

People's welfare and growth focus of Budget 2016 revision

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Prime Minister Najib Abdul Razak today announced 11 measures to face the current economic challenges under a revised Budget 2016 to ensure that the people's welfare and the country's economic growth remain on a sound footing.

Najib, who is also finance minister, presented several initiatives to deliver more money into the pockets of the people, address issues associated with the cost of living, continue with assistance for the needy and stimulate domestic economic activity for the benefit of the people.

Addressing an audience of about 1,000 people, he stressed that Malaysia was neither in an economic recession nor a technical recession.

"What is most important is that this restructuring will be firmly centred on two pillars, namely ensuring continued economic growth on the right track and caring for the people's welfare and well-being," he said.

To deliver more money into the people's pockets (more disposable income), Najib announced a reduction of three percent in the employees' contribution to the Employees Provident Fund from March this year to December 2017. However, the contribution by employers will remain.

He also said that the government would provide a special tax relief of RM2,000 to individual taxpayers with a monthly income of RM8,000 or below for the year of assessment 2015.

To reduce the cost of daily basic necessities for the people, he said, the government would liberalise the control on import duties or Approved Permits (APs) on eight agricultural produce for a temporary period to ensure consistent supply.

The produce includes raw coffee beans, buffalo meat, beef and mutton, he said.

Najib said the Federal Agricultural Marketing Authority (Fama) would establish markets or MyFarm Outlets that sell agricultural produce directly such as fish, poultry, meat, vegetables and fruits at prices between five and 20 percent below market prices.

Input incentive for padi production

He said that to safeguard the padi farmers as well as to increase padi production, the government would provide an additional cash of RM50 for every tonne of cleaned padi as an input incentive for padi production.

Najib, in presenting the measures, also announced the introduction of the MyBeras programme whereby every registered hardcore poor household would be supplied with 20kg of rice every month until December 2016 to reduce the burden of poor households.

“The government is very concerned for the rakyat (people) who are affected by the increase in the cost of living, particularly the hardcore poor,” he said.

Najib also touched on housing and said that with immediate effect, for all new housing projects, the government mandated that all houses priced up to RM300,000 be limited to first-time house buyers only.

For houses priced at RM35,000 under the People’s Housing Programme (PPR), he said the government through Bank Simpanan Nasional and Bank Rakyat would offer a financing package at four percent involving a fund totalling RM400 million, beginning March 1.

Najib also gave the assurance that the government was committed in the education and future of children and said it would continue four programmes under the sponsorship of the Public Services Department for 2016.

These were the National Scholarship Programme for 20 top SPM students to pursue studies at renowned universities globally; the Special Engineering Programme for 200 students to pursue studies in Japan, South Korea, Germany and France; the Bursary Graduate Programme for 744 students to pursue undergraduate studies in public universities and private institutions of higher learning in the country and awarding of scholarships to the new intake of 8,000 students to pursue undergraduate studies in the country.

“The allocation for the National Higher Education Fund (PTPTN) financing totalling RM5 billion will continue to be channelled to undergraduates,” he said.

In his announcement, Najib also referred to measures for tax evaders, illegal immigrants, funding for small and medium enterprises and the implementation of the e-visa.

Najib emphasised that the government would continue to spend prudently by prioritising projects and programmes with high impact centred on the philosophy of the ‘people economy’.

- Bernama