

BUDGET 2024 SPEECH

BY

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**INTRODUCING
THE SUPPLY BILL (2024)**

**IN
DEWAN RAKYAT
FRIDAY, 13 OCTOBER 2023**

**THEME:
BUDGET 2024:
ECONOMIC REFORMS, EMPOWERING THE PEOPLE**

I beg to move the Bill intituled “An Act to apply a sum from the Consolidated Fund for the services of the year 2024 and to appropriate that sum for the services of that year” be read a second time.

PREAMBLE

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera.

Allah SWT decreed in Surah Al-Qasas, verse 77:

وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ ۖ وَلَا تَنْسَ نَصِيْبَكَ مِنَ الدُّنْيَا ۖ وَأَحْسِنَ ۗ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ الْفُسَادَ
فِي الْأَرْضِ ۗ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ

But seek, with the wealth which Allah has bestowed on you, the reward and happiness of the Hereafter. Do not forget your share (of the needs and provision) from this world and be good (to others) as Allah has been good to you (by giving more than what you needed), and do not seek mischief in the land. Allah does not like the mischiefmakers.

1. This reminder from Allah SWT to the human race is indeed meaningful. There must be determination to plan ways to ensure the wellbeing of the people during this chaotic and challenging time as the world is no longer what it used to be.

2. We are now going through an unusually strange epoch, one that is unprecedented in the history of human civilisation. The world has yet to recover from the lethal grip of the COVID-19 pandemic, which has not only debilitated us health-wise, but also weakened entire limb and nodes of a country's core and societal structure.

3. Thus, faced with a postnormal era which are characterised by chaos, complexity and contradiction, will help us navigate our way out. The circumstance is further made complex due to multifarious factors which move at alarming speed, scope, scale and simultaneity. As a result, it victimise the Rakyat, damages the ecosystems and disrupts food supply chain.

4. Therefore, we must adumbrate and assimilate by addressing the impediments in the country's economic system. We start by improving governance, administrative systems and eradicating

corruption. Among the notable examples is the implementation of a broad-based subsidy system that has benefitted the elite and superrich.

5. The economic policy is supposed to be geared towards growth and economic flattening. However, a huge amount of subsidies has benefitted the rich. It is hoped that by improving the leakage of subsidies, the proceeds can be distributed to the *Rakyat* including the increase in wages of the working class.

6. Past losses have also resulted in the country's debt and liabilities reaching RM1.5 trillion or 82 percent of the GDP. Debt service payments alone are expected to register RM49.8 billion or 15.2 percent of revenue in 2024. Only by reducing the deficit and liabilities can the Government restore the country's fiscal position.

7. The determination to change must begin with the commitment of every citizen, shown from confidence and conscience. This is expressed by the Algerian thinker Malik Bennabi as “the inner struggle of conscience,” followed by “collective consciousness for renewal” – a shared awareness towards reform.

8. Therefore, the Budget 2024 which I term as the **Second Belanjawan MADANI demonstrates the commitment and determination of the Unity Government in actualising our intent to elevate the country and *Rakyat's* economic stature.**

ECONOMIC PERFORMANCE AND CHALLENGES

9. *Alhamdulillah*, as we approach a full year, the Unity Government has strived to restore the strength of our homeland. The domestic economy remains strong.

- The **unemployment rate has successfully reduced to 3.4 percent as of August 2023**; the lowest, comparable to the pre-pandemic level (3.3 percent).
- Although reliance on imported food remains high, the determination of all parties has successfully reduced inflation gradually every month. **In August 2023, the inflation rate contracted to 2 percent, among the lowest in the region** and better than some advanced economies.

- Malaysia remains the preferred destination for foreign investors. **For the first half of 2023, we have successfully secured approved investments worth RM132.6 billion**, more than 60 percent of this year's target. This includes foreign direct investment valued at RM63.3 billion, involving a total of 2,651 projects and is expected to create more than 51,000 job opportunities.
- Malaysia also remains a tourist destination. As of August 2023, the arrivals of foreign tourists accounted for nearly 13 million tourists, a three-fold more than last year.
- These indicators are the actual strength of the country. *Insya-Allah*, economic performance will continue to recover, albeit facing challenges from the value of the ringgit.

10. While this achievement proves the country is on track, we should not rest on our laurels and become complacent. We must acknowledge that the global economic situation has dampened our economic performance. **The Gross Domestic Product (GDP) in**

the second quarter of 2023 recorded a moderate growth of 2.9 percent compared to 5.6 percent in the first quarter. Overall, in the first half of 2023 we have achieved growth of 4.2 percent.

11. This achievement reflects the subdued demand in exports as well as the high-base effect in the second quarter of last year. In line with this development, **the GDP growth for the year 2023 to be projected at approximately 4 percent.**

12. Therefore, existing opportunities need to be capitalised on to comprehensively reform our economic structure to restore the nation's status as an Asian powerhouse.

13. Consequently, the **Ekonomi MADANI: Memperkasa Rakyat** was launched as the main framework to address complex immediate and long-term challenges by raising the ceiling and floor. The focus is to reform the economic structure and raise the standard of living of the *Rakyat*. The measures under the Ekonomi MADANI aims to achieve seven benchmarks as medium-term targets.

14. Ekonomi MADANI also serves as a guide to policies that have been launched, namely the National Energy Transition Roadmap (NETR), the New Industrial Master Plan (NIMP) 2030 (NIMP 2030) and the Mid-Term Review of the Twelfth Malaysia Plan (MTR of the Twelfth Plan).

15. Today, the **Second Belanjawan MADANI is presented as a continuation of the Ekonomi MADANI framework.** Efforts will follow the priorities and benchmarks of Ekonomi MADANI, namely:

First: Good Governance for Service Agility;

**Second: Restructuring of the Economy to Boost Growth;
and**

Third: Raising *Rakyat's* Standard of Living.

I. GOOD GOVERNANCE FOR SERVICE AGILITY

Measure 1: Commitment to Fiscal Reform

16. The Economic MADANI framework has set a clear goal, which is to improve the *Rakyat's* standard of living and to regain our lead as a regional economic champion.

17. Hence, a reform must be implemented even it is difficult. This includes expanding the revenue base, implementing targeted subsidies and eradicating all forms of systemic corruption and malpractice. We also need an efficient, intelligent and agile public service in realising the country's build back better agenda.

First: Fiscal Responsibility

18. The increase in subsidies in 2023 is accommodated by savings and **revenue additions. For 2023, the revised revenue estimate is RM303.2 billion compared to RM291.5 billion.** Total deficit is projected at 5 percent of GDP.

19. For 2024, **the Government expects GDP to grow within the range of 4 to 5 percent.** Despite the World Bank and the International Monetary Fund (IMF) projection for Malaysia's economy to grow at 4.3 percent. With the Ekonomi MADANI reform

that will be implemented, the Government is confident of achieving growth nearing 5 percent.

20. The Government's revenue collection is expected to record an increase from RM303.2 billion this year to RM307.6 billion in 2024. Fiscal deficit in 2024 is projected to decrease to 4.3 percent compared to the target of 5 percent this year and 5.6 percent in 2022.

21. In the medium term, we will achieve a 3 percent deficit of the GDP or lower, as set in the Ekonomi MADANI framework. *Alhamdulillah*, yesterday, this August House passed the **2023 Public Finance and Fiscal Responsibility Bill** or the Fiscal Responsibility Act (FRA). This reinforces the Government's commitment in strengthening the governance and ensuring transparency and accountability.

Second: Budget 2024 Estimation

22. The Second Belanjawan MADANI has **allocated RM393.8 billion, the highest budget ever tabled.** From that, **RM303.8 billion is allocated for operating expenditure, while RM90**

billion is allocated for development expenditure and RM2 billion for contingency savings.

23. The expenditure includes an increase in the Twelfth Plan ceiling by additional RM15 billion, totalling RM415 billion for the period of five years. This increase implies that the Government is adopting expansionary fiscal stance while at the same time being accountable in reducing the deficit fiscal in stages.

Third: Expansion of Revenue Base

Tan Sri Speaker Sir,

24. The facts are:

- Malaysia is the third highest country in the world for petrol subsidies.
- The price of our RON95 petrol is among the cheapest in the world at RM2.05 per litre, even cheaper than Saudi Arabia; the world's major oil producer (RM2.94 per litre). This is in comparison to the prices of regional countries

whose income is lower than ours: Indonesia at RM4.45 per litre and Thailand at RM5.99 per litre.

- Notwithstanding, we are among the lowest tax revenue collector in ASEAN at just 11.8 percent of GDP compared to Singapore (12.6 percent) and Thailand (16.4 percent).

25. Thus, as a measure to improve the quality of services and assistance to the *Rakyat*, the Unity Government is responsible for broadening the revenue base. Beginning next year, a number of tax reform measures will be implemented to broaden the country's revenue base, while not burdening the majority of the *Rakyat*.

26. FIRST: The Government plans to increase the Service Tax rate to 8 percent instead of 6 percent. However, in order not to burden the *Rakyat*, this increase does not include services such as food and beverage as well as telecommunications. The Government will also expand the scope of taxable services comprising of logistics, brokerage, underwriting and karaoke services.

27. SECOND: Considering inputs and views received from various stakeholders during a series of engagements, the Government **will enforce the implementation of Capital Gains Tax on net profit derived from the disposal of local companies' unlisted shares based at a rate of 10 percent beginning 1 March 2024.** The Government will also consider the exemption of Capital Gains Tax on the disposal of shares related to certain activities such as approved Initial Public Offering (IPO), internal restructuring, and venture capital companies subject to the stipulated conditions.

28. THIRD: The Government will **enact new legislation to implement the High Value Goods Tax at a rate of 5 to 10 percent on certain high value items such as jewellery and watches based on the threshold value of the goods price.**

29. Malaysia needs to be in line with international taxation standards especially in curbing tax base erosion activities and the transfer of profits to countries with low tax rates. Taking into account the feedback from industry and the latest international developments, **the Government is expected to implement the global minimum tax in 2025 and only applies to companies**

with a global income of at least EUR750 million euros. The government will also continue to monitor the development of the global minimum tax at the international level.

30. In relation to the implementation of e-invoice by the Inland Revenue Board of Malaysia (IRBM), the Government takes into account the feedback received and to provide ample time to the taxpayers:

- The Government has agreed **to enforce e-invoice on a mandatory basis to taxpayers with annual income or sales exceeding RM100 million beginning 1 August 2024.**
- Meanwhile, e-invoice for taxpayers by other income category will be enforced in phases with a comprehensive implementation target by 1 July 2025.
- The use of Tax Identification Number (TIN) will be expanded to support the implementation of e-invoice. This can further broaden the taxpayer net following voluntary tax compliance which in turn reduces revenue leakage.

31. Enforcement agencies will continue to intensify joint efforts in addressing revenue leakages. For instance, cigarette smuggling control measures has contributed to a decrease in the percentage of illegal cigarettes in the local market to 56.6 percent in 2022 compared to 63.8 percent in 2020. As the number of illegal cigarettes in the market is still high, inter-agency cooperation will be enhanced including tightening of liquor smuggling control.

32. Beginning 1 January 2024, the Government will tighten the smuggling control measures and expand the measures to liquor products.

- Transshipment activities for liquor products will be restricted to certain ports only.
- The Bukit Kayu Hitam Immigration, Customs, Quarantine and Security Complex will be used as the sole exit for the northern region.
- Cigarettes import activities for the domestic market should be carried out on a full container load.

33. The Government appreciates the commitment of enforcement agencies such as the Royal Malaysian Police (RMP), the Malaysian Anti-Corruption Commission (MACC) and the Royal Malaysian Customs Department in enhancing enforcement efforts and operations to combat the leakage of national revenue. The agility of RMP to combat crime and MACC's efforts to ramp sack financial syndicates and cartels should be appreciated. As an encouragement, I am pleased to **reward the enforcement agencies that demonstrate continued commitment and excellent performance.**

Fourth: Targeting of Subsidies

Tan Sri Speaker Sir,

34. Budget 2023 allocated RM64 billion for subsidies and aid expenditure but this year's needs are expected to reach RM81 billion. The increase is due to the Government's move to maintain the price of subsidised goods for the *Rakyat* despite the unexpected increase in world commodity prices. Even though subsidised goods help the people in minimising the cost of living,

the fact is that the subsidies are benefitting more by the rich and the cheap prices have increased leakage and smuggling abroad. **In fact, subsidies were also enjoyed by more than 3.5 million foreigners.**

35. Thus, starting next year, **the retargeted subsidy approach will be implemented in phases.** A portion of the savings will be channelled to increase the allocation of cash assistance through the Rahmah Cash Contribution from RM8 billion to RM10 billion.

FIRST: Chicken and Egg

36. Since February 2022, the Government has incurred RM3.8 billion for chicken and egg subsidies. The initial purpose of this temporary subsidy was to control the sudden increase in chicken and egg price and to address the shortage of supply.

37. *Alhamdulillah*, current trends indicate that the supply of chicken and egg has started to stabilise and the current market price is now below the control ceiling price. Thus, **the temporary price controls will be lifted to enable the local market to**

function freely in ensuring the availability of chicken and egg supply in the market.

38. Announcements on further concrete measures will be made by the Ministry of Agriculture and Food Security in two weeks' time.

SECOND: Electricity

39. The provision of broad-based electricity subsidies is very burdensome and benefit the rich more. In 2022, the trend shows that **10 percent of the consumers with the highest electricity consumption enjoyed 50 percent of the subsidies, while 50 percent of the consumers with the lowest electricity consumption enjoyed only 10 percent of the subsidies provided.**

40. Therefore, starting this year, the Government has implemented targeted subsidies by lifting some of the subsidies for the highest 10 percent of electricity consumption, but at the same time, maintaining the same subsidies for 90 percent of consumers. **This targeted** approach has saved over RM4.6 billion of the

projected electricity subsidy of RM20 billion. However, the Government still bears RM16 billion in electricity subsidies in 2023 especially for consumers in homes and MSMEs.

41. The Government will continue to improve the approach of targeted electricity subsidy according to the level of electricity consumption. The Government hopes that this decision will send the right signal to consumers to practise energy efficiency and thrifty practices in the daily use of electricity.

42. The Government agrees to continue **providing electricity bill rebates of up to RM40 per month to hardcore poor households with an allocation of RM55 million.** In addition, the Government also agrees to **waive deposit payment of electricity bill in their own names.**

THIRD: Diesel Fuel

43. Diesel fuel also faces serious leakage issues. The current price of subsidised diesel is set at RM2.15 compared to the market price of RM3.75 per litre. This means that the Government has to bear RM1.60 per litre of diesel or around RM1.5 billion in total.

According to diesel consumption data, sales of subsidised diesel have increased by up to 40 percent since 2019, even though the number of vehicles using diesel has only increased by less than 3 percent. This means that there is a possibility of serious smuggling activities due to the cheaper price of Malaysian diesel.

44. To prevent leakage and smuggling, the Government intends to rationalise diesel prices in stages. Conceptually, the price of subsidised diesel will continue to be enjoyed by selected consumers such as freight transport. Meanwhile, other users will be charged higher prices. This approach can reduce the leakage of subsidies but at the same time, reduce the impact on the price of goods for the *Rakyat*.

ENFORCEMENT MEASURE

45. Finally, to achieve the goal of retargeted subsidy implementation, the trade relationship between the buyer and the seller must be based on honesty. Although we do not deny traders' right to make reasonable profits, but the symptoms of cartels and price pacts that cause excessive and uncontrolled price increases

are against the MADANI principle. The Government will not remain silent if the implementation of retargeted subsidies is used as an excuse to increase prices in reckless and unreasonable manners.

46. Therefore, the Government's focus is to eliminate the parasitic practice through strict and comprehensive control measures by the Ministry of Domestic Trade and Cost of Living (KPDN) as well as strengthening the capacity and functions of the Malaysian Competition Commission (MyCC) with an allocation of RM10 million.

Measure 2: Institutional Reform Agenda

47. Chinese philosopher Mengzi formulated four fundamental points as pillars of moral strength:

*仁 rén (insaniyah), 义 yì (righteousness),
智 zhì (wisdom) dan 礼 lǐ (ritual propriety).*

48. It is this internal strength that strengthens the Government's determination to implement reforms to end the suffering of the *Rakyat*, eradicate systemic corrupt practices, reduce bureaucracy

to hasten *Rakyat*-oriented projects and develop a stable political order.

First: Special Task Force on Agency Reform (STAR)

49. In driving the reform agenda, the Special Task Force on Agency Reform (STAR) chaired by the Chief Secretary to the Government has succeeded in accelerating the implementation of projects, especially those involving the issue of overcrowding in hospitals and the refurbishment of dilapidated schools and clinics. Next year, the STAR Team is entrusted to accelerate implementation in the maintenance of Government's lifts (RM91 million) and Government quarters (RM170 million).

- **A total of RM2.4 billion is allocated to build, maintain and refurbish the quarters for civil servants,** teachers, hospital staff, policemen, army and fire department personnel.

Second: Legislative Reform

50. With the passing of the 2023 Public Finance and Fiscal Responsibility Bill, the Unity Government's onward commitment is to **table the Government Procurement Bill in the Parliament, next year.**

51. The Government has allocated RM18 million to launch legislative reform. This includes the preparation of the Implementation of the Alternative Punishment Execution Bill Against Mandatory Death Penalties.

52. The Judiciary is an independent institution that protects the sanctity of the Federal Constitution and the sovereignty of the law. **An allocation of RM38 million is provided to increase the productivity of the country's judicial institutions.** This provision includes the priority of refurbishing infrastructure as well as upgrading the ICT facilities in court that are obsolete and damaged. This also includes **empowering RM20 million to empower the Academy of Judiciary Malaysia and the Academy of Syariah Judiciary Malaysia** to train judges of the upper courts in a more planned and effective manner.

Third: Public Institutions Reform

53. Based on several studies carried out to improve revenue sustainability, social protection, governance of Government-Linked Companies (GLCs) and national debt management, the recommendations that will be implemented are as follows:

- **improving the imposition of stamp duty** including facilitating the administration of tax incentives to reduce the leakage of revenue collection;
- **strengthening tax administration** including simplifying tax returns and centralising tax collection initiatives;
- **expanding the coverage of the social protection system**, mainly for the senior citizens and informal sector;
- **restructuring of Development Financial Institutions (DFIs)** through the merging of Bank Pembangunan Malaysia Berhad, SME Bank and Exim Bank; and
- **strengthening the venture capital environment through the centralisation of venture capital agencies**

such as Penjana Kapital and MAVCAP under Khazanah Nasional Berhad.

Fourth: Public-Private-Philanthropy Partnership

54. In line with the MADANI Economic Framework, the Government will focus on Public-Private-Philanthropy Partnership (PPPP) in implementing projects for the *Rakyat*.

55. In addressing various issues of the *Rakyat*, **the Government allocated RM100 million to continue supporting the efforts taken by NGOs and civil society organisations including Yayasan Hasanah.**

56. To ensure the sources on income of institutions, organisations and funds approved under **subsection 44(6) of the Income Tax Act 1967** continue to be sustainable and support the welfare initiatives envisaged by the Government, it is proposed that the **terms of use do not exceed 25 percent of the funds raised for the purpose of involvement in business be increased to 35 percent.** With this flexibility, cooperation between the Government and NGOs can be strengthened to improve *Rakyat's* quality of life.

Measure 3: Prioritising Services & *Rakyat*-Oriented Projects

57. The Government will continue to defend the fate of the *Rakyat* and focus on services and projects which benefit *Rakyat*'s wellbeing. Among others, the Government will address the basic problems of the *Rakyat* that still linger.

*First: Managing *Rakyat*'s Difficulties*

(a) Repairing Lavatories

58. It is unacceptable that all this time we have allowed our children to attend school with deplorable basic facilities, particularly broken and dilapidated lavatories. Insya-Allah, repair works of **lavatories in 8,354 schools nationwide is about to be completed by the end of this year.** Next year, the same determination will be intensified to refurbish public lavatories nationwide. RM150 million is allocated to maintain and repair public lavatories in 150 local authorities nationwide.

(b) Road Accidents

59. Road accidents continue to contribute to a high number of deaths. Over the past decade, we have recorded an average of over 6,000 deaths due to road accidents. The latest tragic incident that claimed the lives of an entire family on Jalan Kuantan-Segamat-Bandar Muadzam had the whole country in mourning. The Government will continue to prioritise road safety aspects.

60. *Alhamdulillah*, until August, more than 4,100 potholes on federal roads have been identified and repaired. **The Government is committed to ensuring that action is taken within 24 hours after receiving complaints regarding potholes on Federal Roads.**

- **State Governments should also make full use of the MARRIS allocation provided by the Federal Government to ensure that state roads are in best condition to be used by the *Rakyat*.**
- Next year, RM2.8 billion is set aside to maintain federal roads and bridges with RM300 million allocated to G1 to G4 contractors.

- The role of District Engineers will be continuously enhanced to deal expediently with unexpected minor complaints involving Federal Roads. **The Government will increase the allocation to RM200,000 instead of RM100,000 given this year with a total allocation of RM30 million to 115 district engineers.**
- RM100 million is provided to maintain streetlights, including replacing them with LEDs that can save up to 60 percent electricity. RM50 million is also provided for the same purpose to local governments throughout the country.
- Finally, RM50 million is also allocated to treat accident prone areas, among others to upgrade existing traffic lights to smart traffic lights on Federal Roads to help resolve traffic congestion.

(c) Justice for *Rakyat*

61. *Alhamdulillah*, following the increase in the eligibility limit to get full legal aid to RM50,000, the number of civil and shariah cases receiving legal aid has increased to 8,500 cases. Next year, **the function of the Legal Aid Department will be strengthened in defending the plight of the poor in getting justice.**

62. This Government leaves no one behind. This Belanjawan MADANI allocates an addition of **RM10 million under the Kumpulan Wang Amanah Rakyat Malaysia Luar Negeri to safeguard our citizens who fall victims to employment fraud syndicates and other welfare cases abroad.**

(d) Second Chance Policy

63. As of July 2023, nearly 14,000 bankruptcy cases with small debts below RM50,000 have been discharged from bankruptcy. As a result of the implementation of the Second Chance Policy, the Insolvency Act (Amendment) 2023 has also automatically released urgent and backlogged cases that meet the conditions from bankruptcy declaration.

64. Next year, the **Second Chance Policy will be extended to young individuals aged 40 and below with debts not exceeding RM200,000.**

(e) Public Service Delivery

65. Those living in remote areas also have equal rights to government services. Next year, the Government will intensify the initiatives to deliver services directly to the *Rakyat* with an allocation of RM26 million including:

- the Program Menyemai Kasih Rakyat (MEKAR) which offers **services from the National Registration Department (JPN);**
- **Mobile clinic services by university training hospitals to provide basic treatment services including early screening for breast cancer;**
- **Mobile dental clinics by expanding the service to new areas in Penampang and Keningau in Sabah.**

- Mobile banks by collaborating with local banks to bring banking services to remote areas; and
- Mobile courts especially to handle civil cases.

(f) Online Fraud (Scam)

66. Since establishment, the National Scam Response Centre (NSRC) has handled more than 49,000 calls and successfully froze up to RM60 million in transactions. Next year, the Government will increase the allocation up to **RM20 million instead of RM10 million to further improve the functionality of the NSRC to combat scam related crimes.**

67. Bank Negara Malaysia in collaboration with the financial sector is **developing the National Fraud Centre (NFC)**, which is expected to be completed by the middle of 2024. With the automated ability to track funds, we hope that this Portal will speed up the time to detect, freeze and return funds.

68. In this regard, the related agencies are examining the need to amend the law including the Criminal Procedural Court to enable

more effective actions to be taken against syndicates and account mules, further expediting the return of the money to the scam victims.

Second: Development of Sabah & Sarawak

69. Under the Unity Government, the attempt to honour the agreement achieved by the previous leaders in the Malaysia Agreement 1963 has been realised.

70. FIRST: Next year, the Federal **allocation for the development of Sarawak will increase to RM5.8 billion from RM5.6 billion.** Meanwhile, for **Sabah, the allocation will increase to RM6.6 billion compared to RM6.5 billion.** To increase the effectiveness of the allocation, the Federal Government has also delegated the authority to implement development projects valued under RM50 million to technical agencies in Sabah and Sarawak.

71. SECOND: The Unity Government has increased the interim Special Grants rate for Sabah and Sarawak to RM300 million compared to RM16 million for Sarawak and RM125.6

million to Sabah previously. The last review of Special Grants to Sarawak and Sabah was done in 1969 and 2022 respectively.

72. THIRD: The Malaysian Internal Revenue Board Bill (Amendment 2023) has been passed by the Dewan Rakyat yesterday to allocate a representative of the Sabah State Government named as the Chief Minister of Sabah and a representative of the Sarawak State Government named as the Premier of Sarawak in line with the results of the Intergovernmental Committee (IGC) Report, 1963.

73. FOURTH: The Federal Government and the Sabah State Government have reached an agreement regarding the transfer of electricity supply regulatory powers, which will come into effect on 3 January 2024. Although the regulatory power will be transferred to the Sabah State Government, the Federal Government will continue to assist the Sabah State Government in strengthening the electricity supply industry in Sabah by providing subsidies to Sabah Electricity Sdn. Bhd. (SESB) until the SESB Transformation Plan is successfully implemented by 2030.

74. FIFTH: To ensure stability and reduce electricity supply disruptions in Sabah, especially in the eastern areas, the Federal Government will **support the implementation of hybrid solar energy generation as well as the construction of a network of electricity transmission lines in southern Sabah.**

75. SIXTH: The Federal Government is also **negotiating the handover of Bintulu Port and the operation of the Rural Air Service (RAS) to the State Governments.**

Third: Digitalisation of the Public Sector

76. By the end of the Twelfth Plan, our aim is to be ranked among the top 20th in the Government Efficiency Sub-Index in the Global Competitiveness Report. To further improve the efficiency of public services, **the National Digital Identity (NDI) development will be expedited** as a reliable endorsement platform.

77. In empowering the digitisation of public service delivery, GovTech Nucleus Unit has been created to build internal expertise. This unit will also facilitate the development of National Digital Identity and other user-friendly applications at optimal cost.

II. RESTRUCTURING THE ECONOMY TO BOOST GROWTH

Measure 4: Revamping the Economic Structure

78. The Ekonomi MADANI framework is aimed at establishing Malaysia as a regional economic champion. To achieve this goal, the economic structure needs to be restructured and reorganised so that existing potentials can be harnessed. NIMP targets a total investment of up to RM 95 billion while involving 3.3 million job opportunities with median salaries of up to 4,510 ringgit per month by 2030.

79. **The Government will allocate up to 10 percent from the total NIMP investment as a catalyst to accelerate the NIMP mission with a 2024 startup fund amounting to RM200 million.**

First: Priority of the HGHV Sector

80. Among the structural issues that disrupt the economic system include the industrial sector that contracts prematurely.

The contribution of the manufacturing industry has remained below 25 percent of GDP. To curb this problem, future investment priorities are focused on high growth and high value (HGHV) areas.

81. The results-based incentive is a new dimension that uses a tiered system in the provision of incentives. It will stimulate companies to generate economy through investment in high-growth and high-value areas and eventually create new economic clusters, expand the domestic network and establish the balance between the economy and environment. With this, companies will enjoy an incentive equivalent to their respective commitments. To begin with, the **Government plans to provide a tiered reinvestment tax incentive in the form of investment tax allowance of either 70 percent or 100 percent.**

82. To support the ecosystem of high-value activities, the Government proposes that the **Pengerang Integrated Petroleum Complex (PIPC) be turned into a development hub for the chemical and petrochemical sector with a tax incentive package in the form of a special tax rate or investment tax allowance.**

Second: Malaysia as an Investment Destination

83. Furthermore, the Government will also continue to intensify efforts to obtain more high-impact investments. In developing Malaysia's advantage as a foreign investment destination, the Government will implement several new policies and directives to facilitate business.

- The Industrial Area in Bayan Lepas, Penang and Kulim Hi-Tech Park, Kedah has brought together the world's leading companies in the E&E sector. To build a wider ecosystem for the E&E cluster in the northern region, **the Government will open a high-tech industrial area in Kerian, North Perak.**
- **The responsibilities of MITI and MIDA are no longer limited to only the approval of investment incentives but are expanded to facilitate issues related to investment beginning from the application until the investment is realised.** For this, an Investment and Coordination Action Committee (JTPPP) has been

established and is responsible to report to the National Investment Council chaired by me.

Third: Internationalisation of Startups

84. The emergence of more local startups is essential to accelerate the restructuring of the country's economy. The Government aims to rank in the top 20 for the Global Startup Ecosystem by 2030, in addition to making Kuala Lumpur as the hub for digital industry and startups for the Southeast Asian region.

85. In accordance with the decision of the National Digital Economy and Industrial Revolution Council, RM28 million is provided to develop the MYStartup platform as a single window that brings together startups while simplifying business activities throughout their lifecycle. This initiative will optimise RM200 million fund under various funding agencies and venture capital under a single platform.

86. To internationalise local startups and increase their competitiveness to penetrate the regional markets:

- **GLCs and Government-Linked Investment Companies (GLICs) will provide funds of up to RM1.5 billion to encourage startups including Bumiputera SME entrepreneurs to venture into HGHV fields** such as the digital economy, space technology and electronics and electrical (E&E).

87. To support capital funding for startups:

First: allocation of RM100 million to MyCIF for a period of 3 years to complete the cooperation with food security initiatives, environment, the community and the State Islamic Religious Council to create opportunities for developing waqf assets for health, education and agro-based enterprises.

Second: tax incentives for individual investors investing in startups through the equity crowdfunding platform (ECF) will also be extended to individual investors through limited liability partnership

nominee companies and extended until 31 December 2026.

Third: tax incentive for angel investors extended until 31 December 2026 to encourage capital in technology related startups.

Fourth: Leader of the Global Islamic Economy

88. I have alluded to the approach of the Islamic financial sector in Malaysia which is yet to meet the meaning of the Islamic maqasid based on justice and benefit for all because it uses the same financial instruments as an alternative to conventional banks.

89. The words of the late Nejatullah Siddiqi should be appreciated. He said, “more than anything else, Islamic banking and finance, which is a sub-culture of Islamic economics, has been a quest for justice and morality into the ordinary business of life”.

90. *Alhamdulillah*, the Islamic finance field has presented us with a modern banking method without usury for the past four decades.

Nevertheless, this development should not stop here. The direction of the Islamic economy should be determined in order to be able to achieve the wider objectives of Islam, including addressing the gap between economic practices that are in line with the teachings of the Quran and Sunnah.

91. The International Conference on Islamic Economics and Finance (ICIEF2023) will be organised in December 2023 to resolve this issue as an effort to pioneer the transition to a more inclusive Islamic financial system.

92. This conference will bring together more than 400 thinkers and technocrats in the field of Islamic finance and involve nearly 100 presentation papers to cover the issues and actions that can be taken to dignify Islamic Finance.

93. The readjustment of the Islamic financial system is necessary in the effort to strengthen the impact of the Islamic financial sector in order to have the opportunity to provide equality, well-being and prosperity to all levels of the society.

- Through **Value-based Intermediation (VBI)**, Islamic banks and takaful operators can explore impactful innovation through offering various types of capital that meet the needs of all levels of society, especially those who are separated from access to financial services.
- **BNM and Islamic financial institutions are also advancing a pilot impact investment programme through a broader Investment Account (IA)**. This effort combines elements of risk sharing between investors in SDG-based investments and social investment wherein, part of the profits will be channeled for social development such as financing the education of the poor.
- *Alhamdulillah*, Malaysia remains in the pole position in the overall global Islamic Finance Development Indicator (IFDI) for 10 years in a row. **The Malaysian International Islamic Finance Centre (MIFC) will continue to strengthen the country's competitiveness in the Islamic finance field** while highlighting Malaysia as a prime destination for Islamic fund acquisition and investment activities as well as a re-takaful hub.

- In order to deepen the universal values of the Islamic economy and its experience in the current context, the **Government provided RM20 million to stimulate research, creativity and innovation in Islamic economy.** This effort will be led by the International Islamic Finance Education Centre (INCEIF) in collaboration with MIFC and the industry.

94. The government proposes to **exempt income tax on income derived from Islamic Securities Selling and Buying (ISSB) from the year of assessment 2024.** This is to increase the overall volume of securities trading and the liquidity of the sharia-compliant stock market through the involvement of more investors and brokers in ISSB transactions in addition to ensuring equivalent treatment is provided for Securities Borrowing and Lending (SBL) transactions.

95. In order to support the development of the Labuan International Business and Finance Centre (Labuan IBFC) as an Islamic financial and sharia-compliant hub, the Government also proposes to **exempt income tax in full for 5 years for Labuan**

entities that carry out trading activities related to Islamic finance such as Islamic digital banking, Islamic digital bursa, ummah-related company and Islamic digital token issuer from assessment year 2024.

96. The organisation of the 19th Malaysia International Halal Showcase last month recorded sales of halal products reaching RM3 billion, which is 24 percent higher than the initial target. The world's largest halal exhibition matched 469 local companies with 231 international buyers from 44 countries.

- In line with the Halal Industry Master Plan 2030, which sets a benchmark for the halal industry's contribution of 11 percent to GDP by 2030, **9 financial institutions are offering special programmes for halal SMEs under the integrated halal platform that provides access to special funds and capacity building programmes.**
- In addition, the Government will shorten the **halal certificate processing period from 51 to 30 days.** The Halal Development Corporation (HDC) and JAKIM will

collaborate to lead efforts to simplify the halal certification process, especially for halal products exporters.

97. The i-Tekad social finance programme has benefitted nearly 4,000 micro-entrepreneurs with encouraging response from 12 financial institutions. Therefore, the Government is allocating additional funds of up to **RM25 million in matching grants with financial institutions to benefit more entrepreneurs.**

98. The Government provided RM200 million last April to redevelop waqf lands in Penang through soft loans. Next year, the **Government will increase the funding to RM500 million to provide soft loans to increase the redevelopment of waqf lands nationwide.**

Measure 5: Empowering MSMEs

99. The Second Belanjawan MADANI will continue to support micro, small and medium entrepreneurs (MSMEs) in line with the goals of the Ekonomi MADANI framework. The priority is to support the increase of business capacity and competitiveness in raising the income of the *Rakyat* and the country.

First: Business Loan Facility

100. Next year, **the total value of loans and financing guarantees available for the benefit of MSMEs amounts to up to RM44 billion.**

101. Certainly, micro-entrepreneurs and small traders are provided with small loan facilities with funds amounting to RM2.4 billion under agencies such as BNM, BSN and TEKUN.

- **RM1.4 billion under the BSN micro loan** is to help provide business capital, equipment purchases, premises and marketing to hawkers and small entrepreneurs.
- **RM330 million under TEKUN** is to provide financing facilities to small traders such as batik and craft operators, Orang Asli entrepreneurs and Bumiputeras of Sabah and Sarawak. **RM30 million is provided specifically to finance businesses run by the Indian community.**

- From the total, **RM720 million is set aside to encourage women and youth** to venture into business.

102. Under BNM, a total of RM8 billion in loan funds are provided to support SME companies. From this amount, **RM600 million is dedicated to help micro-enterprises and low-income entrepreneurs, small contractors, the application of sustainability practices and food security related sectors.**

103. For 2024, RM600 million has been allocated under the Dana Impak Khazanah Nasional, with priority to promote economic growth and provide more opportunities to rural, semi-urban communities and those with less access to financial services.

104. So far, the Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) has more than 100,000 SMEs including 75 percent of non-Bumiputera SMEs and 25 percent Bumiputera SMEs with a total approved value more than RM75 billion. Next year, **SJPP will guarantee up to 80 percent of SME entrepreneurs' loans, especially those involved in the green economy, technology and halal fields with the availability of a guarantee fund of up to RM20 billion.**

105. Since its establishment, Amanah Ikhtiar Malaysia (AIM) has assisted 1 million borrowers, especially single mothers and the poor, by providing small business capital since its establishment. AIM has shown excellent performance by recording the lowest non-performing loan (NPL) rate of 0.26 percent in 2022. **To support AIM's function to eradicate poverty, the Unity Government has allocated RM100 million in funding.**

106. Next year, **RM100 million in financing funds will be provided to the cooperative movement through the Revolving Capital Fund under the Malaysian Cooperative Commission,** among others, to assist more cooperatives.

Second: Strengthening the Competitiveness of MSMEs

107. MSME entrepreneurs should be quick to adapt to technology and digitise their products and services to penetrate a wider market. The Government will intensify its efforts to encourage MSMEs to increase their level of competitiveness through the transition of business models via automation and digitalisation.

- A total of **RM100 million is provided for digitalisation grants of up to RM5,000 for the benefit of more than 20,000 MSME entrepreneurs**. This grant can be used to upgrade sales, inventory and digital accounting systems.
- **RM900 million loan fund under BNM is provided to encourage SME companies to increase business productivity through automation and digitisation.**
- **RM40 million is provided to implement the Shop Malaysia Online Programme** to encourage small traders especially in the home-based food and beverage businesses.
- **The role of the Digital Economy Centre in each State Constituency will be continuously enhanced** to support small entrepreneurs selling their products online with an allocation of RM25 million.

108. To support companies to remain competitive, **the Government proposes to reduce the time frame for companies to claim capital allowances on the purchase of ICT equipment**

and computer software packages to 3 years, instead of 4 years, from assessment year 2024.

Third: Local Talent Development

109. Today, the complexity of the economy demands highly skilled new talents to constantly adapt to the fast-changing world. Consequently, the development of local talent needs to be done immediately through precise refinement to ensure that it is in line with the requirements of employers and the industry.

110. Next year, **the total allocation for TVET education amounts to RM6.8 billion.** The First Belanjawan MADANI has piloted the efforts to revamp the country's TVET education through collaboration with GLCs and private companies. As of 5 October, 17 GLCs and 44 private companies have been involved in the signing of 61 Memorandums of Understanding covering cooperation through curriculum development as well as the provision of equipment and expertise.

111. For example, PETRONAS has collaborated with Institut Kemahiran Belia Negara (IKBN) Bandar Penawar, Johor to provide

industrial training services, curriculum development and equipment that meet the specifications of the petrochemical industry in Pengerang. Next year, **RM100 million will be allocated to provide industry-recognised professional certification to TVET graduates and as an incentive for the industry to collaborate with public TVET institutions.**

112. Next year, the Human Resources Development Corporation (HRD Corp) will use RM1.6 billion to train 1.7 million workers. At the same time, **HRD Corp will reallocate special fund using 15 percent of the total levy collection to implement the MADANI Training Programme including talent retaining and skill improvement programmes for MSME entrepreneurs and vulnerable groups such as ex-prisoners, the disabled, the elderly and retirees.**

113. Efforts to create more future talent that meet the needs of the industry will be streamlined and expanded through close cooperation between Government agencies and industry players.

- In order to address the lack of local talent and skills mismatch, **the Academy in Industry Programme will be**

implemented to provide on-the-job training for a period of up to 18 months with an allocation of RM70 million.

- The country's competitiveness for key sectors such as aerospace, medical devices and digital depends on the talent market of skilled and excellent workforce. Therefore, the Government will offer RM30 million as incentive to the industry to train local workforce including to offer their expertise as instructors and to fund new innovations in producing new products.

114. The Skills Development Fund Corporation (PTPK) with TVET Training Fund amounting to RM180 million will provide education loans to 12,000 trainees undergoing the *Program Persijilan Kemahiran*. **RM20 million is reserved to benefit trainees who are undertaking courses in the maritime field, arts at ASWARA, and maintenance, repair and overhaul (MRO) for the aerospace sector.**

115. **RM17 million is allocated to implement the Tahfiz TVET Programme.** This programme will open opportunities for tahfiz

students to diversify their skills while continuing their lesson in *Hafazan*.

116. To encourage the *Rakyat* to improve their skills and venture into new fields, tax relief of up to **RM2,000 as payment for skills improvement or self-improvement courses is extended until the assessment year 2026.**

117. The Government will also **expand the scope for lifestyle to include the fees for attending self-improvement courses such as language courses, photography, tailoring classes and others.**

Fourth: Rakyat's Economy

118. The Government will continuously strive to lift and dignify the economy of the *Rakyat*. I am determined to see this country be known for its clean, beautiful and safe business facilities and stalls. I assure you that the welfare of hawkers and traders in the markets will continue to be protected to ensure comfort for the business community and visitors.

First: Hawker centres and public market infrastructure, 150 local government areas will be repaired and upgraded with an allocation of RM110 million.

Second: The Government aims to beautify and improve the cleanliness of 10,000 stalls with an allocation of RM10 million.

Third: 4,000 units of new streamlined, comfortable and safe trade spaces will be built in every local government area with an allocation of RM50 million. The Government has also agreed to waive kiosk rental fees for the first 6 months for traders.

Fourth: MARA, Perbadanan Usahawan Nasional Berhad (PUNB), Perbadanan Pembangunan Bandar (UDA) and the Kuala Lumpur City Hall (DBKL) will also upgrade their business facilities.

119. Efforts on the purchase of local products will be intensified through the **Buy Made in Malaysia Goods Campaign and the Use**

of Goods and Services from Local R&D (MySTI) programme with an allocation of RM27 million.

120. To date, more than 1,200 business franchises have been registered under the Ministry of Domestic Trade and Cost of Living and from this, 720 are owned by local companies with sales value in the country reaching RM30 billion. In fact, well-known local franchise brands such as Marrybrown, Daily Fresh Foods, Secret Recipe, Smart Reader and Laundrybar have been operating in 80 countries. To expand the franchise trade, the Government has provided **RM10 million under the Franchise Strengthening Programme to Increase Exports.**

Measure 6: Supporting Primary Sectors

First: Logistics Sector

121. Focus will also be directed towards the development of the transport and logistics infrastructure, in line with current demands to attract more investors and tourists as well as boost trade activities.

122. To strengthen the ecosystem and efficiency of the country's ports:

- **RM50 million is provided as a matching grant with the Port Klang Authority to maintain Jalan Port Klang** while enforcing the overload limit on heavy vehicles.
- **RM20 million is provided as a matching grant with the Port Authorities to upgrade the Malaysia Maritime Single Window (MMSW)** system to unite trading communities at the port through an integrated digital port with various other Government Agencies.
- **The proposed development of a Port in Carey Island** will be realised through Request for Proposal (RFP) in further strengthening the role of Port Klang.

123. To encourage more commitment from investor companies to make Malaysia a global service centre, the Government will introduce a Global Service Hub tax incentive with an income tax rate incentive of 5 percent or 10 percent determined on a success basis of for a period of up to 10 years.

124. The Government is committed to upgrade existing airports to enhance operational capabilities to meet the increasing influx of investors, traders and travellers. A total of **RM47 million will be provided to improve passenger facilities at Tioman Airport terminals** and to extend the existing runway to 1,300 metres.

Second: Tourism and Creative Sector

125. The country is rich in culture and heritage besides being home to many invaluable natural treasures. We excel in niche markets in the ecotourism, scuba diving, golf, wedding ceremonies and medical tourism segments. This huge potential should be developed with a thorough framework to revitalise the tourism sector to become an engine of economic growth for the country.

126. Therefore, the **Visit Malaysia Year has been reinstated to the year 2026**, with a target of 26.1 million foreign tourist arrivals and an estimated domestic expenditure of RM97.6 billion.

127. The Government will provide **RM350 million to boost promotion and tourism activities for Malaysia to regain its**

position as the world's preferred tourist destination. This provision includes:

- organising 2026 Visit Malaysia Campaign;
- cooperation with the industry for promotional activities and to organise both domestic and international tourism events;
- assistance to more than 200 cultural activists to organise cultural and arts activities;
- charter flight matching grant to improve accessibility of international flights to Malaysia; and
- funds to the Islamic Tourism Centre (ITC) to develop Muslim-friendly tourism industry in Malaysia.

128. Heritage areas, buildings and sites that are tourist attractions will continue to be preserved to maintain their beauty, safety and cleanliness.

- **RM20 million will be provided for the benefit of the state governments to maintain and conserve tourist attractions such as Tasik Timah Tasoh in Perlis, Kenong Rimba Park in Pahang and Pantai Teluk Kemang in Negeri Sembilan.**
- **A total of RM80 million is also provided to preserve and conserve heritage buildings and sites that could potentially be recognised by UNESCO, such as Gua Niah, Sarawak; Lembah Bujang, Kedah and Royal Belum, Perak.**
- RM20 million is also provided to Think City to enhance and conserve the value of Kuala Lumpur as a creative and cultural city.

129. Recognising the significant contribution of the tourism and manufacturing sectors to the development of the country, the Government is committed in **introducing new initiatives under the Malaysian Visa Liberalisation Plan**, involving the following facilities:

First: Facilitate Employment Pass approvals for strategic investors in key sectors;

Second: Introduce Long-Term Social Visit Pass for international students who have graduated to meet industrial skilled personnel needs; and

Third: Improve Visa-On-Arrival facilities, social visit passes and Multiple Entry Visa offers to encourage the entry of tourists and investors, especially from India and China.

130. The Government has also agreed to **ease the existing conditions for the application of Malaysia My Second Home (MM2H)** to increase the arrival of tourists and foreign investors to Malaysia. This improvement to MM2H is expected to increase investment activities in the Malaysian financial market and the country's property industry.

Tan Sri Speaker Sir,

131. Local creative talent will continue to be supported to encourage the production of more artistic works in Malaysia as well as increase their income. The Government will provide RM160 million to implement various initiatives for the benefit of creative artists, among others:

- RM60 million under the Digital Content Fund to promote local works and support content based on national values;
- RM90 under the Film in Malaysia Incentive (FIMI) initiative to further encourage international film production; and
- RM10 million to provide for the MyCreative Matching Grant Scheme to support artists in the production of creative projects.

132. Following the Selangor State's decision to lower the entertainment duty rate, the Government also intends to lower the entertainment duty rate for the Federal Territory from 25 percent to new rates as follows:

- **Full exemption of entertainment duty for stage performances by local artists;**
- **Reduction of entertainment duty to 5 percent for theme parks, family recreation centres, indoor play centres and simulators; and**
- **Reduction to 10 percent entertainment duty for stage performances by international artists and other entertainment events such as film screenings as well as sports and games events.**
- **At this juncture, I also take the opportunity to call on the state governments to consider a reduction in entertainment duty, which can support the development of local creative talent as well as boost the country's tourism activities.**

133. I have looked into the input received during the Jelajah Belanjawan MADANI in the state of Johor in relation to the Government's approach in encouraging the entry of foreign

film production to Malaysia and further rival incentives offered by other countries, the Government proposes to set a special income tax rate of between 0 to 10 percent on film production companies, foreign film actors and movie crews who carry out filming in Malaysia.

134. In recognition and appreciation of laureates and arts, cultural and heritage players, the **Government will once again organise the National Art Award annually.**

Third: Technology and Innovation

135. Malaysia needs to emphasise an economic growth model led by research, development, commercialisation and innovation (R&D&C&I) activities. To ensure Malaysia is successfully listed among the top 30 countries in the Global Innovation Index by 2025:

- A total of **RM510 million is allocated as R&D funding under the Ministry of Science, Technology and Innovation as well as the Ministry of Higher Education.**

From this, RM50 million is exclusively for a matching grant

for public universities to collaborate with the private sector in intensifying research and innovation activities that can be commercialised.

- A total of **RM76 million is also allocated to enhance the R&D&C&I ecosystem** through the provision of a fund to support the commercialisation of products created by business enterprises, NGOs as well as Government departments and agencies.
- The INNOVATHON programme, which was successfully launched this year, featured many creations by local talent that can be commercialised. **The INNOVATHON programme will be continued to enrich and stimulate innovation among the *Rakyat*.**

136. To inculcate innovation among industry players, **RM10 million will be provided**, involving the E&E technology field under MIMOS, the space sector under MYSA, and drone and robotics technology under MRANTI.

Fourth: Plantations and Commodities Sector

137. As of June 2023, the agricommodity sector has contributed RM38 billion or approximately 5 percent to the GDP and RM77.4 billion or 11 percent to the national export. These commendable achievements are not devoid of various global economic challenges and volatility. These include the impact of the implementation of non-tariff barriers by importing countries such as the European Union Deforestation-free Regulation (EUDR), the issue of the reliance on foreign labour and adaptation to modern technology.

138. The Government will provide **RM2.4 billion to FELDA, FELCRA and RISDA** to continue to boost agricommodity activities and improve the socioeconomic status of smallholders.

139. By 2027, old palm trees that are more than 25 years are expected to cover an area of more than 560,000 hectares and this will adversely impact the productivity of fresh fruit bunches with losses of up to RM7 billion a year. To curb this problem, the Government will provide the Palm Replanting Programme Incentive with an allocation of RM100 million. This incentive will be offered through a grant and loan to 7,000 private oil palm smallholders.

140. The national palm oil industry needs to continue to be defended against European misconception. The Government will provide **RM70 million to enhance the sustainability level of the palm industry as well as intensify efforts to counter Anti-Palm Oil Campaigns** in the international arena.

141. The Malaysian Rubber Board (LGM) has successfully developed a method of using stimulant gas which can catalyse the production of rubber up to three times as well as to increase the lifespan of rubber trees up to 25 years. RM10 million is provided for the implementation of a pilot project to use stimulant gas for the benefit of rubber smallholders in a 1,000 hectare-wide plantation.

142. The Government will allocate **RM90 million to RISDA and FELCRA to encourage smallholders to optimise the use of production of crops and livestock** such as mushrooms, pineapple, matag coconut, cattle and poultry.

143. To increase the productivity of plantation products and reduce the dependence on foreign labour through mechanisation

and automation such as drones and self-driving vehicles, **the scope of automation tax incentives will be expanded to cover the commodities sector under the Ministry of Plantation and Commodities.**

144. In the 2023 Budget, I increased the activation pricing level for the Rubber Production Incentive (IPG) from RM2.50 to RM2.70 per kilogramme. Once again, after hearing the grouses of the rubber farmers, **the Government has agreed to increase the IPG activation pricing level to RM3 per kilogramme with an allocation of RM400 million.**

Fifth: GLIC and GLC Companies

145. The role of GLICs and GLCs as the driving force of the country's economy are huge. The accumulated investment value of GLCs is estimated to reach RM130 billion this year. Among the focus of investment include domestic direct investment (DDI), venture capital in high-innovation startups and green growth for climate resilience.

146. Furthermore, GLICs and GLCs have also increased their contribution in the implementation of various programmes for the welfare of the *Rakyat* and the country, from RM250 million in 2023 to RM300 million in 2024.

Measure 7: Sustainable Agenda and Energy Transition

147. The launch of the National Energy Transition Roadmap (NETR) outlines six key drivers of energy transition, including renewable energy, hydrogen, green mobility as well as carbon capture utilisation and storage (CCUS).

First: Towards Net Zero Carbon Emission

148. To realise the NETR aspiration, the Government will provide the Fund to Facilitate National Energy Transition with an accumulated value totalling RM2 billion.

149. Apart from this, Financial Institutions will also provide financing funds with a total value of RM200 billion to encourage the industry to transition towards a low-carbon economy.

150. To achieve the target of 70 percent renewable energy capacity by 2050, efforts to improve the implementation of the Corporate Green Power Programme will be continued as one of the implementation methods of the Third Party Access (TPA) model. The Government will continue to explore the TPA model and develop appropriate implementation methods to drive investment in renewable energy capacity.

151. The Government will continue to boost growth in the electric vehicle industry (EV) locally and encourage the acceptance of the Rakyat towards the usage of EVs.

- **The Government welcomes investment of more than RM170 million by leading companies such as TNB, Gentari and Tesla Malaysia to install 180 EV charging stations.**
- **To encourage use of electric motorcycles, the Government will introduce the Electric Motorcycle Usage Incentive Scheme to the *Rakyat* with an annual income of below RM120,000. This scheme will provide up to RM2,400 rebate to buyers.**

- To support the needs of the LRT3 projects, Prasarana Malaysia Berhad has agreed to acquire 150 electric buses and build 3 bus depots at a cost of RM600 million.
- The Government suggests to extend individual income tax relief of up to RM2,500 on expenses for EV charging facilities for a period of 4 years and to extend tax deduction for EV rental costs for a period of 2 years.

152. Encouraging the installation of solar panels will also be intensified.

- The Government will extend the Net Energy Metering (NEM) programme offer period until 31 December 2024 to encourage the installation of panels in residential premises.
- The Government is also developing a roof solar buyback programme with minimal cost implications to the system.

- At the same time, the Government is encouraging companies to offer a “Zero Capital Cost” subscription model, as will be offered by Gentari, for the residential housing category.

153. Putrajaya will be modelled as Malaysia’s low-carbon city. The Government will begin installing solar panels on the roof of Government buildings in collaboration with TNB and Gentari. The Federal Administration will also begin using electric vehicles as official vehicles.

154. The Government will continue to support Sustainable and Responsible Investment (SRI). The Government plans to extend the tax exemption to fund management companies that manage SRI funds as well as tax deductions on the cost of issuing SRI sukuk until the assessment year 2027.

155. To encourage more involvement from companies to join the carbon market voluntarily, the Government is proposing an additional tax deduction up to RM300,000 to be given to companies spending on Measurement, Reporting and Verification (MRV) related to the development of carbon projects. These

expenses can be deducted from the income from carbon credit sales traded at the Bursa Carbon Exchange (BCX).

156. The Government will ensure the Petroleum (Income Tax) Act 1967 remains relevant with the current upstream oil and gas industry needs, while increasing the interest of foreign investors. The Petroleum (Income Tax) Act 1967 Review Committee comprising the Ministry of Finance, IRBM and PETRONAS is reviewing and drafting tax incentives for CCUS and Hydrogen Sulphide projects. *Insya-Allah*, this study will be finalised by the end of the year.

Second: Preservation of Natural Treasures

157. The Government will continue to support the state governments' efforts in increasing the percentage of protected forest areas and protecting endangered wildlife. Next year, **the allocation for Ecological Fiscal Transfer for Biodiversity Conservation (EFT) will be increased to RM200 million, instead of RM150 million this year.**

158. The role of community rangers has been successful in combating invasion, logging and illegal mining as well as wildlife killings. **The Government will increase the number of community rangers to 2,000 people, instead of 1,000 this year to increase the enforcement of permanent forest reserves. RM60 million is allocated with a focus on appointing rangers from among veterans from the Malaysian Armed Forces, the RMP, Orang Asli and local communities.**

159. For the period 2018 to 2022, more than 46,000 complaints have been received involving human-wildlife- conflicts such as elephants, tigers and tapirs that damaged property and agricultural crops with an estimated loss of RM43 million. **A total of RM10 million is provided to help ease the burden of losses incurred by the *Rakyat* affected by human-wildlife conflicts.**

160. The Federal Government will **pioneer the issuance of biodiversity sukuk up to RM1 billion** involving the replanting of degraded forests that will in turn generate carbon credit. This replanting initiative will be undertaken in collaboration with interested state governments and will potentially benefit from some of the carbon credit generated.

161. The Government has prepared various forms of tax deductions for preservation and conservation activities. To encourage more involvement from the private sector through charity or community projects, the Government will provide **tax deductions to entities that sponsor tree planting activities or environmental preservation and conservation awareness projects certified by the Forest Research Institute Malaysia (FRIM).**

162. In addition, to support the social enterprise movement in producing positive environmental and social impacts, in line with the pillars of sustainability and well-being under Malaysia MADANI, **the Government will extend the tax exemption application period on all social enterprise income until 2025.**

Third: Readiness to Face Disasters

163. The Twelfth Plan has allocated a significant amount to fund flood mitigation projects, reaching RM22 billion. This long-term high-impact project is essential to ensure the *Rakyat's* well-being and curb more loss of life and belongings. Nevertheless, the

Government remains firm in its stance on procurement, wherein it should be implemented on a tender basis to avoid wasting the *Rakyat's* money.

164. Next year, the implementation of **a total of 33 High Priority Flood Mitigation Projects will be undertaken at a cost of RM11.8 billion.** Among the projects involved include Flood Mitigation Plans at:

- Sungai Pahang Basin, Pahang;
- Sungai Langat Phase 2, Selangor;
- Sungai Jelai, Kuala Pilah, Negeri Sembilan;
- Sungai Likas, Kota Kinabalu, Sabah; and
- Kuching Phase 2; Sarawak;
- Baling Phase 2, Kedah; and

- Integrated River Basin Development, Sungai Kelantan Phase 2, Kelantan.

165. Letters of Acceptance (SST) for 24 projects are expected to be issued this year beginning October 2023 involving a total cost of RM5.1 billion. The remaining will be issued SSTs in the first quarter of 2024.

166. Meanwhile, to reduce the risk of stagnant water and flash floods, **RM20 million is provided to 150 local authorities to carry out repair works on damaged sewers and drains.**

167. To curb landslide tragedies similar to the one in Batang Kali, Selangor late last year, the Government has provided **RM563 million for slope repairs nationwide including for monitoring, prevention and reporting programmes as well as early warnings involving more than 2,000 high-risk slopes.**

Tan Sri Speaker Sir,

168. Overall, the **National Disaster Management Agency (NADMA)** as the main agency for flood preparations has been allocated **RM300 million**.

- This includes **RM100 million which will be channelled immediately after this Presentation** using the 2023 allocation to ensure smooth flood preparation later this year.
- The Government has agreed to **increase the allocation under the National Disaster Relief Fund next year to RM200 million** instead of RM100 million this year.
- **NADMA will also enhance the comfort levels at evacuation centres to ensure the welfare of the victims.** Among them are providing nine Permanent Evacuation Centres, refurbishing lavatories, bathrooms and stores at 1,500 Temporary Evacuation Centres as well as renting mobile lavatories.

- At all times, the Government is willing to increase the allocation if needed to ensure best management of disaster.

169. We must all remember Blake, a member of the K9 Detection Unit of the Fire and Rescue Department who left us after rendering tremendous service to the country. **The Government will improve the medical facilities and treatment for K9 dogs of the Fire and Rescue Department as well as increase the number of K9 detection dogs for the Fire and Rescue Department, RMP and Royal Malaysian Customs Department with an allocation of RM5 million.**

Fourth: Food Security

170. The disruption of the global food supply chain has had a direct impact on the local basic goods market. The increase in rice prices is not only happening in Malaysia due to the decision of 19 countries to limit the export of rice to support their own domestic consumption. Last month, the Government decided on four urgent measures to ease the *Rakyat's* concerns regarding the price hike

of imported white rice and the increase in demand for local white rice.

171. The Government will continue to intensify efforts to ensure the sustainability of the country's agro-food industry self-sufficiency level.

- **The Second Belanjawan MADANI will provide RM2.6 billion to provide various forms of subsidies and incentives to farmers and fishermen.** This allocation has increased to RM600 million compared to this year, in line with the Government's decision to increase the rate Paddy Price Subsidy Scheme from RM360 to RM500 per metric tonne.
- I have heard the grouses of paddy farmers when the purchase price by manufacturers was lowered to a minimum of RM1,200 per metric tonne, whereas previously the purchase price by manufacturers was much higher. The Government has set the floor price at RM1,200 since 2014. It gives me great pleasure to announce **the Government has decided to increase the floor price of**

paddy to RM1,300 per metric tonne to help the income of farmers.

- The Government has **embarked on a five-season paddy cultivation pilot effort in 2 years in several areas such as Bota Kiri, Perak; Kangar, Perlis and Kota Sarang Semut, Kedah.** This is in line with efforts to upgrade the irrigation infrastructure in Muda Agricultural Development Authority (MADA) area in Perlis and Kedah to increase rice production with an investment worth RM3 billion.
- The Government has also agreed to increase the allocation of hill paddy or huma paddy subsidies from RM40 million to RM50 million and this, among others, will be able to expand the hill paddy planting area from 43,000 hectares.
- For the benefit of fishermen, the Government will maintain the diesel subsidy at the lowest price of RM1.65 per litre to selected classes of fishermen, with a quota of 840 million litres per annum. Fishermen are also provided a monthly subsistence allowance of up to RM300 per month and the

Fishermen Catch Incentive of up to RM1,000 per month. The Government will provide RM10 million for the purpose of building new and refurbishing old fishermen's houses.

- Next year, **RM400 million will be allocated to implement the Food Security Strengthening Programme.** Particular focus will be on increasing the production of local food crops that are still dependent on external imports.
 - Among others, **RM150 million to cooperate with state governments** in optimising land use to increase crop and livestock production.
 - **RM50 million to implement the new method of fertiliser procurement through an open tender basis to provide farmers the option of fertiliser to be used.** This project will be carried out on a pilot basis in a 90,000 hectare area, including in Perak, Selangor, Terengganu and Penang.

- **RM50 million to supply 50,000 farmers with bio-organic fertilisers** to increase soil fertility.
- To support the increase in production capacity of agricultural products and the competitiveness of young agropreneuers, **Agrobank provides loan facilities** to agro-food entrepreneurs with the availability of funds of up to RM430 million.
- The Government will protect farmers, breeders and fishermen hit by natural disasters, which destroy their crops and livestock.
- **RM50 million is provided under the Agricultural Disaster Fund as compensation of up to 50 percent of the value of losses due to disasters.**
- **RM50 million has also been allocated as startup funds under Skim Takaful Tanaman Padi** for the benefit of more than 240,000 rice farmers.

172. In essence, I call for the involvement and cooperation of the private sector in embracing all their strengths and expertise to work together to increase local food production to reduce reliance on imported supplies.

III. RAISING RAKYAT'S STANDARD OF LIVING

173. As expressed in Thirukkural:

இயற்றலும் ஈட்டலுங் காத்தலும் காத்த வகுத்தலும்

வல்ல தரசு

(Iyatralum Eettalum Kaatthalum Kaattha

Vaguthalum Vallathu Arasu)

The person, capable of advancing (wealth from various sources of income), gathering (wealth from that income in a center), protecting (the accumulated wealth), and managing the expenditure of that protected wealth (in advantageous ways),
is the King.

174. The increase in national revenue from economic and fiscal restructuring will be fully utilised to elevate the standard of living for the *Rakyat* to a more meaningful level. Emphasis is particularly given to the channelling of cash assistance directly to the underprivileged as well as providing education, health, and basic infrastructure for all.

Measure 8: Protecting the Welfare of the *Rakyat*

175. For 2024, a total of **RM58.1 billion will be provided to finance various forms of Government assistance to the *Rakyat*** including subsidies, incentives, and aid. Almost 50 percent of this allocation is to control the price of goods and services to benefit the *Rakyat*.

176. For example, **RM225 million is allocated to finance the cost of distribution of essential goods** such as petrol, LPG, flour, and cooking oil to rural and remote areas under the Community Drumming Programme. The programme will be expanded to new areas including the Abai district, Sandakan, Sabah and Engkerebai, Mukah, Sarawak.

First: Payung Rahmah Programme

177. The Payung Rahmah Programme is a manifestation of the Government's concern with the plight of the *Rakyat*. The battle against dealing with the rising cost of living, which was initiated by the late Datuk Seri Salahuddin Ayub shall not be stopped and will be further enhanced.

178. The Government has allocated **RM200 million to continue the implementation of the Payung Rahmah Programme.**

- For example, **the Jualan Rahmah Programme**, which offers essential items priced up to 30 percent lower, will be expanded to more state constituencies across the country.
- **The Pasar Rahmah Programme, which offers incentives to 1.2 million entrepreneurs of wholesale markets, night markets, and farmers markets** will continue to reduce the cost of doing business, thereby lowering sale prices.

Rahmah Cash Assistance (STR) & Sumbangan Asas Rahmah (SARA)

179. I heard the grievances of the *Rakyat* who faced the challenges of the cost of living and the rising price of goods. This issue has always been the Government's priority in ensuring that low-income households continue to be given appropriate assistance.

180. The wisdom of retargeting subsidies will enable the Government to improve and increase cash assistance to the *Rakyat* through the Rahmah Cash Contribution (STR). Next year:

- **The STR will benefit 9 million recipients or 60 percent of Malaysia's adult population.**
- **The STR allocation increased by RM2 billion or 25 percent from RM8 billion to RM10 billion.**
- **The maximum STR increased from RM3,100 to RM3,700.**

- **The minimum STR rate for singles is also increased from RM350 to RM500.**
- **The first STR payment for households is usually RM300. For STR 2024, the first STR payment is increased to RM500 which will be distributed before Ramadan, *Insyah-Allah*.**
- **This year, we have introduced the Basic Rahmah Contribution (SARA) by crediting into the MyKad 200 thousand STR recipients of RM100 per month for a period of six months. Through SARA, the recipient only needs to go to the retail outlets to provide basic necessities only by using the myKad. Taking into account the excellent feedback, the Government decided to extend the SARA benefit to 700 thousand STR recipients who will receive RM100 per month for a period of 12 months.**
- The STR 2024 will take a different approach with the Government is planning to open new applications starting November 2023 and the applications will be open

throughout the year compared to once a year before. *Insyah-Allah*, the first payment worth up to RM500 will be made in February 2024.

Second: Meaningful Income

181. The People's Income Initiative (IPR) launched this year has managed to increase the monthly income of more than 2,000 participants. Under the INSAN programme, the participants managed to earn an average sales revenue of up to RM14,000 per month. **To increase the income of more hardcore poor *Rakyat*, RM500 million will be provided next year to increase more participation in the IPR programme.**

182. Efforts to tackle hardcore poverty continue to show progress with the latest data showing the hardcore poverty rate has fallen from an estimated 1 percent in 2020 to 0.2 percent or 18,000 households at present. For all the efforts that were made, the Government is confident that hardcore poverty will be put to an end.

183. The Government agrees to make the **skills improvement programme under the MyFutureJobs platform accessible to all MySTEP appointments.** The platform will provide a matching job that will build their future career and potentially generate a higher income. This initiative will offer 50,000 jobs opportunities on a contract basis in the public sector and Government Linked Companies or GLCs starting January 2024.

184. The Government will continue to encourage vulnerable people such as the disabled, former inmates and senior citizens to secure jobs with meaningful salaries.

- To encourage private employers to employ the vulnerable, **SOCSSO will provide a special incentive of RM1,500 per month for the period of six months to support the entry of more than 3,300 job seekers** with an allocation of RM30 million.
- **The One Percent Policy on Employment Opportunities for the disabled will be extended to former inmates and senior citizens via the MYFutureJobs job-matching and MySTEP programme.** Vulnerable group who participates

in the MySTEP programme will be offered a contractual placement with an allowance of RM1,500 for a period of six months in various ministries, GLICs and GLCs as well as Government's strategic partners.

185. The Government will continue the Career Building Programme through SOCSO to ensure that informal workers, especially in the gig economy are given the opportunity to participate in career development and microcredential skills training programmes. **RM35 million will be provided to fund training fees and income replacement incentives for 9,000 gig workers to attend training programmes.**

Third: Channelling of Cash Assistance

186. For 2024, the assistance channelled by the Department of Social Welfare is worth more than RM2.4 billion. The assistance is expected to benefit more than 450,000 *Rakyat*, especially hardcore poor households, senior citizens, children and the disabled. I am pleased to enlighten that the eligibility requirements are expanded in line with the increase in food Poverty Line Income (PGK) 2023 of RM1,198 per month.

187. A portion of the income generated from the sales of special licence plate numbers by the well-to-do will be utilised to ease the burden of the underprivileged.

First: The Government agrees to continue **bearing the driving test fees for the B2 motorcycle licence category, e-hailing, and taxis for the benefit of more than 40,000 youths** from underprivileged families.

Second: A total of 10,000 **helmets including for children will be freely distributed** to underprivileged families.

Third: The FLYsiswa initiative is introduced as a subsidy aid to purchase flight tickets to reduce the financial burden of students who wish to return to their hometowns. Next year, **the FLYsiswa initiative will continue to benefit nearly 60,000 students** from underprivileged families.

Fourth: Social Protection

188. The Government is improving social protection programmes to ensure that the focus group continues to receive the right protection.

First: The Government's contribution under the Self-Employment Social Security Scheme (SKSPS) will be increased to 90 percent with an allocation of RM100 million. On behalf of the gig workers, I would like to urge the operating company to cover the remaining 10 percent of the contribution. I am sure the platform operating companies are very concerned with the welfare of their gig workers.

Second: The Government's matching contribution limit under the EPF's i-Saraan programme will be increased to RM500 per year, limited to RM5,000 for life.

Third: The Government's matching contribution limit under the EPF's i-Suri programme will be increased to RM300 per year, limited to RM3,000 for life.

Fourth: The Housewives' Social Security Scheme will be continued with an allocation of RM50 million involving more than 400,000 female housewives registered under the e-Kasih.

Fifth: The EPF's i-Sayang programme will be expanded to allow wives to transfer 2 percent of their EPF contributions to their husbands.

189. Further, the Government **will increase the monthly salary ceiling for SOSCO contributions from RM5,000 to RM6,000.**

This increment will expand the cash benefits at a rate of 20.2 percent to benefit 1.45 million workers and their dependents.

190. The accounts of EPF members will be restructured to strengthen retirement savings. **The EPF's Flexible Account will**

be introduced as a new account to allow accessibility to members at any time.

Measure 9: Empowering the Government Focus Group

191. In line with the inclusive development, efforts will continue to be intensified to ensure equality of opportunity among the *Rakyat* and provide specific assistance for certain groups, especially the vulnerable and those in need of assistance.

First: Bumiputera Agenda

192. We have to learn from past mistakes that gave rise to dereliction and negligence and resulted in the detriment of Bumiputera agencies:

- The main institutions of the country cannot deviate from the initial goals of its establishment. Past mismanagement has also forced the Government to incur losses in Tabung Haji (RM20 billion), FELDA (RM10 billion) and LTAT (RM2 billion). In facing problems, it is highly inappropriate for main institutions to make settlements by selling strategic

assets. Therefore, in the interests of stakeholders, the management of main institutions should be responsible in managing their institutions in a prudent and professional manner to realise long-term investment potential.

- Moving forward, Bumiputera investment institutions will be centralised under Yayasan Pelaburan Bumiputera (YPB). Pelaburan Hartanah Berhad (PHB) will be merged under PNB and strengthened through the provision of the Government's strategic land especially in Kuala Lumpur for housing development projects. Ekuinas will also be placed under the umbrella of YPB to strengthen Bumiputera business expansion in collaboration with PNB and PUNB.
- Education institutions under MARA including UiTM should focus on training and upskilling new Bumiputera talents in high-growth areas such as Islamic economy, aerospace and creative industries.
- Next year, RM1.6 billion worth of loan facilities and guarantees will be provided specifically for Bumiputera

MSME entrepreneurs to increase capacity and competitiveness including the provision of venture capital financing to Bumiputera startups.

- The Government will provide special funds for the CAKNA 2 Scheme to assist the small G1 – G4 Bumiputera contractors to complete the Government's small-scale projects, amounting to RM2.4 billion. The CAKNA 1 scheme, with a non-debt feature to assist Government vendors, is extended for the implementation of all Government agencies.

Second: Women and Children

193. The Ekonomi MADANI framework sets a benchmark to increase the participation rate for women in the labour force to 60 percent. To further encourage women to return to work, **tax incentives for women returning to work are extended until 31 December 2027.**

194. The Government is **proposing that the income tax exemption limit on childcare allowances received by**

employees or paid directly by employers to childcare centres be increased from RM2,400 to RM3,000.

195. Immigration detention centres are not meant for children. There is no need to refer to international conventions to be aware of the matter; it is enough with empathy. The Government has pioneered the Baitul Mahabbah programme under the Immigration Department of Malaysia to provide temporary placement for these children. For 2024, **the Government will expand the programme to three more temporary settlement centres, namely Sabah, Sarawak and Peninsular with an allocation of RM10 million.**

196. Early childhood education will continue to be given attention. For next year, **KEMAS will be allocated RM586 million.**

- **A total of 10 new TABIKA and TASKA at a cost of RM31 million will be built**, among them, in Kampung Paya Berenjut, Kemaman, Terengganu; Felda Jelai 1, Tampin Negeri Sembilan and Taman Kota Masai, Johor Bahru, Johor.

- **A total of RM20 million is also provided to upgrade the KEMAS Early Childhood Education premises.**

197. For next year, 26 new preschools under the Ministry of Education will be built involving a cost of RM82 million next year. This includes the construction of preschool buildings in:

- Sekolah Kebangsaan Abang Kadir Gedong, Simunjan, Sarawak;
- Sekolah Kebangsaan Bunut Rendang, Kuantan, Pahang; and
- Sekolah Jenis Kebangsaan Cina Chabau, Melaka.

198. The inculcation of Islamic education and the knowledge of the Quran will continue to be strengthened from an early age. **The Government will implement the Pra-Tahfiz KEMAS Programme with an allocation of RM20 million, targeting to produce 100,000 young hufaz by 2026.**

Second: Youths

199. To inculcate the spirit of volunteerism among youths aged 18 to 20 years, the Government will implement the “pay it forward” concept. **The Government will provide a RM500 reward to youths who have successfully volunteered with bodies recognised by the Government.**

200. In addition, the Rakan Muda programme has been given a new lease of life to mould the identity and personality of young Malaysians. **The Government has allocated RM20 million to Rakan Muda to enhance the content of youth programmes.**

201. Since its inception, the **Tunas Usahawan Belia Bumiputera** Programme (TUBE) has produced more than 7,000 youth Bumiputera entrepreneurs and created nearly 14,000 job opportunities. The programme will continue next year with an allocation of RM20 million.

202. To promote Malaysia as an e-sports industry development hub, a total of RM30 million has been allocated to encourage international e-sports companies that are well-established in

Malaysia to invest in the development of their digital products together with local talent. This will enhance the competitiveness of local talent while making Malaysia an investment destination for other international companies.

Third: Key Communities

a) Orang Asli

203. The allocation for Orang Asli communities has been increased to RM333 million in 2024 from RM305 million this year. The allocation includes the implementation of socio-economic development and infrastructure projects in Orang Asli villages as well as the provision of social assistance.

204. For example, a total of RM28 million has been allocated to intensify the development programme of Orang Asli entrepreneurs and the replantation of Orang Asli plantations such as Batang Padang, Perak, and Hulu Langat, Selangor.

b) Persons with Disabilities (OKU)

205. The Government will continue to protect the wellbeing and empower the OKU to be self-sufficient.

- A total of **RM1.2 billion is provided to channel various forms of assistance** such as caregiving to chronically ill bedridden OKU, disabled workers, and allowances to disabled workers.
- Next year, **the allowance rate for disabled trainees who participate in the Community Recovery Programme will be increased to RM300 per month compared to RM150 per month.** The increase is expected to benefit more than 18,000 disabled trainees with an additional allocation of RM30 million.
- To benefit micro-disabled entrepreneurs, a special financing facility by BSN is provided worth RM50 million.

c) Senior Citizens

206. For 2024, a total of **RM1 billion is allocated to protect the wellbeing of senior citizens.** This includes providing cash

assistance and channelling of the fund to senior citizens' care institutions and activity centres.

207. The Government proposes that the **Industrial Building Allowance be given to the Senior Citizens Private Nursing Care Home** approved by the Ministry of Health Malaysia at the rate of 10 percent of the cost of buildings built or purchased, including renovation costs for each year of assessment. This allowance is given for eligible expenses incurred from 1 January 2024 to 31 December 2026.

d) Inmates and Refugees

208. The PEKA programme (Your Second Chance) programme under the Department of Prisons has successfully provided employment opportunities for selected offenders who are ending their sentence. Next year, in addition to continuing to work with companies under this programme, **a total of RM10 million is allocated for the implementation of the PEKA TVET programme to provide competency training accredited by CIDB to offenders.**

209. In the spirit of second chance, the Government will also table **amendments to the Drug Dependants (Treatments and Rehabilitation) Act 1983** to enable drug addicts to receive treatment and rehabilitation without being admitted to prison institutions.

210. Malaysia is no exception to the spillover due to the humanitarian crisis from regional countries. Most of the refugees and asylum seekers in Malaysia are from oppressed Myanmar on their mainland. The Government is willing to **consider providing controlled access to basic needs including jobs, services, and education.**

Measure 10: Providing Excellent Basic Facilities

“Without education and liberty, that soil and the sun of mankind, no reform is possible, no measure can give the result desired.”

(Jose Rizal)

211. The Ekonomi MADANI framework sets the benchmark for Malaysia to be among the top 25 in the United Nations Human

Development Index (HDI). Among the criteria to measure HDI, include the level of education and health of the citizens.

First: Education and Higher Education

(a) Mainstream Education

212. Education remains the main component that receives the highest allocation in the Second Belanjawan MADANI. **The Ministry of Education, particularly will be allocated RM58.7 billion compared to RM55.2 billion in 2023.**

213. Next year, an allocation of **RM1.9 billion will be allocated next year to upgrade and maintain schools all over the country.**

- This includes RM930 million **for the upgrading of buildings and infrastructure in 450 schools, comprising 185 projects in Sarawak and 155 projects in Sabah.**

- A total of RM1 billion is allocated for **the maintenance of all types of schools such as national, religious and vernacular schools**, including special education schools with a focus on the needs of students with autism.

214. Next year, **the construction of 26 new schools will begin with a total cost of RM2.5 billion, including:**

- **SMK Laya-Laya, Tuaran Sabah;**
- **SMK Baie, Bintulu, Sarawak;**
- **SMK Seri Melati, Kuantan, Pahang;**
- **SMK Bandar Universiti, Bandar Seri Iskandar, Perak;**
and
- **SMK Binjai, Kota Bharu, Kelantan.**

215. Beginning next year, the Government **has agreed to expand the parents' income criteria in the application of the Federal**

Small Scholarship (BKP) according to the poverty line income rate (PGK) of RM2,589 compared to the previous RM1,500. The extension of this requirement will provide an opportunity for an additional 35,000 children from underprivileged families to receive.

216. To ensure that the children of poor families do not drop out of education, the Government has agreed to **expand the provision of assistance under the Kumpulan Wang Amanah Pelajar Miskin to Form Three students** compared to Form One student previously. In total, over 1 million students will receive benefits with an allocation RM150 million.

217. The Ministry of Education recorded a decrease in the participation of upper secondary students in the Science, Technology, Engineering and Mathematics (STEM) stream to 40.94 percent in 2022 compared to 45.2 percent in 2017.

- To strengthen the STEM field, a **Special STEM Committee across ministries will be established** to set targets and measures to increase STEM field participation among secondary school students.

- The Government will provide **RM100 million to maintain and upgrade school computer labs and acquire new equipment for STEM learning**. Industry representatives will also be involved as instructors and provide equipment to increase the interest of students in learning STEM.

218. The Government will continue to empower and protect the wellbeing of students with special needs.

- Next year, **18 new blocks of special education will be built with a total cost of RM180 million**. This includes SMK Kubang Rotan, Kedah; SK Bandar Baru Perda Pulau Pinang and SMK Dato' Ali Ahmad, Perlis.
- A total of **RM30 million is also allocated to provide special educational support equipment and disabled-friendly facilities** to facilitate students and teachers in school.

219. The application of *Karamah Insaniah* among school students will be enhanced to implement student character-

building programmes that focus on the values of leadership, personality, manners, and integrity.

220. Malaysia recorded the highest school closures compared to regional countries during the COVID-19 pandemic. Pursuant to this, there still are student who drop out and need further guidance. **To this end, RM100 million is provided to implement a holistic approach involving all parties to help these affected students.**

221. The Ministry of Education will conduct the National Education Future Tour to make sure that the National Education Blueprint, which is now being prepared, takes into considerations the suggestions and concerns of parents, educators, and the industry.

(b) Higher Education

222. The excellence of higher education is measured by the success in producing successful young talents. Universities as knowledge hubs need to be ready to supply graduates with the necessary skills and knowledge of the job market. For this

purpose, the **Ministry of Higher Education is allocated RM16.3 billion compared to RM15.3 billion this year.**

223. Lagging internet access in universities is one of the highest complaints that I have received in my Siri Temu sessions with students. This should be dealt with utmost urgency. **The Second Belanjawan MADANI will provide RM250 million to replace and extend the coverage of WIFI in all public universities.** This also includes RM5 million for the digitalisation project of the University Teaching Hospital.

224. To increase the level of comfort and safety in institutes of higher education (IPT), **RM300 million is provided to maintain and repair infrastructures as well as replace dilapidated equipment.** This includes RM50 million for the procurement of equipment at four technical universities in Malaysia.

225. The Government will continue to promote knowledge by **encouraging vulnerable communities, including OKU, Orang Asli, single mothers, and senior citizens to participate in the Lifelong Learning Programme in community colleges. A total**

of RM5 million is provided for the benefit of 5,000 focused communities in 105 community colleges nationwide.

226. To improve the socio-economic level and empower local entrepreneurs, the Government has provided **RM1 million to each public university to intensify the implementation of the MADANI Community Empowerment Programme and the Rehabilitation Programme in the OKU Community.**

227. Malaysia must move quickly to lead the thrust of the future in line with the booming global digital transformation. Digital innovation and talent need to be strengthened, especially in the field of artificial intelligence (AI), to support sustainable economic growth in the country. To intensify the exploration of cross-disciplinary AI, **I am pleased to announce the establishment of the country's first artificial intelligence study centre, the Faculty of Artificial Intelligence (AI) at Universiti Teknologi Malaysia with an early allocation of RM20 million.**

228. Debts must be paid. To build a responsible attitude among borrowers, the Government has agreed to provide **a discount on**

PTPTN loan repayment from 14 October 2023 until 31 March 2024 with the following rates:

First: 10 percent discount on the balance of the debt for full settlement of the loan;

Second: 10 percent discount on payment of at least 50 percent of the remaining debt in a single payment; and

Third: 15 percent discount on payment by salary deduction or scheduled direct debit.

229. Lastly, I would like to emphasise on the welfare of university student. I will not, under any circumstances, allow students, especially those from underprivileged families, to be denied access to public universities or have their right to enrol denied simply because they cannot afford the enrolment entrance fees. Not having the money to pay the fees cannot be used as a reason to prevent students from taking the exams.

- Starting from January 2024, **the registration fees for admission to public universities will be capped at RM1,500**. This is in line with the value of the National Higher Education Fund Corporation (PTPTN) Advance Loan (WPP), which amounts to RM1,500 for all eligible prospective students.
- At the same time, **existing students who cannot afford to pay their tuition fees will not be blocked from registering for subjects each semester**, and payments can be settled after subject registration. Any payment regulations set by universities should take into consideration the welfare of students.
- Moving forward, the university Student Affairs Division, in collaboration with PTPTN or other relevant bodies, should play a role in simplifying the process and assisting students and prospective students facing tuition payment issues.

Second: Health Services

Tan Sri Speaker Sir,

230. The Health White Paper, which was presented in this House last June has outlined some of the key challenges of the nation's health system that needs to be addressed, including integrating the public and private health sectors that have been dichotomised for a long time. The Second Belanjawan MADANI will lay the framework to achieve the four pillars of the national health reformation strategy.

231. Next year, **the Ministry of Health Malaysia (KKM) will be allocated RM41.2 billion**, an increase from RM36.3 billion this year, making it the largest increase among ministries. A total of RM5.5 billion of this allocation is for procuring medicines, consumables, reagents, and vaccines. This includes purchasing medications from the ASEAN region to obtain reasonable prices and ensure quality, reducing dependence on medicines from Western countries.

232. Malaysia has yet to meet the ratio of one doctor to 400 patients. To this end, the accessibility to health facilities will continue to be increased to minimise congestion.

- Next year, **several new development projects will begin to be implemented** including:
 - Universiti Sains Islam Malaysia Teaching Hospital Complex (USIM) Phase 1 in Kota Tinggi, Johor at a cost of RM938 million;
 - Preliminary work for the construction of Hospital Sultanah Aminah 2, Johor Bahru, Johor;
 - Additional Pathology Block at Hospital Raja Perempuan Zainab II, Kelantan at a cost of RM175 million;
 - Additional building for the Emergency and Trauma Department at Hospital Sultan Abdul Aziz Shah, Universiti Putra Malaysia, Serdang, Selangor; and
 - Five new health clinics including Rantau, Negeri Sembilan, Kuala Tahan, Jerantut, Pahang; Kuala Jengal, Dungun, Terengganu and Pulau Mantanani, Kota Belud, Sabah at a cost of RM150 million.

- The Government also supports Sarawak's intention to develop a Cancer Institute in Sarawak.
- To continue to control congestion in MOH hospitals, the Government will also continue to enhance cooperation by **outsourcing patients to other hospitals** including military, university and private hospitals with an allocation of RM200 million.

233. The commitment of the Unity Government to refurbish dilapidated clinics will continue to be intensified. A total of **RM300 million is allocated to refurbish 400 rundown clinics** that still have wooden structures and dilapidated wiring.

234. A total of **RM766 million is also allocated for the procurement of medical equipment at MOH hospitals** to replace equipment that has reached Beyond Economic Repair (BER) and to meet the needs of various new service disciplines. This includes **RM200 million for procurement** to ensure healthcare service readiness in responding to emergency calls.

235. Only 3 percent of national health clinics are equipped with digital health records. Digital records are crucial in establishing quick patient data access that can be shared across all Government healthcare facilities. The Government has **allocated RM150 million for the maintenance of information and communication technology (ICT)** systems under the Ministry of Health, including providing **Clinic Management System Subscription (CCMS) to 100 government health clinics.**

236. To protect the *Rakyat* and ensure their well-being, healthcare services should shift from treating patients to disease prevention activities and the Agenda Nasional Malaysia Sihat (ANMS) with RM130 million allocated for this purpose, including healthy screening, early screening for newborns, and providing vaccines to pregnant women.

237. At the same time, as a measure to mitigate health risks, the following steps will be implemented:

- **Imposing an excise duty on chewed tobacco products at a rate of 5 percent plus RM27 per**

kilogramme, similar to the excise duty levied on snuff tobacco.

- **The current excise duty rate for sugary drinks will be increased from 40 cents to 50 cents per litre.** The revenue from this excise duty will be specifically allocated for addressing and treating diabetes, including support for dialysis centres.

238. The Skim Perubatan MADANI, will be expanded nationwide with an allocation of RM100 million, benefiting 700,000 Rakyat, and the mySalam scheme will be continued for an additional two years. RM50 million will be allocated for medical device expenses claims such as heart stents.

Third: Rural Development

239. The 2024 Budget that I am holding today was placed in a bag produced by the local craft community. I believe that we can indeed uplift the economic dignity of the local community to generate meaningful income for them.

240. In support of the efforts to uplift the community's economy, the Government will introduce the Program Komuniti MADANI under the auspices of the ICU, Prime Minister's Department. This programme aims to boost community-level economic activities, involving five key sectors: agriculture and food, sewing and handicrafts, herbs and health, tourism and hospitality, as well as green and recycling activities.

241. Every community, whether in rural or urban areas, will be given the freedom to deliberate and decide on their chosen focus sectors. The Government will allocate RM1 billion under the MADANI Community Fund (DKM) to provide grants ranging from RM50,000 to RM100,000 to communities to facilitate the Program Komuniti MADANI success.

242. To bridge the gap between regions, the improvement of rural infrastructure will continue to be a top priority.

First: A total of RM1.63 billion has been allocated for the construction and upgrading of roads in

villages and rural areas including in Bachok, Kelantan, Tambun Tulang, Perlis; and Chuah, Port Dickson, Negeri Sembilan.

Second: A total of RM939 million has been allocated to provide water supply to 5,150 households and electricity supply to 2,200 households.

Third: RM134 million is allocated for the installation of 60,000 units of village streetlights and the maintenance of over 500,000 units of village streetlights.

Fourth: RM57 million for the implementation of 115 projects, including 54 new projects for the upgrading of deteriorated bridges and the construction of new bridges.

Fifth: RM100 million is allocated for the upgrading, construction and repair of basic facilities such as community halls, town halls, pave walkway and

covered pathways in villages and rural areas under Social Amenities Project.

243. The Unity Government pledges to address the issue of clean water supply, especially in Kelantan, Sabah and the Federal Territory of Labuan. **A total of RM1.1 billion has been allocated, to implement solutions for the water supply issues.**

- For the state of Kelantan, **the construction project of the Machang Water Treatment Plant Phase 1 with a capacity of 250 million litres** per day will be implemented to enhance the water supply reserve. **Asbestos cement pipes will also be replaced** to reduce water loss rates and disruptions in water supply due to pipe leaks. While waiting for the project to be completed, **the number rented of tanker and static tanks will be increased** to ensure those in Kelantan receive immediate water supply in case of disruptions.
- To address the water supply issue, especially in Kota Kinabalu, Sabah, the focus will be on **restoring and**

replacing infrastructure and equipment to enhance the capacity of water treatment plants.

- For the Federal Territory of Labuan, efforts are directed towards replacing dilapidated pipes and repairing existing infrastructure.

244. The Government agrees to introduce the Program Kampung Angkat MADANI. This programme will focus on providing basic facilities, including internet access, in remote rural areas. To ensure government agencies work together effectively and avoid working in silos, I direct all Chief Secretaries and Heads of Services to pool their resources across ministries and collaborate with GLCs, GLICs and private organizations to make this programme a success.

Fourth: Digital Connectivity

245. As of September 2023, Digital Nasional Berhad (DNB) has successfully developed a 5G network with coverage in populated areas at 70.2 percent. As promised, the 5G network is expected to reach approximately 80 percent coverage in populated areas by the

end of this year. Citizens can now enjoy high-quality 5G services offered by all telecommunications companies. To boost 5G adoption, concerted efforts will be intensified through collaboration with telecommunications companies to ensure that more consumers and businesses can benefit from this.

246. At the same time, **CyberSecurity will develop a 5G Cybersecurity Testing Framework and Local Expertise in 5G Technology** to enhance preparedness against cyber threats. RM60 million is allocated for this purpose.

Fifth: Road Network & Public Transportation

247. A well-connected road network facilitates the movement of the *Rakyat* while streamlining the activities of traders and boosts the local economy. Major road infrastructure projects will continue to be intensified.

- ***Insya-Allah*, the Sarawak Pan Borneo Highway will be fully completed next year. Meanwhile, the tender process for the 19 packages of work for Phase 1b of the Pan Borneo Sabah project, spanning 366 kilometres**

with a cost of RM15.7 billion, will be completed by the November of this year.

- **The Sarawak-Sabah Link Road (SSLR) Phase 2 project, spanning over 320 kilometres, involving a cost of nearly RM7.4 billion, will also commence at the end of this year.**
- **Taking into account the increased number of vehicles, the expansion project of the North-South Expressway (PLUS) from four to six lanes is extended from Sedenak to Simpang Renggam at a cost of RM931 million.**

248. Public transportation subsidies such as buses, trains and air services will continue to be provided to ensure continuity of best services for the *Rakyat*.

- **A total of RM96 million in Stage Bus Support Fund** is allocated to help cover the daily operating costs of operators providing bus services on low-passenger routes in rural areas.

- **RM150 million is allocated to continue the Stage Bus Service Transformation, including expanding its services to benefit three new locations, namely Kota Bharu, Kuantan and Kota Setar.**
- **The Government will continue to subsidise air transportation with an amount of RM209 million for the benefit of residents in the rural and remote areas of Sabah and Sarawak.**
- **For over 180,000 residents of the Klang Valley who rely on PRASARANA's bus and rail services for their daily commutes, the monthly My50 pass benefits will be continued.**

249. The Government has agreed to resume the previous proposal to construct five LRT3 stations that were previously cancelled. These stations are Tropicana, Raja Muda, Temasya, Bukit Raja, and Bandar Botanik. The retention of these stations is expected to complement and enhance the public

transportation network in the Klang Valley, benefiting around 2 million residents, with a cost of RM4.7 billion.

250. The initial estimate for the Penang LRT to Seberang Perai, as planned by the State Government, is RM10 billion through a public-private partnership (PPP) approach.

Sixth: Housing

251. Every citizen's dream is to own an affordable and comfortable home. This year, the Government has mobilised a special team under the Ministry of Local Government Development (KPKT) to address issues on delayed, sick and abandoned private housing projects that have burdened homebuyers. **As of August 2023, 256 sick projects involving over 28,000 housing units have been restored,** with a Gross Development Value of RM23.37 billion.

252. Overall, a total of **RM2.47 billion is allocated to implement housing projects for the Rakyat** in 2024.

- A special guarantee fund of RM1 billion has been allocated to encourage reputable developers to revive identified stalled projects.
- A total of **RM546 million is allocated for continuing the implementation of 36 Program Perumahan Rakyat (PPR)**, including a new project in Kluang, Johor. *Insyallah*, 15 PPR projects are expected to be completed next year to benefit 5,100 potential new residents.
- **14 Program Rumah Mesra Rakyat continued to be constructed with 3,500 housing units with an allocation of RM358 million.**
- The Government has allocated **RM460 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or the renovation of their existing dilapidated houses.**
- A sum of **RM100 million is allocated for the maintenance of low- and medium-cost public and**

private strata housing projects throughout the country.

This includes repairing water tanks, roofs and electrical systems, as well as installing closed-circuit television cameras.

253. The Government **will provide guarantees of up to RM10 billion for Housing Credit Guarantee Scheme to benefit 40,000 borrowers.**

254. The Unity Government appreciates the efforts of the Pahang state government in rescuing the abandon New Generation FELDA Housing project, involving 1,840 housing units across 10 project sites throughout Pahang since 2014. This noble effort should serve as an example to other state governments in assisting FELDA to complete abandon housing projects.

255. To facilitate the redevelopment of strata schemes, the residents' **approval threshold for en-bloc sales will be reduced from 100 percent to a level consistent with international practices, such as in Singapore.** This change aims to encourage urban renewal and promote the redevelopment of ageing buildings in the city.

256. Under the Unity Administration, the Government has taken over **the development of Bandar Malaysia to ensure that strategically located lands are optimally utilised for Rakyat-oriented projects** based on MADANI values. This includes affordable housing projects for veterans, considering the interests of Bumiputera communities in the Federal Territories, as well as the provision of parks and green spaces that can be enjoyed by all residents in the Klang Valley.

257. The Government will allocate RM100 million to the Chinese New Village to provide basic infrastructure and social facilities to ensure the well-being of the village residents.

258. As a measure to control property prices, the Government intends to impose a flat rate stamp duty of 4 percent on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.

259. Starting in 2024, the Government also intends to propose that **property transfer documents involving beneficiaries**

relinquishing their rights to eligible beneficiaries as per will, inheritance or the Distribution Act 1958 will only be subject to a stamp duty of RM10, instead of the previous ad-valorem rate.

Measure 11: Strengthening Unity and Security

260. The Kembara Kenali Borneo by His Majesty Yang di-Pertuan Agong and Her Majesty the Permaisuri has received enthusiastic national reception from the *Rakyat* of Sabah and Sarawak. It is undeniable that the true face of Malaysia is vividly portrayed by the *Rakyat* of Sabah and Sarawak.

First: National Security and Defence

261. Recently, our national borders have faced threats from external elements attempting to disrupt our security. The nation's security is challenged by issues related to race, religion and royalty being used as sources of provocation. The defence of our land and is essential to ensure our security. Internal security must be preserved to maintain harmony.

262. For the coming year, the **Ministry of Defence is allocated RM19.7 billion**, an increase of RM2 billion compared to this year. Meanwhile, the **Ministry of Home Affairs (KDN) is allocated RM19 billion**, also an increase of RM500 million compared to this year.

263. To strengthen the level of national defence readiness and security, the Government will **initiate the procurement process for new assets**. This includes:

- The acquisition of 12 new helicopters for the Royal Malaysian Air Force;
- The procurement of key assets for the Royal Malaysian Army, including 60 infantry fighting vehicles, 50 High Mobility Light Tactical Vehicles (HMLTVs), 6 Hovercraft Integrated Fast Interceptors and 733 various types of support vehicles;
- The refurbishment of 2 submarine assets, in addition to continuing the acquisition of three Royal Malaysian Navy Littoral Mission Ships (LMS); and

- The acquisition to replace old assets with 7 twin-engine aircraft and 5 light helicopters for RMP.

264. The tense situation in the South China Sea needs to be addressed through peaceful dialogue. Malaysia reiterates its commitment to a peaceful resolution through the Declaration on the Conduct of Parties in the South China Sea (DOC) regarding issues in the South China Sea. However, this does not mean that we can compromise the sovereignty of the country.

265. The **security of the country's borders and waters will continue to be upheld while improving the efficiency and effectiveness of controls at international entry points.** For the upcoming year:

- The Government will **increase maritime assets**, including the acquisition of 45 units of various types of Army boats and 9 new generation patrol ships and Malaysian Maritime Enforcement Agency (APMM) interceptor boats.

- The Government will also **build seven balance posts** in Melikin and Pa' Daleh, Sarawak, **one security post** in Sungai Desa Aji Kuning, Pulau Sebatik, Sabah as well as **preliminary work on the construction of two ICQS** in Nabawan and Kalabakan, Sabah.
- The Government will **establish a single border agency (SBA)** to enhance the management of the country's borders. RM20 million will be allocated for the maintenance, improvement, and procurement of assets at international entry points across the country.

266. The well-being of uniformed members and retirees will continue to be preserved.

- **RM400 million is allocated for the maintenance and refurbishment of all Armed Forces Family Homes.**
- **Upgrading of the army camp sewerage system in phases with an allocation of RM20 million;**

- The government will continue to intensify the PROTEGE-RTW initiative, which involves job training placements in collaboration with companies awarded government contracts. The scope of this initiative will also be expanded to include veterans from the Armed Forces (ATM) under contracts signed by the Ministry of Defense.
- In order to protect the welfare and socio-economic development of veteran members, the Government will ensure that every government programme has a specific quota for veterans this includes entrepreneurship programmes, training programmes, employment opportunities, and financing facilities.

Second: Syiar Islam

267. Next year, **the Government is allocating RM1.9 billion for the management and development of Islamic affairs.**

268. In the forthcoming year, Islamic education will continue to flourish and be embraced by the entire Muslim community in Malaysia:

- Two Islamic education institutions will be constructed next year, with a cost of RM220 million, namely the complex of **Tahfiz Science Integration Secondary School in Bukit Jalil, Kuala Lumpur** and the **National Religious Secondary School in Jempol, Negeri Sembilan**.
- A total of RM150 million is allocated to JAKIM for the maintenance and upgrading the infrastructure in Islamic education institutions, including public religious schools, registered *pondok* institutions and *tahfiz* schools.
- *Insya-Allah*, the organisation of knowledge-sharing events by Islamic scholars and intellectuals across the country, especially at the Seri Perdana Complex, will be continued and expanded to enhance the understanding and appreciation of religious knowledge among the Muslim community.
- **In appreciation of the significant contributions and roles played by over 70,000 takmir teachers, KAFA teachers, imams, bilal, siak, noja and marbut at the**

community level, the Government has agreed to provide a special contribution of RM700 will be directly channelled to them, with a total allocation of over RM50 million.

269. Since 2003, the Government at that time had ceased per capita assistance to Sekolah Agama Rakyat, citing deviations in the approach to Islamic education. The Unity Government has decided to reinstate a grant of 20,000 ringgit to all Sekolah Agama Rakyat registered under JAKIM. This provision is expected to support the role of People's Religious Schools in nurturing a new generation of Muslims with a balance between worldly and hereafter knowledge.

First: Sports and Culture as a Means of Unity

(a) Sports

270. Besides promoting an active and healthy lifestyle, sports also serve as a crucial arena for fostering unity among Malaysians. Despite our different races and religions, our diversity does not in the least diminish the excitement of sportsmanship.

271. Tomorrow is National Sports Day. The Government will continue **to expand sports and recreational programmes for the people**, including:

- Program Kemahiran Sukan Renang for children, OKU and senior citizens from disadvantaged families;
- The organisation of sports and recreational activities to create active and healthy senior citizens; and
- The Program Perkhemahan Keluarga, which aims to utilise camping facilities provided by the Ministry of Youth and Sports in six Kem Wawasan Negara, such as in Ulu Sepri, Rembau, Negeri Sembilan and Ulu Kenas, Kuala Kangsar, Perak at a nominal fee.

272. The Government proposes to **provide a tax exemption for a specific lifestyle related to the purchase of sports equipment and activities, limited to RM1,000. This exemption will also be extended to cover expenses related to sports training fees.**

273. We celebrate the success of our national heroes who have brought honour to Malaysia at the Asian Games in Hangzhou by winning 32 medals. Next year, the Government will allocate **RM72 million to strengthen the podium athlete ecosystem. This includes RM20 million under the Road to Gold initiative as preparation to achieve the first gold medal** at the Paris 2024 Olympics.

274. I am certain that everyone has witnessed the inspirational tale of Aqil Naufal, a student at Felda Lepar Utara 1 in Pahang, who exhibited a strong passion for sports despite facing adversity. Aqil's aspiration to play soccer has come to fruition with the help of the Government and the encouragement from the Malaysian Amputee Football Association (MAFA).

275. To strengthen the para-athlete ecosystem, **RM12 million is allocated to the National Sports Council for training and preparation programmes for athletes heading to international para-sports events.**

276. A total of **RM50 million will be allocated for the maintenance and upgrading of youth and sports** facilities nationwide, especially for dilapidated infrastructure.

277. Following the encouraging response this year, the Government will continue to provide a **matching grant fund of RM50 million to encourage the organisation of high-performance sports events by sports association and the private sector.**

278. To cultivate a well-informed, proficient, and sports-talented future generation, **the Government has consented to offer tax incentives of up to 10 percent of total income to individuals or businesses that make contributions to institutions, organisations, or funds approved under subsection 44(6) of the Income Tax Act 1967, which support educational programmes, including sports education.**

(b) Culture, Language and Literature

279. Literature has the power to ignite the reader's imagination and foster a patriotic love for the country while instilling moral

inspiration and noble values in the nation's soul. To elevate the arts, culture, language, and national literature, **the Government hereby allocates RM50 million to agencies with the potential to showcase the nation's artistic and literary works, enhance heritage theatre performances, and promote the interest in reading great works among the youth.**

280. The Government has **allocated RM10 million to collaborate with State Governments**, including for:

- Intensifying cultural activities in Sabah and Sarawak.
- Preserving the languages of minority communities such as the Siam ethnic group.
- Establishing the Ethnic and Cultural Centre in Perak.
- Rehabilitating the Songket Weaving Centre at the Tuanku Nur Zahirah Complex, Kuala Terengganu, and the Wood Carving Village in Besut, Terengganu.

281. To support local handicrafts, the **Government will provide special exemptions for acquisitions of up to RM200,000 for each order to registered handicraft entrepreneurs with the Malaysian Handicraft Development Corporation (Kraftangan Malaysia).**

282. To promote unity and cohesion within the community, **RM20 million is allocated to strengthen the role of Kawasan Rukun Tetangga (KRT)** as the social point in disseminating information and providing community services. The Government also provides **RM20 million as a Geran Pertubuhan MADANI** for the benefit of locals to implement volunteer and unity programmes as well as activities related to crime prevention and disaster preparedness.

283. A total of **RM50 million is also allocated as financial assistance to registered non-Islamic places of worship** for renovation and maintenance works.

Measure 12: Welfare of Civil Servants

284. In an effort to encourage the production of high-quality Malaysian batik, **the Government agrees to expand the Official**

Ceremony Attire Facility to include Malaysian batik attire for all eligible civil servants.

285. To ensure the welfare of public servants, the Government agrees to enhance Ex-Gratia Job Disaster Scheme by raising the salary ceiling from RM4,000 to RM6,000, in line with the amendment to the SOCSO Scheme for the private sector. This increase in the salary ceiling allows for a 50 percent increase in benefit payments under the Ex-Gratia Job Disaster Scheme, totalling approximately RM1.6 million. In other words, public servants or their beneficiaries will enjoy higher compensation claims in the event of accidents that occur while on duty.

286. Finally, the Government is currently reviewing the salary and fixed allowances scheme for civil servants, the last of which was reviewed in 2012. The study of Public Service Remuneration System (SSPA) will examine the needs of all service schemes and is expected to be finalised by the end of the coming year.

287. While awaiting the completion of this study, it is a pleasure to announce that the Government agrees to provide an Early Incentive Payment of the Public Service

Remuneration System Study, amounting to RM2000 to all civil servants grade 56 and below, including contract appointees, and RM1000 to all Jawatan Utama Sektor Awam including police, firemen, soldiers, armed force and all uniform personnel.

288. Incentive of RM1,000 will also be extended to all government retirees, including pensioned veterans and non-pensioned veterans. This payment will be made in a lump sum at the end of February 2024 to ease the burden of preparing for their children's schooling and preparations for the month of Ramadan and Syawal.

289. The Government suggests that private sector employers also consider reviewing the adequacy of salaries and rewards for employees, taking into account the challenges of the cost of living. Next year, the Government will intensify engagement sessions. I call upon the private sector to provide incentives, particularly to companies with reasonable profits.

290. And lastly, recent developments in the Gaza Strip have become increasingly critical as Israel has imposed a harsh and cruel blockade on Gaza's residents and has been forcefully

attempting to displace them to the southern part of the peninsula. Malaysia will launch a humanitarian fund to support and assist the Palestinian people with a fund of RM10 million and we urge companies and the public to participate in the name of justice and humanity.

CLOSING

Tan Sri Speaker Sir,

291. Thus, a significant responsibility in crafting the budget for the people's benefit has been fulfilled. Since the beginning of my tenure in this role, I have often reminded myself and my team that *wa la tashrif*, responsibility is not a privilege. The nation must be brought back to its track to ensure the peace and well-being of our people is achieved.

292. Certainly, an interesting story between Caliph Umar Abdul Aziz and his son Abdul Malik, highlights the importance of being tactful and cautious when implementing changes. When Abdul Malik urged his father to act more decisively and swiftly with a stern reprimand, saying, "Father, why not implement the changes

faster? By God, I am ready, even if both of us have to sacrifice ourselves to uphold the truth!” Khalifah Umar Abdul Aziz responded:

*لا تعجل يا بني. فإن الله ذم الخمر في القرآن مرتين وحرمها في الثالثة. وإنني أخاف أن أحمل
الحق على الناس جملة، فيدفعوه جملة، ويكون من ذا فتنة*

Oh, my child, do not be hasty. Allah criticises alcohol twice in the Quran and forbids it only on the third mention. I fear that if I were to force all the truths upon people (at once), they would reject them altogether, (and) this would mean that I would become the cause of even greater corruption.

(This is the statement attributed to Khalifah Umar Abdul

Aziz, as quoted by Imam al-Shatibi in his book “al-

Muwafaqat”).

293. This Budget is a statement of the Government’s resolve to revitalise the economy in these challenging times. The Government is open to hearing feedback and criticism from all quarters, but it does not mean unfettered slander is acceptable. Combined with the global economic and geopolitical challenges that are unsettling, this attitude somewhat hinders our nation’s progress.

294. Therefore, I call upon everyone to return to constructive politics, fostering *segulai sejalai* in rebuilding our nation. **We all love this country.** Malaysia has tremendous potential, abundant resources, a skilled workforce, professionals, and competitive citizens who can position us strategically as a leader in the Asian economy as we aspired.

295. Therefore, I call upon us to prioritise the future of our nation. Unity among the people, grounded in generosity and mutual respect, will bring stability to our country, and this is essential for the Government to generate prosperity for all. After six decades of our sovereign nation, it is time for us to set things right and ensure that every citizen can experience happiness and a dignified life in this country without ever feeling marginalised.

Wassalamualaikum Warahmatullahi Wabarakatuh.

Tan Sri Speaker Sir, I beg to propose.