

11 Restructured, Recalibrated 2016 Budget Measures

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PUTRAJAYA, Jan 28 (Bernama) -- The following are the 11 restructured and recalibrated 2016 Budget measures announced by Prime Minister Datuk Seri Najib Tun Razak, who is also Finance Minister at the Putrajaya International Convention Centre Thursday.

These measures are expected to save the government up to RM9 billion in management and development expenditure.

Measure One: Reduction of the employees' contribution to the Employees Provident Fund (EPF) by three per cent from this March until December 2017, however the employer's contribution is maintained.

This measure is expected to increase private consumption expenditure by RM8 billion a year.

Measure two: Special tax relief of RM2,000 to be provided to individual taxpayers with a monthly income of RM8,000 or below for the year of assessment 2015. Even though the government will forgo a revenue of RM350 million, it will provide individual tax savings of up to RMRM475, which benefits two million taxpayers.

Measure three: Reducing the cost of daily basic necessities for the people through six initiatives.

* Liberalisation of the control on import quotas or Approved Permits (APs) on eight agricultural produce for a temporary period to ensure consistent supply.

* The Federal Agricultural Marketing Authority (FAMA) will establish markets or MyFarm Outlets that sell agricultural produce directly such as fish, poultry, meat, vegetables and fruits at prices of between five to 20 per cent below market prices.

The first outlet will be opened in Precinct 7, Putrajaya in March and expanded nationwide to 10 other locations this year.

* The number of fair price shops will be increased from 640 to 1,000.

* The Domestic Trade, Co-operatives and Consumerism Ministry will step up enforcement and take legal action on non ethical businessmen who take opportunity of profiteering.

* Additional cash of RM50 for every metric tonne of cleaned paddy as an input incentive for paddy production.

* Every registered hardcore poor household is supplied with 20 kilogrammes of rice every month until December 2016 through the MyBeras programme to reduce the burden of poor households.

Measure four: Mandating that all houses priced up to RM300,000 are limited to first time house buyers only with immediate effect. For houses priced RM35,000 under the People's Housing Programme (PPR), Bank Simpanan Nasional and Bank Rakyat offer a financing package at four per cent involving a fund totalling RM400 million from March 1, which will benefit over 10,000 house owners.

In addition over 100,000 housing units will be offered under the Integrated House Ownership Expo Roadshows by the National Housing Department, Syarikat Perumahan Negara Berhad, 1Malaysia People Housing Programme, state agencies and private sector.

Measure five: Levy contribution of 30 per cent from the Human Resources Development Fund (HDRF) amounting to RM200 million will be provided to enhance the competency and skills of employees through reskill and upskill initiatives, including retrenched workers.

Measure six: To enhance the efficiency and amount of tax collection, six measures will be taken namely:

* Doubling compliance and auditing efforts on tax evaders.

* Giving relaxation on penalty to taxpayers as an encouragement to come forward and declare their past years' income before December 31.

* Restructure the selling channel of cigarettes and liquors limited to duty-free outlets licensed by the Royal Malaysian Customs Department, which will reduce leakages in revenue loss of nearly RM1 billion.

* Tightening the free duty treatment on imported vehicles in duty-free islands but the restructuring of sales on cigarettes, liquors and vehicles will not affect the tourists and locals residing there.

* Optimising the revenue from the telecommunication spectrum through a redistribution and bidding process to be implemented soon.

* Developing several strategic areas owned by the government through a bidding process to invigorate economic activity.

Measure seven: To streamline the management of the foreign workers system whereby the levy will be clustered into two categories only, and this does not include the foreign domestic maid category.

Implementing the Rehiring Programme to provide opportunities for foreign workers

without permits (PATI) in the country to be given valid work permits.

This is to fulfil industry demand and monitor security.

Measure eight: Rationalising the provision of grants to government trust funds, federal statutory bodies and government linked companies (GLCs) and restructure entities companies Companies Limited By Guarantee and statutory bodies.

Measure nine: Focusing on development expenditure to be given to people- centric projects as well as with high multiplier effect and low import content with physical projects such as affordable houses, hospitals, schools, roads and public transport to be prioritised.

The implementation of non physical projects and projects that are still under study will be rescheduled and this is expected to involve a reduction in cash flow commitments up to RM5 billion and does not affect the economy and people.

Measure ten: Development financial institutions (DFIs) and government owned venture capital funds (VCs) will increase their financing funds by RM6 billion to provide financing to small and medium enterprises (SMEs) and startup companies.

Measure 11: The GLCs and private sector are urged to implement initiatives to narrow the income gap between higher management and employees gradually and to be monitored by the Economic Planning Unit (EPU).

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