

**LIVE: Budget 2013 speech - salient points**  
**MalaysiaKini.com**  
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Prime Minister Najib Abdul Razak is reading his fourth budget speech which is aimed at shoring up support before the 13th general election and rein in the deficit.

"Since the last 55 years, Malaysians have placed their trust in the same government at every stage of the nation's development. We thank you for your trust. We have never betrayed the people. Instead, we have repaid the trust given to us manifold," said Najib.

"This government has never promised the moon, the stars or the galaxy. We have never painted a pretty picture based on wishful thinking. As a responsible government, we continue to speak the truth even though it may be unpleasant.

"We have never misled to the rakyat with tall tales. On the other hand, we have always offered solutions and provided good leadership to every problem faced by the rakyat.

"Managing a complex multiracial country like Malaysia is not easy. It requires sincerity and intelligence because Malaysians are a discerning lot. In fact, the rakyat has given the mandate to the same Government 12 times since 1959, indicating that this Government has done the right thing.

"The trust that exists between the rakyat and the government cannot be broken no matter how strong the lies. In this regard, the Budget that I am tabling is in appreciation of all Malaysians who have placed their trust in us all this while."

**AT A GLANCE**

Total budget: RM251.6 billion

Operation expenditure: RM201.9 bil

Development expenditure: RM49.7 bil

GDP growth 2012: 4.5% - 5.0%

GDP growth 2013: 4.5% - 5.5%

Revenue 2012: RM206.2 bil

Revenue 2013: RM208.6 bil

Deficit 2012: 4.5%

Deficit 2013: 4.0%

Budget 2013 in graphics - [click here](#)

## SALIENT POINTS

### Macro

Total expenditure - RM249.7 bil, down 1.1 percent, but 7.2 percent higher than 2012 initial budget

Deficit - Expected to go down by 0.5% to 4% in 2013. Target is to reach 3 percent by 2015

Federal government debt 2012 - RM502.4 bil (highest in history) or 53.7 percent (highest since early 1990s)

Government revenue RM208.6 bil, up RM1.4 bil

Government estimated to have overspent RM19.6 bil in 2012

### Small and medium industries

RM1 bil SME development scheme

Group insurance for petty traders with maximum RM5,000 coverage

New loan facilities for petty traders

### Tourism

Target for Visit Malaysia Year 2013/2014: 26.8 mil tourist

Three-year tax holiday for tourism companies handling 750 foreign tourists and 1,500 local tourists.

### Agriculture

RM705 mil for replanting, technology development, smallholder assistance and product development, particularly for oil palm.

RM200 monthly allowance, 10 to 20 sen/kilo income support and up to RM100,000 coverage for fishermen

RM2.4 bil in subsidies and incentives for rice plantations.

### Commerce

10-year tax holiday for Tun Razak Exchange companies, expected to attract 250 companies related to finance sector

Skim Jaminan Modal Kerja expanded for companies with shareholdings worth RM20 mil, and offered up to Dec 31, 2013

RM350 mil for entrepreneurs under TEKUN programme, including RM50 mil for the Indian community

SME Bank bumiputera fund - RM1 bil

Bumiputera equity holding up: 23%

#### Education and labour

RM1 bil to improve school infrastructure

RM1.2 bil for pre-schools under government programmes including Permata

RM10,000 launching grants for private pre-school operators

Five-year tax holiday and building allowance for pre-school operators

Six pilot pre-schools for the disabled

RM3.7 bil for vocational training

Additional allocation of RM500 million for training of teachers in core subjects: Bahasa Malaysia, English, Science and Maths

Free health checks, twice a year, for Perkeso members

#### Research and development

RM600 million R&D grants for five universities. Focus: Nanotechnology, automotive, biotechnology and aerospace technology

Tax holiday for research and development investment (10-year tax holiday for statutory earnings)

RM2 billion for green technology scheme

#### Pensioners and senior citizens

Minimum pension for those who served at least 25 years up from RM720 to RM820.

50 percent off passport fees for senior citizens starting Jan 2013

## Armed forces

RM200 a month incentives for armed forces personnel

Allowance hike from RM4.00 to RM7.80 an hour for reserve corps and territorial army

One-off payment of RM1,000 for army veterans who served for at least 21 years, where 224,000 will qualify.

Insurance coverage of up to RM15,000 for police and army.

## Crime

RM591 million for crime prevention

1,000 motorcycles for the police neighbourhood patrol unit.

Additional 10,000 volunteer police

496 CCTV in 25 local councils

RM10,000 grants for neighbourhood associations for patrols

New uniforms for 300,000 Rela members

Incentives for companies that install security systems

Additional 150 staff for Malaysian Anti-Corruption Commission (MACC)

RM20 million for legal aid

## Rural development

RM88 million for Orang Asli development

40,000 water tanks for those in the interiors of Sabah and Sarawak

19,000 homes to get electricity and 24,000 homes to get tap water

441 kilometers of new rural roads

## Health

RM100 million to improve 350 government clinics

70 more Klinik 1Malaysia to be established, increasing total number to 240.

## Youth and sports

Velodrom in Seremban, Negri Sembilan and a Badminton Academy in Bukit Kiara, Kuala Lumpur

Subsidy of two percent of interest rates business loans for young entrepreneurs for loans up to RM100,000

RM200 rebate for smart phone purchase for those aged 21 to 30 years.

## Public transport

Half price Komuter fares for those earning less than RM3,000 a month.

Formation of RapidKuantan.

## Housing

Affordable housing - 123,000 units to be built, in areas such as Sungai Buloh and seremban

First home scheme - income cap raised from RM3,000 to RM5,000. Joint income limit is RM10,000. Applies only for houses below RM400,000

Up to 50 percent stamp duty exemption for first home owners until Dec 14, 2014

Real property gains tax (RPGT) for properties sold within two years of purchase raised to 15%; 2-5 years 10%. No RPGT for properties sold five years after purchase

Tax breaks and incentives for contractors and banks who offer loans to contractors to revive abandoned housing projects. Original buyers of abandoned projects will be exempted from stamp duty for loan refinancing or ownership transfer agreements

## Bantuan Rakyat 1Malaysia (BR1M 2.0)

RM500 cash for households with combined income of RM3,000 or less

RM250 cash for unmarried individuals who are 21 and above and earning RM2,000 and below

Disbursement - Early 2013

## Subsidy cuts

Sugar prices to increase as a result of subsidy cuts by RM0.20. New prices are RM2.50

per kilo for Peninsular Malaysia and RM2.60 per kilo for Sabah and Sarawak.

#### Tax cuts

1% tax reduction for those with a taxable income of RM2,500 to RM50,000

Tax cuts for corporations

#### Students

RM10,000 rebates and 2% interest subsidy on loans to purchase new school buses, to replace buses which are 25 years or more. (Capacity 12 to 18 seats)

RM2.6 bil in welfare aid for schoolchildren

One-off payment of RM100 for each primary and secondary school student

20% discount for National Higher Education Fund (PTPTN) loans for those who pay off the entire amount outstanding (valid until Sept 30, 2013)

10% discount for PTPTN loan repayment for those who pay consistently

100 neighbourhood internet centres

#### Civil service bonus

One and a half month bonus, disbursed in three months.

#### Women, family and community

500 women trained as board members under Women Directors' Programme.

The Single Mothers Skills Incubator Programme (I-Kit) will be improved to provide advisory services and training for single mothers in entrepreneurship.

RM50 million for Get Malaysian Business Online Programme (GMBO) to assist small entrepreneurs, particularly women, to increase online sales with RM1,000 grant.

RM25,000 for free mammogram examination for women, aged 40 and above.

RM1.2 billion to 1Malaysia Welfare Programme (Kar1sma) under the Ministry of Women, Family and Community Development. To assist senior citizens, children and disabled workers as well as chronic illnesses.

RM400 million for 1Azam or Akhiri Zaman Miskin programme for the low-income group to generate income. Programmes under this initiative are Azam Kerja, Azam Tani, Azam Niaga

and Azam Khidmat.

Six more Anjung Singgah centres for senior citizens, street children and those who need temporary shelter. Five Anjung Kasih in Sibul, Miri, Temerloh, Seremban and Ipoh hospitals for poor patients or family members.

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