

FOCUS ON PEOPLE'S WELLBEING, GROWTH

RM388 billion spending bill has generous handouts and allocates more for development

KUALA LUMPUR

IT'S a new, scaled-up budget which, at more than RM388 billion in total expenditure, is Malaysia's largest in his-

tory, with the wellbeing of the people and businesses top on the government's mind.

Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim tabled an expansive and, according to some industry leaders, "inspiring" 2023 Budget.

It boasts higher allocations for development and generous handouts, particularly for the low- and middle-income groups, civil servants and those who are insolvent.

The annual bill tabled yesterday was a revision of the RM372.3

billion budget presented by Anwar's predecessor, Datuk Seri Ismail Sabri Yaakob, in October but Parliament was dissolved before it could be passed.

Of the RM388.1 billion in the new budget, RM289.1 billion is for operating expenditure (OE), RM99 billion for development expenditure (DE) and RM2 billion for contingencies. The amount of DE is the country's biggest so far. It comes on the back of expectations that government revenue will drop slightly to RM291.5 billion, or 154 per cent of gross domestic product (GDP).

The med *"Membangun Malaysia Madani"* (Developing Malaysia Madani), Anwar's budget balances between the need to support the domestic economy and determination to continue with fiscal consolidation.

It is focused on addressing the high cost of living, strengthening the social safety net and enhancing the micro, small and medium enterprises (MSMEs) ecosystem.

The government is trying to achieve this by, among others, enhancing tax collection effectiveness and plugging govern-

ment spending leakages, as well as broadening the revenue base.

This is through the reintroduction of taxes on luxury goods and capital gains tax on shares in unlisted companies.

E-cigarette players can heave a sigh of relief as Anwar announced that the business and its products would be regulated through taxation, instead of being banned.

The government's allocation of RM8 billion for Sumbangan Tunai Rahmah will help alleviate the difficulties of 8.7 million people in the B40 category burdened by rising living costs.

Personal income tax cuts amounting to RM900 million will benefit at least 2.4 million people in the M40 category.

Residents earning between RM35,000 and RM100,000 annually will have their income tax rate lowered by two percentage points.

The government realised it had not provided much for the M40 group as the focus had been on assisting the B40 and hardcore