

# Budget 2023 highlights

## > Financial blueprint aims to spur economic growth and investments while protecting the people

**KUALA LUMPUR:** Following are the highlights of Budget 2023 tabled in Dewan Rakyat on Feb 24 by Prime Minister Datuk Seri Anwar Ibrahim.

Themed "Developing Malaysia Madani", Budget 2023 involves an allocation of RM388.1 billion with RM289.1 billion for operating expenditure and RM99 billion for development expenditure, including RM2 billion as contingency savings.

Budget 2023 focuses on 12 main initiatives based on three objectives, which are driving an inclusive and sustainable economy, institutional reform and governance to restore confidence and social justice to reduce the imbalance.

This is the first budget tabled under the unity government led by Anwar, who is also the finance minister.

An earlier Budget 2023 was tabled by the previous government in October last year but could not be passed before Parliament was dissolved, Bernama reported.

The highlights of the Budget 2023 include:

- > A government proposal to introduce a luxury goods tax this year.
- > Government plans to impose an excise duty on liquid or gel-based nicotine products for use in e-cigarettes and vape devices.
- > RM50 million to build and upgrade 3,000 stalls and kiosks for small traders.
- > An immediate re-tender for six flood mitigation projects, including in Johor, Selangor and Kelantan.
- > Disaster management preparedness allocations of: RM150 million for National Disaster Management Agency, RM50 million for the Armed Forces, Fire and Rescue Department and People's Volunteer Corps, RM20 million under Geran Pertubuhan Prihatin Komuniti to benefit 2,000 residents' associations.
- > An increase in the Ecological Fiscal Transfer for Biodiversity Conservation allocation to state governments of RM150 million a year.
- > A government allocation of RM38 million for the protection of wildlife such as tigers and elephants and their habitats.
- > Government plans to make some amendments to the Whistleblowers Protection Act this year to combat corruption.
- > RM1.2 billion to repair 400 dilapidated clinics and 380 dilapidated schools.
- > RM2.7 billion to maintain and upgrade federal roads.
- > RM1.5 billion to upgrade and construct new rural roads.
- > RM10 million in operating grants to strengthen the roles of the National Scam Response Centre.
- > Amendments by the government to Insolvency Act 1967 so that bankruptcy cases can be automatically discharged on short notice.
- > Bankruptcy cases with debts of less than RM50,000 that meet the

conditions will be discharged immediately from March 1.

> Establishing a special team under D11 to combat child pornography.

> Women, Family and Community Development Ministry to set up Child Development Department to provide comprehensive support services for children.

> Formulating a Consumer Credit Act and establishing a Consumer Credit Oversight Board to regulate credit businesses.

> RM50 million for the National Dual Training Scheme, to benefit 8,000 trainees.

> Social Security Organisation (Socso) hiring incentive of RM600 per month for three months to employers who hire 17,000 graduates (especially Technical and Vocational Education and Training graduates).

> Socso hiring incentives up to RM600 per month for three months to employers who hire persons with disabilities, ex-convicts, homeless individuals and unemployed.

> RM50 million in matching grants to encourage the automation of the plantation sector through the use of robotics and artificial intelligence.

> Childcare fee subsidy of RM180 a month to government servants, household income limit to be increased from RM5,000 to RM7,000.

> To continue construction of 80 Kemas taska and tabika, including 13 new projects.

> RM250 million for tourism promotional activities.

> Allocations to address congestion at tourist spots: RM480 million to build a new road from Habu to Tanah Rata in Cameron Highlands, Pahang, and RM525 million to widen the North-South Expressway from North Yong Peng to North Senai from four to six lanes in stages.

> RM725 million to improve digital connectivity in 47 industrial areas and nearly 3,700 schools.

> Ensuring there are Digital Economy Centres in each state constituency before the end of

this year.

> RM30 million to improve liveability of public housing in Kuala Lumpur.

> RM50 million to Malacca and Penang to maintain Unesco World Heritage sites.

> RM750 million to Economy Ministry to implement "Inisiatif Pendapatan Rakyat" (People's Income Initiative).

> A government allocation of up to RM64 billion in subsidies, aid and incentives to minimise the cost of living.

> RM100 million to implement the "Jualan Rahmah" programme in every parliamentary constituency.

> Households with an income of less than RM2,500 are eligible for "Sumbangan Tunai Rahmah" of up to RM2,500, depending on the number of children.

> RM200 in "e-Tunai Belia Rahmah" credit, involving an allocation of RM400 million.

> RM1.6 billion to provide subsidies and incentives for padi farmers.

> Cash aid of RM200 a month for three months or one season, to benefit 240,000 padi farmers.

> Monsoon aid for smallholders to

be increased from RM600 to RM800 for four months, to benefit 320,000 individuals.

> A two percentage' points lower income tax rate for M40 individuals earning between RM35,000 and RM100,000 annually.

> An increase of between 0.5 and two percentage points to the income tax rate for individuals earning between RM100,000 and more than RM1 million annually.

> RM30 million to implement agro-food projects with several state governments.

> RM50 million to maintain and repair non-Muslim houses of worship nationwide.

> An allocation to Sabah and Sarawak of RM6.5 billion and RM5.6 billion respectively, for development.

> An allocation of more than RM2.5 billion for public infrastructure projects in Sabah and Sarawak.

> RM30 million to add more mobile clinics, banks and courts in Sabah and Sarawak to facilitate access by rural folk.

> An allocation of RM18.5 billion to the Home Ministry and RM17.7 billion to the Defence Ministry.

> Adding 42 border control posts for the General Operations Force, Immigration Department, Eastern Sabah Security Command and the Malaysian Maritime Enforcement Agency.

> Building over 7,000 units of affordable housing for Armed Forces personnel in Kuala Lumpur under the "Satu Anggota Satu Rumah" programme.

> RM1.5 billion for Islamic affairs.

> A monthly allowance for 35,000 *al-Quran* and *Fardu Ain* class teachers to be increased to RM1,100, which involves an additional allocation of over RM40 million.

> A special contribution of RM600 to an *imam*, *bilal*, *siak*, *noja*, *marbut*, *al-Quran* and *Fardu Ain* class teachers and *takmir* teachers.

> RM20 million for sports, cultural and arts programmes in schools and communities.

> RM50 million in matching grants to encourage the private sector to sponsor sports programmes, especially those promoting unity.

> RM324 million to improve training programmes and sports facilities, including those for para-athletes.

> RM102 million for Digital Content Fund to boost marketing of local art products.

> RM25 million to enliven cultural and arts activities at the community level.

> A government donation of RM10

million to Yayasan Restu for the immediate distribution of 20,000 copies of the Quran with Swedish and other language translations.

> Continuing with the My50 monthly pass initiative for rail and bus services, to benefit 180,000 users.

> RM209 million in subsidies for air transport services to benefit rural residents in Sabah and Sarawak.

> Allocations of RM55.2 billion for Education Ministry, RM15.3 billion for Higher Education Ministry, RM36.3 billion for Health Ministry.

> RM900 million to maintain facilities in all schools.

> RM428 million for research and development activities under the Higher Education Ministry and the Science, Technology and Innovation Ministry.

> A government agreement to provide a 20% discount on National Higher Education Fund Corporation loan repayments for three months, starting March 1.

> A government agreement to defer repayments for borrowers with a monthly income of RM1,800 and below, for six months.

> RM120 million to introduce the Madani Medical Scheme, specifically for the poor to get treatment at private clinics with general practitioners.

> An increase on the tax relief limit for medical treatment expenses from RM8,000 to RM10,000 from the 2023 assessment year.

> RM50 million for Local Government Development Ministry to upkeep People's Housing projects.

> Government plans to expand the scope of tax relief for life insurance premiums or life takaful contributions to include voluntary contributions to the Employees Provident Fund (EPF) of up to RM3,000.

> Raising Amanah Saham Bumiputera and Amanah Saham Bumiputera 2 investment limits from RM200,000 to RM300,000.

> A government agreement to increase Amanah Saham Malaysia's fund size to RM5 billion.

> A government agreement to contribute RM500 to EPF members aged between 40 and 54, who have less than RM10,000 in Account 1.

> A special allowance of RM100 a day to all Malaysian rescue personnel involved in search and rescue missions in Turkiye and Syria.

> A special Aidilfitri assistance of RM700 for civil servants of Grade 56 and below, including those working on a contract basis and RM350 for government pensioners.



Anwar tabling Budget 2023 in Parliament on Friday. - BERNAMAPIC