

People's Welfare, Country's Economic Growth Focus of Budget 2016 Recalibration
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PUTRAJAYA, Jan 28 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak Thursday announced 11 measures to face the current economic challenges under a recalibrated Budget 2016 to ensure that the people's welfare and the country's economic growth remain on a sound footing.

Najib, who is also the Finance Minister, presented several initiatives to deliver more money into the pockets of the people, address issues associated with the cost of living, continue with assistance for the needy and stimulate domestic economic activity for the benefit of the people.

Addressing an audience of about 1,000 people, he stressed that Malaysia was neither in an economic recession nor a technical recession.

"What is most important is that this recalibration and restructuring will be firmly centred on two pillars, namely ensuring continued economic growth on the right track and caring for the people's welfare and well-being," he said.

To deliver more money into the people's pockets (more disposable income), Najib announced a reduction of three per cent in the employees' contribution to the Employees Provident Fund from March this year to December 2017. However, the contribution by employers will remain.

He also said that the government would provide a special tax relief of RM2,000 to individual taxpayers with a monthly income of RM8,000 or below for the year of assessment 2015.

To reduce the cost of daily basic necessities for the people, he said, the government would liberalise the control on import duties or Approved Permits (APs) on eight agricultural produce for a temporary period to ensure consistent supply.

The produce includes raw coffee beans, buffalo meat, beef and mutton, he said.

Najib said the Federal Agricultural Marketing Authority (Fama) would establish markets or MyFarm Outlets that sell agricultural produce directly such as fish, poultry, meat, vegetables and fruits at prices between five and 20 per cent below market prices.

He said that to safeguard the paddy farmers as well as to increase paddy production, the government would provide an additional cash of RM50 for every tonne of cleaned paddy as an input incentive for paddy production.

Najib, in presenting the measures, also announced the introduction of the MyBeras programme whereby every registered hardcore poor household would be supplied with 20kg of rice every month until December 2016 to reduce the burden of poor households.

"The government is very concerned for the rakyat (people) who are affected by the increase in the cost of living, particularly the hardcore poor," he said.

Najib also touched on housing and said that with immediate effect, for all new housing projects, the government mandated that all houses priced up to RM300,000 be limited to first-time house buyers only.

For houses priced at RM35,000 under the People's Housing Programme (PPR), he said the government through Bank Simpanan Nasional and Bank Rakyat would offer a financing package at four per cent involving a fund totalling RM400 million, beginning March 1.

Najib also gave the assurance that the government was committed in the education and future of children and said it would continue four programmes under the sponsorship of the Public Service Department for 2016.

These were the National Scholarship Programme for 20 top SPM students to pursue studies at renowned universities globally; the Special Engineering Programme for 200 students to pursue studies in Japan, South Korea, Germany and France; the Bursary Graduate Programme for 744 students to pursue undergraduate studies in public universities and private institutions of higher learning in the country and awarding of scholarships to the new intake of 8,000 students to pursue undergraduate studies in the country.

"The allocation for the National Higher Education Fund (PTPTN) financing totalling RM5 billion will continue to be channelled to undergraduates," he said.

In his announcement, Najib also referred to measures for tax evaders, illegal immigrants, funding for small and medium enterprises and the implementation of the e-visa.

Najib emphasised that the government would continue to spend prudently by prioritising projects and programmes with high impact centred on the philosophy of the 'people economy'.

"This will not involve the emoluments of civil servants and pensions of retirees as well as not affect the delivery mechanism of the government. In fact, the government will not terminate the services of any civil servant, including those appointed on contract basis," he said.

Najib said the government would also continue the implementation of one annual increment for civil servants on July 1, 2016, as promised in the 2016 budget.

The Prime Minister said all the measures were expected to save RM9 billion in operating expenditure and development expenditure.

In his address, Najib also reflected on the economic scenario during the Asian financial crisis from 1997 to 1998 and the economic recession from 2008 to 2009.

The global economy was expected to be more challenging in 2016, he said, adding that world crude oil prices had continued to plummet.

He said that as of yesterday, Brent crude oil prices dropped to USD31 per barrel, a reduction of 35 per cent compared to the assumption of USD48 during the tabling of Budget 2016 in October last year.

Najib stressed that the recalibration and restructuring of Budget 2016 was not a new budget.

"It is within the range of initiatives and allocation of the 2016 budget approved by Parliament," he said.

Najib said the recalibrated measures announced were proactive, transparent and realistic in tandem with the current global economic challenges.

The economy remained resilient and continued to expand driven by domestic economic activity and the government was committed to implementing the fiscal consolidation measures, he said.

"The well-being of the rakyat (people) will continue to be prioritised and the government service delivery will not be compromised.

"The recalibration of the budget is centred on the principle of shared responsibility from all segments of society," he said.

Najib said it was clear that matters related to the nation's economy and finance were not easy to digest and be understood by all levels.

"In fact, these issues are not solely the responsibility of the nation's administration at the highest level.

"Borrowing the words of wisdom from the learned ones, in life and livelihood, in a country with a government, everyone must play his part, helping each other through thick and thin. That is our source of strength," he said.

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