

2023 BUDGET SPEECH

BY

YB SENATOR

TENGGU DATUK SERI UTAMA ZAFRUL BIN TENGGU ABDUL AZIZ

MINISTER OF FINANCE

INTRODUCING

THE SUPPLY BILL (2023)

IN DEWAN RAKYAT

FRIDAY, 7 OCTOBER 2022

THEME:

BUDGET 2023: KELUARGA MALAYSIA, MAKMUR BERSAMA

Tan Sri Speaker Sir,

I beg to move the Bill intituled "**An Act to apply a sum from the Consolidated Fund for the service of the year 2023 and to appropriate that sum for the service of that year**" be read a second time.

PREAMBLE

1. Bismillahirrahmanirahim. As we hold firm to the promise of Allah SWT the Almighty, may the path we take be the best one for Malaysia. Truly, Allah the Almighty is the only true Giver of blessings and He is the ultimate planner.

2. Tan Sri Speaker Sir, The Right Honorable Members of Parliament, as well as brothers and sisters of Keluarga Malaysia who diligently listen to this presentation. Assalamualaikum Warahmatullahi Wabarakatuh dan Salam Keluarga Malaysia!

3. I am standing here this pleasant evening to carry out the immense trust given to the Ministry of Finance. The bigger the trust, the bigger the efforts that need to be translated.

4. Thus, in planning the national budget for this coming year, the Ministry of Finance team has traveled all over the country, attended more than 200 engagements with industries and stakeholders, and examined and assessed more than 250 memorandums and 12,000 public proposals

5. Therefore, Before you is a document we have prepared to meet the needs of the people, to meet the national development agenda in ensuring a robust economy to face the many possible vagaries presented by a volatile global environment.

This is the result of our perseverance...

This is the 2023 Budget.

2022 RECOVERY

Tan Sri Speaker Sir,

6. Even though COVID-19 has not yet fully subsided, the world has emerged from its temporary malaise. Malaysia has moved in the transition phase of endemic. However, arduous the journey the reality is:-

This Government has analysed and formulated detailed plans....

From MCO, carefully reopening the economy,

From silence, we have resumed activity,

Various assistance disbursed to citizens,

Various facilities provided to businesses,

Various support provided to industry,

That this Government is the Keluarga Malaysia Government...

7. Under the leadership of YAB Prime Minister, the Government has successfully steered the country, charting a path to strong economic recovery.

8. However, there are still naysayers who spread malice intended to cause concern. Admittedly, the global economic situation requires us to be vigilant. The possibility of geopolitical unrest and the global economic slowdown impact all nations, not only Malaysia, requiring us to be flexible to face any eventuality. So, let us evaluate various indicators and figures regarding Malaysia's economy.

9. Following a contraction of 4.5 percent in the third quarter of 2021, the country bounced back with a growth rate of 3.6 percent in the fourth quarter of 2021, and subsequently further strengthened to 5% in the first quarter of 2022 and 8.9% in the second quarter of 2022. Our growth in the second quarter of this year is the highest in Southeast Asia.

10. This momentum of growth is expected to continue and further strengthen in the third quarter of 2022. Insya-Allah, Malaysia's economy is expected to exceed the March 2022 forecast of between 5.3% to 6.3%. Based on the current strong economic indicators, the Government has revised its 2022 growth forecast of between 6.5% to 7%.

11. However, the 2022 recovery is not solely about the GDP. In fact, the Rakyat's livelihood has also improved. Unemployment rate has also reduced for twelve months consecutively, from 4.8% in July 2021 to 3.7% in July 2022. In only the span of a year, the Keluarga Malaysia Government successfully returned the labour market to full employment.

12. Consumer confidence has also begun to recover with the value of wholesale and retail trade for July 2022 increasing by 41% compared to July 2021. For the first seven months, the total value of wholesale and retail trade reached RM 882 billion, which is a 20% increase compared to the same period in 2021.

13. Despite this, the country's economic recovery which continues to strengthen is not spared from economic uncertainties. Due to global developments, the country's inflation rate has increased from 2.3 percent in January 2022 to 4.7 percent in August 2022.

14. If not for the subsidies and assistance amounting to RM77.7 billion, Malaysia's inflation rate would have increased to 10%.

15. Due to high inflation faced in other countries, particularly the United States which has breached 8%, their monetary policy has been aggressively tightened, with its interest rate increased by 300 basis points this year. With the trend of various countries tightening their respective monetary policy, it is expected that global growth prospects will be dampened in year 2023.

2023 CHALLENGES

Tan Sri Speaker Sir,

16. The world economic outlook for 2023 is increasingly uncertain and challenging pursuant to geopolitical conflicts, global inflationary pressures, tightened monetary policy and weak economic growth prospects.

17. In January 2022, the International Monetary Fund (IMF) had initially projected 2023 global growth rate at 3.8 percent. However, in July 2022, the IMF revised its 2023 global growth projection downwards to 2.9 percent.

18. As an open economy, Malaysia cannot be fully insulated from the increasingly challenging global environment. As a result, the country's economic growth rate for 2023 is projected to moderate, to between 4 to 5 percent.

19. As Keluarga Malaysia, we need to immediately act to prepare for the future global challenges, and at the same time act responsibly towards building a bright future for our future generation. As such, to move towards a better Malaysia, Budget 2023 will be guided by the 3Rs - namely Responsive, Responsible and Reformist.

20. **Budget 2023 will be immediately responsive** to any challenge and provide comprehensive assistance to Keluarga Malaysia, not just the B40 but also the M40 group, women, youth, the disabled and all segments of society.

21. **The 2023 budget is a responsible budget** in balancing between an expansionary fiscal policy and at the same time implementing fiscal reforms towards ensuring the Government's financial sustainability in the long term. This budget will be responsible in building the country's resilience to face any future crisis.

22. **Budget 2023 is reformist** in taking the opportunity to transform the country's development landscape towards becoming more inclusive and sustainable whilst building a stronger national industry through strategic investments.

Tan Sri Speaker Sir,

23. In soliciting inputs for Bajet 2023, the Government issued a Pre-Budget 2023 Statement and published six public consultation papers in addition, to hosting various engagements. **Thank you YAB Prime Minister** for your directly involvement since the early days of planning and up until the finalisation of the Budget 2023 direction.

24. Budget 2023 has not been formulated only for a specific group but instead has been inclusive in collating and analysing of ideas, molded into a **2023 Budget inspired by Keluarga Malaysia**. More than 100 of the

rakyat's initiatives has been realized as part of the holistic effort resulting in this tome. Thank you to all those who have expressed their ideas and views.

25. With the theme: “**Keluarga Malaysia, Makmur Bersama**”, and in line with **Budget 2023 which is Responsive, Responsible and Reformist**, this Budget will ensure the wellbeing of the rakyat, business continuity, economic prosperity and public service delivery efficiency.

FIRST AGENDA: RESPONSIVE BUDGET

Tan Sri Speaker Sir,

26. To ensure a **responsive Budget 2023 agenda**, the Government will continue to implement an expansionary fiscal policy. This approach is vital to provide the necessary assistance to the Rakyat and support for businesses.

STRATEGY 1: EXPANSIONARY FISCAL POLICY

27. **The 2023 Budget is unprecedented, with an allocation of RM372.3 billion.** This is a significant increase compared to Budget 2022's allocation of RM332 billion and Budget 2021's of RM322 billion.

28. From this allocation, the Government proposes to provide RM272.3 billion for operating expenditure, RM95 billion for development expenditure

and RM5 billion under the COVID-19 Fund. A total of RM2 billion is allocated as a Contingency Reserve Advance Warrant.

STRATEGY 2: PRIORITY TO THE RAKYAT

29. Within the current fiscal space, **Budget 2023 will prioritise efforts to safeguard the welfare of the Rakyat.**

Focus 1: B40 Group

30. The Social Welfare Department (JKM) has provided **various forms of monthly assistance to the poor** such as elderly assistance, children assistance, assistance for the disabled as well as chronically ill patients.

31. During the Budget 2022 presentation, I had announced the commitment to expand the income eligibility requirements for welfare recipients, in line with the 2019 Food Poverty Line Income (PLI) at RM1,169.

32. With this decision, more than 450,000 households are eligible to receive JKM's monthly assistance. The **plight of the poor has been given special emphasis with an allocation of RM2.5 billion for 2023**, which is a significant increase as compared to RM1.5 billion in 2020.

33. Previously, the Government had subsidised electricity bills up to RM40 to hardcore poor households under e-Kasih. Starting 2023, the **provision of electricity bill subsidy of up to RM40 will be expanded according to the latest Food PLI** which refers to the households with an income of RM1,169

and below, as compared to the existing requirement of RM980 and below. I hope the expansion of the eligibility requirement according to the Food PLI, will benefit more Rakyat – Insya-Allah.

Tan Sri Speaker Sir,

34. Recognising the benefits gained from the direct cash assistance, the Government will continue to **improve the implementation of Bantuan Keluarga Malaysia or BKM**. Hence, for next year:

- Households **earning less than RM2,500 per month with five children or more will receive BKM of RM2,500**. This is a **new category** that reflects the Government's efforts in easing the burden of families with many children. Meanwhile, households with up to four children are eligible to receive BKM of between RM1,000 to RM2,000.
- For households earning between RM2,500 to RM5,000, the BKM cash assistance of between RM500 to RM1,250 has been provided depending on the number of children.
- For single senior citizens and singles, they will continue to receive BKM of RM600 and RM350 respectively subject to certain income thresholds.

- In 2023, the Government will continue to provide **additional assistance of RM500** to single parents with children. This means that single parents are eligible to receive a **maximum assistance up to RM3,000**. The BKM maximum rate has increased as compared to RM2,500 this year.

35. For instance, Firdaus and Nor Aliza from Pasir Gudang who have five children received BKM of RM2,000 this year. Next year, they are eligible to receive BKM of RM2,500. Meanwhile, Ling Mee Hoon, a single mother from Sitiawan who raises three children, will receive BKM of RM1,300 this year and is eligible to receive BKM of RM1,500 in 2023.

36. Bantuan Keluarga Malaysia 2023 will **benefit 8.7 million recipients with an allocation of RM7.8 billion**. BKM 2023 is a comprehensive assistance that has been improved significantly as compared to Bantuan Sara Hidup 2020 with 5 million recipients and total allocation of RM5 billion.

37. Reflecting Government's concern towards the poor and B40, **cash assistance under JKM and BKM for 2023 will exceed RM10 billion!** It is hoped that with this assistance, recipients can heave a sigh of relief and utilise the assistance wisely according to their needs.

38. Allah Subhanahu Wa Ta'ala mentioned in the Quran, in surah ar-Ra'd verse 11 – "*Verily Allah does not change a people's condition unless they change their inner selves*". Although the cash assistance is important for their immediate needs, only a steady income can elevate households towards a more comfortable life.

39. The Government aims to eradicate hardcore poverty by 2025. This issue will be addressed holistically through a whole-of-nation approach. **Keluarga Malaysia Hardcore Poverty Eradication Programme** was launched this year with a total allocation of RM150 million.

40. For 2023, **to accelerate the agenda of eradicating hardcore poor, RM1 billion has been allocated** whereby RM750 million is provided by the Government, whereas RM250 million will be provided by GLCs as corporate social responsibility (CSR).

41. For 2023, this programme will provide economic opportunities to more than 50,000 hardcore poor households to elevate their income, among others, through agricultural projects as well as entrepreneurial ventures involving products and services. The assistance includes training, start-up capital and incentives for agriculture, marketing and digitalisation. The Government hopes that this effort will increase the incomes of the hardcore poor households to exceed the food poverty line income.

Focus 2: M40 Group

Tan Sri Speaker Sir,

42. The Government has never forsaken the middle-income households. The Government has always strived to raise the disposable income of the M40 group.

43. For approximately 1 million taxpayers, the Government would like to share some good news. We are pleased to announce that the **resident individual's income tax rate will be reduced by 2 percentage points** for the chargeable income band of between more than **RM50,000 to RM100,000**, as follows:

First: For the chargeable income band of between more than RM50,000 to RM70,000, the income tax rate is reduced from 13% to 11%; and

Second: For the chargeable income band of between more than RM70,000 to RM100,000, the income tax rate is reduced from 21% to 19%.

44. At the same time, **the chargeable income band of between more than RM250,000 to RM400,000 will be combined with the chargeable income band of more than RM400,000 to RM600,000 and subject to the tax rate of 25%.**

45. With the above special income tax treatment, **the income tax savings for middle income group is up to RM1,000, meanwhile, for top income group is up to RM250 per taxpayer.** In other words, it is estimated that an estimated RM800 million is the additional income available to be spent by the Rakyat.

46. Towards embracing a cashless society, the **e-Pemula initiative for M40** will be implemented by offering e-wallet credits amounting **RM100 to per M40 individual** with annual earnings less than RM100,000. It is estimated that 8 million individuals are eligible to claim this e-wallet credit, resulting in a total allocation of RM800 million.

Focus 3: Women & Children

Tan Sri Speaker Sir,

47. **WOMEN are a blessing.** They not only build a harmonious family as well as contribute towards the prosperity of the nation. **Gender Focal Teams will be established in every ministry and agency** to ensure that all policies formulated will take into account gender considerations.

48. We as parliamentarians in this August House were party to the approval of the **Anti-Sexual Harassment Bill 2021**. This is a firm commitment to eradicate all forms of sexual harassment as well as to raise awareness that sexual harassment cannot be accepted as societal norms. Towards this, the **Tribunal for Anti-Sexual Harassment will be established in early 2023**.

49. In dealing with mental health issues and domestic violence, the Government will reinforce **Local Social Support Centres**. A total of RM8 million is allocated for these centres to serve as a location to provide early intervention as well as psychosocial advocacy and counselling. The

Government will also continue to collaborate with relevant NGOs and shelters such as *P.S. The Children* in supporting the victims.

50. Based on the Malaysia National Cancer Registry Report 2012-2016, breast cancer is the topmost type of cancer diagnosed in women, accounting for a third of total cancer cases amongst women. Next year, the Government will increase screening tests by **subsidising mammogram tests and cervical cancer screening programmes** for women with a total allocation of RM11 million.

51. Cervical cancer screening will also be piloted using a **new PCR screening test method** pioneered by the ROSE Foundation in collaboration with Universiti Malaya and Universiti Malaysia Sarawak.

Tan Sri Speaker Sir,

52. I have met Puan Padzilah Sulaiman, the owner of Siti Khadijah's *telekung* and was impressed by her achievements. In 2009, she started a small business by selling *telekung* in Sungai Merab, Bangi. In expanding her business, she utilised various Government facilities. Currently, she owns more than 40 boutiques in Malaysia and Indonesia.

53. Therefore, to encourage more women entrepreneurs grow their businesses and enhance their marketing strategy, a **total of RM235 million of financing will be provided specifically for women** under BSN Semarak-Nita, Tekunita TEKUN, DanaNITA MARA and Biz Lady Bank Rakyat schemes.

54. As of October 2022, women held 29% of board positions for the top 100 public listed companies and all these 100 companies have at least one woman represented on their boards.

55. In order to further **strengthen the role of women in corporate sector leadership**, the Securities Commission will introduce a special training programme to enhance women's skills, identify and subsequently increase the numbers of qualified women to be appointed as board members. *I believe that current political parties are busy identifying more women candidates to be nominated in the upcoming general election.*

56. Finally, to encourage women to return to the workforce after a career break, the Government proposes **income tax exemptions on the income received** from 2023 to 2028 year of assessment.

Tan Sri Speaker Sir,

57. It is important to focus on children's welfare aspects. The Government will allocate RM188 million for early childhood education programs under the **Community Development Department or KEMAS**. This allocation includes the construction of 10 KEMAS nurseries including three new projects in Port Dickson, Negeri Sembilan, Limbang, Sarawak and Pasir Putih, Kelantan. As announced by YAB Prime Minister, the allowance for KEMAS voluntary community assistants will be increased in 2023.

58. To ease the financial burden for parents who provide early education for their children, the Government has agreed to **extend** until the year of assessment 2024, the **tax relief of up to RM3,000 on fees paid for TASKA and TADIKA registered with the Government.**

59. According to the Department of Statistics Malaysia, the country's fertility rate in 1970 was 4.9 babies for every woman, whereas it has currently decreased to its lowest rate of 1.7 babies. Meanwhile, children specifically from vulnerable families, face the problem of malnutrition to the extent it stunts their growth, what more since the COVID-19 pandemic hit.

60. To increase the birth rate as well as reduce the incidence of stunting among children, under the **Cahaya Mata Keluarga Malaysia initiative, mothers from Bantuan Keluarga Malaysia (BKM) households who give birth in 2023 will be provided a one-off cash assistance of RM500**, with a total allocation of RM150 million.

Focus 4: Youth

Tan Sri Speaker Sir,

61. The youth represent more than a quarter of the country's population. Indeed, it is in their hands to determine the country's future.

62. While the country has achieved full employment, the unemployment rate for those aged 25 years and below, including school leavers and

graduates from higher education institutions, is at the level of 11% in the second quarter of 2022. This issue will continue to be given due attention.

63. To ensure the youth receive appropriate access to employment, the Government will provide **hiring incentives under SOCSO to employers who hire youth aged between 18 to 30 years old who have been unemployed for more than three months**. In addition, this hiring incentive will also be extended to employers who hire TVET graduates.

64. Malaysia has indeed produced many young successful businessmen. This includes Arun Prasanth, a young entrepreneur providing cleaning services for homes and offices since 2018. Helped by a RM20,000 loan under the BSN Mikro Belia scheme, Arun's average annual sales has reached RM200,000.

65. To encourage more youth to venture into business, a **total of RM305 million financing facilities reserved for youths** will be provided by SME Bank, TEKUN, MARA, BSN and Agrobank.

66. The **Penjaja Muda Keluarga Malaysia** scheme by BSN with a fund of RM50 million will offer loans of up to RM50,000 potentially benefitting 10,000 youths who can generate their own income such as through operating a food truck business.

67. To assist the B40 especially youths to earn an income through services such as taxi, bus and e-hailing, the Government has agreed to **waive the fees of getting taxi, bus and e-hailing** licenses under MyPSV programme.

In addition, the Government has also agreed to waive **the fees for B40 in getting the B2 motorcycle license.**

68. Further, to further encourage youth to work, the **TEKUN Mobilepreneur Financing Scheme** will be continued with RM10 million to finance youth interested to provide delivery services using motorcycles.

69. **Pakej Remaja Keluarga Malaysia** has helped the youth to access an affordable prepaid package with a subscription to internet data plan of only RM30 for three months. To help bridge the digital gap among the youth as well as facilitate learning sessions, **this initiative will be extended until April 2023.**

70. *Melentur buluh biarlah dari rebungnya.* This year, e-Pemula offered e-wallets credits of RM150 to the youth. In line with Yang Amat Berhormat Prime Minister's commitment to improve this initiative, the **e-Pemula initiative will be continued with an increase to RM200** for the benefit of 2 million youths aged between 18 and 20 years old and full-time students aged 21 years old and above with an estimated total allocation of RM400 million.

Focus 5: Social Protection

Tan Sri Speaker Sir,

71. In ensuring the holistic well-being of the Rakyat, the social protection agenda will continue to be given serious attention. In 2020, only a handful of gig riders were covered but following the Government subsidising their

contributions, **more than 260,000 people were protected under the Self-Employment Social Security Scheme (SKSPS) PERKESO.**

72. To alleviate the burden of SOCSO payments by self-employed individuals, the Government will **bear 80% of the contribution value.** This indicates that self-employed individuals such as food delivery drivers, farmers, fishermen, FINAS artists, and hawkers will only have to pay 20% of contributions. Next year, a total of RM150 million will be allocated and **extended to those who are self-employed such as taxi drivers and gig workers from information technology sectors.**

73. Next year, the Government will **start to gradually make mandatory SKSPS contributions for all self-employed sectors,** particularly the high-risk sectors. The implementation will be phased, commencing with the public transportation sector and goods or food delivery sectors.

74. Given the importance of building sufficient retirement savings, the **EPF voluntary contribution limit will be raised from RM60,000 to RM100,000 per year.** To further encourage voluntary contribution, the Government will also **expand the scope of tax relief for life insurance premiums or life takaful contribution by including voluntary contributions to EPF** of up to RM3,000.

75. I am pleased to announce that the **I-Saraan programme will be extended to 2023** and will be improved through raising the matching contribution ceiling from RM250 to RM300. With a total allocation of RM30 million, this initiative is expected to help more than 100,000 contributors.

76. In appreciation of the contribution of housewives, the Government will extend the **Kasih Suri Keluarga Malaysia Programme** to 2023 and enhance the programme through **additional protection under the SOCSO Scheme**. Housewives who make a EPF contribution of at least RM60 annually will stand to **receive a Government matching incentive worth up to RM600 per year**, comprising RM480 of EPF contributions and RM120 contributions for SOCSO coverage. This programme is expected to benefit 200,000 housewives with total allocation of approximately RM120 million.

77. To increase the equity holdings among Bumiputera, I am pleased to announce that the maximum investment limit **for Amanah Saham Bumiputera (ASB) and ASB2 has been increased** from RM200,000 to RM300,000.

78. In addition, BSN will also **provide soft loans to assist B40 Bumiputera in investing with ASB** with loans offered at the rate of 1.5 % annually, with a fund size of RM100 million.

Focus 6: Cost of Living

Tan Sri Speaker Sir,

79. Overall, the Government will allocate **over RM55 billion for subsidies, aid and incentives** under Budget 2023. This large amount of expenditure is provided to mitigate the challenge of rising cost of living, in

conjunction with other measures such as, through price controls on goods and services.

80. The Government is committed to ensuring that **basic goods** such as rice, cooking oil, LPG gas, petrol, and diesel **reach the hands of the rural population at reasonable prices**. Next year, RM200 million will be provided to support the cost of transportation and distribution of essential goods. The Government will also expand the coverage of the program to 23 new areas, including Kampung Passin in Mukah, Sarawak, and Kampung Tawayari in Lahad Datu Sabah.

81. The **Jualan Murah Keluarga Malaysia (JMKM)** program was implemented since last August and has significantly benefited consumers by offering essential goods at up to 20% cheaper than prevailing market prices. Since its launch, JMKM has been held in over 500 locations, and this week was held in Kanowit, Sarawak.

82. Looking at the positive impact of JMKM, particularly for B40 households, the Government is committed to continuing this Program in 2023 with an allocation of RM100 million. JMKM will be implemented across the country, covering 600 DUN and 13 Parliament of the Federal Territory in addition to being extended to public universities.

Focus 7: Jobs & Skills Training

Tan Sri Speaker Sir,

83. Since the outbreak of COVID-19, employment issues have continued to be the Government's primary focus. In 2022, various initiatives under the **Jamin Kerja Keluarga Malaysia** have successfully provided job opportunities and skills training to more than 310,000 people. While we have reached full employment, the focus will still need to be given to ensure career opportunities for particular social groups.

84. Next year, the Government will continue the **Hiring Incentive under SOCSO** to encourage employers to provide new job opportunities for unemployed members of Keluarga Malaysia particularly from among the disabled, Orang Asli, ex-convicts, and women returning to work. For this, a **hiring incentive of between RM600 to RM750 per month will be paid for three months to the employer**. These incentives will also be provided to veterans and also employers and Private Employment Agencies that replace foreign workers with local workers.

85. Under this **Hiring Incentives, SOCSO** will be provided RM150 million and is expected to provide career opportunities for more than 70,000 job seekers.

86. To ease the job seekers' burden, SOCSO will also provide **mobility assistance of RM500 to those who secure employment** outside of their state of residence. Meanwhile, a mobility assistance of RM1,000 will be

provided for work related **migration** from Sabah or Sarawak to the Peninsular and vice versa.

87. Since the MySTEP initiative was implemented, it has successfully offered more than 118,000 job opportunities. Thus, MySTEP will be continued with **50,000 career opportunities on a contract basis**, comprising 15,000 jobs in the public sector and 35,000 jobs with GLCs. Public sector jobs under MySTEP will be extended until 31 December 2023.

88. On top of that, I'm pleased to announce that the Government will increase the **MySTEP salary** rate by RM100, which is between RM1,500 to RM2,100 compared to RM1,400 to RM2,000 previously.

89. Keluarga Malaysia will continue to be provided with opportunities to pursue upskilling and reskilling programs to better prepare for the needs of the job market.

90. **HRD Corp will provide a total of RM750 million which will provide skills training to more than 800,000 workers** to increase their productivity and enhance income opportunities.

91. Towards developing new talents, the Securities Commission, in collaboration with the Capital Market Development Fund, will implement **Capital Market Graduate Program** involving a fund of RM30 million to enhance the employability of 9,000 graduates for careers in the capital market.

92. Besides that, RM20 million will be provided for **Program Usahawan Siswazah (PUSH)** to enable 1,000 graduates to venture into entrepreneurship.

Focus 8: Education & TVET

Tan Sri Speaker Sir,

93. Education is the best investment for a brighter future for our nation. The Ministry of Education continues to receive the largest allocation of RM55.6 billion compared to RM52.6 billion this year.

94. Early Schooling Assistance or Bantuan Awal Persekolahan (BAP) has eased the burden of parents with an income of RM3,000 and below in providing assistance for parents to equip their schoolgoing children. Starting in the year 2022, the BAP rate was increased from RM100 to RM150 per child.

95. For 2023, I am pleased to announce **Bantuan Awal Persekolahan will be given to all students regardless of their parents' income.**

96. For example, **if a family has three children in school, they are eligible to receive a BAP of RM450!** *Insyallah*, this aid will be distributed in January 2023, and it is hoped that it will ease the financial burden of parents. **A total of RM825 million is provided for this purpose, which is much larger than that provided this year of RM450 million.**

97. Rancangan Makanan Tambahan (RMT) has been implemented since 1979 to ensure that students from low-income families get sufficient nutrients. As announced in Budget 2022, the government has improved the RMT by providing milk to participating children every school day.

98. To enhance this Program, the Government will **increase the per student rate for RMT** supplied food from RM2.50 to RM3.50 cents for the Peninsular and RM3 to RM4 for Sabah, Sarawak, and Labuan. These rate increments will take effect starting this month, October 2022.

99. A total of **RM777 million is provided for RMT, a significant increase compared to RM280 million in 2020** due to the rise in the number of recipients, rate increases, and the provision of daily milk supply. With that, more than 800,000 students, 7,300 food operators, and local milk suppliers will benefit from this improvement.

100. Next year, a total of **RM2.3 billion will be allocated to provide a conducive and safe learning space for school students**. This is a significant increase compared to the RM1.7 billion allocation this year.

101. Of that amount, **RM1.1 billion is provided for school maintenance and repair works**, including for National Schools, National-type Chinese Schools, National-type Tamil Schools, and religious schools.

102. A total of **RM1.2 billion is provided to upgrade the infrastructure of dilapidated schools**, especially to replace old wooden buildings for comfort

and safety of our children in Sabah and Sarawak, with 123 projects in Sabah and 182 projects in Sarawak.

103. To meet local needs, next year, the Government will **build five new schools at the cost of RM430 million** involving SMK Nabalu in Sabah, SMK Dudong in Sarawak, SK Paya Dusun in Terengganu, SK Cyberjaya 2, and SMK Denai Alam in Selangor.

Tan Sri Speaker Sir,

104. The country's higher education achievements continue to impress the world. Next year, the Ministry of Higher Education will be allocated RM1.5 billion.

105. The Government is committed to ensuring that Malaysian youth pursue their education until a tertiary level. Thus, **RM3.8 billion will be provided as scholarships and educational loans** to benefit our youth.

106. Pursuant to the concern expressed by YAB Prime Minister, the Cost of Living Allowance **for MARA and PETRONAS students has been increased**. In addition, I am pleased to announce that the Cost of Living allowance for local JPA-sponsored students and officers will be standardized and increased by RM100 per month at all levels of study, making Elaun Sara Hidup of a JPA-sponsored student between RM730 to more than RM980 per month.

107. The Government will continue to focus on the education of Bumiputera, especially for low-income families. Next year, **a large part of the allocation of RM6.6 billion provided for MARA, Yayasan Peneraju, and UiTM will be to provide Bumiputera with access to education loans** and opportunities to pursue professional fields such as engineering.

108. During Jelajah Bajet 2023, I had the opportunity to visit photovoltaic solar systems installed by USM in 90 locations to supply clean energy on the USM campus. Thus, the Government will provide RM10 million to encourage public universities to inculcate green campus initiatives. In addition, more than RM300 million will also be provided for **upgrading and maintaining public university facilities.**

109. In addition, the digital network of our higher education institutions will continue to be improved. With an allocation of RM35 million, **The Malaysia Research and Education Network (MYREN)** project at public universities, polytechnics, and community colleges will continue to be upgraded in terms of bandwidth capacity.

110. The 2nd of June has been selected as National TVET Day. The Government aims for at least 55% of SPM school leavers to further their studies in TVET by 2025. In line with the agenda to upgrade TVET as led by the National TVET Council, a total of **RM6.6 billion is allocated under the seven main ministries** implementing various TVET initiatives.

111. Among them, RM180 million is provided as a **TVET Training Fund to the Perbadanan Tabung Pembangunan Kemahiran** to offer loans for the

benefit of 12,000 of Malaysian Skills Certification program trainees. The Government will also continue the **Dual National Training Scheme** program with an allocation of RM20 million for the benefit of 3,000 trainees.

112. The Government proposes to extend until 2024, **the individual income tax relief of up to RM8,000 for annual net savings into the Skim Simpanan Pendidikan Nasional (SSPN).**

113. YAB Prime Minister had previously announced **increasing the PTPTN** loan rate and computer loans for the M40 group, in addition to **exempting PTPTN loan repayments** for all students who obtain a first-class bachelor's degree.

114. To the PTPTN loan borrowers, as clearly stated you have a responsibility to settle your debt. It is also in line with the teachings of religion to pay one's debts. If not paid, we would be denying other youths from benefitting from the same opportunity.

115. Thus, as an initiative to facilitate payment and foster a responsible attitude, YAB Prime Minister has agreed to provide discounts on the **PTPTN loan repayment from 1 November 2022 to 30 April 2023** at the following rates:

First: A discount of **20% on the outstanding debt for full settlement;**

Second: A discount of **15% for repayment of at least 50% of the outstanding debt made in a single payment;** and

Third: A discount of **15% for repayment through salary deductions or direct debit according to a repayment schedule.**

Focus 9: Home Ownership

Tan Sri Speaker Sir,

116. Majlis Perumahan Mampu Milik Negara or the National Affordable Housing Council has targeted the construction of 500,000 affordable homes nationwide by 2025. To **encourage first home ownership**, previously, stamp duty for homes valued at RM500,000 and below were fully exempted until the end of 2025. I am pleased to announce that, with respect to property transfer documents and loan agreements for homes valued between RM500,001 and RM1 million, **the stamp duty exemption will be increased from 50% to 75%** and effective until 31 December 2023.

117. For instance, a 100% exemption on purchasing a house worth RM300,000 will save RM6,500, while a 75% exemption on purchasing a house worth RM750,000 will save RM15,000.

118. Currently, stamp duty exemption is fully granted on instruments of real estate ownership transfer between husband and wife, however between parents and children, only 50% exemption is allowed. Since a parents' love

cannot be considered as only half, the Government proposes that from 2023, **all real estate transfers based on love and affection** between families, such as from husband to wife, father to child, or grandfather to grandson, will only be subject to a **stamp duty at the flat rate of RM10**.

119. Next year, the allocation for the construction of new rural houses and renovation of rural houses will be increased from RM361 million to RM460 million. On top of that, the ceiling rate for **building new houses has also been raised**, for example, from RM68,000 to RM79,000 per unit in Sabah and Sarawak. In relation to that, 3,000 new homes will be built, with more than half in Sabah and Sarawak.

120. Meanwhile, for the urban areas, an allocation of RM367 million will be provided for **Program Perumahan Rakyat (PPR)**, including new projects in Marang, Terengganu and Arau, Perlis for the benefit of 12,400 potential new residents. At the same time, the **Rumah Mesra Rakyat program** will involve the construction of 4,250 housing units with an allocation of RM358 million.

121. **Syarikat Jaminan Kredit Perumahan (SJKP)** provides Government guarantees on housing loans mainly to help borrowers without a fixed income, such as e-hailing workers, and has benefitted more than 14,000 borrowers. To help up to 12,000 borrowers in 2023, the Government guarantee facility through SJKP will be increased by RM3 billion.

122. During a visit to PPR Lembah Subang 1, #TeamMOF met Kak Noraishah, who has now become a respected community leader. She is very active and often collaborates with the Local Authority and Yayasan Hasanah

in contributing to community development through entrepreneurship and women's empowerment programs to enable them to be independent. My batik handkerchief today is also the handiwork of female entrepreneurs at a PPR.

123. To **build a harmonious community**, the Government is committed to:

First: ensuring the safe condition of low and medium-cost strata homes through **maintenance, including replacing obsolete lifts** with an allocation of RM290 million;

Second: improving **mobile health services**, including in low-cost housing areas, with an allocation of RM22 million;

Third: **providing classes for the children** of low-cost home residents who fell behind in education during the COVID-19 pandemic; and

Fourth: intensified **income-enhancing activities** by Yayasan Hasanah, including helping food entrepreneurs utilise Cloud Kitchen platforms

Focus 10: Public Transportation

Tan Sri Speaker Sir,

124. To encourage Keluarga Malaysia to use public transport, the Government will continue to subsidize service costs and increase public transport accessibility throughout the country.

125. Stage bus services are essential, especially for city dwellers who use public transport to work. Next year, **RM180 million is provided to improve public bus accessibility** for citizens in Melaka, Kota Kinabalu, and Kuching. For the benefit of Kedah residents, the Government will also **replace 18 stages buses operated by MARA.**

126. Air service is the primary mode of transportation for the people of rural Sabah and Sarawak. For the benefit of rural residents, the Government is committed to continue the **subsidisation of air transport services** with an **allocation of RM209 million.**

127. The Government will also improve facilities at seven airports in Sabah and Sarawak by **building wheelchair ramps** to benefit around 2,300 MASWings wheelchair bound users.

128. On average, Klang Valley residents who use rail and bus facilities to work spend around RM200 monthly. To reduce travel costs, the Government will **continue the My50 monthly pass initiative** to benefit nearly 180,000

users. Through My50, users actually enjoyed a subsidy of RM150 per month or RM1,800 per year from the Government.

129. During Jelajah Bajet 2023 to Kelantan by Yang Berhormat Sipitang, the JKR briefed regarding the ferry services between Pengkalan Kubor and Takbai, Narathiwat, Thailand, which serves 30,000 residents of Tumpat. Hence, the Government has agreed to provide RM9 million for **JKR to replace the existing ferry over 34 years old.**

130. Specifically for individual taxi owners, the Government has agreed to extend the scope of the **exemption from excise duty and sales tax** on the sale, ownership transfer, personal use, or disposal of car taxis to executive taxis, TEKS1M and airport taxis.

Focus 11: Community

Tan Sri Speaker Sir,

131. The community empowerment agenda will focus on providing assistance, infrastructure facilities, and socioeconomic programs.

132. Overall, the **Orang Asli community will be allocated a sum of RM305 million**, an increase compared to RM274 million provided this year. These allocations, among others, include the social assistance programs, programme to improve the quality of life and Orang Asli Settlement Integrated Development.

133. For the next year, the Government will carry out the **Plantation Replanting Projects for Orang Asli**, including replanting of rubber and oil palm, which will benefit more than 2,100 Orang Asli, including in Kemaman, Terengganu; Bera, Pahang; and Gua Musang, Kelantan. The Government will also intensify the **Entrepreneurship Development Program** to provide assistance with business equipment and entrepreneurial guidance to 550 Orang Asli.

134. Dr Zainab Along, Orang Asli from the Jakun tribe, has furthered her studies through MARA educational loans. She successfully obtained a Master's Degree in Applied Science at the University of Plymouth and a Doctorate in Architecture from the University of Newcastle.

135. So far, MARA provides education loan opportunities to 10 Orang Asli students annually to study abroad. Next year, to inspire more students from the Orang Asli community, I'm pleased to announce that **Foundations under the Government Linked Companies (GLC) will also sponsor at least 10 Orang Asli** to further their studies abroad.

136. Next year, almost **RM1 billion will be specifically provided for the welfare of the elderly**, which is a significant increase compared to RM580 million in 2020 due to the rise in recipient numbers following the increase in the elderly welfare assistance rate and the increase in eligibility criteria.

137. The Government also continues to provide grants amounting to RM21 million to support the **operation of private care institutions for the elderly, children, and disabled run by NGOs.**

138. The welfare of people with disabilities will continue to be given due attention, in addition to initiatives to help the disabled to realise their full potential. For the year 2023, a total of **RM1.2 billion is allocated specifically for the disabled**, including assistance for chronic patients care, allowance for disabled workers who cannot work, and allowances for disabled workers.

139. To encourage more disabled to do business, the Government will continue to **empower Skim 1 OKU 1 Perniagaan** by exempting businesses by disabled from paying registration fees and business license renewal fees under the Companies Commission of Malaysia.

140. During a #TeamMOF engagement session with a disabled community, a proposal was raised to increase door-to-door services in facilitating the movement of the disabled community. Therefore, in realising this proposal, RM10 million will be allocated to provide **travel vouchers to the disabled via e-hailing services**.

141. Education for disabled children will continue to be enhanced. In safeguarding the welfare of special education students and teachers, the Government will allocate RM20 million for **teaching aids and facilities improvement in special needs schools**.

142. To give parents the opportunity to send their disabled children to a safe nursery while they are at work, the Government will provide **special incentives to establish 50 new TASKA OKU** in addition to the existing 13.

143. Currently, about 260 thousand disabled are eligible to receive BKM. To provide more complete and accurate access to information, the Government will establish **Pusat Panggilan Mesra OKU**. This center will pilot use of video call mode and signs interpreter services to convey information to the disabled.

Tan Sri Speaker Sir,

144. Prisoners also have the opportunity to work in various fields managed by the Prisons Department, including the agricultural sector. For 2023, the Government will provide **RM10 million under the Agropenjara** initiative to expand agricultural and plantation activities involving 70 acres of prison land. Part of this allocation is to expand honey bee farming in Penjara Prabebas Dusun Dato' Murad, Melaka, and to increase the supply of fresh freshwater fish at Kamunting Correctional Center, Perak.

145. From 2023 onwards, the additional tax deductions provided to employers who employs ex-convicts will also be extended to employers who employ former students of the **Henry Gurney School as well as Government protection and rehabilitation institutions and non-Government care centers registered under JKM**.

146. Regarding the welfare of children under the care of JKM institutions, the Government will establish the **Pusat Transit - Anjung Sinar** as a center to provide temporary shelter before getting a job and starting a new life. **GLCs will also help them with suitable job opportunities.**

Focus 12: Paddy Farmers, Fishermen & Smallholders

Tan Sri Speaker Sir,

147. The Government will continue to ensure the **welfare and support of rice farmers, fishermen, and smallholders**. For the next year the Government will provide the following:

- First:** **various subsidies and incentives** include subsidies for the price of rice, rice fertilizer, Huma rice fertilizer, and rice production incentives, as well as fishing incentives with an allocation of RM1.8 billion, an increase of RM100 million compared to this year;
- Second:** **aid to rice farmers** has been reintroduced for the year 2023 with RM200 per month for three months per season to 240,000 rice farmers with an allocation of RM228 million;
- Third:** **Bantuan Musim Tengkujuh (BMT)** to rubber smallholders amounting to RM200 per month for four months to 320,000 smallholders with an allocation of RM256 million. This means that smallholders will get BMT of RM800 compared to RM600 previously;

Fourth: To increase farmers' income, the **Insentif Pengeluaran Lateks** was introduced together with the TARGET program to improve the supply chain of rubber raw materials through cooperatives; and

Fifth: **Skim Perlindungan Pertanian** will be introduced to protect agricultural producers from unpredictable risks such as weather, disease, and pests, and will initially be piloted with paddy farmers.

STRATEGY 3: BUSINESS SUPPORT

Tan Sri Speaker Sir,

148. Budget 2023 is also responsive in supporting business activities, particularly **Micro, Small and Medium Enterprises (MSMEs)**. The Government will actively assist MSMEs companies through various incentives and financing facilities.

Focus 1: Tax Deductions & Cash Grants

149. Based on RMK-12 targets, MSMEs are expected to contribute 45% to GDP and 25% to total national exports by 2025.

150. To demonstrate Government's commitment to support and empower MSMEs, the Government proposes that the **tax rate on chargeable income for the first RM100,000 be reduced from 17% to 15%**. This reduction will

provide savings of up to RM2,000 each for approximately 150,000 MSMEs taxpayers.

151. In addition, to assist especially the micro small traders, the Government proposes to give a **one-off grant of RM1,000 to all registered MSMEs and registered taxi drivers**. It is expected that 1 million businesses will benefit from this grant with a total allocation of RM1 billion.

Focus 2: Financing Facilities

152. **To boost business activities, SemarakNiaga 2023 is enhanced with a total value of RM45 billion compared to the RM40 billion announced for 2022.** This value includes direct loans, alternative financing and financing guarantees.

153. Next year, RM1.7 billion will be available as microcredit loans and financing facilities to benefit of small entrepreneurs. Among others include:

First: BSN microcredit loans with funds of RM950 million, which includes RM350 million for the **Skim Penjaja Kecil Keluarga Malaysia**, of which RM150 million is for Bumiputera entrepreneurs;

Second: Loan facilities for **small entrepreneurs under TEKUN**, specifically for Bumiputera, women, youth, and the informal sector with an allocation of RM300 million;

Third: Financing facilities specifically for the Chinese community with an allocation of RM200 million with an interest rate as low as 4%;

Fourth: The Micro-funding scheme under the **Indian Community Entrepreneur Development Scheme (or SPUMI)** with a fund of RM25 million. RM100 million is also provided under **MITRA**, among others, for the development of entrepreneurs; and

Fifth: The **iTEKAD social finance program** provided RM10 million and was also matched with funds from financial institutions through zakat and cash waqf contributions.

154. The cooperatives have helped their members and contributed to the country's development since 100 years of their establishment in Malaysia. Next year, RM100 million will be allocated for **Tabung Modal Pusingan Suruhanjaya Koperasi Malaysia** to provide funding to help cooperatives develop the agro-food industry. This effort is also supported by the Supply Chain Empowerment for Cooperative Program towards a consistent supply of food and consumer needs at lower prices.

Tan Sri Speaker Sir,

155. In addition to micro-financing, the Government will also provide loans that support small and medium-sized companies. Through Bank Negara Malaysia, **RM10 billion** in loan funds are provided **to encourage the**

automation and digitization of SMEs and support the food security agenda and the recovery of the tourism sector.

156. TERAJU, with a total allocation of RM135 million will provide financing support and facilities under the **Dana Kemakmuran Bumiputera**.

157. A total of 200 million worth of funds will be allocated under **Perbadanan Usahawan Nasional Berhad (PUNB)** to provide financing facilities and entrepreneur development programs for Bumiputera in the retail sector.

158. Lastly, to complement these financing initiatives, the Government agrees to extend 100% stamp duty exemption on restructuring or rescheduling loans or financing agreements until 2024.

Focus 3: Strategic Financings, Alternatives & Financing Guarantees

Tan Sri Speaker Sir,

159. The Government also finances strategic projects through Bank Pembangunan Malaysia Berhad (BPMB). Various financing funds are offered with an interest subsidy of 1.5% per year. Among others includes:

First: Sustainable Development Financing Scheme worth RM1.5 billion to facilitate the effort to achieve the 17 sustainable development goals;

Second: Tourism Infrastructure Scheme amounting to RM1 billion to strengthen the recovery of the tourism sector, including funding for hotel rehabilitation, urban renewal, and heritage conservation; and

Third: Maritime and Logistics Scheme of RM1 billion, expanded scope to support Malaysia to support oil and gas, shipbuilding, and ship repair.

160. The Government will also continue the Rehabilitation and Support Through Equity facility (**or RESET**) and **Skim Modal Kerja through BPMB** with a total fund amounting to RM1 billion, to provide support in the form of equity injection and working capital for high-potential companies affected by COVID-19.

161. Since 2009, the Government, through Syarikat Jaminan Pembiayaan Perniagaan (SJPP), has assisted SMEs in obtaining bank loans by guaranteeing almost 50,000 companies with a total guarantee value of RM48 billion.

162. For 2023, SJPP will provide financing guarantees of **up to RM9 billion for SMEs**, especially for strategic sectors such as agro-food, sustainable technology, tourism, and oil and gas. This guarantee initiative will continue to help SME companies to obtain new financing that was previously challenging.

163. New forms of financial innovation, such as equity crowdfunding (ECF), will continue to be supported. This instrument successfully provides capital funding to start-up companies such as Green Lagoon Technology, a biogas plant operator, through the cyclical economy to generate green energy from palm oil waste. Likewise, social enterprises like Athena Holdings are leading innovative efforts to provide eco-friendly products for women.

164. To support start-up companies in the sustainability and social enterprise agenda, the Government will **provide Malaysia Co-investment Fund (MyCIF)** funds amounting to RM30 million in addition to ECF funds.

165. In addition, the Government also **plans to expand the scope of tax incentives for individual investors in start-up companies through equity crowdfunding** to cover investments made through Limited Liability Partnership Nominee companies.

Focus 4: Recovery of Tourism Industry

Tan Sri Speaker Sir,

166. Alhamdulillah, since the reopening of our borders, the tourism sector has started to recover. As of July, Malaysia has received 3.2 million tourist arrival with RM9.4 billion in tourism revenue. However, this still does not mirror pre-COVID-19 achievements, among others, due to China's policy prohibiting its citizens from going abroad.

167. For the year 2023, the Government targets the arrival of more than 15 million foreign tourists with a receipt of RM47.6 billion. **RM200 million will be allocated to strengthen the recovery of the tourism sector with incentives, promotion, and marketing initiatives.**

168. Among others, the Government will focus on high-value tourists from specific market segments or niche market segments such as ecotourism, golf, scuba sports, and international exhibitions and conventions.

169. A total of **RM90 million** is allocated as matching grants, such as the **Geran Padanan Galakan Melancong (GAMELAN)** program, which involves promotion and marketing campaigns with the industry. Matching grants are also provided for organizing tourism programs, including international sports events.

170. There are also matching grants to **encourage charter flight services**, especially from the Middle East and East Asia. Furthermore, the Government, together with Malaysia Airport Holdings Berhad and international airlines, will work on **new direct flight routes** from international destinations, such as from West Asia and the Middle East, to Malaysia, including the international airports of Kota Kinabalu and Penang.

171. The ecotourism segment has become one of the attractions for foreign tourists to Malaysia. This includes THE HABITAT Bukit Bendera, which succeeded in becoming a tourist destination. Next year, **10 million will be provided through a joint venture with a network of ecotourism industry players** for:

First: Upgrading ecotourism attractions in **Gua Kelam, Perlis;**

Second: Pioneering sustainable solid waste management efforts in **Pulau Perhentian, Terengganu;** and

Third: Intensified activities at **Taman Pertanian Jubli Perak Sultan Ahmad Shah, Kuantan, Pahang.**

172. To promote Keluarga Malaysia to travel to domestic destinations of their choice, the Government has allocated RM25 million to provide **incentives to the people in the form of discounts, vouchers, and rebates** for accommodation, tourism packages, handicrafts and works of art up to RM100.

173. Hotels in Malaysia should play a role in displaying handicrafts produced by local entrepreneurs to tourists. Khazanah Nasional Berhad's 'One and Only Hotel' in Desaru is a hotel that displays 100% Malaysian handicrafts. To further encourage the tourism sector to prioritize local handicrafts, the Government proposes a **special tax deduction for hotels that buy local handicraft products** limited up to RM500,000.

174. Support and funding for tourism industry operators, such as Wan Muhamad Ihsan, who opened a container hotel in Pulau Pangkor, have benefited from Government tourism funding to maintain his employees during the pandemic period. To help entrepreneurs like Wan Muhamad Ihsan, the Government proposes the following initiatives:

- First:** **BNM Tourism Financing (PTF)** with RM500 million allocation with an increase of financing size from RM300,000 to RM500,000;
- Second:** 100% tax exemption on statutory income for tour operators who guide at least 200 foreign tourists a year or at least 400 local tourists;
- Third:** Excise duty exemption of 50% be given to tourism operators on the purchase of new CKD tourism vehicles such as hire and drive cars and excursion buses; and
- Fourth:** Reinvestment Allowance for selected hotel and tourism projects will be introduced under the Income Tax Act 1967.

175. I also had the opportunity to visit Petaling Street, which has been given a new life due to ThinkCity's collaboration with DBKL. To further **transform Kuala Lumpur City Center into a creative and cultural hub**, RM10 million is allocated to ThinkCity for the Kuala Lumpur City Center restoration initiative.

176. To make Malaysia a major health tourism destination, **existing tax incentives for the export of private healthcare services** will be extended until 2025. In addition, **Malaysia Healthcare Travel Council will be provided RM20 million** to strengthen Malaysia's position as a destination of choice for health tourists.

SECOND AGENDA: RESPONSIBLE BUDGET

Tan Sri Speaker Sir,

177. **To ensure the financial sustainability of the Government, Budget 2023 is responsible** for implementing fiscal reform measures. This Budget is also committed to building the country's resilience in preparation for any future challenges.

STRATEGY 1: FISCAL RESPONSIBILITY

178. The Budget for 2022 was originally allocated RM332 billion with a 6% deficit target. Due to global inflationary pressures and rising commodity prices, the Government has taken responsive measures by controlling the price of goods and increasing subsidies for consumer essentials. To protect Keluarga Malaysia, the allocation for dependents, assistance, and subsidies is expected to increase from RM31 billion to RM77.7 billion.

179. However, the Government remains responsible for managing the country's finances to ensure that **additional expenditure is matched with additional revenue or other expenditure savings**. As a result, the Government was able to control and reduce the deficit level to **5.8%** of GDP in 2022.

180. Budget 2023 will be the largest budget ever, with an increased allocation of RM372 billion. As a responsible Government, the Budget will be

balanced with the **commitment to implement fiscal consolidation to ensure the country's financial sustainability.**

181. With an expected revenue collection of RM272.6 billion, **the fiscal deficit for 2023 is projected to decline** to 5.5% of GDP, compared to 5.8% in 2022. Based on the Medium Term Fiscal Framework (MTFF) as a budget planning guide for a three-year period, **the deficit level for 2023 to 2025 is expected to decline to an average of 4.4% compared to GDP.** The Government will continue to intensify its efforts to improve the financial position in the medium term to achieve a deficit of 3.5 percent of GDP, as targeted in RMK-12.

Focus 1: Fiscal Consolidation

182. As announced in Budget 2022, the Government plans to introduce the Fiscal Responsibility Act (FRA) to increase the transparency and accountability of the country's fiscal management.

183. Various engagement sessions were held to ensure the formulation of a comprehensive FRA and meet the goal of rebuilding the country's fiscal resilience to face any upcoming challenges. Insyah-Allah, I am pleased to inform you that **Fiscal Responsibility Bill 2022 will be presented at this Meeting as well, assuming there are no unforeseen circumstances.**

Focus 2: Revenue Sustainability

Tan Sri Speaker Sir,

184. Despite the economic uncertainty, the Government must ensure a sustainable source of revenue to finance the country's expenditure. To improve the efficiency of tax administration, the Government is implementing two initiatives as follows:

First: **e-Invoicing** will be implemented in phases from 2023 with the system development, and pilot project involving selected taxpayers; and

Second: **Tax Identification Number (TIN)** is implemented in 2022 to broaden the tax base. From the year 2023, individual citizens and permanent residents who reach the age of 18 be given TIN automatically and made mandatory for all stamping documents and instruments.

185. To enable Malaysia to broaden its tax base while remaining competitive in attracting foreign direct investment, the Government will introduce the **minimum effective tax rate at the global level** as recommended under Pillar 2 of the BEPS Action Plan 1 and implement the **Qualified Domestic Minimum Top-up Tax** upon completion of detailed study and targeted for the year 2024.

Focus 3: To Address Revenue Leakage

Tan Sri Speaker Sir,

186. The Government will continue to address the issue of revenue leakage. The strategy to eradicate cigarette and liquor smuggling activities is being **carried out through the Multi-Agency Task Force** and will be continued with the following steps:

- First:** Tighten the control of cigarette and liquor imports through legal landing places, including private jetties;
- Second:** Limit liquor transshipment activities to certain ports only;
- Third:** Bukit Kayu Hitam Immigration, Customs, Quarantine and Security Complex as a single exit point for the northern region; and
- Fourth:** provide special rewards to strengthen efforts to combat cigarette and liquor smuggling.

187. The Government will also implement comprehensive reforms in 2023 to **address the leakage of essential goods subsidies**. Among the main focuses are to ensure that subsidised petrol is used by citizens and not by non-citizens; that subsidised diesel is enjoyed by vehicle carriers and not smuggled to business premises or abroad; that subsidised cooking oil and

LPG are used by low-income households; and that the quota is not used up by traders.

STRATEGY 2: BUILDING NATIONAL RESILIENCE

Tan Sri Speaker Sir,

188. For the well-being of Keluarga Malaysia, Budget 2023 prioritises efforts to strengthen the country's resilience against any future shocks.

Focus 1: Healthcare

Tan Sri Speaker Sir,

189. According to World Bank data, the total expenditure on healthcare in Malaysia is equivalent to other neighbouring countries which is around 4% of GDP. Next year, the Ministry of Health will be allocated RM36.1 billion, compared to RM32.4 billion this year, which is one of the biggest increases among ministries.

190. Although we are moving into the endemic phase, COVID-19 is still in us. The Government will **strengthen the capacity of public healthcare**. A total of 4.9 billion will be allocated for the procurement of medicines, reagents, vaccines, and consumables, which is 12% more than in 2022.

191. The priority for next year is to refurbish dilapidated facilities, including old clinics. The Government will provide RM420 million for the

refurbishment of underfunded hospitals and clinics as well as the replacement of obsolete equipment, with priority given to dilapidated health facilities in the rural areas of Sabah and Sarawak.

192. Next year, several **new hospitals, clinics, and facilities** will be built, including the procurement of equipment at a cost of nearly RM1.8 billion. This includes **Maran Hospital** in Pahang costing RM350 million, the **women and children building at Hospital Melaka**; five **New Health Clinics**, among others, in Linggi Negeri Sembilan, Penampang Sabah dan Sepupok Sarawak; and the procurement of **mobile CT scans** to provide CT scan services, especially for the benefit of rural areas in Sabah and Sarawak.

193. In leading the mental health agenda, the Government plans to establish a **National Mental Health Center of Excellence**. This centre will integrate all parties under MyMYNDA for the well-being of the people's mental health with an allocation of RM34 million.

194. To support the National Dental Health Policy, the scope of income tax relief on personal, spouse, and child medical treatment expenses **will be expanded to include dental examination and treatment expenses** limited to expenses of up to RM1,000 from the year of assessment 2023.

195. In addition, RM10 million is also allocated for the **procurement of 10 units of 3D printing machines** to produce dentures, which can reduce the patient's visit time to the dental clinic from five times to two times.

196. To encourage people to stop smoking, the Government plans to **exempt import duty and sales tax on nicotine replacement therapy products.**

Tan Sri Speaker Sir,

197. Yang Berhormat Paya Besar previously visited Athif Fahri who is suffering from Spinal Muscular Atrophy Type 1 disease. This is one of the 8,000 rare diseases listed in the Malaysia Rare Disease List.

198. The Government has taken proactive steps by making Kuala Lumpur Hospital and Tunku Azizah Hospital referral centres for rare diseases. The Government will increase the allocation for rare disease to RM25 million to cover the increasing cost of treating rare diseases.

199. The Government will establish a **Trust Fund for the Treatment of Rare Diseases** for public donations. We are pleased to announce that a tax deduction equivalent to the actual contribution amount will be given to the contributors. We hope many parties will contribute to easing the burden of patients.

200. Prevention is better than cure. The Government will intensify the Rakyat's screening agenda through the **skim Peduli Kesihatan for B40 Group (PEKA B40)**, including for **diabetes screening**, with an allocation of RM80 million.

201. The Government will also enhance the **SOCSO Health Screening Program** as a precaution to detect and prevent critical illnesses such as cancer and heart disease. This program will benefit 2.3 million workers registered under the SOCSO Disability Scheme with an allocation of RM80 million.

202. Since 2019, **MySalam** has approved claims related to critical illness and hospitality totalling RM734 million for 1.5 million B40 individuals. This includes 500,000 individuals who received compensation due to COVID-19 with a total value of RM330 million.

203. The Government intends to **continue MySalam to BKM recipients** throughout 2023. This scheme is open to insurance and takaful companies to ensure the continuity of MySalam.

204. **Perlindungan Tenang Voucher** has benefited more than 3 million BKM recipients and will continue through cost sharing method. This voucher will be extended to the purchase of flood disaster protection products for residential homes.

205. The **National Trust Fund**, based on the KWAN Act 1988, was created with the mandate to generate a continuous and stable source of income for the benefit of the country and future generations. In line with that purpose, the Government has allocated up to RM6 billion for the COVID-19 vaccine. As of 30 September 2022, RM5 billion was spent on the national immunisation programme for COVID-19. The Government would like to give

the assurance on the sufficiency of vaccine stocks, for those who would like to get an additional dose of vaccine in 2023.

206. The Government is committed to replenishing KWAN funds when the crisis is over, subject to the financial position. In line with that, PETRONAS plans to contribute RM2 billion to KWAN in 2023. The Government calls on more entities to contribute to KWAN for the benefit of the country in the future.

Focus 2: National Defence and Public Safety

Tan Sri Speaker Sir,

207. The Government will continue strengthening public safety and national security through the **Ministry of Home Affairs and the Ministry of Defense, with an allocation of RM18.3 billion and RM17.4 billion, respectively.**

208. In 2023, the Government's key initiatives are:

First: the purchase and maintenance of ATM assets to increase defense readiness with an allocation of nearly RM4 billion;

Second: the purchase and maintenance of PDRM assets to improve domestic security with an allocation of RM431 million;

- Third:** the maintenance of all APMM ships and boats to ensure the safety of the country's maritime areas with an allocation of RM485 million; and
- Fourth:** procurement of **body scanners and upgrading facilities in five prisons**, including Seremban Prison, Negeri Sembilan with an allocation of RM19 million; and
- Fifth:** Improve border control by establishing 25 border control posts with PGA, Immigration, ESSCOM, and APMM, among others, at Bau, Sarawak dan Tanjung Gemok, Pahang

209. The welfare of the uniformed bodies and retirees will be provided with initiatives as follows:

- First:** RM118 million to **maintain the Rumah Keluarga Angkatan Tenteraa (RKAT)**. The Government plans to build new RKAT of various classes at Butterworth Air Base, Penang, in addition to the 12 ongoing RKAT construction projects;
- Second:** RM42 million to repair and upgrade **PDRM residential quarters**;

Third: RM28 million to **continue three construction projects of quarters under the Prison Department**, among others, the Labuan Correctional Center and the Malaysian Correctional Academy; and

Fourth: offer a 50% discount on public transport operated by PRASARANA to more than 21,000 ATM veteran card holders and Police retiree cards in Kuala Lumpur, Selangor, Pahang, and Penang.

Focus 3: Food Security

Tan Sri Speaker Sir,

210. This year, global developments have contributed to higher food prices. The Government is making every effort to ensure that the impact of rising costs is minimal by setting ceiling prices for food items, eliminating import permits, and implementing Jualan Murah Keluarga Malaysia program.

211. In line with the **National Agrofood Policy**, the Government will continue to strengthen food security and reduce dependency on imported supplies to be resilient against future shocks.

212. As of 2020, land use for food crops has declined to only 1.2 million hectares compared to 7 million hectares for oil palm and rubber cultivation. To increase food production, the Government intends to **utilize the**

abandoned lands owned by FELDA, FELCRA, and RISDA and agencies under MAFI with an area of up to 800 acres for food crops.

213. To **increase self-sufficiency level (SSL)** and encourage the use of technology in the agricultural sector, the following initiatives will be implemented:

First: **Skim Agrofood BNM** up to RM5 million at a rate of 3.75 percent for agrifood entrepreneurs to increase production productivity with a fund of RM1 billion;

Second: Agrovest investment program by Agrobank to provide seed funding to agricultural startup companies and to establish an e-commerce platform with a fund of RM250 million;

Third: investment of RM200 million under Khazanah's Dana Impak with a focus on increasing the income and productivity of smallholders;

Fourth: The **Digital AgTech** program under MDEC will be expanded to 264 Pertubuhan Peladang Kawasan with an allocation of RM20 million to train more smallholders to adapt to digital technology; and

Fifth: proposed **Pembasmian Kemiskinan Tegar Keluarga Malaysia Program** will focus on the promotion of low SSL food crops such as chili, ginger, and cabbage among selected households.

214. During my Budget *Jelajah* to Johor, I had the opportunity to visit the FOLO farm, an organic farm that converts food waste from the hotels into organic compost, which is then used as fertiliser for various types of vegetable crops. Besides, there are also entrepreneurs who process agricultural waste into animal feed by using the **black soldier fly**. To **support sustainable agriculture efforts, RM56 million is allocated to MAFI** for various initiatives such as the development of agro-food sustainability.

215. In addition, the tax incentive period for food production projects will be extended until the end of 2025, with the scope of the **incentive also expanded to include modern agricultural projects based on Controlled Environment Agriculture**.

216. For example, the concept of indoor vertical farming is being undertaken by the likes of Dr Jayanthi from Boomgrow, which grows vegetables in modified cargo containers, with the use of lights with Internet of Things sensors and applying artificial intelligence (AI) algorithms.

217. Biotechnology can improve agricultural productivity as well as develop a more environmentally friendly approach to agriculture. The government plans to extend the tax incentive application period for companies with

BioNexus status until the end of 2024. This incentive will also be enhanced with an increased income tax exemption on statutory income from 70% to 100%.

218. To drive productivity and increase efficiency through automation, especially in the agricultural sector, the Government plans to **accelerate the Capital Allowance claim and exempt 100% of income tax on capital expenditure**. This incentive applies to the manufacturing, service, and agricultural sectors that adapt to the elements of Industry 4.0, including entrepreneurs who implement a closed cage system.

Focus 4: Disaster Preparedness

Tan Sri Speaker Sir,

219. We, as Keluarga Malaysia, are deeply saddened by the disaster that hit the country. In the last two years, floods and landslides have occurred in almost every state. The Government expresses condolences for the loss of property and the lives of loved ones.

220. Government made several critical decisions in preparation for any natural disaster. The Government has also immediately improved the provision of monetary assistance in addition to various other forms of assistance to affected victims.

221. To build the country's resilience, the Government is committed to implementing the **Flood Mitigation Plan until 2030** as a long-term strategy to adapt to climate change throughout the country, with a total allocation of RM15 billion. For 2023, most of the projects will be awarded with an estimated expenditure of RM700 million. Among the main projects are:

First: the implementation of the **Sabo Dam project** worth RM500 million in 46 locations across the country to reduce the risk of debris floods and mud floods that can affect nearby settlements, such as the flood tragedy in Baling, Kedah;

Second: The construction of a **dual-purpose reservoir** costs nearly RM2 billion involves alignment along the Klang River and the Rasau River, Selangor as a two-pronged strategy to overcome the flood problem and as a raw water storage;

Third: additional phase for the **Integrated River Basin** in Sungai Golok, Kelantan worth RM500 million; and

Fourth: upgrade of the **weather forecast system** to strengthen flood forecasts and warnings at the national level.

222. For next year, the National Disaster Management Agency (NADMA) will be allocated RM174 million. As a proactive preparation measure, the Ministry of Finance will channel an **additional RM400 million to NADMA to get ready to assist if there is a flood at the end of this year.**

223. For 2023, the Government has provided an early allocation of RM100 million under the **National Disaster Relief Fund** and the Ministry of Finance is ready to increase the allocation if needed.

224. To prepare the Malaysian Armed Forces to face possible disasters, two additional field hospitals costing RM47 million will be completed by the end of this year in Kluang, Johor and Kota Kinabalu, Sabah. In addition, 50 ambulance units will also be stationed in 50 military camps, ready to be deployed in the event of a disaster.

225. The Government will allocate RM20 million under Pertubuhan Prihatin Komuniti Grant to 2,000 resident associations that carry out voluntary activities. These include taking a firefighting course in preparation for any disaster such as floods or fire at the community level.

Focus 5: Financial Scams

Tan Sri Speaker Sir,

226. Online fraud or online scam become an increasingly serious global issues and Malaysia is not spared from this threat. Several measures to curb scam will be implemented, including:

First: establishment of **National Scam Response Center (NSRC)** involving a joint venture of PDRM, BNM, MCMC and NFCC, and partnership with financial institutions. The centre will start operating this month and act on reports

received to block criminal's accounts and take action against online criminals;

Second: banking institutes to tighten **internet banking security measures** by discontinuing the usage of SMS-based one-time-passwords (OTP) for high-risk transactions;

Third: provide a **platform for the public to report any account or number suspected** of being used by online scam criminals;

Fourth: raise **individual's awareness of financial and digital literacy** to reduce the risk of becoming victims of fraud.

227. At the same time, the Government will continue to strengthen **CyberSecurity Malaysia** with an allocation of RM73 million to strengthen the monitoring, detection, and reporting of cyber threats, including building the capability of cyber forensic systems.

228. To protect credit consumers while promoting a fair and orderly consumer credit market, the Government is committed to present the **Consumer Credit Bill** in the second quarter of 2023. A new independent authority, the **Consumer Credit Monitoring Board**, will be established under the Ministry of Finance to regulate all activities related to consumer credit.

STRATEGY 3: PUBLIC SERVICE DELIVERY EFFICIENCY

Tan Sri Speaker Sir,

229. The Government will continue to improve and uplift the efficiency of service delivery for the well-being of the entire Keluarga Malaysia.

Focus 1: Public Private Partnership

230. The **Public-Private Partnership Master Plan 2023-2032** will be launched to introduce a new PPP model that is capable of driving infrastructure projects based on user pay such as highways and in-kind payment such as land swap. In this respect, the **Infrastructure Facilitation Fund is provided RM250 million** to support the implementation of high-impact PPP projects in the infrastructure, social and security sectors.

Focus 2: Government Linked Companies

Tan Sri Speaker Sir,

231. GLC and GLIC will continue to play a vital role in the nation's economy and have committed to invest up to RM50 billion in 2023, including, among others:

First: investment of up to RM1.3 billion in venture capital to support start-up companies and entrepreneurs;

Second: food security projects totaling RM1.35 billion;

Third: propelling the sustainability agenda with the establishment of a sustainability framework for investments and setting targets to achieve a fully ESG compliant portfolio and carbon neutral operations;

Fourth: green procurement implementation of up to RM330 million as well as provision of EV infrastructure; and

Fifth: domestic direct investment of up to RM45 billion.

232. Domestic direct investment from GLCs is important for the economic recovery. Among them, KWSP will continue the **development of Kwasa Damansara** by creating more than 6,000 job opportunities with a total investment of more than RM3 billion until 2025. PNB will also, through the **Merdeka Tower 118 project**, undertake a gross development value (GDV) of more than RM10 billion and create up to 4,000 new job opportunities.

233. **Khazanah Nasional Berhad will be investing RM1 billion under Dana Impak** in 2023, of which RM230 million of that fund will be invested in local high technology companies. This fund will support local talents to capitalise on their experience working with multinational companies by setting up their own technology companies, such as SkyeChip. To encourage similar companies to generate their own patents, the Government will **extend the intellectual property development tax incentive** until 31 December 2025.

234. To encourage more angel investors to contribute to economic activities through capital funding in investee companies, the tax incentive will be extended until 31 December 2026.

235. KPJ Damansara Specialist Hospital 2 with a capacity of 300 beds, has been completed on Malay reserve land by Pelaburan Hartanah Berhad. PHB will continue to implement commercial development to increase the value of Bumiputera property ownership including developing Malay reserve lands. Next year, RM50 million will be provided to PHB.

236. To further develop competent Bumiputera businesses, **Ekuiti Nasional Berhad (EKUINAS)** will provide Dana Asas investment amounting to RM100 million as a direct investment fund specifically for Bumiputera companies with a minimum investment of 10 million each.

237. The Ministry of Finance has launched the Good Governance Principles guidelines to be adopted by all GLICs and which then will be extended to all GLCs. Thereafter, an investment standard will be launched to ensure that GLIC investment process takes into consideration the agenda of sustainability.

Focus 3: Government Administration

Tan Sri Speaker,

238. The **Urban Transformation Center (UTC)** has made it easier for the Rakyat to get various Government services under one roof. In order to

ensure that UTCs continually benefit Keluarga Malaysia, UTC will be rejuvenated and transformed to include digital and job opportunity services. The Government proposed to establish two new UTCs while maintaining the upkeep of existing UTCs with an allocation of RM20 million.

239. Concurrently, the Government through MDEC will spearhead efforts to **transform the UTC as a digital hub**. Among them, transactions will be carried out on a cashless basis while promoting various digital activities such as e-sports and coding for the benefit of local youth.

240. To help the unemployed through job matching, the Government will **develop 13 Pusat Satelit MYFutureJobs in UTCs across the country** with an allocation of RM8 million. In addition, HRD Corp and SOCSO will also establish a **National Placement Center** in the Klang Valley as a one-stop center that assists the Rakyat to secure employment. SOCSO will also increase the number of Employment Service Managers to assist the unemployed in their search for job opportunities.

241. The Government will continue to **strengthen consumer advocacy**, especially in relation to consumer rights. The Government will also provide **special funding assistance for the appointment of private lawyers to assist consumers in the handling of judicial review application cases** at the Tribunal for Consumer Claims Malaysia.

242. Finally, towards modernizing transactions with the Government, the process of documents stamping and stamp duty payment to the Inland

Revenue Board will be entirely online through the **Stamp Assessment and Payment System** by 2024.

Focus 4: Civil Servant's Welfare

Tan Sri Speaker,

243. Keluarga Malaysia is very grateful for the unwavering dedication and determination of the country's front-liners in fulfilling their duties throughout the development of this country.

244. Under the leadership of Chief Secretary to the Government of Malaysia, the civil servants have worked tirelessly and faithfully with the Keluarga Malaysia Government to defend the well-being of the Rakyat and the stability of the country.

245. This year, the Government has executed a few initiatives for civil servants. This includes the reduction of financing rate for computer and smart phone financing scheme from 4% to 2%. To encourage a healthy lifestyle among civil servants, the Government will **widen the definition of digital devices under the Computer and Smart Phone Financing Scheme to include smart watches.**

246. Under Budget 2022, the Government continued to provide Personal Accident Coverage of up to RM100 million to benefit 40,000 LPPSA new borrowers. For next year, the Government agrees **to provide RM100 subsidy to include insurance and takaful home content coverage** worth

RM20,000 as an effort to lighten the burden on borrowers impacted by disasters.

247. For all the service devoted thus far, the Most Honourable Prime Minister has announced several benefits for civil servants at the **Majlis Amanat Perdana Perkhidmatan Awam ke-18** on 30 August 2022.

248. Among the main ones include an increase in the **Cash Award In Lieu of Leave (GCR)** that can be collected for the purpose of financial reward, which has been increased from 160 to 180 days with a financial impact of RM100 million per year. With the increment, I am pleased to announce that **early redemption of GCR up to 50% will be increased to a maximum of 90 days**. I hope that with this early redemption will assist the civil servants in need.

249. The Government has also **increased Special Annual Leave for civil servants in education** who have served for more than 10 years by 5 days to 15 days to benefit 500,000 teachers to attend to personal matters and an opportunity to accumulate higher GCR.

250. The government has also agreed to give a **2023 Special Salary Increment of RM100 to all civil servants Grade 11 to 56, with a financial implication of RM1.5 billion**. This means that if a Grade 11 employee with a salary of RM1,600 previously will receive an RM80 increment every April, for next year he or she will also receive a 2023 Special Salary Increment of RM100 in January 2023. This brings up his final salary in 2023 to RM1,780 and this amount will remain in years to come.

251. For next year, the Government also agreed to provide **Special Financial Assistance** to 1.3 million civil servants grade 56 and below, amounting to RM700 and 1 million Government pensioners amounting to RM350 with financial implications amounting to RM1.3 billion.

252. In addition, **Yang Amat Berhormat Prime Minister has decided to increase the Aidilfitri 2023 Special Financial Assistance to RM600** and this will be paid in March 2023. Together with the Special Salary Increment of RM100 effective January 2023 and the Special Financial Assistance of RM700, **the total additional amount for eligible civil servants in 2023 will be RM2,500 per civil servant.**

THIRD AGENDA: REFORMIST BUDGET

Tan Sri Speaker Sir,

253. The COVID-19 pandemic has provided an opportunity for the Government to implement reforms, learn from experience and enact policies that adapt to new norms.

254. The **National Investment Aspirations (NIA)** which was launched yesterday has been formulated to drive high-quality and sustainable investments at a national level and in strategic sectors. The Government will continue to evolve the incentive framework to align to current and global developments and aligned with national investment priorities.

255. To attract high-quality investments, the Government is committed to be among **World's 10 Most competitive Economies by 2025**. This commitment requires a public-private partnership led by the Special Task Force to Facilitate Business (PEMUDAH).

256. As a start, the Ministry of Finance will prioritise addressing issues raised by the private sector in the PEMUDAH platform by implementing the following reforms:

First: allow bringing forward accumulated losses that cannot be absorbed by companies in sectors that have a long gestation period of up to a maximum of 20 years, such as forest plantations and hydroelectric projects;

Second: propose inclusion intangible asset such as software as part of the definition of plant under Schedule 3, Income Tax Act 1967;

Third: establish guideline for charitable hospitals registered as Company Limited by Guarantee be given income tax exemption equivalent to the amount of charitable expenditure incurred. Donor are also given tax deductions of up to 10 percent from the aggregate income under subsection 44(11C) of the Income Tax Act 1967;

Fourth: Taxpayers to make electronic transmissions for tax payments from the year of assessment 2024.

Fifth: Extend till the end of 2023, the relaxation of Government procurement procedures and regulations, including allowing Government agencies increase procurement limit by quotations from RM500,000 to RM800,000.

STRATEGY 1: NEW GROWTH AREAS

Focus 1: Promote Investment and Trade

257. The Government will continue to support investments in high-impact and strategic sectors to spur the country's development.

258. The Government has successfully attracted investment commitments of up to RM40 billion from Intel, Infineon, and Osram, the three leading global E&E multinationals. The Government will continue to take a strategic approach by creating an **investment fund of over RM1 billion** to attract high-value-added investment and generate professional employment opportunities.

259. To support the E&E ecosystem, the Government will provide RM10 million to The Collaborative Research in Engineering, Science and Technology Centre (CREST) to **develop applications based on Radio Frequency and Bluetooth technology for the automotive industry.**

260. Due to the geopolitical uncertainty and global supply chain disruption, the Government will provide a **relocation incentive to attract affected E&E sector investors** wishing to relocate their operations to Malaysia by extending the tax incentives and 15% flat tax rate for C-Suite until 2024.

261. The medical device industry continues to thrive as a high-growth sector. Global multinational such as B.Braun, export their Malaysian manufactured products worldwide, which we designed by local engineers. Local companies such as Ideal Healthcare in Sungai Petani too, have produced various medical devices for the local market.

262. For the year 2023, RM20 million is provided as **matching grants to support product development and nurture local talents in the medical device industry**. The Government will also prioritise the procurement of pharmaceutical products and medical devices from local manufacturers. To encourage the development of pharmaceutical products, the **tax incentive for pharmaceutical companies** be extended until 31 December 2025.

263. To attract more aerospace companies and encourage the expansion of existing companies, **income tax incentives, and investment tax allowances** will be extended until 31 December 2025. The Government will also provide RM20 million in the form of a matching grant to support the development of aerospace components by local industry players. The area around KLIA Sepang will continue to be developed as an aerospace industry cluster, especially for **Maintenance, Repair, and Overhaul (MRO) operations**.

264. PETRONAS has invested over USD27 billion in developing the Pengerang Petroleum Complex to be the largest petrochemical facility in this region. To continue growing this Complex as a petrochemical hub, the Government **proposes a special status for Pengerang for the chemical and petrochemical industry's investment incentives.**

265. To support this intention, the highway to Pengerang will be improved through the upgrading of the Senai Desaru Expressway-Bandar Penawar intersection. In addition, the Government agrees to upgrade the Senai Utara-Pandan, Johor North-South Highway from four to six lanes at a cost of RM510 million.

266. To support the development of local technology-based companies such as Aemulus Holdings Berhad, the Government will provide a fund of RM100 million under the **Domestic Investment Strategic Fund (DISF)**. The Government will also extend the tax deduction of up to RM1.5 million on expenses incurred for listing on the ACE and LEAP markets until 2025. This tax deduction is also extended to include listing expenses of technology-based companies on Bursa Malaysia's Main Market.

Focus 2: Science, Technology, and Innovation

Tan Sri Speaker Sir,

267. Research & Development activities are allocated RM364 million which is led by the Ministry of Higher Education and the Ministry of Science, Technology, and Innovation.

268. In addition, the Government will also allocate RM50 million among others :

First: for the development and commercialisation of nanotechnology under NanoMalaysia Berhad with an allocation of RM16 million.

Third: to establish a Venture Capital Fund with a fund size of RM10 million to finance high-tech companies in the E&E and renewable energy sectors through equity injection;

Fourth: to ensure the success of the Malaysia Techlympics 2023 which promotes innovation ideas with an allocation of RM7 million

269. The Cult Creative which is owned by three women entrepreneurs, has successfully provided a networking platform that matches creative talent with potential creative industry employers. To assist more similar start-up companies innovate in their respective economic fields, Cradle Fund, as the coordinating agency of the Malaysian startup ecosystem, will be provided with an allocation of RM50 million.

270. The StartUp ecosystem should not only be limited to commercial products alone, and should be leveraged to solve social and public interest issues. As such, MyDigital will coordinate efforts across the ecosystem

startup to jointly collaborate with the Government towards providing technology solutions for issues identified by the Government.

271. Malaysia has launched the DE Rantau initiative to promote digital professional mobility that supports the nomadic lifestyle. For 2023, DE Rantau will provide six new locations involving 2,000 short-term rental accommodations certified as Digital Nomad Hubs. DE Rantau is expected to benefit 120 start-up companies and will contribute more than RM180 million to the economy.

272. MRANTI Technology Park is in the process of transformation towards becoming a world-class innovation hub for clusters such as health technology and smart manufacturing. To kickstart this transformation, the Government is allocating RM20 million. MRANTI will also play the role of a recognition body for goods, services, and technologies from local R&D, which will then be prioritised under the Government's procurement.

Focus 3: Commodity Sector

Tan Sri Speaker Sir,

273. The Agri commodity sector as a whole contributed RM20.4 billion to GDP in the second quarter of 2022, with palm oil and rubber being the main commodities involved. As such, the Government will allocate RM2.6 billion to FELDA, FELCRA, and RISDA as the main agencies that regulate commodity activities.

274. The National Agricommodity Policy 2030 targets to have at least 1.1 million hectares of rubber planting areas by 2030. Towards this, a total of RM315 million is provided to implement the Program Pembangunan Kawasan Bertanam Getah Pekebun Kecil to replace old rubber trees that are no longer economically viable for the benefit of 387, 000 small farmers.

275. In addition, Program Pembangunan Semula Hasil Baharu will also be implemented to encourage smallholders to explore alternative income aside from than rubber, such as short-term food crops with an allocation of RM40 million.

276. The Malaysian Sustainable Palm Oil Certification Program (MSPO) has successfully covered 98 percent of the palm oil plantation areas. The government will provide an allocation of RM70 million to continue improving the level of sustainability in the palm oil industry, including encouraging the recycling of palm waste materials. The government will also intensify its efforts to promote and counter anti-palm oil campaigns at a global level.

277. The multi-tiered levy for foreign working is expected to commence in the year 2023. Under this approach, companies which hire larger numbers of foreign worker will have to pay a higher levy. As such, the Government intends to re-allocate the additional levies collected to assist employers undertaking automation initiatives. This policy would help provide the incentive and financial support to reduce reliance on foreign workers.

Focus 4: Local Products

278. In encouraging the production and purchase of local goods and services, the Government will:

First: intensify digitization and automation efforts through the promotion of e-commerce activities under MATRADE, MARA, and MDEC with an allocation of RM59 million;

Second: empower franchise entrepreneurs under the Vendor Capacity and Development Program 2.0 and the Vendor Research And Commercialization Grant 2.0 with an allocation of RM15 million; and

Third: encourage the purchase of locally made products through the Buy Malaysian Products campaign with an allocation of 10 million .

Focus 5: Creative Sector

Tan Sri Speaker Sir,

279. The production of films with patriotic and national elements always captivates the hearts of the people. Starting with the legend of the film Sarjan Hassan, Bukit Kepong, and Leftenan Adnan, which are well worked; to the artwork of Ola Bola, Mat Kilau, and Air Force The Movie; all have a significant impact in germinating the seeds of the people's love for the country.

280. The success of Mat Kilau with the highest collections in history certainly encouraged more creators to make films like this. To ensure that our creative industry continues to flourish in the hearts of the people, the

Government will continue to allocate RM50 million as Dana Penerbitan Filem Kenegaraan (DEKAN).

281. The Government also provides Dana Kandungan Digital, amounting to RM102 million, to help market artists' products while encouraging them to produce more creative and innovative works.

282. To support industry players creating high-quality creative content, contributions to the Tabung Komuniti Filem dan Pembangunan Filem Kenegaraan under FINAS will be given tax deduction of up to 10 percent from the aggregate income. Besides, import duty and sales tax exemption on studio and filming production equipment will be given to providers of equipment and production services including post-production, studio and cinema.

283. Malaysia is very rich in art and culture. This is important to prevent our heritage from being eroded and forgotten through time. The Government will intensify Program Merakyatkan Seni, Budaya dan Warisan with an allocation of RM30 million.

Focus 6: Sports Industry

Tan Sri Speaker Sir,

284. The year 2022 has proven to be historic for Malaysian sports. The Jalur Gemilang has flown proudly, bringing glory to Malaysia across the globe. Most definitely, one of the country's most momentous achievements was

when our number one men's doubles pair, Aoron Chia - Soh Wooi Yik were crowned champions at the World Badminton Championships, thus ending the nation's 45-year wait in the game's most prestigious tournament. Congratulations and thank you to all sportpersons who have done the nation proud..

285. Realising the needs in ensuring that the training programs and sports facilities continue to remain in prime condition, a total of RM332 million is provided including:

First: RM145 million to **maintain, upgrade and build sports facilities** throughout the country;

Second: RM154 million to develop a **comprehensive sports ecosystem** through the search for new talent, training program, quality sports facilities, to produce champions at international sports games;

Third: RM20 million to provide opportunities for youth to participate in the right motorsports platforms through the **development of a drag circuit**;

Fourth: RM13 million for **development of e-sports**; and

Fifth: tax deduction of up to 10 percent from aggregate income to individuals or corporation contributing to non-profit

organisations focusing on sports development at the grassroots level.

286. To our para athletes - you will always be an inspiration for others. We would like to take this opportunity to record our congratulations to all the para athletes for an exceptional achievement at the ASEAN Para Games with 36 golds and ranked fourth out of eleven countries! To produce more para athletes of international calibre, RM12 million is provided specifically for the **development of paralympic sports**.

287. The welfare of athletes too, will always be taken care of. Hence, an allocation of RM5 million will be provided to the **National Athlete Welfare Foundation (YAKEB)** for 2023 onwards.

288. The National Health and Morbidity Survey found that 50% of Malaysians are overweight. In other words, one in two adults is overweight; and we remain the champions as South East Asia's most obese country. This is not an achievement to be proud of. Therefore, the Government, through the **Healthy Malaysia National Agenda**, will continue to promote healthy lifestyle to reduce the risk of non-communicable diseases, with an allocation of RM15 million.

289. Tomorrow is National Sports Day. The Government is calling on all Keluarga Malaysia to spend some leisure time to cultivate a healthier lifestyle. For next year, RM10 million will be set aside for the continuation of National Sports Day and Fit Malaysia Tour next year.

STRATEGY 2: NATIONAL INFRASTRUCTURE DEVELOPMENT

Tan Sri Speaker Sir,

290. Although we are faced with fiscal constraints, the Government believes that infrastructure development will support the national development more comprehensively and reduce the gap between regions.

Focus 1: Largest Development Allocation

291. The 2023 budget provides a development expenditure allocation of RM95 billion, the largest ever allocated and significantly increased as compared to the 2022 allocation of RM75.6 billion and 2021 of RM64 billion.

Focus 2: Major Development Projects

292. From this allocation, **RM16.5 billion is allocated for the transportation sector** through major infrastructure projects, especially the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Project, ECRL, RTS Link, and Central Spine Road.

293. Insyah-Allah, the Sarawak Pan Borneo line is expected to be fully completed for the people of Sarawak, while Sabah Pan Borneo will be completed by 2024.

294. To improve the quality of delivery and provide a conducive environment, the Government also **prioritised the repair and maintenance**

of Federal roads and Government buildings with an allocation of RM11.4 billion.

Focus 3: Strategic Projects

295. Currently, the **Mass Rapid Transit (MRT) 2, Phase 2** project involving the Kampung Batu station to Putrajaya Sentral is almost completed and is **expected to start operating in January 2023 for the benefit of the people of the Klang Valley.**

296. Regarding the **MRT3 project**, it is the **Government's commitment to complete the Kuala Lumpur rail network** with a 50.8-kilometer line. MRT3 Phase 1 is expected to be completed in 2028, while Phase 2 will be completed in 2030. This project costs RM50.2 billion, with the projected allocation for 2023 at RM3.3 billion.

STRATEGY 3: INCLUSIVE DEVELOPMENT

Tan Sri Speaker Sir,

297. For the well-being of Keluarga Malaysia, Budget 2023 supports inclusive development.

Focus 1: Syiar Islam

298. Needless to say, the agenda to **uphold the teachings of Islam** will always be a priority. Towards this, a total of RM1.5 billion is allocated under

the Prime Minister's Department for managing and developing Islamic affairs.

299. For the year 2023, the Government will provide RM150 million to maintain **educational institutes under the supervision of JAKIM**, including religious schools, tahfiz schools, and registered Religious Pondok Schools.

300. Every year, the Government provides nearly RM700 million in monthly allowance payments to Imams, KAFA teachers, and Takmir teachers. They play a significant role in educating our children and spreading Islam at the community level. Hence, the Government is pleased to give a **special one-off payment of RM500 to KAFA teachers, Takmir teachers, Imams, Bilal, Siak, Noja, and Marbut**. A total of 72,000 people will receive these benefits with an allocation of RM36 million.

301. Malaysia's halal industry is projected in RMK-12 to contribute 8.1% to GDP and generate RM56 billion in export earnings by 2025. Thus, to **spur the development of the halal industry**, RM92 million is provided for, among others:

First: continue the **Halal Hub Center Development Project in Tanjung Manis, Sarawak**, which is expected to be completed next year with an allocation of RM59 million;

- Second:** implementing the **Malaysia Services and Halal Global** program to promote halal products in the global market with an allocation of RM8 million;
- Third:** implement **halal industry development initiatives** to increase compliance with halal certification and adapt halal innovation with an allocation of RM6.5 million; and
- Fourth:** introduce **Wakaf Halal PKS OKU** to implement an onboarding program for OKU who want to venture into halal business with an allocation of RM2.5 million.

Focus 2: Rural Infrastructure

Tan Sri Speaker Sir,

302. **Infrastructure facilities will continue to be improved** to ensure the well-being of rural Malaysians. For the year 2023, a total of RM2.55 billion is allocated with a focus on Sabah and Sarawak to implement the following projects:

- First:** **Rural road inter-village road projects** of almost 500 kilometers amounting to RM1.5 billion for the benefit of more than 110 thousand residents, including from Kampung Orang Asli Bawong Kuala Kangsar to the Rancangan Penempatan Semula Kemar, Perak;

Second: Rural Electricity Supply project with an allocation of RM472 million to benefit residents of 2,100 houses;

Third: The Rural and Alternative Water Supply Project amounting to RM381 million for the benefit of the residents of 4,800 houses, including at RISDA Palong Farm in Jempol, Negeri Sembilan;

Fourth: Kampung Street Lights Project through the installation of 6,800 units of new lamps and the maintenance of more than 525 thousand lamp units with an allocation of RM123 million; and

Fifth: Preliminary works to **build 85 new bridges** to replace worn and unsafe bridges with an allocation of RM54 million.

303. **State Road Maintenance Grant (MARRIS) will be increased to RM5.2 billion** next year. To optimize this allocation, the scope of MARRIS will be expanded, including state agricultural road maintenance work under the supervision of the agricultural development board. In addition to allowing up to 20 percent of MARRIS funds for out-of-scope maintenance, the state government can use MARRIS allocations to repair and replace roads, bridges, and drains damaged by floods.

304. As of July 2022, the Mobile Bank initiative involving six banks with 15 modified vehicles has done more than 36 thousand transactions, including in Bachok Kelantan, Padang Besar Perlis, and Batu Sapi Sabah. The

government will continue to expand this initiative to benefit rural residents with an allocation of RM11 million .

Focus 3: Inter-Regional Development

Tan Sri Speaker Sir,

305. Sabah and Sarawak will continue to benefit immensely from national development allocations of RM6.3 billion and RM5.4 billion respectively. The allocation, among others, is for the development of water, electricity, roads, health, and educational facilities infrastructure projects.

306. The country's five main Corridor Regions will receive a total allocation of RM1.4 billion, double the RM690 million provided this year. Next year, the main programs to be implemented include:

First: a dairy farm project in Chuping, Perlis, with a total project cost of RM80 million;

Second: Human Capital Development Program under ECERDC, among others, to improve the academic performance of children under 40 with an allocation of RM63 million ;

Third: Rapid Transit Bus Transport System in Johor with an allocation of RM80 million;

Fourth: Expansion of Sapangar Bay Container Port, Sabah, with an allocation of 250 million; and

Fifth: Samalaju Water Supply Infrastructure Project Phase 3 with an allocation of RM100 million.

307. To stimulate economic growth in the corridor, the existing tax incentive package that will expire this year will be improved and extended for another two years.

308. Economic growth in the north will continue to be driven through the Eight Special Border Economic Zone (SBEZ) project in Bukit Kayu Hitam, Kedah. The Government intends to develop a digital traffic hub and an alternative data center for the southeast Asian region on a 200-acre area in SBEZ Delapan. Next year, RM25 million is set aside to provide key infrastructure in addition to the private sector investing in business assets with a potential domestic investment of up to RM4 billion, thus providing more than 600 job opportunities.

309. For 2023, the Government plans to develop cities bordering Thailand and Kalimantan, Indonesia, including Bukit Kayu Hitam, Kedah; Kalabakan, Sabah and Tebedu and Bakelalan, Sarawak with a project cost of RM150 million. The Government also plans to start preliminary work to construct a new road from Kalabakan, Sabah, to Simanggaris, Indonesia, and upgrade the Serian-Tebedu Road, Sarawak, to the Indonesian border.

Focus 4: Small & Medium Projects

Tan Sri Speaker Sir,

310. Government Procurement plays a vital role to judiciously spend and stimulate a high multiplier for the economy. For the year 2023, the Government will provide RM3.7 billion for small and medium projects throughout Malaysia.

311. This includes RM500 million allocated to **class G1 to G4 contractors** to carry out among others maintenance works on federal roads, bridges, houses of worship and infrastructure damaged by floods.

312. In supporting Bumiputera contractors, the Government will provide short-term financing to Bumiputera contractors involved in fields such as electrical and construction through the **Skim Pembiayaan Kontrak Ekspres (SPIKE)** with a total fund of RM20 million.

313. The Government will also implement the **Kontraktornita initiative** to support the participation of more Bumiputera women contractors in Government procurement. **RM50 million worth of small projects will be dedicated to female contractors from class G1 to G4.**

Focus 5: Digital Connectivity

Tan Sri Speaker Sir,

314. Under the **National Digital Infrastructure Plan (JENDELA) Phase 2 project**, the Government will provide 100% internet coverage in populated areas and fibre optic coverage to 9 million premises nationwide by 2025.

315. This initiative involves a total investment of RM8 billion, including contributions from the industry. For 2023, the JENDELA initiative will be provided RM700 million to implement **digital connectivity in 47 industrial areas and nearly 3,700 schools**.

316. Tenaga Nasional Berhad will also pilot the implementation of the **Rural Internet** by optimizing its electrical cable network to provide high-speed broadband facilities. This project will benefit over 60,000 rural residents and is supported through a matching grant of RM25 million.

317. For 2023, **Digital Nasional Berhad (DNB)** will expand the 5G network throughout the country to cover 70% of highly populated areas. DNB plans to implement infrastructure expenditure worth RM1.3 billion in 2023. Keluarga Malaysia will enjoy faster internet speeds and cheaper 5G internet access.

STRATEGY 4: SUSTAINABILITY DEVELOPMENT

Tan Sri Speaker Sir,

318. As stated by the Yang Amat Berhormat Prime Minister during the United Nations General Assembly in New York recently, we need to urgently

intensify sustainable development efforts in dealing with the global warming crisis.

Focus 1: Commitment towards Carbon Neutral 2050

319. The Government is committed to achieve zero greenhouse gas emission as early as 2050. In supporting this aspiration, we cannot continue with business as usual.

320. **Planetary health** must be taken into account in the national developmental agenda. In line with this, the government has tabled the Environmental Quality Act (Amendment) 2022 Phase 1 which among others increases the punishment, fine and penalty on environmental offenders.

321. To encourage green investments, the Government proposes to extend the **Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE)** until 31 December 2025 by improving the incentive period from 3 to 5 years for eligible green activities such as solar activities intergrated with Battery Energy Storage System.

322. In addition, the **Green Technology Financing Scheme (GTFS)** will also be enhanced as follows:

First: the guarantee scheme will be increased to RM3 billion until 2025;

Second: the scope of financing is expanded specifically to provide guarantees for EV sector with a guarantee limit up to 60%; and

Third: the waste management sector's financing guarantee will be increased up to 80%.

323. As a soft loan, BNM will provide RM1 billion under the High Technology & Green Facility to support innovative sustainable technology start-ups and RM1 billion under the Low Carbon Transition Facility to help SMEs implement low carbon practices.

324. Through **Dana Impak**, Khazanah will also provide RM150 million to spur the development of nature based solutions to support the development of Malaysia's carbon markets eco-system including undertaking restoration of degraded forests.

325. In line with this aspiration, GENTARI, a subsidiary of PETRONAS, was established as a pioneer in clean energy. As a start, GENTARI is committed to install solar panels at Government and commercial facilities by 2024 with a cumulative PV capacity of 3 megawatts and provide 500 units of EV charging stations nationwide.

326. Welcoming these efforts, Tenaga Nasional Berhad is also committed to install solar rooftops and EV charging stations with an investment value of RM165 million until 2025.

327. Next, as part of the continuing efforts to support EV adoption, the Government proposes to:

First: import duty and excise duty exemption on imported CBU EV be extended for another year until 31 December 2024;

Second: exemption on Approved Permit (AP) until 31 December 2023; dan

Third: manufacturers of EV charging equipment are given Income tax exemption of 100% on statutory income from year of assessment 2023 until 2032 or Investment Tax Allowance of 100%.

328. To support the efforts of Pulau Tuba in Langkawi, Kedah, as the first low-carbon island in Malaysia, the Government will give sales rebates of up to RM4,000 to motorcycle rental entrepreneurs who replace their existing motorcycles with electric motorcycles.

The government aims to achieve 25% green procurement by 2025. To support this vision, the implementation of green procurement by the Government will be extended to State Governments and Local Authorities (PBT).

329. Plastic product recycling programs are important in ensuring environmental sustainability. To increase plastic waste collection, parties

who make donations or sponsorships of Smart AI-Driven Reverse Vending Machine equipment are eligible for income tax deductions.

330. The Government intends to introduce a carbon tax and **will study the feasibility of a carbon pricing mechanism**. To support the implementation of this mechanism, the Government will provide RM10 million as a matching grant to help prepare carbon assessments for SME companies and eligible related products.

Focus 2: Survival of Biodiversity

Tan Sri Speaker Sir,

331. Protected areas hold priceless biodiversity treasures and, if not preserved, will affect the natural ecosystem and the sustainable development agenda.

332. Alhamdulillah, with the support of 7,000 registered participants, the 100 Million Tree-Planting Campaign by 2025 has successfully planted over 46 million trees with more than 1,300 species. The Government will also intensify the forest restoration project by planting seedlings including in Hutan Simpan Wilayah Perhutanan Sandakan, Sabah.

333. Although this is a positive development, all the activities that negatively impact nature's treasure must be stopped completely, including massive and illegal logging and exploiting protected wildlife, including turtle eggs.

334. Hence, to support the efforts taken by the state government in managing and increasing the area of flora and fauna protection, the Government will increase the allocation of Ecological Fiscal Transfer for Biodiversity Conservation (EFT) to RM100 million per year, which is an increase of RM30 million.

335. To ensure that wildlife and its natural habitat continue to be preserved, the Government will allocate RM36 million for conservation programmes for tigers, elephants and other wild species.

336. By increasing the allocation to RM39 million, community rangers who control the forest biodiversity will be increased from 800 to 1,000 rangers and employed among the local community, especially the Orang Asli and veterans.

337. To improve, clean, and treat rivers in Malaysia, a total of RM216 million is provided for conservation projects including in the Merang River Estuary, Terengganu, and the Perak River Estuary.

Focus 3: Sustainable Communities

Tan Sri Speaker Sir,

338. The Government has been working closely with Yayasan Hasanah since the beginning of COVID-19. As a result of this collaboration, we have successfully managed 177 projects involving 125 social organizations and NGOs, which has benefited 1.2 million affected rakyat.

339. Therefore, to strengthen this collaboration, a total of RM100 million will be provided to the Yayasan Hasanah to lead efforts at the community level, such as generating income, ensuring that no one is left behind in education, and strengthening the health check-up program.

340. Towards empowering the community as a driver of the sustainability agenda, the Government also provided RM20 million to the UNDP and the All-Party Parliamentary Group Malaysia to increase SDGs related program activities through joint venture between the Government, local communities and industry.

341. Proudly taking the floor at the international level in bahasa Melayu, Yang Amat Berhormat Prime Minister has become a role model for all. Hence, to empower bahasa Melayu, , the Ministry of Foreign Affairs will be allocated RM5 million to collaborate with related agencies to implement the Program Diplomasi Bahasa dan Budaya towards the internationalization of this national treasure.

342. In addition to bahasa Melayu as the National Language, the Government also supports efforts to celebrate diversity in Malaysia and preserve various other languages and cultures, particularly at the community level, such as Kadazan Dusun and Siam, with an allocation of RM10 million.

343. The bag I am using today to carry the Budget 2023 speech book is the product of Sarawak weavers from Tanoti, a Social Enterprise in Sarawak. The songket woven pattern on this bag symbolizes the six main tribes in

Sarawak: Orang Ulu, Malay, Bidayuh, Iban, Melanau, and Chinese. The variety of motifs combines to produce this attractive bag.

344. Similarly, with the diversity of Malaysia. Unite, we form a strong and harmonious Keluarga Malaysia. We hope that the 2023 Budget will contribute to strengthening the bonding of Keluarga Malaysia, helping all those in need, and contributing to the well-being and prosperity of the country.

CONCLUSION

Datuk Speaker Sir, Tan Sri Speaker Sir, and brothers and sisters of our Keluarga Malaysia,

345. We have now come to the end of the tabling of the 2023 Budget. Alhamdulillah, this deed is almost over.

346. For the past one to two years, the nation was shrouded by worries and uncertainties. We have witnessed various hardships for the survival of rakyat and businesses. Today, the city is again congested with people going about their business; the children are happily running about the school compound, and our borders are teeming with droves of tourists.

347. Nevertheless, with the ongoing global challenges, the Government will remain committed and determined to be present for the rakyat in need.

348. The 2023 budget is expected to help cure the pains of the rakyat. God willing, may it continue to shine the path for a better tomorrow, towards a brighter future.

349. To the Honorable Members of Parliament, I call: let's us all support this Budget together... Underneath lies the dream and hope of more than 32 million rakyat. This is the moment; this is Budget 2023.

Kepada-Mu *Ya Allah*, kami tawakal dan berdoa.

**Semoga Keluarga Malaysia, Makmur Bersama.
Datuk Speaker Sir, I beg to propose.**

*Wabillahitaufik Walhidayah Wassalamualaikum
Warahmatullahi Wabarakatuh.*