



MINISTRY OF FINANCE MALAYSIA

TOUCHPOINTS 2016 BUDGET

2016 BUDGET: PROSPERING THE RAKYAT

5 PRIORITIES

- First:** Strengthening Economic Resilience
- Second:** Increasing Productivity, Innovation and Green Technology
- Third:** Empowering Human Capital
- Fourth:** Advancing Bumiputera Agenda
- Fifth:** Easing Cost of Living of the Rakyat

ECONOMIC PERFORMANCE & PROSPECTS

- GDP (2015): 4.5% to 5.5%; GDP (2016): 4.0% to 5.0%
- Fiscal Deficit 2015: 3.2% ; Fiscal Deficit 2016: 3.1%
- Federal Government Revenue 2015 : RM222.5 billion
- Federal Government Revenue 2016 : RM225.7 billion

2016 BUDGET ALLOCATION

- 2016 Allocation: RM267.2 billion
 - i. Operating Expenditure : RM215.2 billion
 - ii. Development Expenditure : RM50 billion
 - iii. Contingency Reserve : RM2 billion

GST COLLECTION AND OIL-RELATED REVENUE

	2014	2015		2016
	Actual Brent (USD99)	Budget Brent (USD100)	Rev (ER) Brent (USD50)	Budget Brent (USD48)
	RM Million			
Oil revenue	66,274	62,428	43,872	31,718
<i>o/w PITA</i>	26,956	25,600	9,529	9,331
<i>PETRONAS Dividend</i>	29,000	27,000	26,000	16,000
GST/SST	17,216	31,608	34,635	39,000
SST	17,216	4,608*	7,635*	-
GST	-	27,000**	27,000**	39,000
Total	83,490	94,036	78,507	70,718
Change in net revenue (y-o-y)	n.a.	10,546	-4,983	-7,789

* SST (Jan-March 2015)

** GST (April-Dec 2015)

IMPROVING THE GOODS AND SERVICES TAX (GST)

- 1) Zero-rated GST for all types of Controlled Medicines totalling 8,630 under the Poisons List Group A, B, C and D for 30 types of illness such as cancer, diabetes, hypertension & heart disease.
- 2) Additional GST zero-rated on food items proposed:
 - Soybean and organic-based infant and children milk formula;
 - Chickpeas, mung beans and white beans (Dhal or Parpu);
 - Lotus root and water chestnut;
 - Mustard seeds;
 - Brown sugar; and
 - Dry mee kolok.
- 3) Annual sales turnover threshold for registration of Flat Rate Scheme under GST for small-scale farmers is reduced to RM50,000 from RM100,000.
 - Small-scale farmers can impose an additional 2% on sales value
- 4) MRO companies allowed to participate in the Approved Trader Scheme & exempted from paying GST on imported goods.
- 5) GST relief for reimportation of goods that were exported temporarily for the purpose of promotion, research or exhibition.
- 6) GST relief for oil and gas industries on reimportation of equipment that was temporarily exported for the purpose of rental and lease such as oil platform equipment and floating platforms.
- 7) GST relief for procurement of teaching materials and equipment by skills and vocational training providers under the National Skills Development Act 2006.
- 8) Rebates equivalent to the amount of GST paid on prepaid mobile phones cards will be credited directly to consumers effective from 1 January 2016 to 31 December 2016.

STRENGTHENING THE INCOME TAX STRUCTURE

- 9) Introduce new band of taxable income:

INCOME BAND	EXISTING RATE	NEW RATE
RM600,001 – RM1,000,000	25%	26%
> RM1,000,000	25%	28%

BOOSTING DOMESTIC INVESTMENT

The contribution of domestic investment to GDP is estimated at 26.7% in 2016

- 10) Development of the Malaysian Vision Valley – **RM5 bn**
 - Covering 108,000 hectares from Nilai to Port Dickson
- 11) Implementation of Cyber City Centre in Cyberjaya – **RM11 bn**
- 12) Development of KLIA Aeropolis covering 1,300 acres – **RM7 bn**
- 13) High-impact domestic projects by Khazanah Nasional Berhad – **RM6.7 bn**
 - Healthcare, education, tourism, communication software & infrastructure
- 14) Khazanah allocates **RM500 mil** for venture capital & private equity fund, including tourism capital venture fund of **RM50 mil**
- 15) RAPID *Complex* Project in Pengerang, Johor - **RM18 bn**
- 16) Investment in economic corridors – Development of Rubber City, Kedah (**RM320 mil**), Samalaju Industrial Park, Sarawak (**RM142 mil**) & Palm Oil Jetty in Sandakan, Sabah (**RM20 mil**)
- 17) Various Funds under MIDA – **RM730 mil**
 - Focus on chemical, electrical & electronics, machinery & equipment, aerospace and medical devices industries as well as services.
- 18) Special Reinvestment Allowance in manufacturing and agriculture sectors for existing companies.
 - The rate of claim is at 60% of the qualifying capital expenditure and allowed to be set off against 70% of statutory income from year of assessment 2016 to 2018.

INVIGORATING CAPITAL MARKET

- 19) Tax deduction on issuance costs of Sustainable and Responsible Investments (SRI) sukuk and 20% stamp duty exemption on Shariah-compliant loan instruments to finance the purchase of houses.

ENERGISING SMALL AND MEDIUM ENTERPRISES (SMEs)

SMEs expected to contribute 41% of GDP by 2020

- 20) Shariah-Compliant SME Financing Scheme until 31 December 2017
 - The Government will subsidise 2% of the financing profit rate

- 21) Implement SME Blueprint – **RM107 mil**
 - Provide funds at various stages of business development
- 22) Strengthen competitiveness of entrepreneurs – **RM60 mil**
 - Entrepreneurs Transformation Scheme
 - SME Capacity and Capability Enhancement Scheme
- 23) Establish SME Technology Transformation Fund under SME Bank to provide soft loans at 4% – **RM200 mil**
- 24) Expand the Small Retailer Transformation Programme (TUKAR) & Automotive Workshop Modernisation (ATOM) Project – **RM18 mil**

IMPROVING INFRASTRUCTURE

Malaysia ranked 25th out of 160 countries – 2014 World Bank Logistics Performance Index Report

- 25) Logistics infrastructure projects include :
 - Build & improve the rail transport network & highways
 - Jalan Tun Razak Traffic Dispersal Project – **RM900 mil**
 - Feasibility study for the construction of a coastal highway from Masjid Tanah – Klebang – Jambatan Syed Abdul Aziz in Melaka
 - Construction of Mukah Airport, Sarawak & upgrade airports in Kuantan, Pahang and Kota Bharu, Kelantan – **RM42 mil**
 - Feasibility study for the extension of Batu Berendam Airport runway in Melaka

EFFICIENT PUBLIC TRANSPORT SYSTEM

- 26) The Ampang – Putra Heights LRT line extension (completed in March 2016), the Kelana Jaya – Putra Heights LRT line extension (completed in mid-2016) – **RM10 bn**
- 27) The Sungai Buloh – Kajang Mass Rapid Transit Project (51 km) – **RM32 bn**
 - Phase 1 Sungai Buloh – Semantan will be ready in December 2016
 - Phase 2 Semantan – Kajang will be completed by mid-2017
- 28) MRT II project from Sungai Buloh – Serdang – Putrajaya, spanning 52km
 - Benefit 2 mil people with an estimated cost of **RM28 bn**
 - Construction to begin in Q2 2016 and completed in 2022
- 29) LRT 3 project from Bandar Utama, Damansara – Johan Setia, Klang - 36km
 - Benefit 2 mil people with an estimated cost of **RM10 bn**
 - Construction to begin next year and completed in 2020

- 30) Negotiations on high-speed rail are ongoing with the Singapore Government
- 31) Implementation of the KL – Klang Rapid Transit Bus (BRT) project (**RM1.5 bn**) & Kota Kinabalu BRT (**RM1 bn**)

UPGRADING TELECOMMUNICATION INFRASTRUCTURE

- 32) Rural broadband projects, National Fibre Backbone Infrastructure, High-speed broadband & undersea cable system under Malaysian Communications and Multimedia Commission (MCMC) – **RM1.2 bn**
- 33) National Broadcasting Digitalisation Project to enhance the quality of audio visual, provide value-add to TV content & interactive data transactions – **RM250 mil**

RURAL INFRASTRUCTURE DEVELOPMENT

- 34) Infrastructure Development Programme
 - Build & upgrade 700km rural roads – **RM1.4 bn**
 - Upgrade roads in FELDA settlements – **RM200 mil**
 - Rural Electrification Project covering 10,000 houses – **RM878 mil**
 - Rural Water Supply Project covering 3,000 houses – **RM568 mil**
 - Social Amenities Programme particularly drainage projects – **RM60 mil**
- 35) Programmes for entrepreneurs in rural areas
 - Rural Business Challenge Programme & Sustainable Rural Programme – **RM70 mil**
 - MARA Bus Transport Project on uneconomic rural routes – **RM67 mil**

PROMOTING TOURISM SECTOR

A target of 30.5 mil tourists in 2016, which is expected to contribute RM103 bn to the economy .

- 36) Implement online visa applications beginning with 7 countries
 - China, India, Myanmar, Nepal, Sri Lanka, US and Canada.
- 37) 100% income tax exemption on statutory income for tour operators extended from year of assessment 2016 until 2018

MODERNISING AGRICULTURE SECTOR

- 38) Various high-impact programmes – **RM450 mil**
 - Fruit and vegetable cultivation, matching and research grants for herbal products as well as fish cage farming

- 39) Upgrade drainage and irrigation infrastructure in the Integrated Agricultural Development areas – **RM180 mil**
- 40) Price Reduction Programme, additional 50 farmers' markets & establish 150 new Agrobazaar Rakyat 1Malaysia – **RM190 mil**
- 41) Youth Agropreneur Development Programme & Agriculture Entrepreneurs Financing Fund – **RM70 mil**
- 42) Rebranding of MARDI, Department of Veterinary Services, Department of Agriculture and the Department of Fisheries & implement the Multiplier Farm Project to increase rearing of cattle & free-range chicken – **RM20 mil**
- 43) Extend tax incentives for food production activities until 2020
 - The scope extended to rearing deer, honey bees & stingless honey bees; cultivation of mushroom, coconut and seaweed; as well as planting animal feed crops such as sweet potato and tapioca

STRENGTHENING EXPORTS

- 44) 1Malaysia Promotion Programme, Services Export Fund & the Export Promotion Fund under MATRADE – **RM235 mil**
- 45) Diversify the use of foreign currencies in trade transactions
 - Ringgit-Renminbi credit swap facility for local banks
- 46) Relaxation of conditions for SMEs to claim income tax exemption of value of increase in exports for manufactured products for years of assessment 2016 to 2018
- 47) Introduce tax incentive to companies which conduct Independent Conformity Assessment Body activities beginning next year
 - Reduce evaluation services & international standards compliance cost for local products.

BOOSTING INNOVATION AND ENTREPRENEURSHIP

- 48) SMEs that incur expenditure on R&D projects up to RM50,000 will be eligible for automatic double tax deduction for year of assessment 2016 to 2018
- 49) Implement various projects under the Malaysian Innovation Agency (AIM) – **RM100 mil**
- 50) Technology and Innovation Acceleration Funding Scheme by Malaysia Debt Ventures Berhad – **RM200 mil**
- 51) Various programmes under MaGIC & provide initial allocation for Corporate Entrepreneurs Responsibility Fund – **RM35 mil**
- 52) Various youth entrepreneurship programmes – **RM30 mil**
- Global Entrepreneurship Community, BAHTERA, GREAT, 1MET, National Innovation Competition & Pilot Coding Project in schools
- 53) To accelerate demand-driven innovation activities through Public-Private Research Network – **RM50 mil**

LEVERAGING ADVANCEMENTS IN TECHNOLOGY

- 54) Promote the use of Industrialised Building System (IBS);
- IBS Promotion Fund – **RM500 mil** under the SME Bank to provide soft loans to developers and contractors in category G5 and below.

INCULCATING GREEN TECHNOLOGY

- 55) Various programmes under KeTTHA – **RM2 bn**
- Clean water supply including to build water treatment plants – **RM877 mil**
 - Ensure the reliability of electricity supply in Sabah – **RM515 mil**
- 56) Implement Electricity Mobility Action Plan including energy audit process – **RM45 mil**
- 57) Introduce Net Energy Metering scheme to encourage the use of solar photovoltaics (PV)
- A quota of 100 megawatts per year will be offered by Sustainable Energy Development Authority (SEDA)
- 58) Extend the implementation period of the Green Technology Financing Scheme until 31 December 2017 with an allocation of **RM1.2 bn**

IMPROVING QUALITY OF EDUCATION

- 59) Build 30 primary and 27 secondary schools, 4 MRSM & 5 fully residential schools
- 60) Various programmes in 9,113 pre-school classes – **RM44.6 mil**

INCREASING PROFICIENCY IN BAHASA MALAYSIA & ENGLISH

- 61) Upholding Bahasa Malaysia and Strengthening the English Language Programme including Dual Language & Highly Immersive Programmes – **RM135 mil**

SCHOOLING AND FOOD ASSISTANCE

- 62) Schooling assistance of RM100 to primary & secondary school students
- Household income of RM3,000 and below
 - Will be disbursed in January 2016, benefiting 3.5 mil students – **RM350 mil**
- 63) Supplementary food assistance for students from poor families listed in e-Kasih which will benefit 550,000 students
- Breakfast (**RM173 mil**) & meals during recess (**RM250 mil**)

DEVELOPING AND MAINTAINING EDUCATION FACILITIES

- 64) Develop and maintain education facilities – **RM500 mil**
- National schools
 - National-type Chinese schools
 - National-type Tamil schools
 - Religious schools
 - Fully residential schools
 - National religious assisted schools
 - MARA Junior Science Colleges (MRSM)
 - Registered Sekolah Pondok
 - National-type Chinese secondary schools (Conforming schools) which adopt the national curriculum

STRENGTHENING HIGHER EDUCATION

- 65) Various scholarship programmes, among others, JPA (**RM1.65 bn**), KPM (**RM288 mil**), KPT (**RM250 mil**) & KKM (**RM258 mil**)
- 66) Increase the maximum relief on tuition fees for an individual taxpayer to RM7,000 from RM5,000 a year
- 67) Continue the RM250 1Malaysia Book Voucher Programme benefiting 1.2 mil students – **RM300 mil**.

TRANSFORMING TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET)

By 2020, 60% of 1.5 mil new jobs are targeted for workers with TVET skills

- 68) MITI to establish an Industry Skills Committee to coordinate TVET programmes in collaboration with industries
- 69) Among the TVET programmes are:
- Provide TVET training equipment at polytechnics, community colleges, MARA Skills Institutes, IKBN, ILP, GiatMARA and vocational colleges – **RM585 mil**
 - Skills Development Fund Corporation to finance various TVET programmes – **RM350 mil**
 - Establish a Tourism Academy at Community College in Kota Kinabalu; and Vocational Collage in Sandakan; and Industrial Training Institute in Serian, Sarawak – **RM80 mil**

EMPOWERING YOUTH, COMMUNITY AND NGOS

- 70) Technical & vocational training in National Youth Skills Training Institutes (IKBN) & National Youth Advance Skills Training Institutes (IKTBN) – **RM280 mil**
- 71) Enhance youth participation in economic and entrepreneurial activities – **RM50 mil**
- 72) Prepare athletes for the 29th SEA Games and the 9th ASEAN Para Games in 2017 in Kuala Lumpur – **RM145 mil**
- 73) Podium Programme for Preparation of Elite Athletes – **RM75 mil**
- 74) Build two sports complexes in Bagan Datoh, Perak and Kuantan, Pahang – **RM22 mil**
- 75) The **National Service Training Programme (PLKN)** will benefit 20,000 trainees – **RM360 mil**
- The new curriculum will include new elements such as creative thinking and technical skills.

STRENGTHENING ROLE OF NGOs

- 76) Programmes based on community development, solidarity, social welfare, health and safety – **RM160 mil**

IMPROVING QUALITY OF THE WORKFORCE

- 77) 30% of HRDF to implement
- Training programmes to meet the needs of local industries in Sabah and Sarawak
 - An Outplacement Centre to retrain retrenched workers
- 78) Train an additional 15,000 participants under SL1M – **RM250 mil**

IMPROVING MANAGEMENT OF FOREIGN WORKERS

- 79) Train & Replace Programme to train local workers in selected areas such as hospitality, shipping & transport – **RM77 mil**

EMPOWERING BUMIPUTERA

- 80) Implement various programmes under TERAJU – **RM150 mil**
- Bumiputera Entrepreneurs Startup Scheme & High Performing Bumiputera Companies Programme
- 81) Peneraju Tunas, Peneraju Profesional as well as Peneraju Skil dan Iltizam programmes under Bumiputera Education Steering Foundation – **RM150 mil**
- 82) MARA sponsorship for 72,000 Bumiputera students to continue studies at tertiary level.
- 83) Increase equity ownership and strengthen Bumiputera entrepreneurship and businesses
- EKUINAS (**RM400 mil**), PUNB (**RM250 mil**), PHB (**RM150 mil**)
 - Development of Kampung Baru Kuala Lumpur (UDA Holdings) – **RM100 mil**

INTENSIFYING DEVELOPMENT IN SABAH AND SARAWAK

- 84) Construction of Pan-Borneo Highway (PBH) – toll free
- PBH Sarawak (1,090 km) expected to be completed in 2021 - **RM16.1 bn**
 - PBH Sabah from Sidumin to Tawau (706 km) – **RM12.8 bn**
- 85) Economy class on Rural Air Services is exempted from GST
- 86) Interest free loans under BSN – **RM70 mil**
- Build long houses with a maximum loan up to RM50,000 for every unit
- 87) Increase food supply and income of hill paddy farmers through allocation for subsidy on hill paddy fertiliser – **RM70 mil**
- 88) 1 Price 1Sarawak and 1 Price 1Sabah programmes – **RM260 mil**
- 89) Special Programme for Bumiputera in Sabah and Sarawak, such as for native customary rights, including mapping procedures in Sabah (**RM20 mil**) and in Sarawak (**RM30 mil**) as well as for native courts – **RM115 mil**
- 90) Enhance services of 1Malaysia Mobile Clinics in the interior areas of Sabah and Sarawak including procurement of new boats and vehicles

RAISING LIVING STANDARDS OF B40 HOUSEHOLDS

- 91) Increase participation in entrepreneurship & expand existing business through TEKUN – **RM600 mil**
 - RM500 mil for Bumiputera entrepreneurs; and
 - RM100 mil for 10,000 Indian entrepreneurs through Indian Community Development Scheme
- 92) SME Bank to provide **RM50 mil** to assist small-scale Indian entrepreneurs
- 93) Micro-financing facility by Amanah Ikhtiar Malaysia (AIM)
 - Additional RM200 mil
- 94) Socio-economic Development of Indian Community Programme – **RM100 mil**
 - This programme is in collaboration between NGOs and private skills training institutes
- 95) An additional **RM90 mil** for programmes including:
 - Microcredit to Chinese hawkers and petty traders including KOJADI
 - Infrastructure projects and soft loans to residents of Chinese New Villages for land premium payments and repairing houses
- 96) Career and Skills Training Programme as well as Income Increment Programme under KKLW – **RM50 mil**
- 97) Assist B40 to get jobs & start a business – **RM100 mil**
 - The programme is in collaboration between NGOs & private skills training institutions
- 98) Progress of the Orang Asli
 - Development of Integrated Villages – construction of connecting roads, provision of electricity and treated water – **RM80 mil**
 - Supplementary food assistance, pocket money & school transport fares – **RM45 mil**
 - Orang Asli Economic Development Projects – for the development of rubber and oil palm plantations as well as cash crops – **RM25 mil**
- 99) Expand eRezeki & eUsahawan programmes nationwide with an allocation of **RM100 mil** financed by MCMC
 - Targets 100,000 people from B40 group to increase their employment and income.

ASSISTANCE FOR PADDY FARMERS, SMALLHOLDERS AND RUBBER TAPPERS

- 100) Various income and productivity enhancement programmes under RISDA and FELCRA – **RM852 mil**
- 101) Improve Rubber Production Incentive (IPG) – **RM200 mil**
- Increase the IPG activation price
 - ✓ SMR20 FOB from RM4.60 to **RM5.50** per kilogramme
 - ✓ Scrap rubber or cuplumps from RM1.75 to **RM2.20** per kilogramme at farm price
 - To benefit 300,000 smallholders
- 102) Implement a paddy grading initiative and improve the paddy price subsidy scheme or SSHP from 1 January 2016
- Paddy grading is based on standardisation of paddy prices at **RM1,200** per metric tonne
 - Raise the rate of SSHP from RM248.10 to **RM300** for every metric tonne
 - To benefit 155,000 paddy farmers

PROVIDING AFFORDABLE HOUSES

103) House Ownership Programmes

HOUSING SCHEME	DETAILS
PR1MA	<ul style="list-style-type: none"> Build 175,000 houses & 10,000 units are expected to be completed in 2016 Sold at 20% below market prices
SPNB	<ul style="list-style-type: none"> 10,000 units of <i>Rumah Mesra Rakyat</i> A subsidy of RM20,000 for each house
PPA1M	<ul style="list-style-type: none"> Build 100,000 units by 2018 A Facilitation Fund of up to 25% of development cost is provided
PPR	<ul style="list-style-type: none"> Build 22,300 units of apartments and 9,800 units of terrace houses
MyHome Scheme	<ul style="list-style-type: none"> Provide First House Deposit Financing Scheme
Transit Oriented Development	<ul style="list-style-type: none"> 5,000 units of PR1MA and PPA1M houses In 10 locations in the vicinity of LRT and monorail stations
Orang Asli	<ul style="list-style-type: none"> RM60 million for building houses
Housing for Second Generation of Settlers	<ul style="list-style-type: none"> 20,000 units by FELDA; Max Price: RM70,000 2,000 units by FELCRA 2,000 units by RISDA
Government Linked Companies (GLCs)	<ul style="list-style-type: none"> 4,600 units (Sime Darby Property) 800 units (Kwasa Land)

- 104) Reviving abandoned low and medium-cost private housing projects by KPKT – **RM40 mil**
- 105) Exemption on stamp duty for financing instruments to contractors who revive abandoned projects as well as the original purchaser of the abandoned house
- 106) Build and repair 11,000 dilapidated houses in rural areas by KKLW – **RM150 mil**
- 107) Maintenance of low-cost public housing and 1Malaysia Maintenance Fund by KPKT that provides 100% financing for repair of lifts, railings as well as rewiring – **RM155 mil**

PROVIDING QUALITY HEALTHCARE SERVICES

- 108) Among the projects to improve access to healthcare services are:
- Build 5 hospitals in Cyberjaya, Kemaman, Maran, Pasir Gudang & Pendang
 - Kuala Lumpur Women and Children's Hospital to commence operations in October 2016 – **RM848 mil**
 - Redevelopment of Kajang Hospital
 - Build and upgrade rural clinics, health clinics & dental clinics as well as quarters – **RM260 mil**
 - 328 existing and 33 new 1Malaysia Clinics – **RM52 mil**
 - Provide medical assistance including haemodialysis which is expected to benefit 10,000 poor patients – **RM72 mil**
 - Supply of medicines, consumables, vaccines and reagents to all Government hospitals and clinics – **RM4.6 mil**
- 109) Full medical charges for non-citizens beginning 1 January 2016

STRENGTHENING SOCIAL SAFETY NET SYSTEM

- 110) Monthly allowances for persons with disabilities (PWD) to benefit 150,000 PWD – **RM445 mil**
- Employed PWD workers (**RM350**), unemployed PWD (**RM200**) & bedridden PWD (**RM300**)
- 111) Establish an additional 20 Community-Based Rehabilitation Centres (PDK) – **RM100 mil**
- 112) Monthly financial assistance for children from poor families (RM100 to RM450 a month) & for poor senior citizens (RM300) – **RM662 mil**

STRENGTHENING NATURAL DISASTER MANAGEMENT

- 113) Establishing the National Disaster Management Agency as the lead agency & Civil Defence Force as the secretariat for disaster management at the national, state & district levels – **RM180 mil**
- 114) Flood Mitigation Projects nationwide – **RM730 mil**
- 115) Implement the National Flood Forecasting and Warning Programme and develop a National Earthquake and Tsunami Sub-Centre in Sabah – **RM60 mil**

PUBLIC SAFETY AND SECURITY

116) Malaysian Armed Forces (ATM):

- Procurement of 6 Littoral Combatant Ships, Very Short Range Air Defence, armoured vehicles & A-400M Airbus
- Use of Unmanned Airborne System & Maritime Patrol Aircraft to improve Intelligence, Surveillance and Reconnaissance capacity
- Establish an ESSCOM armed forces camp in FELDA Sahabat, Lahad Datu, Sabah – **RM523 mil**
- 4,000 quarters for ATM personnel – **RM161 mil**
- LTAT to build 2,000 units of affordable houses for ATM personnel beginning 2016

117) Malaysian Maritime Enforcement Agency – **RM864 mil**

- among others for acquisition of Offshore Patrol Vessel & patrol boats

118) Enhance public safety & security in the country - **RM13.1 bn**

- Build 2 new district police headquarters (IPD) in Lawas & Kota Kinabalu while 10 IPD & 5 police stations are under construction – **RM155 mil**
- Build 2,000 units of affordable houses for members of PDRM
- Build offices, quarters & upgrade immigration detention depots – **RM36 mil**
- Enhance security measures in prisons – **RM50 mil**
- Safe City Programme in 60 black areas, among others, by providing pedestrian walkways and lighting in selected areas – **RM20 mil**
- Additional 500 motorcycles and 500 cars for the patrolling unit of PDRM – **RM35 mil**

APPRECIATING CONTRIBUTION OF CIVIL SERVICE

119) Improving the civil service effective 1 July 2016 – **RM1.4 bn**

- Provide one annual salary increment, benefiting 1.6 million civil servants
- Improve 252 schemes of service which will benefit 406,000 civil servants
- Set a minimum starting salary in the civil service at RM1,200 a month, benefiting 60,000 civil servants
- Set the minimum pension rate at RM950 a month, benefiting 50,000 pensioners with at least 25 years of service
- Offer permanent post to contract of service officers who have at least 15 years of service, benefiting 10,000 contract officers

BANTUAN RAKYAT 1MALAYSIA (BR1M)

- 120) Program Bantuan Rakyat 1Malaysia (BR1M) will benefit 4.7 mil households & 2.7 mil single individuals – **RM5.9 bn**
- 121) A new category is introduced for all participants in the e-Kasih database
- 122) Distribution of BR1M

CATEGORY	MONTHLY INCOME	BR1M VALUE
Household	RM3,000 and below	RM1,000 <i>(2015: RM950)</i>
	RM3,001 – RM4,000	RM800 <i>(2015: RM750)</i>
Individual	RM2,000 and below	RM400 <i>(2015: RM350)</i>
e-Kasih	RM1,000 and below	RM1,050

- 123) Continue the Bereavement Scheme – RM1,000 to benefit the next of kin of BR1M recipients in the household category

INCREASE DISPOSABLE INCOME OF M40

- 124) Increase tax relief to **RM2,000** from RM1,000 for each child under the age of 18 years from year of assessment 2016
- 125) Increase tax relief to **RM4,000** from RM3,000 for an individual taxpayer whose spouse does not have an income
- 126) Introduce a new tax relief of **RM1,500** for a taxpayer's mother and **RM1,500** for the father to ease expenditure in caring for parents
- 127) Increase tax relief from RM6,000 to **RM8,000** for each child above the age of 18 years who is studying at a local or foreign institution of higher learning, from year of assessment 2016
- 128) Increase tax relief from RM6,000 to **RM8,000** for a disabled child above the age of 18 years who is studying at a local or foreign institution of higher learning, from year of assessment 2016
- 129) Income tax relief on contributions to SOCSO from year of assessment 2016
- Eligibility for mandatory contribution is increased from a monthly salary of RM3,000 to **RM4,000**, benefiting 500,000 workers.

INCREASING MINIMUM WAGE

- 130) Raise minimum wage effective 1 July 2016 in all sectors except domestic services or domestic maids
- Peninsular : **RM1,000** a month
 - Sabah, Sarawak & WP Labuan : **RM920** a month

SPECIAL ASSISTANCE

- 131) Special payments will be made in January 2016 – **RM1 billion**
- RM500 to 1.6 million civil servants
 - RM250 to 700,000 government pensioners



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