

Boost for 12MP with extra funds

PM: Putrajaya committed to spending RM90bil every year to realise targets

KUALA LUMPUR: An additional RM15bil will be allocated to implement initiatives under the 12th Malaysia Plan (12MP), bringing the total allocation for the five-year development plan to RM415bil.

Under the 12MP tabled and passed by the Dewan Rakyat in 2021, RM400bil was allocated to fund new development initiatives and continue existing ones.

Prime Minister Datuk Seri Anwar Ibrahim said the plan will be recalibrated in line with the Madani Economy vision, which aims to strengthen and invigorate the country's economy for the next decade and will include 17 main shifts and 71 initiatives.

He said two years on from the tabling of the 12MP, only 34% of the allocation has been spent - RM64.3bil in 2021 and RM71.6bil in 2022.

Between this year and 2025, Anwar - who is also the Finance Minister - said Putrajaya is committed to spending at least RM90bil per annum to realise the targets.

"The increase in allocation is to fund the people's main needs while improving the quality of management and making subsidies more targeted to support the rakyat's needs.

"The new shift begins with

eradicating hardcore poverty, resolving basic infrastructure problems and the people's basic needs, such as repairing dilapidated schools and clinics, (providing a) clean water supply, and spearheading the Islamic economy," he said when tabling the 12MP Mid-Term Review in the Dewan Rakyat here yesterday.

On the progress of the 12MP Anwar said 31% of the 175 targets have been achieved while 59% are on schedule.

He added that the labour market recorded higher productivity of 3.7% per annum in 2021-2022 while the unemployment rate fell to 3.5% in the second quarter of 2023.

The country recorded a higher gross national income (GNI) per capita in 2022 at RM52,968 (US\$12,035) compared with RM42,838 (US\$10,191) in 2020.

"However, the benefits of the economic development achieved must be felt by the people as per global indicators," he said.

He added that Malaysia is aiming to penetrate into the Top 25 ranks of the Human Development Index within the next decade, after being ranked 62nd out of 191 countries in 2021.

Anwar also said fiscal reforms are needed to ensure that the country's finances are managed

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Datuk Seri Anwar Ibrahim

in a sustainable and effective manner.

The expansion of the tax base and management of the tax system with technology, diversification of government revenue streams, targeted subsidies and prudent fiscal management to better manage the country's finances are also part of the agenda, he added.

This includes the capital gains tax that will be implemented next year.

"It must be emphasised that this government serves the people and will never burden the people with taxes that are beyond their means," he said, adding that the government will continue to

take care of those in need and aid will continue.

"Our principle is to ensure fair economic equality for the well-being of the people.

"The government is also cognisant of the worries of some people who are affected by the burden of the rising cost of living.

"The government aims to improve the mechanism of targeted subsidies as part of the Madani Economy (framework)," he said, adding that the government will fend for those under its administration, especially the low-income group.

Cash aid and the Rahmah programme will be continued and improved to ensure better social safety nets for target groups.

Energy and fuel subsidies and other social aid will be restructured to ensure prudent fiscal management, while the Pangkalan Data Utama (Padu) system, a database on household income, will be used in the disbursement of targeted subsidies, said Anwar.

"Savings from targeted subsidies will be redistributed through development projects and programmes," he said.

The government is also aiming to manage its debt and liability by narrowing its fiscal deficit to 3.5% of gross domestic product (GDP)

in 2025, he added.

On that note, the Public Finance and Fiscal Responsibility Act will be tabled in the Dewan Rakyat in the next sitting which will commence in October, he said, adding that open tenders will also be prioritised to ensure better procurement practices.

Putrajaya is also targeting annual gross domestic product (GDP) growth of at least 5% during the 12MP period.

This will be done by strengthening productivity through the migration to high-value industries, advanced technologies and highly skilled talent, said Anwar.

The government also intends to make Malaysia an attractive investment hub by strengthening the country's competitive advantage through improvements to business regulations, including the MyMudah unit.

The government will be focusing on five high-growth high value (HGHV) sectors: renewable energy; technology and digital; electrical and electronics; agriculture and agro-based; and rare earth industries.