



MINISTRY OF FINANCE

BUDGET

2021

STAND UNITED,  
WE SHALL PREVAIL

# BUDGET 2021 TOUCHPOINTS



# WHAT BUDGET 2021 MEANS TO MALAYSIA

**RM322.5 billion** COMPRISING:

**RM236.5b**

OPERATING EXPENDITURE

**RM17b**

COVID-19 FUND

**RM69b**

DEVELOPMENT EXPENDITURE

## BUDGET 2021 OBJECTIVES

### RAKYAT'S WELLBEING

#### STRATEGY 1: COVID-19 Pandemic and Public Health

#### STRATEGY 2: Safeguarding the Welfare of Vulnerable groups

- Improving Financial Assistance
- Alleviating Rakyat's Cost of Living
- Assistance to Farmers and Fishermen

#### STRATEGY 3: Generating & Retaining Jobs

- Hiring Incentive
- Reskilling & Upskilling
- Malaysia Short-Term Employment Programme
- Targeted Wage Subsidy
- Social Protection

#### STRATEGY 4: Inclusivity Agenda

- Empowering the Bumiputera
- Upholding Islam Tenets
- Enhancing the Role of Women
- Community-Based Initiatives
- Enhancing Rural Infrastructure
- Youth & Sports Development

#### STRATEGY 5: Ensuring the Wellbeing of the Rakyat

- Digital Connectivity
- Access to Quality Education
- Increasing Home Ownership
- Public Transport
- Defending the Nation's Sovereignty & Security

### BUSINESS CONTINUITY

#### STRATEGY 1: Driving Investments

- Investments in Key Sectors
- Improving the Business Environment
- Science, Technology and Innovation
- Locally-manufactured Products

#### STRATEGY 2: Strengthening Key Sectors

- Empowering the Agriculture Sector
- Developing the Commodity Sectors
- Sustainability of the Tourism Industry

#### STRATEGY 3: Prioritising Automation and Digitalisation

#### STRATEGY 4: Enhancing Access to Financing

- Micro Credit Financing
- Loan Guarantees
- Alternative Financing

### ECONOMIC RESILIENCE

#### STRATEGY 1: Expansionary Budget

- Expenditure with High Multiplier Effect
- Sustainability of Government's Revenue

#### STRATEGY 2: Development Agenda under the 12th Malaysia Plan

- Transport Infrastructure Development
- Balanced Regional Development

#### STRATEGY 3: Enhancing the role of GLCs and Civil Society

- Alternative Service Delivery

#### STRATEGY 4: Ensuring Resource Sustainability

- Sustainable Development Agenda
- Sustainable Finance
- Environmental Conservation

#### STRATEGY 5: Civil Service

- Strengthening the Public Service Delivery
- Strengthening Governance and Integrity
- Welfare of the Civil Servants



BUDGET  
2021

STAND UNITED, WE SHALL PREVAIL

**RM9.3b**

for employees contribution cut to 9%, from 11%

Insurance purchase via Acc 2 withdrawal

**i-Sinar** for

Acc 1 withdrawal (up to RM10,000/RM60,000)

**EPF FACILITY**

**150,000 LAPTOPS**

for 150,000 school kids

**RM150m**

from GLCs to CERDIK Fund

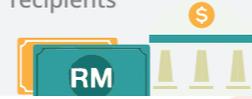


**BANTUAN PRIHATIN RAKYAT**

Direct aid

**RM6.5b**

for 8.1 million recipients



**UNLIMITED TRAVEL PASS**

for bus & train (My30)

**RM300m**

for tickets of RM30 each



**1% INCOME TAX REDUCTION**

for RM50,001 – RM70,000 income bracket



**TELCO AID** with free data (Jaringan Prihatin Programme)

**RM1.5b**

for 8 million B40 recipients at RM180 each



**WHAT BUDGET 2021 MEANS TO THE RAKYAT**



**SALARY FOR RETRENCHED WORKERS**

while looking for jobs (EIS Job Search Programme)

**4.2x salary** across 9 months



**EBELIA E-WALLET CREDIT**

for IPT students & 18 - 20 year-olds

**RM200m**

at RM100 each



**TAX RELIEF**

	Family medical expenses	RM8,000
	Special needs & parental care	RM8,000
	Medical check-up	RM1,000
	Vaccination	RM1,000
	Tuition fee	RM1,000
	Lifestyle (inc. sports, e-paper)	RM3,000

**LOAN REPAYMENT ASSISTANCE**

For B40

Moratorium: 3-month extension

50% reduction: 6-month extension

For M40

Self-declaration for repayment assistance

**RM3.7b**

**JANAKERJA**

to create 500,000 jobs in public & private sectors

**BUDGET 2021**

**STAND UNITED, WE SHALL PREVAIL**

*Yang Kurik itu Kundi, Yang Merah itu Saga  
Yang Baik itu Budi, Yang Indah itu Bahasa  
Yang Berdamai Kan Permai  
Yang Sehaluan Kan Keberkatan  
Yang Satu Suara Kan Mara  
Yang Teguh Biarlah Kita  
Teguh Kita, Menang Bersama*



## Strategy 1

# COVID-19 Pandemic and Public Health



### ▶ **RM65 MILLION FOR FRONTLINERS:**

- **RM500 ONE-OFF** for 100,000 MOH frontliners (allocation of RM50 million)
- **RM300 ONE-OFF** for other frontliners recognised by NADMA



▶ **RM20 BILLION** increase in COVID-19 fund ceiling to RM65 billion

▶ **RM3 BILLION** or more for COVID-19 vaccine

▶ **RM50 MILLION** additional fund for Sabah to fight COVID-19

▶ **RM1 BILLION** to stem the 3rd wave of COVID-19:

- RM475 million: Reagent, test kits, consumables
- RM318 million: PPE & hand sanitisers
- RM150 million: National Disaster Management Agency
- RM50 million: Equipment, test supplies, medicine
- Readyng facilities for SOPs

### ▶ **WIDER & LARGER TAX RELIEF:**

- RM1,000: Vaccination
- RM1,000: Medical check-up
- RM8,000: Family medical expenses
- RM8,000: Parental care, special needs

### ▶ **BETTER PUBLIC HEALTH PROTECTION:**

- mySalam (free for B40): now covers medical devices (e.g. heart stent)
- *Perlindungan Tenang* (low cost insurance): RM50 free voucher
- RM90 million for pneumococcal vaccine for 500,000 children
- RM24 million for Mental Health, Violence & Injury Prevention and Substance Abuse Programmes
- RM6 million for rheumatology illnesses biologic medicine
- RM25 million for home-based Peritoneal Dialysis

## Strategy 2

# Safeguarding the Welfare of Vulnerable groups



### Measure 1

## Improving Financial Assistance



**RM6.5 BILLION** Bantuan Prihatin Rakyat for 8.1 million recipients:

INCOME CATEGORY	UP TO ONE CHILD	TWO OR MORE CHILDREN
<b>Household:</b> <RM2,500 RM2,501-RM4,000 RM4,001-RM5,000	RM1,200 RM800 RM500	RM1,800 RM1,200 RM750
<b>Single:</b> <RM2,500	RM350 (minimum age now 21, from 40)	



**RM2.2 BILLION** for monthly aid for 400,000 recipients:

- RM300 for differently-abled
- RM500 for senior citizens / PWD carers / chronic patients
- RM450 for differently-abled workers incentive allowance
- RM1,000 maximum for poor family
  - RM200 per children <6 y.o.
  - RM150 per children 7-18 y.o.



**RM1.5 BILLION JARINGAN PRIHATIN PROGRAMME**  
**RM180 telco credit each matched by RM1.5 billion in benefits such as free data for 8 million B40 individuals**



### Measure 2

## Alleviating Rakyat's Cost of Living



### INCOME TAX:

- 1% rate reduction for 1.4 million taxpayers in RM50,001-RM70,000 income bracket
- RM20,000 exemption per full year of service for loss of employment



### EPF facilities:

- Employee contribution reduction to 9%, from 11%
- i-Sinar Account 1 withdrawal (up to RM10,000 / RM60,000)



## EXTENDED loan moratorium / repayment assistance (from December 2020):

CATEGORY	MORATORIUM	REPAYMENT REDUCTION
<b>B40: Opt-in</b>	3 months	50% for 6 months
<b>SMEs: with &lt;RM150,000 debt</b>	3 months	50% for 6 months
<b>M40: Self-declaration</b> (for repayment assistance)	3 months (Lost job)	Commensurate reduction (Salary cut)



## RM150 MILLION SOCSO Job Search Allowance for 130,000 job seekers:

PERIOD	% OF SALARY
1st month	80%
2nd month – 6th month	50% /month (250% total)
7th month – 9th month	30% /month (90% total)
<b>Total: 9 months</b>	<b>Total: 420% salary</b>



### Measure 3

## Assistance to Farmers and Fishermen

**RM1.7 BILLION** subsidy, aid & incentives:

- RM570 million: paddy price subsidy
- RM960 million: paddy crop subsidy & incentive

**RM400 MILLION** for FELDA development programmes & to write off settlers' debt interests

**RM300 MILLION** for 150,000 rubber smallholders

**RM153 MILLION** for fishermen including:  
**RM300** per month for 40,000 fishermen  
**RM250** per month for 3,400 inland fishermen

**RM300** per month *Bantuan Musim Tengkujuh* (BMT) in December 2020, January 2021 & December 2021 for 300,000 rubber smallholders

**AGRO-FOOD AGRICULTURE DISASTER FUND**  
**RM80 MILLION** helping farmers who are affected by natural disasters

## Strategy 3

# Generating and Retaining Jobs

JanaKerja @ RM3.7 billion



### Measure 1

## PenjanaKerjaya



**RM2 BILLION** SOCSO Hiring Incentive Programme across 6 months for 250,000 job-seekers:

CATEGORY	INCENTIVE
>RM1,500 monthly salary	40% salary (up to RM4,000)
<ul style="list-style-type: none"><li>• Disabled</li><li>• Long-term unemployed</li><li>• Retrenched workers</li></ul>	60% salary
Local hire replacing foreign worker	40% to employer 20% wage top-up to employee

▶ **NATIONAL JOBS COUNCIL** chaired by PM to Prime Minister to coordinate the initiatives & monitored by LAKSANA

▶ **RM7,000 CLAIM** for training programmes



### Measure 2

## Reskilling & Upskilling



**RM1 BILLION** for 200,000 trainees:

- RM150 million KPT-PACE voucher for 50,000 graduates (RM3,000 each)
- RM100 million HRDF training with private sector employers
- RM100 million MDEC to transition workforce towards ICT industry
- RM100 million to train workers impacted by border closures
- RM30 million PERHEBAT entrepreneurship training for 12,000 veterans of the Malaysian Armed Forces



**RM1,000** tuition fee relief including certified up-skilling courses



### Measure 3

## Malaysia Short-Term Employment Programme



**RM700 MILLION** for 50,000 job opportunities

- 35,000 contract positions in public sector
- 15,000 contract positions with GLCs in technical & financial fields, including apprenticeship for new graduates



### Measure 4

## Targeted Wage Subsidy



**RM1.5 BILLION** for 70,000 employers & 900,000 employees:

- 3-month extension
- Up to 500 employees per application
- RM600/month for workers earning <RM4,000/month



### Measure 5

## Social Protection



**RM24 MILLION** for 100,000 employees from selected profession under SOCSO Employment Injury Scheme



**EPF ACCOUNT 2 withdrawal for insurance & takaful products**



**RM3,000** tax relief on Private Retirement Scheme Contribution until 2025



**RM4.6 BILLION** for Bumiputera entrepreneurs

- RM510 million for SMEs & micro SMEs via TEKUN & PUNB
- RM800 million via BPMB & SME Bank
- RM2 billion financing via SJPP
- RM1.3 billion for specific programmes including via Dana Kemakmuran Bumiputera



**RM750 MILLION** via Pelaburan Hartanah Berhad to optimise value of Malay reserve land in strategic locations, especially via commercial developments on Malay Reserve Land



### Measure 2

## Upholding Islam Tenets



**RM1.4 BILLION** fund under Prime Minister's Department for Islamic affairs



**ENHANCE WAKAF MANAGEMENT** via collaboration with Yayasan Wakaf Malaysia & creation of National Wakaf Masterplan



**ENDOWMENT OF ASNB UNIT TRUST** into ASNB wakaf fund, eligible for income tax deduction



**RM900**/month for 4,000 Guru Takmir



**RM500 ONE-OFF** for 70,000 Imam, Bilal, Tok Siak, Noja, Marbut, Guru Takmir & Guru KAFA

## Strategy 4

# Inclusivity Agenda



### Measure 1

## Empowering the Bumiputera



**RM11.1 BILLION** for Bumiputera:

- RM6.5 billion for education via Bumiputera institutions



### Measure 3

## Enhancing the Role of Women



- ▶ **RM95 MILLION** micro credit financing through TEKUN, MARA, Agrobank
- ▶ **RM50 MILLION** to support Ar-Rahnu BizNita Pawnbroking via YaPEIM
- ▶ **BIZME** training programmes for 2,000 women entrepreneurs
- ▶ **RM21 MILLION** to establish a One-Stop Social Support Centre in collaboration with NGOs
- ▶ **RM30 MILLION** for childcare centres in Government buildings
- ▶ **RM20 MILLION** matching grant for childcare centres by private sector
- ▶ **RM10 MILLION** for cervical cancer screenings, subsidy for mammograms



### Measure 4

## Community-based Initiatives

- ▶ **RM177 MILLION** for Chinese community education, housing development & financing
- ▶ **RM170 MILLION** via KEMAS early childhood education programmes
- ▶ **RM100 MILLION** via MITRA for Indian community



**RM20 MILLION** via TEKUN for SPUMI to benefit Indian entrepreneurs



**RM20 MILLION** in collaboration with NGOs for after-school children transit centres for urban B40 families



**RM5 MILLION** for other minority communities entrepreneurship development



**RM50 MILLION** for places of worship & unity programmes



**RM20 MILLION** to provide skills training to prisoners



**RM15 MILLION** via CENDANA for arts & culture programmes



**TAX DEDUCTION** until 2025 for employment of senior citizens, ex-convicts, parolees, supervised persons & ex-drug dependants



### FOR ORANG ASLI:

- RM158 million for wellbeing of Orang Asli community
- RM5 million for demarcation of borders in 21 Orang Asli villages



**RM41 MILLION** for Sabah & Sarawak Native Customary Rights Programme



**RM50 MILLION** for 8,000 Rukun Tetangga Areas grants (RM6,000 each)



**UP TO RM400 EACH** for >2,000 Home Help Services Programme volunteers

▶ **RM80** each in honorarium to >8,000 senior citizens & the disabled under the Home Help Services Programme

▶ **RM5,000 TAX RELIEF** for taxpayers with disabled spouse

▶ **RM100 MILLION** to increase monthly payment for Community Rehabilitation Organisation (PDK) staff & supervisors

▶ **RM50,000** annual financial aid each for 150 Senior Citizen Activity Centres



### Measure 5

## Enhancing Rural Infrastructure

▶ **RM2.7 BILLION** for infrastructure improvement:

- RM1.3 billion for 920km-long rural & inter-village road projects benefiting 290,000 people
- RM632 million for rural & alternative water supply for 4,800 houses
- RM250 million for rural electricity for 1,100 houses
- RM335 million to build & repair 15,000 houses for the poor
- RM121 million for 27,000 new & 500,000 existing street lights

▶ **BROADER mobile (moving) banking services in Sabah & Sarawak**



**RM50 MILLION** or 20% additional cap for MARRIS fund usage eligibility limit



### Measure 6

## Youth & Sports Development



**RM250 MILLION** to provide employment exposure for 50,000 graduates:

- RM1,000/month incentive for 3 months for each apprentice hired
- RM4,000 grant to train the apprentice



**RM200 MILLION eBELIA PROGRAMME:**

**RM100 e-wallet voucher for 2 million recipients:**

- Youths aged 18-20 years old
- IPTA & IPTS students



**RM19 MILLION** for Malaysia National Healthy Agenda



**RM28 MILLION** for national health & sports programmes



**RM103 MILLION** for sports facilities nationwide



**RM55 MILLION** to develop local athletes

▶ **RM20 MILLION** TEKUN Sports scheme soft loan for sports facility operators

▶ **RM3,000 LIFESTYLE TAX RELIEF** where RM500 is for e-newspaper & sports-related spending

## Strategy 5

# Ensuring the Wellbeing of the Rakyat



## Measure 1 Digital Connectivity

▶ **RM7.4 BILLION** JENDELA programme in 2021 & 2022 to improve national broadband infrastructure & RM500 million for 430 schools

▶ **RM150 MILLION** Tabung CERDIK from GLCs to provide laptops to 150,000 students in 500 schools



## Measure 2

# Access to Quality Education

**RM50.4 BILLION** for Ministry of Education:

**RM800 MILLION** for school maintenance & repair

**RM420 MILLION** for Supplementary Meal Plan improvement with daily milk supply

**RM725 MILLION** for 50 dilapidated schools

**RM120 MILLION** for 184 construction & tube well water supply installation in rural schools in Sabah & Sarawak

**RM45 MILLION** for special needs stream in Government schools



**RM14.4 BILLION** for Ministry of Higher Education:

**RM50 MILLION** to upgrade MYREN access line speed to 500Mbps - 10Gbps

**RM100 MILLION** BSN MyRinggit-i COMSIS laptop loan scheme for PTPTN loan holders

**RM8,000 TAX RELIEF** until 2022 on net annual savings in SSPN



**RM6 BILLION** to strengthen TVET:

**RM300 MILLION** loan provision for 24,000 TVET trainees via PTPK

**RM60 MILLION** for National Dual Training System Plus allowance of RM1,000 each for 10,000 trainees

**RM29 MILLION** to implement TVET programmes including Islamic education & lifelong learning initiatives for 15,000 tahfiz students



### Measure 3

## Increasing Home Ownership



**RM1.2 BILLION** to provide comfortable & quality housing:

**RM500 MILLION** for 14,000 units of PPR

**RM315 MILLION** for 3,000 units *Rumah Mesra Rakyat* under SPNB

**RM125 MILLION** to maintain low- & medium-low cost housing

**RM310 MILLION** for *Projek Perumahan Penjawat Awam Malaysia*



### FOR FIRST HOME BUYERS:

- Full stamp duty exemption on instrument of transfer & loan agreement
  - First home of up to RM500,000 in value
  - Until 2025
- RM1 billion Rent-to-Own Scheme until 2022 for 5,000 PR1MA houses



### FOR RESCUE CONTRACTORS & ORIGINAL HOUSE PURCHASERS:

- Stamp duty exemption on instrument of transfer & loan agreements
  - For abandoned housing under KPKT
  - Until 2025



### Measure 4

## Public Transport



### UNLIMITED TRAVEL PASS:

- My30 @ RM30/month (RM300 million)
- RM5/month for school students & disabled



▶ **RM150 MILLION** Stage Bus Service Transformation Programme expanded to Johor Bahru, Kuching, Kota Kinabalu & Kuantan

▶ **SALES TAX EXEMPTION** for locally-assembled bus until 2022



**Measure 5**

**Defending the Nation's Sovereignty & Security**



**RM16 BILLION** for Ministry of Defense

**RM17 BILLION** for Ministry of Home Affairs



▶ **RM2.3 BILLION** for maintenance of Armed Forces assets

▶ **RM500 MILLION** to maintain facilities of *Rumah Keluarga Angkatan Tentera* & build 1,000 new units

▶ **RM27 MILLION** for cyber security

▶ **RM153 MILLION** to upgrade RELA training facilities



SECOND OBJECTIVE



# Business Continuity



1

**Driving Investments**

2

**Strengthening Key Sectors**

3

**Prioritising Automation and Digitalisation**

4

**Enhancing Access to Financing**



## Strategy 1

# Driving Investments



### Measure 1

## Investments in Key Sectors

**RM1 BILLION** special incentive package for high value-added technology, including in aerospace & electronic clusters

**RM500 MILLION** High Technology Fund by BNM

### TAX INCENTIVES FOR:

- Principal Hub – relaxed & extended until 2022
- Global Trading Centre – 10% concessionary rate for 5+5 years
- Free Industrial Zone & Licensed Manufacturing Warehouse sales value – 40% annual sales
- Businesses relocating to Malaysia:
  - 15% tax rate for 5 years for non-resident key individuals
  - Application for special tax rate of 0-10% for company extended to 2022

## Existing tax incentives for businesses extended until 2022



**RM1.4 BILLION** under National Development Scheme by BPMB to support domestic supply chain in increasing local production

**RM3.7 BILLION** for extension of schemes & fund by BPMB for maritime, logistics, sustainable development, tourism, public transport

**SPECIAL TAX DEDUCTION** for landlords of business premises that offer reduction of rental payment >30% to SMEs - a 6-month extension until March 2021

## RM2 BILLION Targeted Assistance and Rehabilitation Facility for SMEs under BNM





### Measure 2

## Improving the Business Environment

- ▶ **RM100 MILLION** for maintenance of industrial parks
- ▶ **RM42 MILLION** to improve internet connectivity in 25 industrial parks under JENDELA
- ▶ **WATER TREATMENT PLANT** in Kubang Pasu
- ▶ **RM45 MILLION** for water supply at Gebeng Industrial Zone



### Measure 3

## Science, Technology & Innovation

- ▶ **RM400 MILLION** for R&D across ministries & agencies
- ▶ **RM400 MILLION** from glove makers to fund the fight against COVID-19
- ▶ **RM100 MILLION** for research on infectious diseases including vaccine development from Sukuk PRIHATIN
- ▶ **RM20 MILLION** for Malaysia Techlympics & Science Space programmes
- ▶ **R&D COMMERCIALIZATION TAX INCENTIVE** reintroduced & extended to private higher education institutions



### Measure 4

## Locally-Manufactured Products

- ▶ **RM25 MILLION** for Micro Franchise Development & Affordable Franchise Programmes, and “Buy Made In Malaysia” Programme



- ▶ **RM150 MILLION** for 100,000 entrepreneurs for training, sales assistance & digital equipment under Micro & SMEs E-commerce Campaign
- ▶ **RM150 MILLION** for Shop Malaysia Online initiative for 500,000 local sellers
- ▶ **RM35 MILLION** Trade & Investment Mission to promote Malaysian products & services
- ▶ **0%-10% PREFERENTIAL TAX RATE FOR 10 YEARS** to encourage investments by pharmaceutical manufacturers
- ▶ **MOH OFF-TAKE PROGRAMME** strengthened to attract investments in medicine, vaccines & medical devices

## Strategy 2

# Strengthening Key Sectors



### Measure 1

## Empowering the Agriculture Sector

- ▶ **RM30 MILLION** for 60,000 Community Farming participants (RM500 per participant or RM50,000 per community)
- ▶ **RM50 MILLION** for Organic Agriculture Project by 1,000 communities
- ▶ **RM10 MILLION** e-Satellite Farm Programme for 300 PPKs at up to RM30,000 matching grant each
- ▶ **RM150 MILLION** Vessel Modernisation & Capture Mechanisation Programme of up to RM5 million financing
- ▶ **RM100 MILLION** collaboration with State Governments for impactful high-value farming projects
- ▶ **RM60 MILLION** Agrofood Value Chain Modernisation Programme at RM1 million funding each



**RM10 MILLION** for aquaculture micro entrepreneurs at up to RM20,000 matching grant each



### Measure 2

## Developing the Commodity Sector

- ▶ **RM50 MILLION** for palm oil industry:
  - RM20 million to continue Malaysian Sustainable Palm Oil Certification (MSPO) program
  - RM30 million matching grant to encourage mechanisation & automation
- ▶ **RM16 MILLION** latex production incentive
- ▶ **FURNITURE INDUSTRY PARK** development in Pagoh, Johor to boost the industry
- ▶ **RM500 MILLION** for the Forest Plantation Development Loan Programme



### Measure 3

## Sustainability of the Tourism Industry

- ▶ **RM50 MILLION** to train & place 8,000 airline companies' employees
- ▶ **EMPLOYMENT** as tour guides for 500 locals & Orang Asli
- ▶ **RM50 MILLION** to maintain & repair tourism facilities

- ▶ **RM20 MILLION** improve & promote Cultural Villages in Terengganu, Malacca, Sarawak & Negeri Sembilan
- ▶ **RM10 MILLION** to preserve national heritage buildings
- ▶ **HEALTH TOURISM IN FOCUS:**
  - RM35 million for Malaysia Healthcare Travel Council
  - Income tax exemption for export of private healthcare services until 2022
- ▶ **GERAN KHAS PRIHATIN OF RM1,000 EACH** for traders & travel-related entrepreneurs in Sabah
- ▶ **HRDF LEVY EXEMPTION** in 1H2021 for tourism sector & COVID-19-hit companies

## Strategy 3 Prioritising Automation & Digitalisation



- ▶ **RM1 BILLION** Industry Digitalisation Transformation Scheme by BPMB, available until 2023
- ▶ **RM150 MILLION** SME Digitalisation Grant Scheme & Automation Grant for micro SMEs & start-ups

## Strategy 4

# Enhancing Access to Financing



### Measure 1

## Micro Credit Financing

- ▶ **RM300 MILLION** Lestari Bumi financing facility under SME Bank for Bumiputera micro & small businesses
- ▶ **RM300 MILLION** to introduce National Supply Chain Finance Platform "JanaNiaga", under EXIM Bank
- ▶ **RM50 MILLION** allocation for invoice financing-based P2P platforms on matching investments basis
- ▶ **RM1.2 BILLION** micro credit financing via TEKUN, PUNB, Agrobank, BSN & others, including:
  - RM110 million Micro Enterprises Facility under BNM to encourage entrepreneurship among gig workers, self-employed
- ▶ **iTEKAD EXPANSION** with additional financial institutions & wider collaboration for B40 micro entrepreneurs through micro & social financing

▶ **RM230 MILLION** financing to SMEs including to be SOP-compliant, through PUNB



Measure 2

**Loan Guarantees**

▶ **RM10 BILLION** addition for SJPP guarantee, RM2 billion of which is earmarked for Bumiputera entrepreneurs



▶ **RM3 BILLION** for Danajamin PRIHATIN Guarantee Scheme until 2021 for industries such as O&G and aerospace

▶ **CONSUMER CREDIT ACT** to regulate consumer credit & supervise non-bank credit providers



Measure 3

**Alternative Financing**

▶ **INCOME TAX EXEMPTION** of 50% or up to RM50,000 of investment amount via Equity Crowd Funding (ECF)

▶ **RM30 MILLION** via matching grants to be invested on ECF platforms

THIRD OBJECTIVE  
**Economic Resilience**



1

**Expansionary Budget**

2

**Development Agenda under the 12th Malaysia Plan**

3

**Enhancing the Role of GLCs and Civil Society**

4

**Ensuring Resource Sustainability**



5

**Civil Service**



## Strategy 1

# Expansionary Budget



### Measure 1

## Expenditure with High Multiplier Effect

**RM2.5 BILLION** projects for G1-G4 contractors including:

- RM200 million to maintain Federal Roads
- RM50 million for PPR

**RM50 MILLION** financing access under SPIKE via MARA for Government-serving construction contractors



### Measure 2

## Sustainability of Government Revenue

**ADDRESSING SMUGGLING OF HIGH DUTY GOODS** as among revenue collection improvement strategies:

- Freeze new issuance of cigarette import license
- License renewal tightened, including via import quota
- Limit cigarette transshipment to dedicated ports
- Tax on cigarettes importation with drawback facilities for re-export

- Transshipment & re-export of cigarettes & tobacco products only in ISO containers
- No more tax-free cigarette & tobacco products in duty-free zones & islands
- 10% tax on e-cigarette & vape
- 40 sen / ml excise duty on vape liquid

## Strategy 2

# Development Agenda under the 12th Malaysia Plan



### Measure 1

## Transport Infrastructure Development

**RM15 BILLION** to fund infrastructure projects:

- Pan Borneo Highway
- Gemas-JB Electrified Double-Tracking
- Klang Valley Double-Tracking Phase 1
- Johor-Singapore Rapid Transit System Link
- Klang Valley MRT3

**RM3.8 BILLION** new projects in Selangor, Kelantan, Pahang, Terengganu, Perak, Kedah & Sabah

**HIGH-SPEED RAIL** to continue subject to discussions with Singapore



## Measure 2

### Balanced Regional Development

**RM780 MILLION** development projects in:

- Johor – IRDA
- Kelantan – ECER
- Kedah – NCER
- Sarawak – SCORE
- Sabah – SDC

**TAX INCENTIVES** until 2022 in:

- ECER
- Iskandar Malaysia, Johor
- SDC, Sabah

**RM150 MILLION** Raw Water Transfer Project in Melaka

**KWASA DAMANSARA** developments continues under EPF, with RM50 billion GDV

**RM9.6 BILLION** Development Expenditure for:

- Sabah (RM5.1 billion)
- Sarawak (RM4.5 billion)

## Strategy 3

### Enhancing the Role of GLCs and Civil Society



**RM100 MILLION** to NGOs, matched with GLC-owned foundations' contributions:

- RM50 million for income generation & employment promotion for the vulnerable
- RM30 million to address social issues
- RM20 million for environmental conservation

**RM20 MILLION** social enterprise development programme with MaGIC

## Strategy 4

### Ensuring Resource Sustainability



## Measure 1

### Sustainable Development Agenda

**RM20 MILLION** allocation for MySDG Trust Fund

▶ **RM5 MILLION** allocation for SDG programmes under the Malaysian Parliamentary Party Cross Group



### Measure 2

## Sustainable Finance

▶ **FIRST SUSTAINABILITY BOND** in Malaysia to be issued by the Government

▶ **INCOME TAX EXEMPTION** for SRI green sukuk grant extended to all sukuk & bonds until 2025

▶ **RM2 BILLION** Green Technology Financing Scheme 3.0, guaranteed by Danajamin



### Measure 3

## Environmental Conservation

▶ **RM50 MILLION** to address river pollution

▶ **RM40 MILLION** over 5 years to strengthen environmental quality monitoring enforcement

▶ **RM10 MILLION** for the Integrated Island Waste Management project in Johor & Terengganu

▶ **RM400 MILLION** allocation under TAHAP including RM70 million Ecological Fiscal Transfer to ensure sustainability of biodiversity



▶ **MANGROVE TREE-PLANTING** along coasts in Johor & Perak

▶ **RM30 MILLION FOR SAVE 2.0 PROGRAM**  
RM200 e-Rebate to purchase locally-manufactured energy-efficient air conditioner/refrigerator

▶ **RM20 MILLION** for Biodiversity Protection & Patrol Program to recruit 500 former military & police as well as Orang Asli

## Strategy 5

# Civil Service



### Measure 1

## Strengthening Public Service Delivery

▶ **PAPERLESS APPROACH** for Ministries & Agencies

▶ **UTC** to be built in Lembah Pantai

▶ **NEW JPJ KIOSKS** at 50 strategic locations nationwide

▶ **RM14 MILLION** to upgrade Ministry of Foreign Affairs ICT infrastructure



### Measure 2

## Strengthening Governance & Integrity

### NATIONAL ANTI-CORRUPTION PLAN

implementation continues

**100 MACC OFFICERS** to be recruited

**SPECIAL REWARD** for whistle-blowers such as on river pollution which led to Klang Valley water disruption



### Measure 3

## Welfare of the Civil Servants

**RM500 ONE-OFF** for 80,000 retired & former police officers (RM40 million)

**RM600 ONE-OFF** for civil servants Grade 56 & below

**RM300 ONE-OFF** for civil service retirees & veterans without pension

**HIGHER ALLOWANCE RATE** for 1,900 Auxiliary Bomba officers (to RM8/hr)

**PERSONAL ACCIDENT PROTECTION SCHEME** for new LPPSA borrowers, up to RM100,000

**CIVIL SERVANTS' REGIONAL HOUSING ALLOWANCE** will be studied & standardised



**LOAN MORATORIUM / REPAYMENT REDUCTION EXTENSION**  
For MSMEs with <RM150,000 in debt

**SME DIGITALISATION & AUTOMATION**  
**RM150m**  
in grants

**TARGETED ASSISTANCE & REHABILITATION FACILITY**  
**RM2b**  
loans from banks under BNM for affected SMEs

**RM1b INCENTIVE PACKAGE** for high value-added company  
**SUPPORTING R&D INVESTMENTS** in aerospace and E&E, among others

**WHAT BUDGET 2021 MEANS TO BUSINESSES**

**HIRING INCENTIVE: RM2B**  
Government supports 40-60% salary for 6 months

**WAGE SUBSIDY: RM1.5B**  
to support jobs and operating capacity

**LOCAL PRODUCTS PRODUCTION & PURCHASE**  
**RM360m**  
for training and promotion

**RESKILLING & UPSKILLING**  
**RM2b**  
with MOHE, HRDF, MDEC, IRDA, SEDIA, and PERHEBAT

**MICRO CREDIT FINANCING**  
**RM1.2b**  
via TEKUN, AgroBank, BSN and others

**ADDITIONAL GERAN KHAS PRIHATIN**  
**RM1,000**  
for impacted Sabah-based MSMEs

## Measure 2

### Strengthening Governance & Integrity

**NATIONAL ANTI-CORRUPTION PLAN** implementation continues

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**BUDGET 2021 ALLOCATIONS**

**RM69b**  
Development Expenditure

**RM236.5b**  
Operating Expenditure

**RM17b**  
COVID-19 Fund

**5.4%**  
GDP fiscal deficit

To contribute 4 percentage points to GDP growth in 2021

**NEW INFRA PROJECTS: RM3.8b**  
in Selangor, Pahang, Terengganu, Kedah & Sabah



**SABAH & SARAWAK: RM9.6b**  
development expenditure

**SABAH RM5.1b**  
**SARAWAK RM4.5b**

**WHAT BUDGET 2021 MEANS TO THE ECONOMY**



Development within **FIVE ECONOMIC CORRIDORS: RM780m**

- IRDA
- ECER
- NCR
- SCORE
- SDG

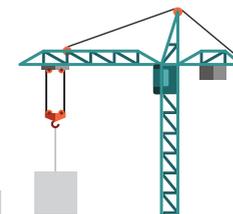
**JENDELA: RM7.4b**  
to improve broadband infra & 4G coverage



Continuation of **HIGH-SPEED RAIL** project\*

\*Subject to discussion with Singapore

Continuation of **KWASA DAMANSARA** development



**TRANSPORT INFRA PROJECTS: RM15b**

- Pan Borneo Highway
- Gemas-JB Electrified Double Tracking
- Klang Valley Double Tracking Phase 1
- JB-Singapore Rapid Transit System
- Klang Valley MRT3



These are the main measures of Budget 2021. For a full list of measures, please refer to [belanjawan2021.treasury.gov.my](https://belanjawan2021.treasury.gov.my).

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