

# 'Federal govt increases allocations to states'

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**KUALA LUMPUR:** The National Finance Council has given the nod to the federal government to increase allocations for state governments this year.

Prime Minister Datuk Seri Anwar Ibrahim said, in a statement, that the council had agreed on RM8.9 billion worth of allocations for state governments this year, compared with RM8.3 billion last year and RM8.1 billion in 2022.

Anwar, who chaired the council meeting yesterday, said the agreement was in line with the federal government's commitment to collaborate with state counterparts in developing the nation.

The allocations, outlined in the 2024 Budget, included an increase in road maintenance grants to RM5.4 billion compared with RM5.2 billion last year, and Economic Development Infrastructure and Welfare Development-Based funds amounting to RM400 million.

The Ecological Fiscal Transfer grants were increased to RM200 million compared with RM150 million last year.

Additionally, annual grants to Sarawak and Sabah, amounting to RM300 million each, were approved, an increase from RM16 million for Sarawak and RM129.7 million for Sabah last year.

There would also be an increase of 10 per cent in grants for state libraries and museums this year, he said.

For development expenditure, RM39.4 billion was allocated this year to execute state development projects, reflecting an increase from RM36.7 billion last year and RM28.8 billion in 2022.

Anwar said approval of state

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government applications had been granted regarding preparedness to face emergencies or natural disasters, such as floods and landslides, which might cause damage to roads and bridges.

"For this, the National Financial Council approved a one-off provision for the purchase of Bailey Bridges using the state road maintenance grants for 2024.

"There's also an increase in the cap to finance expenses related to state road maintenance management by 10 per cent, of RM10 million, whichever is lower," he said.

He said the increase in grants would involve all states and would be provided simultaneously.

He added that following this meeting, the government was determined to ensure that the relationship between the federal and state governments remained on good terms for the benefit of the people.

"This commitment is demonstrated through the increased grants and allocations for development expenditure in all states for 2023 and 2024."