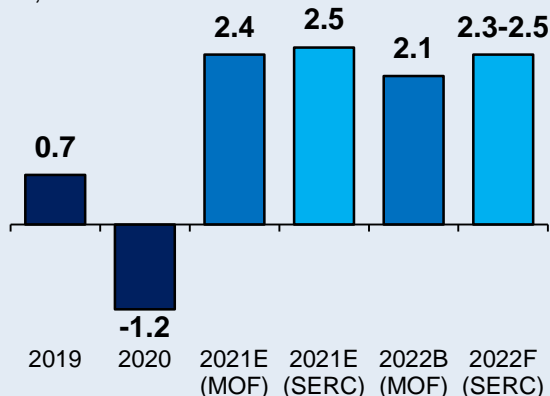


Green investment and exports

# Inflation and labour market condition

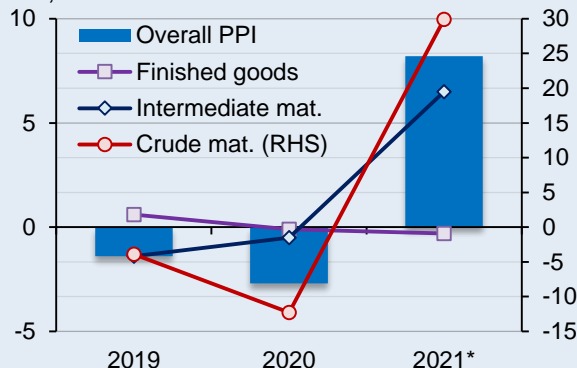
## Inflation

Consumer prices  
%, YoY



## Producer Price Index

Producer prices  
%, YoY



\* Jan-Sep 2021; mat.=materials

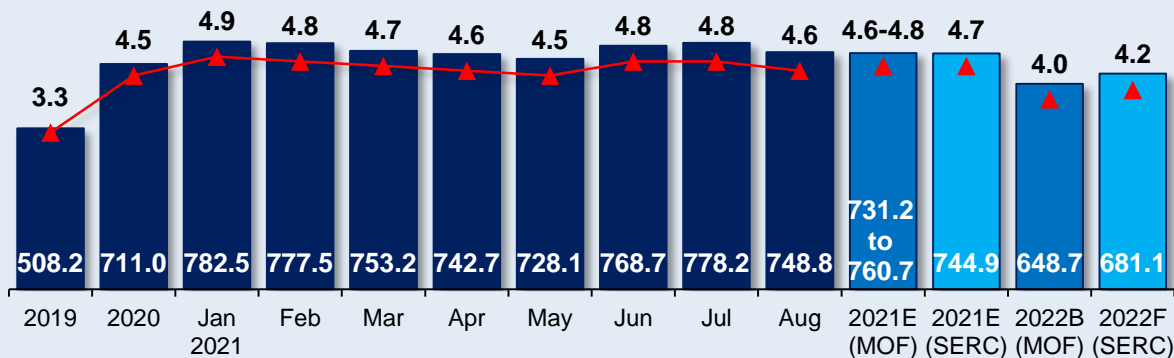
## Price level

- **Inflation** is forecast to record 2.1% in 2022, following better economic prospects and stable crude oil prices.
- **Cost-induced pressures** leave manufacturers and businesses with no choice but to pass on to consumers. The cost-induced inflation pressure could set off higher inflation expectations and a second-round effect.

## Labour market condition

Unemployed person ('000)

▲ Unemployment rate (%)



## Labour market

- The normalisation of economic activities to the pre-pandemic level will stimulate strong labour demand and spur a fast-track recovery in the labour market.
- **Unemployment rate** is anticipated to fall and return to the full employment level at 4.0% in 2022.

Source: DOSM; MOF

# Malaysia's growth prospect for 2022 (GDP: 5.2%)

## UPSIDE RISKS



**Continued global recovery** to support production and exports



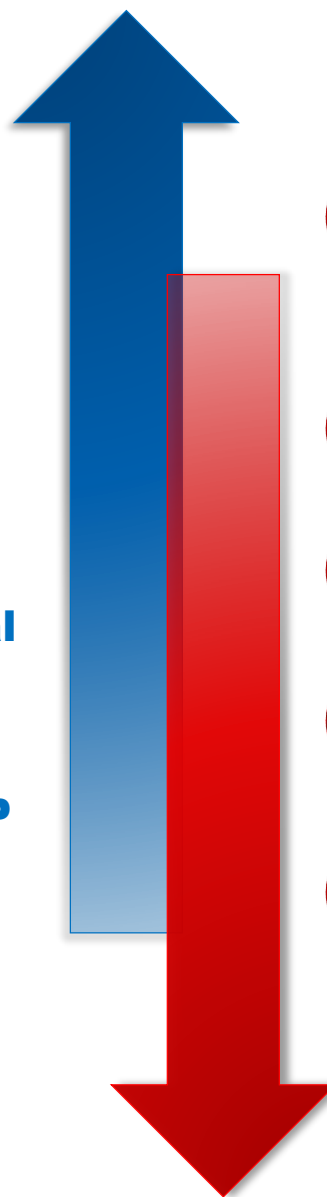
Recovery in **domestic demand**



Implementation of the **12MP, Jalinan Digital Negara (JENDELA)**



Implementation of **RCEP**



## DOWNSIDE RISKS



**Uncertainty in global monetary path**-induced volatility



Continued **price pressures**



Households **repair balance sheet** and **build savings**



Slower progress in **projects implementation**



Lingering concerns about **political condition**

# SERC's commentary on the 2022 Budget and Economy

## 2022 Budget

- The Budget's expansionary stance is twofold: First, securing the recovery with targeted and time-limited measures; and Second, rebuilding a more resilient economy and sustainable business through smart digital technologies, and forward-looking investments. This means investing in green transition, circular economy, embrace the Environmental, Social and Governance (ESG) business practices and 5G infrastructure for a better, sustainable, greener and more innovative future.
- It is questionable whether the Ministries and agencies have the capacity to effectively implement and disburse the record high level of expenditure. Past records have consistently shown a shortfall in expenditure of about 8%-10% in 2020-2021; 11%-16% in 2013-2016 due to weak execution.
- Expansionary spending will not necessarily lead to a positive impact on economic output and income growth if the multiplier effect is restrained by inefficiencies, implementation delays and cost overrun.

## Economic growth

- SERC's estimate of 5.2% GDP growth for 2022 is lower than MOF's 5.5-6.5%.
- Malaysia's potential output growth had slowed in recent years, from 4.9% pa in 2011-2019, to -5.6% in 2020 and 3.0%-4.0% in 2021. Hence, a substantial improvement in productivity, technology advancement and increase capital efficiency is needed to boost the country's economic growth potential.
- There remain external and domestic factors that would continue exerting downside risks to the domestic economy. We caution that global growth is projected to moderate in 2022; uncertainty in global monetary path and inflation concerns could cause financial volatility.
- Domestic concerns are resurgence of virus cases; slower revival in domestic demand due to weak job and income growth; and delays in the implementation of 2022 Budget's projects and programs. Rising cost of raw materials, logistic costs as well as the shortage of workers would dampen the recovery and earning prospects of some economic sectors.

# Part 2: 2022 Budget – Measures and Initiatives

- Another year of expansionary 2022 Budget
- FOR RAKYAT: Financial assistance and personal tax relief to ease financial burden of targeted households. Job hiring assistance and retraining
- FOR BUSINESSES AND INVESTMENT: Specific measures to spur investment; financing mechanism and credit facilities for SMEs; allocation for public infrastructure and utilities
- FOR GROWTH AND BUSINESS SUSTAINABILITY: Digitalisation, automation, 5G infrastructure, Green initiatives and Environmental, Social and Governance (ESG)



## Three Key Pillars

– Strengthening Recovery | Building Resilience | Driving Reforms –

## Three Focus Areas



**Rakyat's Well Being**



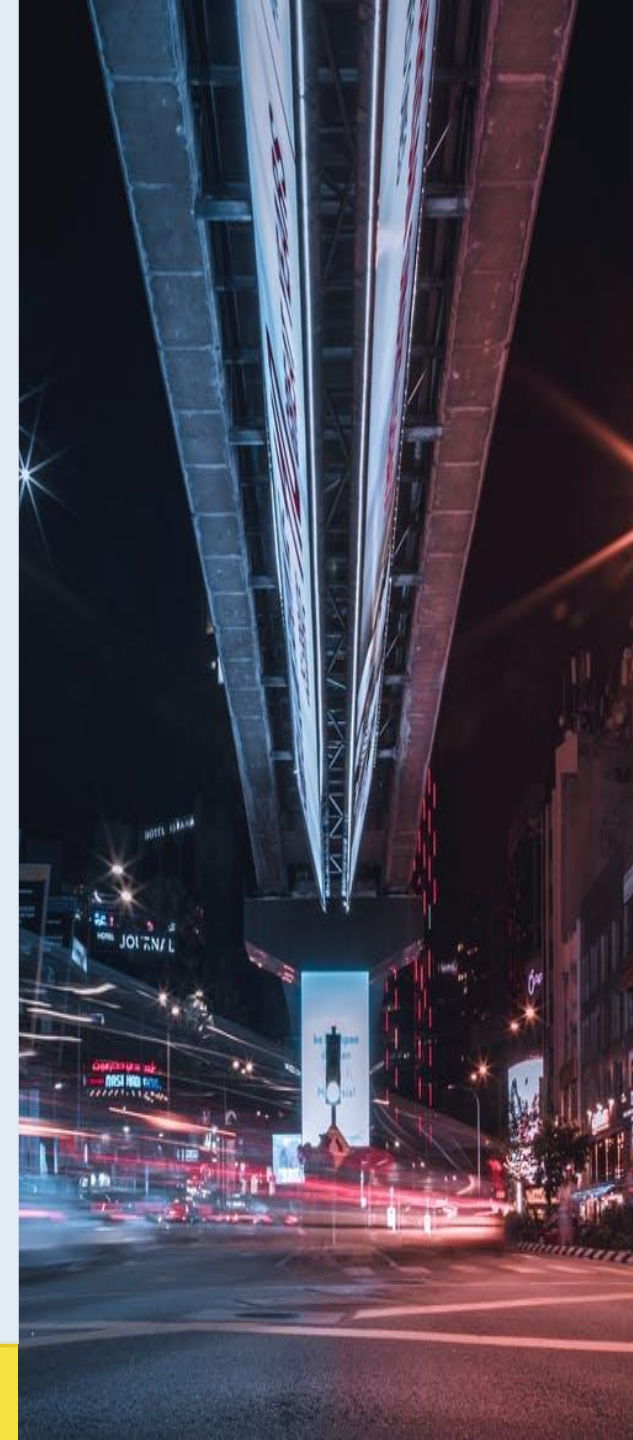
**Resilient Businesses**



**A Prosperous and Sustainable Economy**

# BUDGET 2022

## SELECTED MEASURES AND INITIATIVES IN FOCUS



# Focus Area 1: Rakyat's Well Being

## DIRECT CASH ASSISTANCE

- RM8.2bn for Bantuan Keluarga Malaysia (BKM)

Category	Budget 2021 (BPR)	Budget 2022 (BKM)
Monthly household income <RM2,500	<ul style="list-style-type: none"> <li>• ≤1 child: RM1,200</li> <li>• ≥2 child: RM1,800</li> </ul>	<ul style="list-style-type: none"> <li>• 0 child: RM1,000</li> <li>• 1-2 child: RM1,500</li> <li>• ≥3 child: RM2,000</li> </ul>
Monthly household income between RM2,501-RM4,000	<ul style="list-style-type: none"> <li>• ≤1 child: RM800</li> <li>• ≥2 child: RM1,200</li> </ul>	<ul style="list-style-type: none"> <li>• 0 child: RM400</li> <li>• 1-2 child: RM600</li> <li>• ≥3 child: RM800</li> </ul>
Monthly household income between RM4,001-RM5,000	<ul style="list-style-type: none"> <li>• ≤1 child: RM500</li> <li>• ≥2 child: RM750</li> </ul>	
Singles income <RM2,500	RM350	RM350
<b>Additional Assistance:</b>		
Single Parents with Children (IBT)	-	RM500
Senior Citizen Household	-	RM300
Senior Citizen/Singles <RM5,000	-	RM600
<b>Total number of beneficiaries</b>	8.1 million recipients	9.6 million recipients

- Direct cash assistance, “Bantuan Keluarga Malaysia (BKM)” targets to benefit **more than 9.6 million recipients** with a higher allocation of **RM8.2 billion** (RM7.0 billion in 2021). Some adjustments were made the category of recipients but concrete reforms are lacking.
- In early September 2021, Ministry of Finance (MOF) has seek public consultation on the enhancement of Government’s cash assistance program to make it more fiscal sustainable. Nevertheless, the proposed reform measures discussed in the public consultation paper are not presented in this Budget.
- Design a sustainable mainstream social protection framework is deemed vital to protect the targeted **real needy and vulnerable populations**.
- Cash handouts are a temporary relief to the “poor and vulnerable” better their situation “today”. **The design of a mechanism making cash handouts conditionality is needed**. An over-dependence syndrome breeds uncompetitive behaviours and never make efforts in self-development. Routine cash handouts unconditional creates a generation of dependency.
- It is suggested that other forms of targeted cash assistance to be given, such as physical or digital cash vouchers for the purchase of essential goods within a stipulated period. This approach will ensure that the cash assistance is utilised for essential purposes. Digitalisation and big data can be applied to track the spending behaviour of the targeted recipients for future improvement of the cash assistance programs.



# Focus Area 1: Rakyat's Well Being

## GENERATING AND SUSTAINING JOBS

- RM4.8bn allocation for **Jamin Kerja Keluarga Malaysia (JaminKerja)**
- RM2bn allocation for **JaminKerja employment incentives** by SOCSO to benefit **300,000 job seekers**
- RM1.8bn allocation for **Malaysia Short-term Employment Programme (MySTEP)** offers **80,000 job placements** in the public sector and Government- Linked Companies (GLCs) from January 2022
- RM1.1bn allocation for **upskilling and reskilling programmes**
- Increase **tax relief for expenses in attending reskilling and upskilling courses** from RM1,000 to RM2,000 until 2023
- Increase tax relief up to RM7,000 for course fees with any approved professional body
- Extend the **double tax deduction to companies that provide scholarships** to students in institutions of higher learning
- RM6.6bn for strengthen education field and **Technical and Vocational Education and Training (TVET)**
- RM200m for collaboration with industries including the **National Dual Training System (SLDN)** and industry certification programmes

- The Wage Subsidy Program (WSP) and PenjanaKerjaya have had helped to save jobs and increase placement of jobs. About 2.9 million jobs have been saved; and at least 130,000 persons were managed to be employed under PenjanaKerjaya.
- The 2022 Budget targets to generate 600,000 jobs:
  - a) JaminKerja employment incentives (300,000 jobs)
  - b) Reskilling and Upskilling program (220,000)
  - c) Short-term Employment Program (MySTEP) (80,000) via public sector (50,000) and GLCs (30,000)).
- Labour market conditions are expected to improve gradually as the jobless rate will improve to **4.0%% in 2022** from 4.6%-4.8% in 2021. It is still far from the pre-pandemic level of about 3.2%-3.4%.
- With billions of allocation given to TVET, an effective transformation program, including addressing the governance of the TVET is urgently needed to drive the performance and quality of TVET to meet present supply-demand gap in various industries.



# Focus Area 1: Rakyat's Well Being

## ALLEVIATING THE COST OF LIVING

- **RM31bn for subsidies, aid and incentives** to mitigate the rising cost of living via price controls on goods and services
- **Reduction in employee EPF contribution from 11% to 9% to be extended up to June 2022**
- **RM209m for Rural Air Services (RAS) subsidy in Sabah and Sarawak**
- **RM115m to continually fund the My50 (Unlimited Travel Pass) in Klang Valley**

## STIMULATING PRIVATE CONSUMPTION

- Extend the **special individual income tax relief of up to RM2,500 on the purchase of mobile phones, computers and tablets** until 31 December 2022
- **100% sales tax exemption** on completely knocked down (CKD) **passenger vehicles** and 50% on completely built up (CBU) including sport utility vehicles (SUVs) and multi-purpose vehicles (MPVs) to **be extended for six months until 30 June 2022**
- **Import duty, excise duty and sales tax exemption for electric vehicles (EVs)**

- These measures are expected to ease financial burden of the low- and middle-income households and individuals, which has depleted their savings and their income dented by the pandemic.
- Ministry of Finance expects private consumption to be a dominant driver of stronger economic recovery in 2021. The continuation of cash handouts and other consumption-aided measures, a gradual recovery in labour market and improvement in income are expected to increase private consumption growth higher to 7.3% in 2022 from 4.1% in 2021.
- SERC cautions that households' balance sheet repairs and rebuild precautionary savings could moderate the pent-up demand.

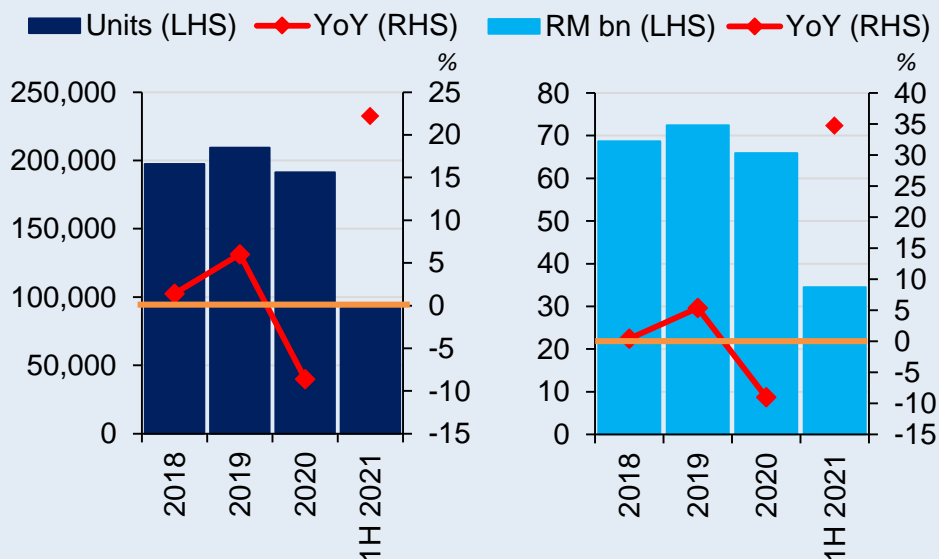


# Focus Area 1: Rakyat's Well Being

## HOME OWNERSHIP

- RM1.5bn allocation to increase **Malaysian's home ownership** as well as to provide housing maintenance assistance
- **Real Property Gains Tax (RPGT)** – Abolish the tax on the **disposal of real property in the 6th year onwards**
- **RM2bn for Skim Jaminan Kredit Perumahan** to help gig workers, small business owners and farmers in securing a housing loan

Residential property transaction (2018-1H2021)



Source: NAPIC

- It is a welcome relief that to remove the 10% RPGT on the disposal of property in the 6th year onwards for individuals, which will help to partially soften the pandemic's severe impact on the soft property market condition.
- However, the Government shall consider to remove the 10% RPGT for companies in due course. With the property market already mired in multi-years of consolidation and weak mode, there is absence of speculation investment in the property market.

RPGT Disposal period	Individuals (Citizens and permanent residents) (%)	
	Existing	Budget 2022
Within 3 years	30	30
In the 4 <sup>th</sup> year	20	20
In the 5 <sup>th</sup> year	15	15
In the 6 <sup>th</sup> and subsequent year	10	0

- As of 1H 2021, residential and serviced apartments overhang units still elevated at 31,112 units (worth RM20.1 billion) and 24,064 units (worth RM20.4 billion) respectively. The Government should consider to extend the Home Ownership Campaign (HOC) until 31 December 2022 and RPGT exemption for another 3-4 years. The RPGT can be reinstated when there is a clear presence of speculative investment.

# Focus Area 2: Resilient Businesses

## FINANCING

### Microcredit Scheme

- RM1.8 billion for Microcredit Financing

Agencies	Programme / Scheme	Fund Size (RM million)	Terms
TEKUN	Skim Pinjaman Informal dan Mikro (SPIM)	200	<ul style="list-style-type: none"><li>• Loan rate: 0%</li><li>• Size: Up to RM10,000</li><li>• Tenure: Up to 5 years (including moratorium)</li><li>• Moratorium: 12 months</li></ul>
TEKUN	Various microcredit schemes	225	<ul style="list-style-type: none"><li>• Loan rate: 0%</li><li>• Size: Up to RM10,000</li><li>• Tenure: Up to 5 years</li><li>• Moratorium: 6 months</li></ul>
BSN	Various easy microcredit schemes	800	<ul style="list-style-type: none"><li>• Loan rate: 0% for the first 6 months, 4% thereafter</li><li>• Size: Up to RM75,000</li><li>• Tenure: Up to 5 years</li><li>• Moratorium: 6 months</li></ul>
Agrobank	Various microcredit schemes	250	<ul style="list-style-type: none"><li>• Loan rate: 0% for the first 6 months, 3.0% next</li><li>• Size: Up to RM75,000</li><li>• Tenure: Up to 5 years</li><li>• Moratorium: 6 months</li></ul>

### Cooperative Financing

- 10m for **Cooperative Movement Economic Transformation Programme (TRANSFER)**
- 30m for **Cooperative Economic Recovery Intervention Financing Programme**
- RM1.75m for provision of **food truck business** sites in major urban areas

- Various financing and credit facilities unveiled in the 2022 Budget are expected to ease the distressed borrowers' cashflow and lower credit cost.
- However, the application, assessment and approval process of loan facilities must be made easier and simpler in as well as speedy in the loan disbursement, especially during this recovery phase.



# Focus Area 2: Resilient Businesses

## FINANCING

### Business Financing and Alternative Financing

Agencies	Programme / Scheme	Fund Size (RM million)	Financing Terms
PUNB	Various financing Programmes	200	<ul style="list-style-type: none"> <li>• Loan rate: 0% for the first 6 months, 5.0% - 8.0% thereafter</li> <li>• Size: Up to RM10 million</li> <li>• Tenure: Up to 7 years</li> <li>• Moratorium: 6 months</li> </ul>
MIDF	Jumpstart financing	50	<ul style="list-style-type: none"> <li>• Loan rate: 2.0% - 3.0%</li> <li>• Size: Up to RM500,000</li> <li>• Tenure: Up to 7 years</li> <li>• Moratorium: 18 months</li> </ul>
Agrobank	Various agrofood financing programmes	550	<ul style="list-style-type: none"> <li>• Loan rate: 0% for the first 6 months, 3.0% thereafter</li> <li>• Size: Up to RM500,000</li> <li>• Tenure: Up to 8 years</li> <li>• Moratorium: 6 months</li> </ul>
BPMP	Working Capital Scheme	500	<ul style="list-style-type: none"> <li>• Loan rate: 4%</li> <li>• Size: RM1 million - RM10 million</li> <li>• Tenure: Up to 3 years</li> </ul>
SME Bank	IBS Promotion Fund (IBS2.0)	200	<ul style="list-style-type: none"> <li>• Lending rate: risk based</li> <li>• Size: Up to RM10 million</li> <li>• Tenure: Up to 15 years</li> <li>• Moratorium: none</li> </ul>

- It is hoped that the Government can consider to further increase the Targeted Relief and Recovery Facility (TRRF) fund size to ease the financing needs of SMEs.



# Focus Area 2: Resilient Businesses

## FINANCING

### Business Financing and Alternative Financing (cont.)

Agencies	Programme / Scheme	Fund Size (RM million)	Financing Terms
SME Bank	Young Entrepreneur Fund – YEF 2.0	100	<ul style="list-style-type: none"><li>• Loan rate: 5%</li><li>• Size: Up to RM1 million</li><li>• Tenure: Up to 10 years</li></ul>
SME Bank	SME Recapitalisation Fund	600	<ul style="list-style-type: none"><li>• Lending rate: dividend <math>\pm</math> 6%</li><li>• Size: Up to RM5 million</li><li>• Tenure: Up to 5 years</li><li>• Moratorium: 6 months</li></ul>
BPMP	RESET Fund	500	<ul style="list-style-type: none"><li>• n/a</li></ul>
MyCIF	Equity Crowdfunding Peer-to-peer lending (P2P)	80	<ul style="list-style-type: none"><li>• n/a</li></ul>

### Business Financing Guarantee

- **Additional guarantee limit of RM10bn** in **Syarikat Jaminan Pembiayaan Perniagaan (SJPP)** and with RM2bn being dedicated to Bumiputera businesses
- **Stamp duty exemption** for the **rescheduling and restructuring transactions**



# Focus Area 2: Resilient Businesses

## INVESTMENTS IN KEY SECTORS

- RM2bn for **Special Strategic Investment Fund** to attract strategic foreign investments among multinational corporations
- RM25m for **Trade and Investment Mission** to explore high impact investments and new export markets
- RM80m for **skills training programme** through MITI to train 20,000 workers for industrial clusters
- RM50m for **state skills development programme** to train 5,000 workers in selected sectors such as oil and gas welding, industrial automation and mechatronics
- RM100m of **matching grants for Bumiputera SMEs** to explore business opportunities in the aerospace segment
- Additional RM100m **Smart Automation matching grants**
- **Extend** two years of Additional **Reinvestment Allowance (RA)** up to five years
- RM25m for **Halal Development Corporation** to execute various programmes such as Halal Product Digital Branding

- These trade and investment facilitation funds and programs are expected to spur private investment as well as increase market access.
- Besides incentives, it is equally important to make the application process for grants and incentives less bureaucratic and paperwork with clearer guidelines so that companies can understand whether they qualify for them.
- Friendly rules and regulations, lower compliance costs as well as better coordination among government agencies at the Federal, state and local authorities are also vital to facilitate businesses with a zero tolerance on delays.



# Focus Area 2: Resilient Businesses

## EASE OF DOING BUSINESS

- Extension of **tax deduction on renovation cost up to RM300,000** for SOP compliance measures **until 31 December 2022**
- Additional **tax deduction** up to RM50,000 on expenses spent on **workers' hostel rental** to be extended **until 31 December 2022**
- A **deferral of income tax instalment payments** for MSMEs<sup>1</sup> for six months **until 30 June 2022**
- Approval for **amendments on tax estimates** on the 11th month **before 31 October 2022**
- **Extend the tax deduction** on at least 30% **reduction of rental** until **June 2022**
- **Carry forward accumulated losses** to be amended from seven consecutive years of assessment to a maximum of 10 consecutive years of assessment.

- These measures are expected to ease businesses' operating costs and cashflow. Rising cost of raw materials, employment cost and the shortage of workers will persist in 2022.
- Following salary ceiling for SOCSO monthly contribution increased from RM4,000 to RM5,000, it will increase the monthly contribution for employers to estimated RM86.50 (from RM69.05 currently) per employee who are earning above RM5,000, this will increase the employer's employment cost.
- While the industry welcomes the relaxation of foreign workers intake, the approval process must be expedited. The Government can consider to extend the Recalibration Program, which will end in Dec 2021; and provide a 50% discounts to all companies with foreign workers' permits that will expire in January-December 2022.





# Focus Area 2: Resilient Businesses

## PERKUKUH PELABURAN RAKYAT INITIATIVE (PERKUKUH)

- Enhance the **role of GLCs in driving the nation's recovery**, of which:
  - - RM5bn for “**GLC NETWORK-EMPOWERING MSMEs**” to provide advisory and technical support services
    - **Boost up the payment** to vendor up to a maximum of 14 days from invoice verification date
    - 40% of **local procurements** to be assigned for **Bumiputera entrepreneurs**
    - For year 2022, at least RM30bn for **investment and capital expenditure** in areas, including renewable energy, supply chain modernisation and 5G infrastructure
    - **RM6bn for Impact Fund** under **Khazanah Nasional Berhad**

- While some GLCs have contributed to national socioeconomic and industrial development, there is a need to reform and reshape their catalytic roles in terms of rationalization and optimization of financial resources; the balance between social and commercial objectives; the crowding out effects of investment and liquidity on private sector due to theirs too many involvements in sectors that they are deemed as uncompetitive relative to the private sector.



# Focus Area 2: Resilient Businesses

## TOURISM INDUSTRY

- RM1.6bn allocation to revive **tourism sector**, of which:
  - RM600m for **Wage Subsidy Programme (WSP)**
    - i. Tour operators with a prove on income decrease at least 30%
    - ii. RM600 for 3 months limited to 500 employees
    - iii. At least 26,000 employers and 333,0000 employees are expected to be benefited
  - RM600m specific financing, of which:
    - i. RM500m for **PENJANA Tourism Financing**
    - ii. RM100m for **BPMB Rehabilitation Scheme**
  - RM85m allocation to provide **three months special assistance** to more than 200,000 tour operators
  - RM82m for **tourism project implementation** such as Melaka Island Geopark and Zipline Island development or Islamic Civilization Park preservation project
  - RM50m for **maintenance of tourism infrastructure** such as Sultan Abdul Samad Building or Carcosa Seri Negera
  - RM30m **matching grants** to registered budget hotel and registered home stay owners **for repair purposes**
  - RM50m **matching grants** to businesses and non-governmental statutory bodies who **organize program related to arts and culture**
  - RM60m on **promotion fund** to encourage domestic tourism

- The tourism sector needs continuation of financial assistance and fiscal support to rebuild its vitality post pandemic.
- Inter-state travel, and the eventual reopening of our international borders as well as travel bubble arrangements are expected to facilitate the sector's recovery.



# Focus Area 2: Resilient Businesses

## TOURISM INDUSTRY (CONT.)

- RM20m to the **Malaysia Healthcare Travel Council** to enhance Malaysia's position as health tourism destination
- Extend the special individual income **tax relief for domestic tourism expenses** up to RM1,000 until year 2022
- Extend **income tax exemption for organizers of arts and cultural activities** as well as international sports and recreational competitions until the year 2025
- All Federal Territories will be **exempted on entertainment duty** for entertainment activities until 31 December 2022



- Provide clear, well-designed information policy and clarity to travellers and businesses about the health and safety standards as well as pandemic containment measures to reassure them about safe travelling and staying throughout Malaysia.
- Ministry of Tourism, Arts and Culture (MOTAC) and Ministry of Health to work with stakeholders to implement health accreditation certificate that can give assurance to tourists that our tourism facilities have fully compliance with the highest health and safety standards. Singapore and Thailand have implemented this health protection accreditation.

# Focus Area 2: Resilient Businesses

## RETAIL INDUSTRY

- RM307m allocation to recover retail industry, of which:
  - RM250m to continue **the Shop Malaysia Online and Go-eCommerce Onboarding campaigns**
  - RM33m for **Buy Made in Malaysia Campaign, Malaysia Sales Programme and Khazanah Alam Industry Direct Selling Programme**
  - The **Made in Malaysia logo** as the main reference to Government agencies and companies involved in Government procurement
  - RM74m to **PERNAS for business training and guidance programmes** as well as **easy financing scheme** with 0% interest for first 6 months and a moratorium



- While the Government allocate more funding to accelerate SMEs' adoption of e-commerce, there is a need to conduct a comprehensive study on how to help SMEs penetrate into overseas e-commerce platform.
- Income of e-commerce had increased by 22.8% per annum (pa) from RM447.8 billion in 2017 to RM675. billion in 2019 whereas income of e-commerce from the international market only accounted for 12.4% of total income in 2019 (2017: 10.7% share; 2015: 10.4% share).
- “Made in Malaysia” products need to be improved in terms of quality, design and packaging as well as branding to attract both domestic and foreign buyers. We propose that Brand Promotion Grant, which was launched in 2003 and subsequently suspended, to be reinstated.



# Focus Area 2: Resilient Businesses

## AGRICULTURAL INDUSTRY, FOOD SECURITY & COMMODITIES

- RM1.7bn to provide **subsidies and incentives for the agricultural and fishing industries**
- RM120m allocation to **strengthen food security** in Malaysia, of which:
  - RM66m for **various food security projects** such as Development of the Aquaculture Industry and Shellfish Estates in Johor
  - RM20m for **Food Security Strengthening Programme** to enhance logistics and storage facility
  - RM10m for **SME Techno Entrepreneur Incentive Program** to expand crop production and food processing
  - RM500m and RM200m for **Agrofood Facility and Agromakanan Financing Fund** respectively
- **Increase the windfall profit levy threshold** on palm oil, of which:
  - **Peninsular Malaysia** from **RM2,500 to RM3,000**
  - **Sabah and Sarawak** from **RM3,000 to RM3,500**
- **Levy charged on palm oil in Sabah and Sarawak are adjusted** from 1.5% to 3.0%, on par with Peninsular Malaysia

- The average CPO prices (local delivered) are ranging between RM3,749 and RM4,572 in 2021. An increase in the windfall profit levy threshold on palm oil (to RM3,000 for Peninsular Malaysia and RM3,500 for Sabah and Sarawak) may not result in significant earnings impact to the plantation sector.
- Planters in Sabah and Sarawak will have to pay higher levy (from 1.5% to 3.0%), which may dampen their recovery pace amid the disrupted production level. Planters in Peninsular Malaysia may benefit marginally.



# Focus Area 3: A Prosperous and Sustainable Economy

## SUSTAINABILITY AGENDA

- RM1bn matching grant under **Low Carbon Transition Facility**
- **Import duty, excise duty and sales tax exemption for electric vehicles (EVs)**
- **RM10bn Sustainability Sukuk** channelled to eligible social or environmentally friendly projects



## SUPPORTING PUBLIC SERVICE DELIVERY

- **Implement National Digital Identity** to enhance connectivity between all kinds of transaction systems
- Digital First Programme to increase the use of cloud computing in the public sector
- Yang Amat Berhormat Prime Minister will chair a **Budget 2022 oversight committee to ensure effective and efficient implementation of budget measures**

- The Government must display a leadership role as an effective driver and enabler of change in promoting green initiatives and environmental, social and governance (ESG) as a critical part of economic growth.
- The Budget underscored Government's commitment towards meeting the Sustainable Development Goals (SDGs), such as the efforts to lower carbon practices as well as the initiatives cater for electric vehicles (EVs).
- Step up strict enforcement and stiff prosecution against the polluters of environment and over-exploitation like illegal and over-logging activities so as to maintain greener, healthy and safer environment and living community.
- While it is commendable that Prime Minister will chair the Budget 2022 oversight committee to ensure effective and efficient implementation of budget measures, it is equally important for all the levels, including Ministerial and working levels to set a clear KPI on the implementation of budget's measures and programs. This is to ensure that they are properly planned, timely and well executed with the good coordination of all stakeholders, including private sector.

# Focus Area 3: A Prosperous and Sustainable Economy

## BRIDGING THE ECONOMIC GAP

- RM3.5bn various **infrastructure projects**, e.g. Pan Borneo Highway; Central Spine Road; Rantau Panjang Floodwall
- RM200m Infrastructure Facilitation Fund 3.0 under the supervision of **Public Private Partnership Unit, PMO**
- RM2.9bn for **small and medium projects for contractors in class G1 – G4 nationwide**
- RM690m for **corridor development** (6 new projects and 66 extension projects)
- RM5.2bn of development expenditure (DE) allocation for **Sabah** and RM4.6bn for **Sarawak**
- RM700m for continuation of **JENDELA**
- 5G services in major cities in Selangor, Johor, Penang, Sabah and Sarawak

## RURAL INFRASTRUCTURE

- RM1.5bn for rural and inter-village road projects (519km)
- RM382m for rural water supply and alternative water supply (benefit 4,800 houses)
- RM485m for rural electricity supply (benefit 2,100 houses)
- RM107m allocation to build and maintain village street lights as well as bridges
- RM1.5bn for rural infrastructure development allocation to Sabah and Sarawak

- The planned projects and infrastructure spending will help to revive the construction sector. It is also in line with the 12th Malaysia Plan that will allocate at least 50% of Basic Development to six states and regions (Sabah, Sarawak, Kelantan, Terengganu, Kedah and Perlis) to help narrow development gap between the developed and less developed states.
- The digital infrastructure performance under JENDELA has delivered their targets as at third quarter of 2021. The implementation progress must be continued with vigour, especially to bridge the network gap, particularly in the rural and less developed areas.



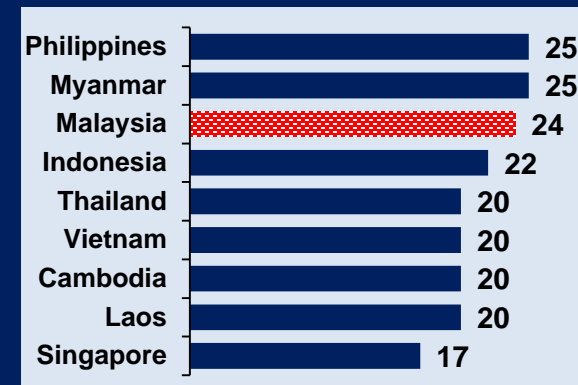
# Focus Area 3: A Prosperous and Sustainable Economy

## FISCAL CONSOLIDATION AND REVENUE SUSTAINABILITY

- **Income tax on income derived from foreign sources**
- **Special Voluntary Disclosure Programme** for indirect taxes by Royal Malaysian Customs Department (RMCD)
- **LHDN Tax Compliance Certificate** as part of pre-requisite for companies to participate in government procurement
- **Use of Tax Identification Number (TIN) beginning 2022** to broaden the income tax base
- **Imposition of “Cukai Makmur” - Chargeable income above RM100 million subject to income tax rate of 33% for YA2022**

- The one-off “Prosperity Tax” is a big negative surprise to corporates as it will lower their earnings and dampen investment prospects. This one-off 33% corporate tax rate puts Malaysia as the country having the highest corporate tax rate in ASEAN.
- While our regional competitors are moving towards competitive tax regime, this prosperity tax has undoubtedly dampened the already-weak local and foreign investments’ interest.
- The Government needs to reaffirm that this is only a special “one-off” tax contribution and the Government shall commit to a long-term competitive tax regime and predictable tax policy.
- Shifting from direct to indirect taxes is a worldwide trend, the 2022 Budget should give a statement of intent that the Goods and Services Tax (GST) will be reintroduced in 2023.

Corporate tax rate in regional countries (2022)



- On taxing foreign-sources income, allow exemption if the specified foreign income has been subjected to tax in the foreign jurisdiction from which it was received. A tax credit can be given to a company on any tax you paid overseas if there is no double-taxation agreement in place.
- No retrospective taxation. A clear provision is needed to avoid retrospective taxation, that is only interest income and royalty income earned/accrued on or after the date of change in law should be taxed even if they were remitted after the date of change in the tax law.



# Focus Area 3: A Prosperous and Sustainable Economy

## FISCAL CONSOLIDATION AND REVENUE SUSTAINABILITY (CONT.)

- Sales tax on small value goods (Abolish the tax exemption on air-shipped goods valued not exceeding RM500 [“de-minimis” threshold]) beginning 2023
- Service tax on goods delivery services (exclude food and beverages delivery services and logistic services)

- The removal of “de-minimis” threshold of RM500 (or about US\$120) on air-shipped goods beginning 2023 will create significant additional processing costs for the delivery industry due to a longer custom clearance time and also a disproportionate administrative burden for national customs and tax administration and e-sellers.
- The removal of the exemption would ultimately affect consumers, thus hampering the growth of e-commerce in Malaysia. This will also have an impact on customs and tax authorities alike, who are now expected to handle a much larger volume of dutiable items. In 2020, the number of international parcels has increased by 110.8% to 19.6 million from 9.3 million in 2019.

- The Government should maintain the current de-minimis threshold and negotiate with respective countries for a reciprocal de-minimis threshold. It will help SMEs to penetrate into overseas market. In addition, the Government should discuss with the Indonesian Government to open a green channel for Malaysian SMEs to supply goods and services to Indonesian online marketplace.

### De-Minimis Value Imposed by Selected Countries

Country	Local currency	In US dollar
United States	USD800	800
Australia	AUD1,000	680
New Zealand	NZD1,000	633
Singapore	SGD400	291
Brunei	BND400	291
South Korea	USD200	200
Philippines	PHP10,000	194
Japan	JPY10000	92
Cambodia	USD50	50
Thailand	THB1,500	49
Vietnam	VND1,000,000	40
China	RMB50	7
Indonesia	-	3
India	Not implementing de-minimis policy	

# Focus Area 3: A Prosperous and Sustainable Economy

## FISCAL CONSOLIDATION AND REVENUE SUSTAINABILITY (CONT.)

- Stamp duty treatment on contract notes (increase from 0.1% to 0.15%; abolish the limit of RM200) and service tax exemption on brokerage for listed stock trading

- The Government must embark on expenditure rationalisation to contain the rise in operating expenditure, which is almost 1:1 match with the level of revenue collected. Emoluments, retirement charges and debt service charges have been growing rapidly over a decade. Right-sizing of the civil services based on performance-reward system and review pension scheme from defined-benefit to defined-contribution.
- In the equity market, the service tax exemption on brokerage charges, removal of RM200 stamp duty ceiling and increase of stamp duty from RM1.00 to RM1.50 for every RM1,000 gross transacted amount will have a net negative impact on market velocity and earnings of broking businesses.



Strategy	Key measures and initiatives																																													
<b>1. Restoring Lives and Livelihoods</b>	<p><b>Direct Cash Assistance and Welfare</b></p> <ul style="list-style-type: none"> <li>Bantuan Keluarga Malaysia (RM8.2 b) to 9.6 million recipients, additional assistance for single parents/senior citizen/eligible singles <table border="1" data-bbox="326 294 1524 615"> <thead> <tr> <th data-bbox="330 297 751 325">Income</th> <th colspan="4" data-bbox="755 297 1520 325">Number of Beneficiaries / Assistance</th> </tr> <tr> <th data-bbox="330 329 751 386">Household</th> <th data-bbox="755 329 1060 386">Number of beneficiaries (million)</th> <th data-bbox="1064 329 1215 386">Child 0</th> <th data-bbox="1219 329 1369 386">Child 1-2</th> <th data-bbox="1373 329 1520 386">Child ≥3</th> </tr> </thead> <tbody> <tr> <td data-bbox="330 391 751 419">&lt;RM2,500</td> <td data-bbox="755 391 1060 419">4.0</td> <td data-bbox="1064 391 1215 419">RM1,000</td> <td data-bbox="1219 391 1369 419">RM1,500</td> <td data-bbox="1373 391 1520 419">RM2,000</td> </tr> <tr> <td data-bbox="330 424 751 452">RM2,501-RM5,000</td> <td data-bbox="755 424 1060 452">0.8</td> <td data-bbox="1064 424 1215 452">RM400</td> <td data-bbox="1219 424 1369 452">RM600</td> <td data-bbox="1373 424 1520 452">RM800</td> </tr> <tr> <td colspan="5" data-bbox="330 456 1520 485">Additional Assistance:</td> </tr> <tr> <td data-bbox="330 489 751 518">Single Parents with Children (IBT)</td> <td data-bbox="755 489 1060 518">0.5</td> <td colspan="3" data-bbox="1064 489 1520 518">RM500</td> </tr> <tr> <td data-bbox="330 522 751 551">Senior Citizen Household</td> <td data-bbox="755 522 1060 551">0.9</td> <td colspan="3" data-bbox="1064 522 1520 551">RM300</td> </tr> <tr> <td data-bbox="330 555 751 584">Senior Citizen/Singles &lt;RM5,000</td> <td data-bbox="755 555 1060 584">1.0</td> <td colspan="3" data-bbox="1064 555 1520 584">RM600</td> </tr> <tr> <td data-bbox="330 588 751 616">Singles &lt;RM2,500</td> <td data-bbox="755 588 1060 616">3.8</td> <td colspan="3" data-bbox="1064 588 1520 616">RM350</td> </tr> </tbody> </table> </li> <li>Welfare Eligibility Requirements for four categories of assistance (Children Assistance; Elderly Assistance; Unemployment Assistance for OKU; Federal General Assistance) under Social Welfare Department increased from RM980 based on 2016 Food Poverty Line (PGK) to RM1,169 based on 2019's PGK; welfare assistance increased to RM2.4 billion with an addition of RM200 million</li> <li>Yayasan Keluarga Malaysia (RM25 m) <ul style="list-style-type: none"> <li>Established under Prime Minister's Office to protect the welfare and education of those orphaned due to COVID-19</li> <li>Government to provide RM25 million for the initial startup fund combined with contributions from corporate sector</li> </ul> </li> </ul> <p><b>Access to Public Healthcare Facilities</b></p> <ul style="list-style-type: none"> <li>Ministry of Health allocation (RM32.4 b)</li> <li>Additional allocation specifically to continue the agenda on managing COVID-19 (RM2 b) <ul style="list-style-type: none"> <li>Medical supply, medical gases, reagents and consumables (RM750 m)</li> <li>Outsourcing medical service to private hospitals and private laboratories (RM190 m)</li> <li>PPE and sanitizer for MOH staff (RM230 m)</li> <li>To increase Teaching Hospital and Field Hospital ICU capacity and procurement of medical devices for Military Hospital Radiology Department (RM200 m)</li> <li>Health kits for 3.6 million B40 families that include reusable face masks, self-test kit, pulse oximeter and thermometer (RM450 m)</li> <li>Acquisition of antiviral drugs against various viruses including COVID-19</li> </ul> </li> </ul>	Income	Number of Beneficiaries / Assistance				Household	Number of beneficiaries (million)	Child 0	Child 1-2	Child ≥3	<RM2,500	4.0	RM1,000	RM1,500	RM2,000	RM2,501-RM5,000	0.8	RM400	RM600	RM800	Additional Assistance:					Single Parents with Children (IBT)	0.5	RM500			Senior Citizen Household	0.9	RM300			Senior Citizen/Singles <RM5,000	1.0	RM600			Singles <RM2,500	3.8	RM350		
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Strategy	Key measures and initiatives
<b>1. Restoring Lives and Livelihoods (cont.)</b>	<p><b>Access to Public Healthcare Facilities (cont.)</b></p> <ul style="list-style-type: none"> <li>• To provide third dose of COVID-19 vaccine as booster shots to all rakyat aged 12 to 17 years old and above <ul style="list-style-type: none"> <li>○ The government has signed an agreement to secure 88 million doses of vaccines, which is equivalent to more than 140% of the population</li> <li>○ National Trust Fund to fund the procurement of COVID-19 vaccine. (RM6 b)</li> </ul> </li> <li>• Individual tax relief and tax deduction to employers for self-funded costs associated with taking the booster shot</li> <li>• National Health Agenda (RM15 m)</li> <li>• Strengthen the clinical management of patients with Rare Diseases (RM20 m)</li> <li>• Impose excise duty on liquid or gel products containing nicotine used in electronic cigarette and vape</li> <li>• Expand the imposition of excise duty on sugary drink products in premixed form</li> <li>• Improve access and responsiveness of ambulance services (RM8 m)</li> <li>• Continue the contractual appointment of more than 10,000 medical, dental and pharmaceutical officers</li> <li>• Approved the sponsorship of specialisation programmes for 3,000 medical and dental contract officers (RM100 m)</li> <li>• Mental Health (RM70m) <ul style="list-style-type: none"> <li>○ Mental health programme, counseling and psychosocial support, increasing the number of mental health advocacy programmes and strengthening the role of NGOs</li> <li>○ Expand the scope of individual income tax relief for mental health related expenses</li> </ul> </li> </ul> <p><b>Quality Education for All</b></p> <ul style="list-style-type: none"> <li>• Allocation to Ministry of Education (RM52.6 b)</li> <li>• Allocation to Ministry of Higher Education (RM14.5 b)</li> <li>• Early Schooling Assistance increased to RM150 to benefit 3 million students (RM450 m)</li> <li>• Maintenance and upgrading of schools to more than 10,000 schools under the MOE (RM900 m) <ul style="list-style-type: none"> <li>○ Maintenance of 1,800 Chinese schools and National Type Tamil Schools (RM120 m)</li> </ul> </li> <li>• Maintenance of tahfiz school, rakyat religious schools and Registered Religious Pondok Schools (RM140 m)</li> <li>• Upgrade dilapidated schools involving 330 projects including 43 new projects (RM746 m) <ul style="list-style-type: none"> <li>○ 112 projects in Sabah and 165 projects in Sarawak</li> </ul> </li> <li>• Purchase of teaching aids and improve facilities in special needs schools (RM50 m)</li> <li>• To build 8 new blocks for special needs students (Project cost: RM124 m)</li> <li>• Provide daily food and milk under the Supplementary Food Programme (RMT) (RM400 m)</li> <li>• RM100 one-off Special Incentive for Teaching Aids to all teachers under the Ministry of Education (RM42 m)</li> <li>• PerantiSiswa Keluarga Malaysia initiative (RM450 m) <ul style="list-style-type: none"> <li>○ One tablet for each B40 student at higher learning institutions</li> <li>○ Government to provide RM450 million allocation to finance device cost</li> <li>○ Telecommunication companies to contribute RM65 million</li> </ul> </li> <li>• Extend the special individual income tax relief of up to RM2,500 on the purchase of mobile phones, computers and tablets until 31 December 2022</li> <li>• Upgrade infrastructure and replace obsolete facilities at public universities and community colleges (RM40 m)</li> </ul>

Strategy	Key measures and initiatives																
<b>1. Restoring Lives and Livelihoods (cont.)</b>	<p><b>Quality Education for All (cont.)</b></p> <ul style="list-style-type: none"> <li>• Upgrade Malaysian Research and Education Network (MyREN) line access at institutes of higher education from 500Mbps to 10Gbps (RM67 m)</li> <li>• Discounts on PTPTN loan repayments from 1 November 2021 to 30 April 2022: <ul style="list-style-type: none"> <li>○ 15% discount on the outstanding debt for full settlement</li> <li>○ 12% discount for repayment of at least 50% of the outstanding debt made in a single payment</li> <li>○ 10% discount for repayment through salary deductions or direct debit according to the repayment schedule</li> </ul> </li> <li>• Strengthen education field and Technical and Vocational Education and Training (TVET) (RM6.6 b)</li> <li>• Additional programmes (RM200 m) <ul style="list-style-type: none"> <li>○ PERKASA TVET Program for short term training for 13,000 trainees (RM100 m)</li> <li>○ SLDN programme under JPK for 10,000 trainees (RM60 m)</li> <li>○ TVET programme under JPKK for 25,000 trainees (RM50m)</li> </ul> </li> <li>• Construction of new GiatMara Centres at Setiu and Marang, Terengganu (RM11 m)</li> </ul> <p><b>Generating &amp; Sustaining Jobs</b></p> <ul style="list-style-type: none"> <li>• Jamin Kerja Keluarga Malaysia (JaminKerja) will guarantee 600,000 job opportunities comprising the following initiatives (RM4.8 b) <ul style="list-style-type: none"> <li>○ JaminKerja employment incentives</li> <li>○ Malaysia Short-term Employment Programme (MySTEP)</li> <li>○ Upskilling and reskilling programmes</li> </ul> </li> <li>• JaminKerja employment incentives by SOCSO to benefit 300,000 job seekers (RM2 b)</li> </ul> <table border="1" data-bbox="330 743 1870 1288"> <thead> <tr> <th data-bbox="330 743 716 772">Incentive Category</th> <th data-bbox="726 743 1870 772">Eligibility</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="330 779 1870 808">a) 20% of employee's salary for the first 6 months &amp; 30% of employee's salary for the last 6 months</td> </tr> <tr> <td data-bbox="330 811 716 839">Job seekers</td> <td data-bbox="726 811 1870 839"> <ul style="list-style-type: none"> <li>• Individuals aged 16 – 50 years old that are not actively working</li> </ul> </td> </tr> <tr> <td data-bbox="330 842 716 871">Replacing Foreign Workers</td> <td data-bbox="726 842 1870 899"> <ul style="list-style-type: none"> <li>• Change in role offered to local employees to replace foreign workers and trade officers</li> <li>• Additional 10% of salary will be provided to employees each month for 12 months</li> </ul> </td> </tr> <tr> <td colspan="2" data-bbox="330 906 1870 935">b) 30% of employee's salary for the first 6 months &amp; 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30,000 in GLCs) in the public sector and GLCs (RM1.8 b)</li> <li>Training and upskilling programmes targeting 220,000 participants (RM1.1 b)</li> </ul> <table border="1" data-bbox="330 701 1389 1219"> <thead> <tr> <th data-bbox="330 701 813 736">Reskilling/Upskilling</th> <th data-bbox="813 701 1103 736">Agency</th> <th data-bbox="1103 701 1389 736">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="330 736 813 765">HRDCorp</td> <td data-bbox="813 736 1103 765">HRDC</td> <td data-bbox="1103 736 1389 765">36,000</td> </tr> <tr> <td data-bbox="330 765 813 793">Regional Corridors</td> <td data-bbox="813 765 1103 793">Corridors</td> <td data-bbox="1103 765 1389 793">16,000</td> </tr> <tr> <td data-bbox="330 793 813 822">PRUV-ATM</td> <td data-bbox="813 793 1103 822">Perhebat</td> <td data-bbox="1103 793 1389 822">5,000</td> </tr> <tr> <td data-bbox="330 822 813 851">SLDN Plus</td> <td data-bbox="813 822 1103 851">JPK</td> <td data-bbox="1103 822 1389 851">10,000</td> </tr> <tr> <td data-bbox="330 851 813 879">KPT-CAP</td> <td data-bbox="813 851 1103 879">KPT</td> <td data-bbox="1103 851 1389 879">20,000</td> </tr> <tr> <td data-bbox="330 879 813 908">KPT-PACE</td> <td data-bbox="813 879 1103 908">KPT</td> <td data-bbox="1103 879 1389 908">45,000</td> </tr> <tr> <td data-bbox="330 908 813 936">TVET Training</td> <td data-bbox="813 908 1103 936">JPPKK</td> <td data-bbox="1103 908 1389 936">25,000</td> </tr> <tr> <td data-bbox="330 936 813 965">MITI Reskilling</td> <td data-bbox="813 936 1103 965">MITI</td> <td data-bbox="1103 936 1389 965">24,000</td> </tr> <tr> <td data-bbox="330 965 813 993">MDEC</td> <td data-bbox="813 965 1103 993">MDEC</td> <td data-bbox="1103 965 1389 993">12,000</td> </tr> <tr> <td data-bbox="330 993 813 1022">Upskilling for Deeptech and Future Skills</td> <td data-bbox="813 993 1103 1022">MOSTI</td> <td data-bbox="1103 993 1389 1022">5,000</td> </tr> <tr> <td data-bbox="330 1022 813 1051">Peneraju Skil and Peneraju Teknologi</td> <td data-bbox="813 1022 1103 1051">JPM</td> <td data-bbox="1103 1022 1389 1051">3,000</td> </tr> <tr> <td data-bbox="330 1051 813 1079">Partnerships with State Governments</td> <td data-bbox="813 1051 1103 1079">FMSDC</td> <td data-bbox="1103 1051 1389 1079">5,000</td> </tr> <tr> <td data-bbox="330 1079 813 1108">PERKASA TVET</td> <td data-bbox="813 1079 1103 1108">PTPK</td> <td data-bbox="1103 1079 1389 1108">13,000</td> </tr> <tr> <td data-bbox="330 1108 813 1136">Creative Graduates Incubator Programme</td> <td data-bbox="813 1108 1103 1136">MyCreative Ventures</td> <td data-bbox="1103 1108 1389 1136">1,000</td> </tr> <tr> <td data-bbox="330 1136 813 1165"><b>Total</b></td> <td data-bbox="813 1136 1103 1165"></td> <td data-bbox="1103 1136 1389 1165"><b>220,000</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Increase tax relief for expenses in attending reskilling and upskilling courses from RM1,000 to RM2,000 until 2023</li> <li>Increase tax relief up to RM7,000 for course fees with any approved professional body</li> <li>Double tax deduction to companies that provide scholarships to students in institutions of higher learning</li> </ul>	Incentive Category	Eligibility	c) Allowance of RM900 per month for a period 6 months		Apprentices	<ul style="list-style-type: none"> <li>School leavers and graduates aged 18-30</li> <li>Employment offers for Executive roles</li> <li>Minimum diploma required</li> </ul>	d) Job incentives in the gig sector amounting to RM600 per month for a period of 6 months		Gig Workers	<ul style="list-style-type: none"> <li>Involves job seekers from the following categories:               <ul style="list-style-type: none"> <li>Individuals that have lost their jobs</li> <li>Vulnerable groups including the list of individuals registered under eKasih</li> <li>Employees forced to take unpaid leave</li> <li>Individuals/Graduates unemployed for over 30 days</li> <li>Housewives and low-income group</li> </ul> </li> <li>An additional RM200 per month will be provided if the gig worker earns over RM2,500 per month or works for over 120 hours</li> </ul>	Reskilling/Upskilling	Agency	Target	HRDCorp	HRDC	36,000	Regional Corridors	Corridors	16,000	PRUV-ATM	Perhebat	5,000	SLDN Plus	JPK	10,000	KPT-CAP	KPT	20,000	KPT-PACE	KPT	45,000	TVET Training	JPPKK	25,000	MITI Reskilling	MITI	24,000	MDEC	MDEC	12,000	Upskilling for Deeptech and Future Skills	MOSTI	5,000	Peneraju Skil and Peneraju Teknologi	JPM	3,000	Partnerships with State Governments	FMSDC	5,000	PERKASA TVET	PTPK	13,000	Creative Graduates Incubator Programme	MyCreative Ventures	1,000	<b>Total</b>		<b>220,000</b>
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<b>1. Restoring Lives and Livelihoods (cont.)</b>	<p><b>Social Protection</b></p> <ul style="list-style-type: none"> <li>• Increase Perlindungan Tenang Voucher to RM75 <ul style="list-style-type: none"> <li>○ Voucher can be used to help purchase motorcycle comprehensive insurance for motorcycles 150cc and below beginning 1 January 2022</li> </ul> </li> <li>• Stamp duty exemption for Perlindungan Tenang products as well as insurance or takaful products <ul style="list-style-type: none"> <li>○ Premium or Contribution value &lt;RM150 for individuals</li> <li>○ Premium or Contribution value &lt;RM250 for MSMEs</li> </ul> </li> <li>• Expansion of mySalam to eligible children of mySalam recipients</li> <li>• Expansion of i-Saraan initiative to those aged between 55 to 60 years old (RM30 m)</li> <li>• Kasih Suri Keluarga Malaysia Programme under EPF and SOCSO <ul style="list-style-type: none"> <li>○ Social protection for housewives and widows against the risk of disability, illness or old age (RM80 m)</li> </ul> </li> <li>• Expansion of SOCSO's coverage to 9 new categories, namely artists, hawkers, fisheries, agriculture, tourism sector, OKU, Orang Asli, Orang Asal Sabah Sarawak and Community Rehabilitation supervisors and staff</li> <li>• Continue to provide Job Search Allowance (RM300 m) <ul style="list-style-type: none"> <li>○ SOCSO contributors - 80% of first month's salary, 50% of second to sixth months' salary and 30% of last three months' salary</li> <li>○ Non-SOCSO contributors - RM300 allowance for a period of 3 months</li> </ul> </li> <li>• PERKESO Disability Scheme <ul style="list-style-type: none"> <li>○ Increase the minimum pension rate under the Disability Scheme from RM475 to RM550 (RM267 m)</li> <li>○ Coordination of SOCSO benefits</li> </ul> </li> <li>• Increase the salary ceiling of the insured from RM4,000 to RM5,000 to improve social security coverage for 9 million workers covered by SOCSO</li> <li>• Increase tax relief up to RM4,000 for EPF contributors to cover voluntary contributions</li> <li>• Increase the tax relief limit from RM250 to RM350 and the scope of relief for SOCSO contributions to be expanded to cover employee contributions through the Employment Insurance System</li> </ul>
<b>2. Cultivating Keluarga Malaysia</b>	<p><b>Bumiputera Development &amp; Islamic Pillar</b></p> <ul style="list-style-type: none"> <li>• Bumiputera Empowerment Agenda - Implement various initiatives under the umbrella of Bumiputera development (RM11.4 b) <ul style="list-style-type: none"> <li>○ Education for Bumiputera Children - Education programmes by MARA, UiTM and Yayasan Peneraju (RM6.6 b)</li> <li>○ Capacity building and business financing programs (RM4.8 b)</li> </ul> </li> <li>• Development of Malay Reserve Land - Increase the equity of Bumiputera ownership by Pelaburan Hartanah Berhad (RM50 m)</li> <li>• Extension of tax incentive period for Bumiputera Vendor Program until 31 December 2025</li> <li>• Bumiputera Status - Declaration of Beneficial Ownership and establishment of a Central Coordination agency to increase the transparency of Bumiputera company status</li> <li>• Participation of Bumiputera Youth Contractors <ul style="list-style-type: none"> <li>○ Creation of an accelerator programme by CIDB (RM10 m)</li> <li>○ Provision of small-scale Government procurement projects to youth contractors (RM200 m)</li> </ul> </li> <li>• Empowerment of Technology Depository Agency - Empowerment of Industrial Collaboration Programme (ICP) regulated by Technology Depository Agency</li> </ul>

Strategy	Key measures and initiatives
<b>2. Cultivating Keluarga Malaysia (cont.)</b>	<p><b>Bumiputera Development &amp; Islamic Pillar (cont.)</b></p> <ul style="list-style-type: none"> <li>• Promote Islamic Pillar – Allocation for management and development of Islamic affairs under the Prime Minister's Department (RM1.4 b)</li> <li>• Islamic Education Programme - Construction of Religious Schools in the Federal Territory of Labuan (Project Cost: RM65 m)</li> <li>• Addition of 1,000 Takmir teachers (RM10.8 m)</li> <li>• One-off special grant of RM500 paid to 70,000 Imams, Bilal, Siak, Noja, Marbut, Takmir teachers and KAFA teachers (RM35 m)</li> <li>• Start-up fund to initiate the SME Halal Endowment, Agriculture Endowment and Disaster Endowment initiatives (RM10 m)</li> </ul> <p><b>Community Empowerment</b></p> <ul style="list-style-type: none"> <li>• Chinese Programmes - Allocation for house repairs and new village development and financing funds under the SME Entrepreneur Development Scheme (RM200 m)</li> <li>• Indian Programmes - Socio-economic empowerment of Indian community under MITRA and Indian Community Entrepreneur Development Scheme by TEKUN (RM145 m)</li> <li>• Sabah and Sarawak Bumiputera Programmes - Education programmes for Sabah and Sarawak Bumiputera children pertaining to culture and heritage (RM10 m)</li> <li>• Orang Asli Living Standard Improvement Programme - Community leader allowance, subsidies, schooling assistance and increase in student pocket money to RM4 (RM274 m)</li> <li>• Unity Agenda – Grant allocation of RM6,000 for each Rukun Tetangga Area (RM50 m)</li> <li>• Houses of worship - Repair, maintenance and development programmes for houses of worship (RM50 m)</li> </ul> <p><b>Women Empowerment</b></p> <ul style="list-style-type: none"> <li>• Women on Boards - Appointment of at least one female director for all public listed companies</li> <li>• Women empowerment - Women's youth leadership and entrepreneurship programme by Yayasan Kepimpinan Wanita (RM5 m)</li> <li>• Women entrepreneurship - Funding for women entrepreneurs through BSN, Agrobank, the DANANITA (MARA) and TEKUNITA (TEKUN) programmes (RM230 m)</li> <li>• Women entrepreneurship <ul style="list-style-type: none"> <li>○ MyKasih Capital Programme includes basic business capital assistance, guidance and training to promote online business involving 5,000 participants (RM6.25 m)</li> <li>○ Allocation for nurseries in Government buildings, especially in public hospitals and universities (RM30 m)</li> <li>○ Government to encourage flexible working arrangements and allocation of nurseries. Guidelines to allow nurseries to operate beyond the first floor of office buildings.</li> <li>○ Extension of individual income tax relief up to RM3,000 for payment of nursery and kindergarten fees until the year of assessment 2023</li> </ul> </li> <li>• Women's safety <ul style="list-style-type: none"> <li>○ Empowerment of PDRM D11 Division (RM13 m) and WAJA Squad (RM10 m)</li> <li>○ Addition of Local Social Support Centres to protect victims of domestic violence (RM4.5 m)</li> <li>○ Additional Special Shelter houses for Women (RM10 m)</li> </ul> </li> <li>• Programme to provide basic personal hygiene kits to 130,000 B40 female teenagers (RM10 m)</li> <li>• Women's Health Prevention Programme - Subsidy for mammogram test and cervical cancer screening test (RM11.5 m)</li> </ul>



Strategy	Key measures and initiatives
<b>2. Cultivating Keluarga Malaysia (cont.)</b>	<p><b>Community Focused Empowerment</b></p> <ul style="list-style-type: none"> <li>• Senior Citizen Assistance Programme (RM635 m) <ul style="list-style-type: none"> <li>○ Socio-economic assistance for senior citizens and pocket money of senior citizen institutions (RM607 m)</li> <li>○ NGO operating grants especially for the operation of Elderly Care Institutions (RM19 m)</li> <li>○ Strengthen the Elderly Activity Centre and the Elderly Care Unit (RM9 m)</li> </ul> </li> <li>• Early Childhood Education <ul style="list-style-type: none"> <li>○ Supplementary Food Assistance and Per Capita Grant Assistance as well as the construction of 69 new Early Childhood Education Centres, KEMAS kindergartens and nurseries (RM190 m)</li> </ul> </li> <li>• Children's Safety <ul style="list-style-type: none"> <li>○ 50% subsidy or up to RM150 for purchase of child safety seats by B40 families (RM30 m)</li> </ul> </li> <li>• Children's Health (RM24 m) <ul style="list-style-type: none"> <li>○ Expand Community Feeding Programme to children from urban poor families in the states of Selangor, Johor, Penang, Kuala Lumpur and Putrajaya</li> <li>○ Malnutrition Rehabilitation Programme for Children</li> <li>○ Establishment of Bank Susu Ibu for premature babies in the Neonatal Care Unit in Penang, Johor, Terengganu, Sabah dan Sarawak hospitals</li> </ul> </li> <li>• Welfare for Persons with Disabilities <ul style="list-style-type: none"> <li>○ To make Government buildings OKU friendly (RM30 m)</li> </ul> </li> <li>• Training for Persons with Disabilities <ul style="list-style-type: none"> <li>○ Training and mentoring programmes at Independent Training Centres and the Government Industrial Training and Rehabilitation Centre (RM10 m)</li> <li>○ Establish more Community Rehabilitation Programs (PPDK) in public universities (RM10 m)</li> </ul> </li> <li>• Access to media for Persons with Disabilities <ul style="list-style-type: none"> <li>○ Provision of sign language interpreters in delivery of news at TV stations (RM1 m)</li> </ul> </li> <li>• Full exemption of Motor Vehicle License fees to all private vehicles owned by the disabled</li> <li>• Jobs for Persons with Disabilities <ul style="list-style-type: none"> <li>○ Special quota of 1% under the MyStep programme for the disabled</li> </ul> </li> </ul> <p><b>Youth and Sports Development</b></p> <ul style="list-style-type: none"> <li>• Jobs for youths <ul style="list-style-type: none"> <li>○ Allowance of RM900 to employers who employ apprentices for a period of six months</li> <li>○ Private sector urged to provide an allowance of at least RM900 to students that undergo industrial training</li> </ul> </li> <li>• Youth entrepreneurs <ul style="list-style-type: none"> <li>○ Financing scheme for youth entrepreneurs by BSN and Agrobank (RM150 m)</li> <li>○ Extension of tax incentive for Structured Internship Programme until financial assessment year 2025</li> </ul> </li> <li>• eStart Programme (RM300 m) <ul style="list-style-type: none"> <li>○ RM150 one-off payment into e-wallet accounts of youths aged 18 to 20 as well as full-time students at institutions of higher learning</li> </ul> </li> </ul>

Strategy	Key measures and initiatives
<b>2. Cultivating Keluarga Malaysia (cont.)</b>	<p><b>Youth and Sports Development (cont.)</b></p> <ul style="list-style-type: none"> <li>• Sports for Persons with Disabilities- Athlete training programmes for the disabled and implementation of an OKU Sports League by the National Sports Council (RM10 m)</li> <li>• Sports – Improvement of sports facilities (RM159 m)</li> <li>• Healthy lifestyle - Programmes to foster a healthy lifestyle (RM50 m)</li> <li>• e-Sports <ul style="list-style-type: none"> <li>○ National e-Sports development (RM15 m)</li> <li>○ Income tax exemption for prize monies received overseas</li> <li>○ Construction of drone sports centre-of-excellence (RM5 m)</li> </ul> </li> <li>• Financing facility for sports centres with zero interest rates for first six months and repayment moratorium for six months by BSN (RM50 m)</li> </ul>
<b>3. Building a Conducive Living Environment</b>	<p><b>Alleviating the Cost of Living</b></p> <ul style="list-style-type: none"> <li>• Subsidies, aid and incentives (RM31 b)</li> <li>• Subsidise costs of transporting and distributing basic goods (LPG and Petrol) to rural areas (particularly Sabah and Sarawak) (RM200 m)</li> <li>• Minimum employee EPF contribution rate reduction from 11% to 9% to be extended up to June 2022 (RM2 b)</li> <li>• Extend 100% sales tax exemption on CKD passenger vehicles and 50% on CBU including MPVs and SUVs for 6 months until 30 June 2022</li> </ul> <p><b>Home Ownership</b></p> <ul style="list-style-type: none"> <li>• Home Ownership (RM1.5 b) <ul style="list-style-type: none"> <li>○ Real Property Gains Tax is not levied on disposals made from the sixth year onwards</li> <li>○ Projek Perumahan Rakyat - 11,800 apartment units (RM398 m)</li> <li>○ Program Rumah Mesra Rakyat - 3,000 house units (RM315 m)</li> <li>○ Program Perumahan Penjawat Awam (RM266 m)</li> <li>○ Program Bantuan Rumah – Construction of new houses and repair of 14,000 houses (RM361 m)</li> <li>○ Program Penyelenggaraan Perumahan dan Tabung Penyelenggaraan Perumahan Malaysia (RM125 m)</li> </ul> </li> <li>• Financing (RM2 b) <ul style="list-style-type: none"> <li>○ Skim Jaminan Kredit Perumahan – Housing loans to those without a fixed income (RM2 b)</li> </ul> </li> </ul> <p><b>Access to Public Transportation</b></p> <ul style="list-style-type: none"> <li>• Rural Air Services (RAS) subsidy in Sabah and Sarawak (RM209 m)</li> <li>• Interim Stage Bus Support Fund (ISBSF) Programme (RM80 m)</li> <li>• Stage Bus Service Transformation Programme (SBST) (RM78 m)</li> <li>• Uneconomical Train Subsidy (TTE) Eastern Region Sector (RM33 m)</li> <li>• MyRail5 Initiative - Unlimited monthly travel for 30 days at a price of RM5 to students of Year 1 to Form 6 and the disabled (OKU) (RM3.6 m)</li> <li>• Bus and rail travel without borders My50 - Bus and rail services at a price of RM50 a month (RM115 m)</li> </ul>

Strategy	Key measures and initiatives
<b>3. Building a Conducive Living Environment (cont.)</b>	<p><b>Rural Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Rural and inter-village road projects – 519 kilometers (RM1.5 b)</li> <li>• Rural water supply and alternative water supply – 4,800 houses (RM382 m)</li> <li>• Rural electricity supply – 2,100 homes (RM485 m)</li> <li>• Installing 7,000 units of village street lights, maintaining more than 500,000 units of village street lights, upgrading 20 dilapidated bridges and preliminary works for 30 new bridges (RM107 m)</li> <li>• Rural infrastructure development allocation to Sabah and Sarawak (RM1.5 b)</li> </ul> <p><b>National Defence and Public Safety</b></p> <ul style="list-style-type: none"> <li>• Allocation for Ministry of Defence (RM16 b)</li> <li>• Allocation for Ministry of Home Affairs (RM17 b)</li> <li>• To enhance the readiness of the primary assets of the Malaysian Armed Forces (RM1.6 b)</li> <li>• Replacing PASKAL and PASKAU primary equipment such as skydiving, closed circuit diving equipment and boats (RM14 m)</li> <li>• Maintaining schools in military camps, military facilities and the Armed Forces Family Home, replacement and repair of elevators and PDRM quarters (RM230 m)</li> <li>• Adding 8 General Operations Force monitoring posts in Pagalungan, Sabah and Temong Mura, Sarawak (RM2.2 m)</li> <li>• Adding 4 new immigration gateways in Telok Melano and Baleh, Sarawak</li> <li>• National Disaster Management Agency (NADMA) preparedness (RM100 m)</li> <li>• Malaysian Incentive Community Empowerment - Grants of up to RM10,000 to 2,000 registered establishments with the Registrar of Societies (RM20 m)</li> </ul>

## FOCUS AREA 2: RESILIENT BUSINESSES

Strategy	Key measures and initiatives																				
1. Revive Business Capabilities	<b>Microcredit Scheme</b> <ul style="list-style-type: none"> <li>Out of RM1.8 billion for microcredit financing, the main facilities are as follow: <table border="1"> <thead> <tr> <th>Agencies</th> <th>Programme/Scheme</th> <th>Fund Size (RM million)</th> <th>Terms</th> </tr> </thead> <tbody> <tr> <td>TEKUN</td> <td>Skim Pinjaman Informal dan Mikro (SPIM)</td> <td>200</td> <td> <ul style="list-style-type: none"> <li>Loan rate: 0%</li> <li>Size: Up to RM10,000</li> <li>Tenure: Up to 5 years (including moratorium)</li> <li>Moratorium: 12 months</li> </ul> </td> </tr> <tr> <td>TEKUN</td> <td>Various microcredit schemes</td> <td>225</td> <td> <ul style="list-style-type: none"> <li>Loan rate: 0%</li> <li>Size: Up to RM10,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul> </td> </tr> <tr> <td>BSN</td> <td>Various easy microcredit schemes</td> <td>800</td> <td> <ul style="list-style-type: none"> <li>Loan rate: 0% for the first 6 months, 4% thereafter</li> <li>Size: Up to RM75,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul> </td> </tr> <tr> <td>Agrobank</td> <td>Various microcredit schemes</td> <td>250</td> <td> <ul style="list-style-type: none"> <li>Loan rate: 0% for the first 6 months, 3.0% next</li> <li>Size: Up to RM75,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul> </td> </tr> </tbody> </table> </li> <li>Cooperative Financing <ul style="list-style-type: none"> <li>Cooperative Movement Economic Transformation Programme (TRANSFER) (RM10 m)</li> <li>Cooperative Economic Recovery Intervention Financing Programme (RM30 m)</li> <li>Provision of food truck business sites in major urban areas (RM1.75 m)</li> </ul> </li> </ul>	Agencies	Programme/Scheme	Fund Size (RM million)	Terms	TEKUN	Skim Pinjaman Informal dan Mikro (SPIM)	200	<ul style="list-style-type: none"> <li>Loan rate: 0%</li> <li>Size: Up to RM10,000</li> <li>Tenure: Up to 5 years (including moratorium)</li> <li>Moratorium: 12 months</li> </ul>	TEKUN	Various microcredit schemes	225	<ul style="list-style-type: none"> <li>Loan rate: 0%</li> <li>Size: Up to RM10,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul>	BSN	Various easy microcredit schemes	800	<ul style="list-style-type: none"> <li>Loan rate: 0% for the first 6 months, 4% thereafter</li> <li>Size: Up to RM75,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul>	Agrobank	Various microcredit schemes	250	<ul style="list-style-type: none"> <li>Loan rate: 0% for the first 6 months, 3.0% next</li> <li>Size: Up to RM75,000</li> <li>Tenure: Up to 5 years</li> <li>Moratorium: 6 months</li> </ul>
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1. Revive Business Capabilities (cont.)	<b>Business Financing and Alternative Financing (cont.)</b>			
	Agencies	Programme/Scheme	Fund Size (RM million)	Financing Terms
	BPMP	Working Capital Scheme	500	<ul style="list-style-type: none"> <li>• Loan rate: 4%</li> <li>• Size: RM1 million - RM10 million</li> <li>• Tenure: Up to 3 years</li> </ul>
	SME Bank	IBS Promotion Fund (IBS2.0)	200	<ul style="list-style-type: none"> <li>• Lending rate: risk based</li> <li>• Size: Up to RM10 million</li> <li>• Tenure: Up to 15 years</li> <li>• Moratorium: none</li> </ul>
	SME Bank	Young Entrepreneur Fund – YEF 2.0	100	<ul style="list-style-type: none"> <li>• Loan rate: 5%</li> <li>• Size: Up to RM1 million</li> <li>• Tenure: Up to 10 years</li> </ul>
	SME Bank	SME Recapitalisation Fund	600	<ul style="list-style-type: none"> <li>• Lending rate: dividend <math>\pm</math> 6%</li> <li>• Size: Up to RM5 million</li> <li>• Tenure: Up to 5 years</li> <li>• Moratorium: 6 months</li> </ul>
	BPMP	RESET Fund	500	<ul style="list-style-type: none"> <li>• n/a</li> </ul>
	MyCIF	Equity Crowdfunding Peer-to-peer lending (P2P)	80	<ul style="list-style-type: none"> <li>• n/a</li> </ul>
	<b>Bank Negara Funds for SMEs (according to the allocated amount)</b>			
	Agencies	Programme/Scheme	Financing Terms	
	BNM	Targeted Relief and Recovery Facility	<ul style="list-style-type: none"> <li>• Loan rate: up to 3.5% per annum (including guarantee fee)</li> <li>• Size: Up to RM500,000</li> <li>• Duration: Up to 7 years (including moratorium period)</li> <li>• Moratorium: at least 6 months</li> </ul>	
	BNM	Low Carbon Transition Facility	<ul style="list-style-type: none"> <li>• Loan rate: up to 5% per annum (for portion from BNM)</li> <li>• Size: Up to RM5 million (for portion from BNM)</li> <li>• Duration: Up to 10 years (further details to be finalised by BNM)</li> </ul>	
	BNM	Business Recapitalisation Facility	<ul style="list-style-type: none"> <li>• Lending rate: up to 3.5% per annum (for credit financing) + dividend (determined by equity financier)</li> <li>• Size: Up to RM5 million</li> <li>• Duration: Up to 10 years (Details to be finalized later)</li> </ul>	
BNM	Agrofood Facility	<ul style="list-style-type: none"> <li>• Lending rate: up to 3.75% per annum (including guarantee fee)</li> <li>• Size: Up to RM5 million</li> <li>• Duration: Up to 8 years</li> </ul>		
BNM	Micro Enterprises Facility	<ul style="list-style-type: none"> <li>• Lending rate: as determined by the financial institution</li> <li>• Size: Micro Enterprises (including part-time workers (gig workers) using digital platforms and self-employed workers): Up to RM50,000</li> <li>• Duration: Up to 5 years</li> </ul>		

Strategy	Key measures and initiatives		
<b>1. Revive Business Capabilities (cont.)</b>	<b>Bank Negara Funds for SMEs (according to the allocated amount) (cont.)</b>		
	Agencies	Programme/Scheme	Financing Terms
	BNM	SME Automation and Digitalisation Facility	<ul style="list-style-type: none"> <li>• Loan rate: up to 4% per annum (including guarantee fee)</li> <li>• Size: Up to RM3 million</li> <li>• Duration: Up to 10 years</li> </ul>
	BNM	PENJANA Tourism Financing	<ul style="list-style-type: none"> <li>• Loan rate: up to 3.5% per annum (including guarantee fee)</li> <li>• Size: Up to RM300,000</li> <li>• Duration: Up to 7 years (including moratorium period)</li> <li>• Moratorium: at least 6 months</li> </ul>
	BNM	All Economic Sectors Facility	<ul style="list-style-type: none"> <li>• Loan rate: up to 7% per annum (including guarantee fee)</li> <li>• Size: Up to RM5 million</li> <li>• Duration: Up to 5 years</li> </ul>
BNM	High Tech Facility – National Investment Aspirations	<ul style="list-style-type: none"> <li>• Loan rate: up to 3.5% per annum (excluding guarantee fee); up to 5% per annum (including guarantee fee)</li> <li>• Size: Up to RM1 million for working capital purposes; or up to RM5 million for capital expenditure (CAPEX) or a combination of working capital and CAPEX</li> <li>• Duration: Up to 7 years</li> </ul>	
<ul style="list-style-type: none"> <li>• Funds available as of 30 September 2021: RM11.2 billion out of a total facility of RM31.1 billion</li> </ul>			
<b>Business Financing Guarantee</b>			
<ul style="list-style-type: none"> <li>• Improvement of Business Financing Guarantee Scheme <ul style="list-style-type: none"> <li>○ Increase the business financing guarantee limit by up to RM10 billion</li> <li>○ 80% financing guarantee of up to RM20 million on existing financing facilities that are to be restructured and rescheduled (R&amp;R). The guarantee is over the repayment period of 36 months including the 12 months repayment moratorium</li> <li>○ 80% guarantee on new financing facilities including 12 months repayment moratorium</li> </ul> </li> <li>• Under this scheme, RM2 billion in guarantees are dedicated for Bumiputera borrowers</li> <li>• Stamp duty exemption for the rescheduling and restructuring transactions</li> </ul>			
<b>Ease of Doing Business</b>			
<ul style="list-style-type: none"> <li>• Extension of tax deduction on renovation cost up to RM300,000 for SOP compliance measures such as improving air ventilation</li> <li>• Additional tax deduction up to RM50,000 on expenses spent on workers' hostel rental</li> <li>• Enforcement of COVID-19 SOP compliance through the Ministry of Home Affairs as well as compliance to Act 446 through the Ministry of Human Resources</li> <li>• Increasing opportunities for participation in Government procurement, registration requirements will be simplified</li> <li>• Creating a second Business Travellers Centre in Johor (RM10 m)</li> <li>• Tax Treatment <ul style="list-style-type: none"> <li>○ Deferred income tax instalment payment</li> <li>○ Approval for amendments on tax estimates</li> <li>○ Tax deduction on rental reduction</li> <li>○ Carry forward accumulated losses</li> </ul> </li> </ul>			

Strategy	Key measures and initiatives
<b>2. Driving Strategic Investments</b>	<p><b>Investments in Key Sectors</b></p> <ul style="list-style-type: none"> <li>• Special strategic investment fund to attract strategic foreign investments among multinational corporations (RM2 b)</li> <li>• Trade and Investment Mission to explore high-impact investments and new export markets (RM25 m)</li> <li>• Skills training programme to train 20,000 workers to support industry clusters (RM80 m)</li> <li>• State skills development programme to train 5,000 workers in fields such as oil and gas welding, industrial automation and mechatronics (RM50 m)</li> <li>• Smart Automation matching grant to 200 manufacturing and services companies (RM100 m)</li> <li>• Extension of Reinvestment Allowance</li> <li>• Programmes for Halal product development for MSMEs (RM25 m)</li> </ul> <p><b>Science, Technology and Innovation</b></p> <ul style="list-style-type: none"> <li>• Intensify R&amp;D activities under MOSTI and KPT (RM423 m)</li> <li>• Matching grant via Collaborative Research in Engineering, Science and Technology (RM12 m)</li> <li>• Implementing Innovation Hub: Industrial Revolution 4.0 under Technology Park Malaysia for the benefit of 10,000 potential entrepreneurs (RM30 m)</li> <li>• MyStartup programme to facilitate efforts to restore and build economic resilience of startups (RM20 m)</li> <li>• Technology transformation programme towards Industrial Revolution 4.0 or Industry4WRD for SMEs (RM45 m)</li> <li>• Enhance National Regulatory Sandbox under FUTURISE</li> </ul> <p><b>Perkukuh Pelaburan Rakyat Initiative (PERKUKUH)</b></p> <ul style="list-style-type: none"> <li>• GLC NETWORK: EMPOWERING MSMEs to assist microentrepreneurs through initiatives such as advisory and financial support services (RM5 b)</li> <li>• GLC CSR NETWORK: RAKYAT'S WELLBEING to help the people through initiatives such as medical equipment donations and scholarship programmes (RM500 m)</li> <li>• Speed up payment to vendors no later than 14 days from invoice verification date</li> <li>• 40% of local procurements awarded to Bumiputera entrepreneurs</li> <li>• Offer 30,000 job opportunities from January 2022 under the MySTEP and PROTEGÉ programmes</li> <li>• Enhance voluntary work of GLCs</li> <li>• Projected investments worth at least RM30 billion by GLCs in 2022 in the fields of renewable energy, supply chain modernisation and 5G infrastructure</li> <li>• Impact Fund under Khazanah Nasional Berhad (RM6 b)</li> </ul>
<b>3. Recovery for Targeted Sectors</b>	<p><b>Tourism Industry - RM1.6 b</b></p> <ul style="list-style-type: none"> <li>• Wage Subsidy Programme targeted at tourism industry players (RM600 m) <ul style="list-style-type: none"> <li>○ Assistance to tour operators whom experienced a decrease in income of at least 30%</li> <li>○ RM600 for 3 months limited to 500 employees</li> <li>○ Benefiting more than 26,000 employers and 330,000 employees</li> </ul> </li> </ul>

Strategy	Key measures and initiatives
<b>3. Recovery for Targeted Sectors (cont.)</b>	<p><b>Tourism Industry - RM1.6 b (cont.)</b></p> <ul style="list-style-type: none"> <li>• Tourism sector - specific financing <ul style="list-style-type: none"> <li>○ BNM - PENJANA Tourism Financing (RM500 m)</li> <li>○ BPMB - BPMB Rehabilitation Scheme (RM100 m)</li> </ul> </li> <li>• Special Assistance to tour operators (RM85 m)</li> <li>• Tourism project implementation (RM82 m) <ul style="list-style-type: none"> <li>○ Islamic Civilization Park preservation project in Kuala Terengganu</li> <li>○ Melaka Island Geopark and Zipline Island development, in Pulau Besar, Melaka</li> <li>○ Upgrading of tourist facilities at the Gua Gelap Complex, Keris Caves and Pagar Caves in Dabong, Kelantan</li> </ul> </li> <li>• Maintenance of tourism infrastructure (RM50 m) <ul style="list-style-type: none"> <li>○ Sultan Abdul Samad Building</li> <li>○ Carcosa Seri Negara</li> <li>○ Lembah Bujang in Kedah</li> <li>○ Sungai Lembing Mine in Pahang</li> </ul> </li> <li>• Matching grants for owners of registered village homestays (RM30 m) <ul style="list-style-type: none"> <li>○ Improve conditions of hotel / homestay facilities (738 budget hotels)</li> </ul> </li> <li>• Tourism, arts and culture matching grants to private companies / non-governmental statutory bodies to organise arts &amp; cultural programmes / events / projects (RM50 m)</li> <li>• Promotion fund to encourage domestic tourism (RM60 m)</li> <li>• Allocation to strengthen Malaysia's position as a destination for health tourism (RM20 m)</li> <li>• Special individual tax relief on domestic tourism expenses extend until YA 2022</li> <li>• Duty exemption on entertainment activities until 31 Dec 2022</li> <li>• Extend several tax incentives including income tax exemption for organizers of arts and cultural activities as well as international sports and recreational competitions until YA2025</li> </ul> <p><b>Creative Industry - RM238 m</b></p> <ul style="list-style-type: none"> <li>• Continuing creative industry initiatives (RM188 m) <ul style="list-style-type: none"> <li>○ Digital Content Fund (RM60 m)</li> <li>○ Digital Multimedia Content Project (RM90 m)</li> <li>○ Film Incentive (RM15 m)</li> <li>○ Perkasa Modal Insan Programme (RM3 m)</li> </ul> </li> <li>• Keluarga Malaysia Rihuh Programme (RM20 m)</li> <li>• Investment Loan Matching Scheme for the National Animation Platform initiative (RM30 m)</li> <li>• SOCSO Social Protection Scheme for creative groups (RM5 m)</li> </ul> <p><b>Retail Industry - RM307 m</b></p> <ul style="list-style-type: none"> <li>• Shop Malaysia Online and Go-eCommerce Onboarding (RM250 m)</li> <li>• Business training and guidance programmes and easy financing scheme (RM74 m) <ul style="list-style-type: none"> <li>○ Easy financing scheme of 0% for the first 6 months together with a moratorium under PERNAS</li> </ul> </li> </ul>



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<b>3. Recovery for Targeted Sectors (cont.)</b>	<p><b>Retail Industry - RM307 m (cont.)</b></p> <ul style="list-style-type: none"> <li>• Production and purchase of local products               <ul style="list-style-type: none"> <li>○ Buy Made in Malaysia Campaign, Malaysia Sales Programme and Khazanah Alam Industry Direct Selling Programme (RM33 m)</li> <li>○ The Made in Malaysia logo as the main reference to Government agencies and companies involved in Government procurement</li> <li>○ Support the Health Off-Take Agreement Programme as well as review the potential expansion for the security and defence sectors to promote the development of local industries</li> </ul> </li> </ul> <p><b>Agricultural Industry, Food Security &amp; Commodities</b></p> <ul style="list-style-type: none"> <li>• Providing subsidies and incentives for the agricultural and fishing industries (RM1.7 b)               <table border="1" data-bbox="330 439 1099 696" style="margin-left: 20px;"> <thead> <tr> <th style="background-color: #FFD700;">Agricultural Subsidies/Incentives</th> <th style="background-color: #FFD700;">Provisions (RM million)</th> </tr> </thead> <tbody> <tr> <td>Rice Price Subsidy</td> <td>570</td> </tr> <tr> <td>Rice Fertiliser Subsidy</td> <td>383</td> </tr> <tr> <td>Rice Seed Subsidies</td> <td>75</td> </tr> <tr> <td>Bukit/Huma Rice Fertiliser Subsidy</td> <td>40</td> </tr> <tr> <td>Rice Production Incentives</td> <td>462</td> </tr> <tr> <td>Fishermen Catch Incentives</td> <td>151</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,700</b></td> </tr> </tbody> </table> </li> <li>• Food Supply Security               <ul style="list-style-type: none"> <li>○ Various food security projects (RM66 m)                   <ul style="list-style-type: none"> <li>▪ Development of Aquaculture Industry and Shellfish Estates in Johor;</li> <li>▪ Development of the Park Programme of High Technology Food Production in Pahang.</li> </ul> </li> <li>○ Food Security Strengthening Programme (RM20 m)</li> <li>○ Ruminant Feed Incentive Assistance Programme through subsidised price scheme of palm oil bran (RM25 m)</li> <li>○ SME Techno Entrepreneur Incentive Program (RM10 m)</li> </ul> </li> <li>• Leasing of idle and undeveloped land owned by the Federal Government and Malay Reserve land for agricultural or business projects</li> <li>• Financing Scheme Program SemarakNiaga               <ul style="list-style-type: none"> <li>○ BNM - Agrofood Facility (RM500 m)</li> <li>○ Agrobank – Agromakanan Financing Fund (RM200 m)</li> </ul> </li> <li>• Commodity Development Programme (RM2.5 b)               <ul style="list-style-type: none"> <li>○ FELDA settlers' rehabilitation and development package (RM1.3 b)</li> <li>○ Initiative for the benefit of FELCRA participants (RM495 m)</li> <li>○ Smallholder development for rubber industry under RISDA (RM699 m)</li> </ul> </li> <li>• State Rubber Company Transformation Programme for 600 small rubber planters (RM5 m)</li> <li>• Rubber productivity enhancement programme (RM15 m)</li> </ul>	Agricultural Subsidies/Incentives	Provisions (RM million)	Rice Price Subsidy	570	Rice Fertiliser Subsidy	383	Rice Seed Subsidies	75	Bukit/Huma Rice Fertiliser Subsidy	40	Rice Production Incentives	462	Fishermen Catch Incentives	151	<b>Total</b>	<b>1,700</b>
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<b>3. Recovery for Targeted Sectors (cont.)</b>	<b>Agricultural Industry, Food Security &amp; Commodities (cont.)</b> <ul style="list-style-type: none"> <li>• Matching grant - RRIM Hydrobest Technology to help improve the socio-economic status of smallholders in B40 category (RM5 m)</li> <li>• Monsoon aid to 320,000 smallholders (RM190 m)</li> <li>• Farmers' Smart Card Takaful Protection Scheme to more than 920,000 PPK farmers with a premium of RM5 for a one-year term coverage (RM5 m)</li> <li>• Smallholder Palm Replanting Stimulus Scheme (RM10 m)</li> <li>• Addressing the international anti-palm oil campaign (RM20 m)</li> <li>• Increase the windfall profit levy threshold on palm oil for Peninsular Malaysia from RM2,500 to RM3,000 and for Sabah and Sarawak from RM3,000 to RM3,500</li> <li>• Levy charged on palm oil in Sabah and Sarawak are adjusted from 1.5% to 3.0%, similar with Peninsular Malaysia</li> </ul>

### **FOCUS AREA 3: A PROSPEROUS AND SUSTAINABLE ECONOMY**

Strategy	Key measures and initiatives
<b>1. Sustainability Agenda</b>	<b>Low Carbon Practice</b> <ul style="list-style-type: none"> <li>• Voluntary Carbon Market (VCM) by Bursa Malaysia</li> <li>• Matching grant - Low Carbon Transition Facility (RM1 b)</li> <li>• Import duty, excise duty and sales tax exemption for EVs; road tax exemptions of up to 100% given to the vehicle owners; individual income tax reliefs of up to RM2,500 given for the purchase and installation, rental and hire-purchase of EV charging facilities as well as payment of EV charging facility subscription fees</li> </ul> <b>Environment and Biodiversity (RM450 m)</b> <ul style="list-style-type: none"> <li>• Nature conservation projects (RM115 m)</li> <li>• Programmes to empower the involvement of local communities, veterans and Orang Asli as biodiversity guardians (RM37 m)</li> <li>• Natural Resource Ecotourism Empowerment Programme For Local Community Development (RM15 m)</li> <li>• Assistance for zoo operating costs, efforts to increase the breeding of Malayan Tigers and implementation of the Frozen Zoo program to preserve the survival of endangered species (RM13 m)</li> <li>• 100 Million Tree Planting Programme (RM10 m)</li> <li>• Grants to support the role of the World Wildlife Fund (or WWF) and All-Party Parliamentary Group Malaysia (APPGM) as well as Environmental Partners</li> <li>• Environmental Pollution Programme (RM24 m)</li> <li>• SDG Programme Initialising Fund (RM9 m)</li> <li>• Pilot project for biofuel production and rain harvesting in government buildings (RM7 m)</li> <li>• Ecological Fiscal Transfer for Biodiversity Conservation (EFT) (RM70 m)</li> <li>• Expand the scope of tax incentives on green technology for the purchase of green assets and green services that are eligible for Rainwater Collection and Reuse System Projects.</li> <li>• Non-Revenue Water (RM150 m)</li> </ul>

Strategy	Key measures and initiatives
<b>1. Sustainability Agenda (cont.)</b>	<p><b>Community Empowerment</b></p> <ul style="list-style-type: none"> <li>• Matching grants with the contribution of GLC-owned foundations for NGOs (RM100 m) <ul style="list-style-type: none"> <li>○ Income generation and jobs creation for vulnerable groups in rural area (RM30 m)</li> <li>○ Tackle mental health issues through awareness programmes and capacity development (RM20 m)</li> <li>○ After school education and online teaching (RM20 m)</li> <li>○ Environmental conservation and animal welfare (RM20 m)</li> <li>○ Preservation of arts and heritage (RM5 m)</li> <li>○ Social enterprise (RM5 m)</li> </ul> </li> <li>• Income tax exemption on social enterprise income for 3 years</li> <li>• Grants for NGOs and universities for social enterprise programmes (RM10 m)</li> <li>• Digital learning including online education applications and robotic programmes (RM20 m)</li> <li>• Government Social Impact Procurement Programme to be extended to all ministries</li> <li>• Funds for United Nations Development Programme on tourism activity and financing grants for startups, NGOs and local SOEs (RM14 m)</li> <li>• A maximum of 5 days of unrecorded leave for government servants that participate in NGO activities</li> </ul> <p><b>Sustainability Sukuk</b></p> <ul style="list-style-type: none"> <li>• Issue Sustainability Sukuk channelled to eligible social or environmentally friendly projects (RM10 b)</li> </ul>
<b>2. Bridging the Economic Gap</b>	<p><b>Development Projects for Recovery</b></p> <ul style="list-style-type: none"> <li>• Various infrastructure projects (RM3.53 b) <ul style="list-style-type: none"> <li>○ Continue the construction of the Sabah Pan Borneo Highway from Sindumin to Rampayan Laut</li> <li>○ Continue the construction of the Sarawak Pan Borneo Highway from Semantan to Jalan Pujut Link</li> <li>○ Jenang Transfer project, Kedah</li> <li>○ Continue the Central Spine Road project at the Paloh 2 alignment to Gua Musang and completed the Kg Orang Asli Sungai Chandan alignment to Kg Asap and Raub ByPass</li> <li>○ Build highway packages from Kok Lanas to Bukit Tiu, Kota Bharu Highway to Kuala Krai, Kelantan</li> <li>○ Slope and road improvements from Kg. Tuit to Kg. Mat Daling (Section 2), Jerantut, Pahang</li> <li>○ The construction of the Rantau Panjang Floodwall</li> </ul> </li> <li>• Infrastructure Facilitation Fund 3.0 under the supervision of Public Private Partnership Unit, Prime Minister's Office (RM200 m)</li> <li>• Small and medium projects G1 – G4 (RM2.9 b) <ul style="list-style-type: none"> <li>○ Small maintenance projects for schools, offices, buildings, bridges, streetlights and traffic lights (RM800 m)</li> <li>○ Small projects in local authority areas (RM327.8 m)</li> <li>○ Inter-village roads and federal roads (RM323.9 m)</li> <li>○ Pavement repair works and slope maintenance (RM241.3 m)</li> <li>○ Small school maintenance projects in army camps, ATM health facilities and Rumah Keluarga Angkatan Tentera (RKAT) (RM200 m)</li> <li>○ Repairs for facilities damaged by floods (RM175 m)</li> <li>○ Maintenance of housing lifts, repairs for houses, houses of worships and slaughterhouses (RM166.9 m)</li> </ul> </li> </ul>

Strategy	Key measures and initiatives
<b>2. Bridging the Economic Gap (cont.)</b>	<p><b>Development Projects for Recovery (cont.)</b></p> <ul style="list-style-type: none"> <li>• Small and medium projects G1 – G4 (RM2.9 b) (cont.) <ul style="list-style-type: none"> <li>○ Social Amenities Programme (PAMS) in rural areas including in Orang Asli Villages (RM81.9 m)</li> <li>○ Rural water and electricity supply (RM34.3 m)</li> <li>○ Upgrade sports arenas in various states (RM21.5 m)</li> <li>○ Others (RM481.2 m)</li> </ul> </li> </ul> <p><b>Inter-Regional Development</b></p> <ul style="list-style-type: none"> <li>• Corridor development (6 new projects and 66 extension projects) (RM690 m)</li> <li>• State-specific allocations – RM20 million per state (RM260 m)</li> <li>• DE allocation for Sabah (RM5.2 b) and Sarawak (RM4.6 b)</li> <li>• Mobile Banks - an additional 20 units in 250 rural areas</li> </ul> <p><b>Digital Connectivity Project</b></p> <ul style="list-style-type: none"> <li>• Continuation of JENDELA (RM700 m)</li> <li>• ICT network in MOE educational institutions (RM50 m)</li> <li>• Digital connectivity in 40 existing PPRs (RM30 m)</li> <li>• 5G services in major cities in Selangor, Johor, Penang, Sabah and Sarawak</li> <li>• SME Digitalisation Grant Scheme (RM200 m)</li> <li>• Keluarga Malaysia Digital Economy Centres (PEDi) <ul style="list-style-type: none"> <li>○ Transformation of 600 PEDi into One Stop Centres /OSC for Small Entrepreneur Digitisation Empowerment Programme (PUPUK)</li> </ul> </li> <li>• Pilot Project - Malaysia Digital Nomad (RM5 m)</li> </ul>
<b>3. Fiscal Consolidation and Revenue Sustainability</b>	<p><b>Fiscal Responsibility Act (FRA)</b></p> <ul style="list-style-type: none"> <li>• Table Fiscal Responsibility Act in 2022</li> <li>• Conduct Public Expenditure Review in collaboration with World Bank</li> </ul> <p><b>Revenue Sustainability Measures</b></p> <ul style="list-style-type: none"> <li>• Revenue sustainability measures <ul style="list-style-type: none"> <li>○ Stamp duty treatment on contract notes (increase from 0.1% to 0.15%; abolish the limit of RM200) and service tax exemption on brokerage for listed stock trading</li> <li>○ Income tax on income derived from foreign sources</li> <li>○ Sales tax on small value goods</li> <li>○ Service tax on goods delivery services (exclude food and beverages delivery services and logistic services)</li> <li>○ Special Voluntary Disclosure Programme by Royal Malaysian Customs Department (RMCD)</li> <li>○ LHDN Tax Compliance Certificate as part of pre-requisite for companies to participate in government procurement</li> <li>○ Use of tax identification number (TIN) beginning 2022 to broaden the income tax base</li> </ul> </li> <li>• Tax Expenditure Statement</li> <li>• Imposition of “Cukai Makmur” - Chargeable income above RM100 million subject to income tax rate of 33% for YA2022</li> </ul>

Strategy	Key measures and initiatives
<b>4. Supporting Public Service Delivery</b>	<p><b>Reforming Service Delivery</b></p> <ul style="list-style-type: none"> <li>• MyDIGITAL Initiative <ul style="list-style-type: none"> <li>○ Implement National Digital Identity to enhance connectivity between all kinds of transaction systems</li> <li>○ Digital First Programme to increase the use of cloud computing in the public sector</li> </ul> </li> <li>• JPJ – 100 kiosks at UTC and 20 mobile counters (RM24 m)</li> <li>• Mobile clinic services by Teaching University Hospitals (RM20 m)</li> </ul> <p><b>Government Servant's Welfare</b></p> <ul style="list-style-type: none"> <li>• Profit rate for computer and smartphone financing scheme lowered to 2%</li> <li>• Maintenance of quarters and common use buildings under the supervision of BPH (RM365 m)</li> <li>• Expanding personal accident protection up to RM100,000 for 40,000 new LPPSA borrowers</li> <li>• Inmate monitoring incentive payments increased from RM150 to RM200 per month and extended to cadet officers in prisons</li> <li>• Police Reserve Volunteer assignment allowance increase <ul style="list-style-type: none"> <li>○ Officer - RM7.80 to RM9.80</li> <li>○ Member - RM6.00 to RM8.00</li> </ul> </li> <li>• RM200 incentive payment to Community Development Assistant Grade S19 and Welfare Care Assistant Grade U11 and U14</li> <li>• Leave replacement increased from a maximum of 150 days to 160 days</li> <li>• Early redemption of GCR up to 50% or 80 days</li> <li>• One time financial assistance: RM700 for 1.3 million officers of Grade 56 and below and RM350 for 1 million retirees and non-pensionable veterans</li> <li>• Yang Amat Berhormat Prime Minister will chair a Budget 2022 oversight committee to ensure effective and efficient implementation of budget measures</li> </ul>

## Measures described in Appendix but not announced in Budget Speech and Touchpoints

### Appendix 8: Extension of individual income tax relief for deferred annuity

- Income tax relief for deferred annuity premium payment be extended for 4 years until YA2025

### Appendix 14: Stamp duty exemption on loan/financing agreements for peer-to-peer financing (P2P)

- 100% stamp duty exemption be given on P2P loan/financing agreement between MSMEs and investors for 5 years (2022-2026); applicable for P2P financing made through P2P financing platform registered and recognised by the SC

### Appendix 18: Extension of stamp duty exemption for instruments related to merger and acquisition

- Existing incentive be extended for 1 year; for application of merger or acquisition received by the Ministry of Entrepreneur Development and Cooperatives from 1 July 2021 to 30 June 2022 and instruments executed until 31 December 2022

### Appendix 21: Tax incentive for Late-Life Assets (LLA) projects for upstream petroleum industry

- Tax incentives given to For Late-Life Assets (LLA) Production Sharing Contracts awarded between 1 January 2020 and 31 December 2029 as follows:
  - Petroleum income tax rate at 25%
  - Accelerated Capital Allowance within 2 years
  - Losses from decommissioning activities are allowed to be carried back and set-off against the income for 2 consecutive immediate preceding years of assessment. Any unabsorbed carry back losses will be disregarded
  - Export duty exemption on petroleum products

### Appendix 22: Tax incentive for Digital Ecosystem Acceleration Scheme

- Digital Technology Provider
  - New company (Income tax rate of 0% to 10% for up to 10 years)
  - Existing company that diversifies in new service activities or new service segments (Income tax rate of 10% for up to 10 years)
- Digital Infrastructure Provider
  - Investment Tax Allowance (ITA) of 100% on capital expenditure for qualifying activities for up to 10 years. This allowance can be set-off against up to 100% of statutory income
- For application received by Malaysian Investment Development Authority (MIDA) from 30 October 2021 to 31 December 2025

### Appendix 27: Extension of special income tax rate for non-resident individuals holding key positions in companies investing in new strategic investments

- Incentive extend for 1 year until 31 December 2022

### Appendix 29: Extension of tax incentive for the purchase of tourism vehicles

- Existing tax incentive extend for 3 years until YA 2024

### Appendix 30: Extension of tourism tax exemption

- Tourism tax exemption extend for 1 year until 31 December 2022

### Appendix 32: Extension of tax rebate for establishment of new entities for micro, small and medium enterprises

- Tax rebate extend for new micro, small and medium enterprises established and operate not later than 31 December 2022



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**谢谢**  
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