2017 BUDGET

"ENSURING UNITY AND ECONOMIC GROWTH,

INCLUSIVE PRUDENT SPENDING,

WELLBEING OF THE RAKYAT"

2017 ECONOMIC PERFORMANCE

YEAR	2016	2017
GDP	4.0% – 4.5%	4.0% – 5.0%
Fiscal Deficit	3.1%	3.0%
Federal Government Revenue	RM212,595 mil	RM219,726 mil

2017 BUDGET ALLOCATION: RM262.8 BILLION

OPERATING EXPENDITURE	DEVELOPMENT EXPENDITURE	CONTINGENCIES
RM 214.8 billion	RM 46 billion	RM 2 billion

RAKYAT-CENTRIC PROJECTS

1. Install 97,000 street lights and 3,000 LED lights in 7,500 villages nationwide (**RM100 million**)
2. Build and upgrade 616 kilometres of village roads and bridges (**RM1.2 billion**)
3. Maintain the state roads under MARRIS (**RM4.6 billion**)
4. Build and refurbish 17,000 units of destitute and dilapidated houses & Orang Asli settlements (**RM350 million**)
5. Clean water supply to 5,200 houses & upgrade FELDA water supply (**RM732 million**)
6. Address water supply issues: States Water Supply Plan (**RM665 million**)
7. Establish Water Supply Fund (**RM500 millon**)
8. Provide electricity supply to 10,000 houses in rural areas (**RM460 million**)
9. Maintain and repair facilities at flats & People's Housing Programme (PPR) through 1Malaysia Maintenance Fund (**RM300 million**)
10. Implement People-Friendly Projects (**RM800 million**)
11. Continue 69 Flood Mitigation projects (**RM495 million**)

INCREASE HOME OWNERSHIP

12. Build 5,000 units of MyBeautiful New Home through NBOS for B40 at RM40,000 – RM50,000/unit (**RM200 million**) - the Government will finance RM20,000 while the remaining will be paid as installments by the owners.
13. Build 9,850 new units & complete 11,250 PPR houses (**RM710 million**)
14. Build 30,000 units on Government lands at strategic locations @ RM150,000 – RM300,000
15. Build 10,000 houses in urban areas for rental to youths below the market rates.
16. Build 5,000 units of SPNB People's Friendly Home (RMR) with subsidy of RM20,000 per unit (**RM200 million**)
17. Special step-up end-financing scheme for PR1MA houses, in collaboration with BNM, EPF & banks
18. Stamp duty exemption on instruments of transfer and loan agreement for first home ownership for the period 1 January 2017 until 31 December 2018

House Price (RM)	Stamp Duty Exemption
< 300,000	100%
300,000 – 500,000	100% to the first RM300,000 while the balance is at 2% (ad valorem)

19. Provide allocation for Second-Generation House infrastructure development:
    - FELDA (**RM200 million**), FELCRA (**RM100 million**) & RISDA (**RM100 million**)

GENERATE INCOME FOR THE RAKYAT

20. Expand MySuria Programme for 1,600 houses nationwide (**RM45 million**)
21. Expand Mobilepreneur Programme for 3,000 participants (**RM30 million**)
22. Implement Agropreneur Programme for 3,000 young entrepreneurs (**RM100 million**)
23. Intensify eUsahawan dan eRezeki programmes for 300,000 participants (**RM100 million**)
24. Encourage B40 (BR1M recipients) to generate additional income by becoming ride-sharing drivers such as UBER – For those who do not own vehicles, down payment could be paid using BR1M & rebate up to RM4,000 for the purchase of Proton Iriz

SUBSIDIES AND INCENTIVES (RM10 billion)

25. Paddy farmer (**RM1.3 billion**) **including** price subsidy, seed subsidy, fertiliser subsidy
26. Rubber smallholders:
    - Rubber Production Incentive (**RM250 million**)
    - Rainy Season Assistance of RM200 monthly for 3 months to 440,000 smallholders (**RM260 million**)
27. Fishermen living allowance RM200 – RM300 monthly to 57,000 fishermen (**RM250 million**)
28. Cooking gas subsidy (**RM1.6 billion**)
29. Electricity subsidy (**RM124 million**)

1MALAYSIA PEOPLE'S AID (BR1M) (RM6.8 billion)

30. Increase BR1M benefitting 7 million recipients

Categories	Income	2017 Budget
Household	e–Kasih	**RM1,200** (2016: RM1,050)
	<RM3,000	**RM1,200** (2016: RM1,000)
	RM3,001 – RM4,000	**RM900** (2016: RM800)
Single Individual	RM2,000 and below	**RM450** (2016: RM400)

ENHANCE TVET PROGRAMMES (RM4.6 billion)

31. Transform 9 IPG campus into Polytechnics & Vocational Colleges, including one for TVET trainers (**RM400 million**)
32. Upgrade teaching equipment in TVET institutions (**RM270 million**)
33. Skills Development Fund Corporation (**RM360 million**)
34. Extend the double tax deduction for Structured Internship Programme until year of assessment 2019 for students pursuing degree, diploma as well as Level 3 and above, under TVET programmes
35. Provide matching grants to TVET institutions which successfully obtained assistance in the form of equipment from industries

HUMAN CAPITAL

36. Enhance graduate employability – Extend 1Malaysia Training Scheme (SL1M) for 20,000 graduates (**RM50 million**)
37. Establish Malaysian Bureau of Labour Statistics

LIFESTYLE TAX RELIEF

38. Tax relief up to RM2,500 yearly effective year of assessment 2017 (combined as lifestyle tax reliefs) for purchase of:
    - Reading materials, computers, sports equipment, printed newspapers, Smartphones & tablets, Internet subscription and gymnasium membership fees

NATIONAL BLUE OCEAN STRATEGY (NBOS)(RM140 million)

39. Build 4 Urban Transformation Centres (UTC) - Negeri Sembilan, Perlis, Pulau Pinang & Selangor
40. Build 3 Rural Transformation Centres (RTC) - Selangor, Sabah & Sarawak
41. Provide Job Centres in every UTC for job matching
42. Increase 4 buses for Mobile Community Transformation Centre (CTC) in the interiors
43. Implement NBOS initiatives:1Malaysia English, Coding in schools, Volunteering for International Professional, Global Entrepreneurship Community 2

STRENGTHEN FISCAL SUSTAINABILITY

39. Establish Collection Intelliegence Arrangement (CIA) – increase the efficiency of revenue collection & tax compliance
40. Increase stamp duty to 4% for instruments of property transfer exceeding RM1 million effective 1 January 2018

SPORTS DEVELOPMENT

46. Host the 29th SEA Games & 9th Para ASEAN Games (**RM450 million**)
47. Construction of Football Academy Phase II in Gambang, Pahang (**RM50 million**)
48. Build and upgrade Youth and Sports Complex, 1Malaysia Futsal Complex & Community Sports Complex (**RM122 million**)
49. Elite Sports Podium Development Programme (**RM70 million**)
50. Athlete & Paralympic Athlete Preparation Programmes (**RM54 million**)

IMPROVE HEALTHCARE (RM25 billion)

51. Build & upgrade new hospitals and clinics
52. Upgrade hospital facilities including cardiology treatment equipment & purchase of 100 ambulances (**RM536 million**)
53. Finance operations of 340 1Malaysia Clinics, 11 1Malaysia Mobile Clinics, 959 Health Clinics & more than 1,800 Rural Clinics (**RM4.5 billion**)
54. Supply of drugs, consumables, vaccines and reagents (**RM4 billion**)
55. Reduce overcrowding in public hospitals by cooperating with private sector and NGOs by providing soft loans for non-profit charitable hospitals to purchase equipment (**RM20 million**)
56. Medical assistance to 10,000 underprivileged patients (**RM70 million**)
57. One-off grant worth RM200,000 for purchase of equipment in new haemodialysis centres (**RM40 million**)
58. Initiatives to prevent and control dengue & Zika and expand National Community Health Empowerment Programme (**RM80 million**)

INCREASE FOOD PRODUCTION WITH COMPETITIVE PRICES (RM1.3 billion)

59. Develop agriculture infrastructure, drainage and irrigation, farm roads and marketing of agricultural products

60. Implement high impact programmes: paddy estates, aquaculture integrated zone & cage fish farms
61. Implement Distribution of Necessary Goods Programme, open 4 MyFarmOutlets & upgrade 150 Agrobazaar Rakyat 1Malaysia (**RM140 million**)
62. Encourage dairy, *madu kelulut* & coconut industries
63. Reduce imported animal feed – corn plantation

INCENTIVES FOR TAXI DRIVERS

64. Provide grant of RM5,000 to purchase new vehicles & offer individual taxi permits, benefitting 12,000 taxi drivers (**RM60 million**)
65. Introduce SOCSO scheme for individual taxi drivers earning <RM3,000 per month with a launching grant of **RM60 million**

STIMULATE PRIVATE INVESTMENT

66. Build and upgrade infrastructure: Jalan Lok Kawi – Pengalat – Papar, in Sabah; Jalan Kampung Keruak – Gua Musang – Kuala Berang; Batang Lupar Bridge, Sri Aman; Repowering of the Sandakan Power Station Project
67. Infrastructure & socioeconomic development in 5 economic corridors (**RM2.1 bilion**)
68. Malaysian Investment Development Authority (MIDA) funds for identified sectors (**RM522 million**)

INVIGORATE CAPITAL MARKET

69. Introduce Small and Mid-Cap PLC Research Scheme to conduct research on 300 companies
70. Special fund up to RM3 billion from Government-linked investment companies (GLCs) to potential companies
71. Establish Capital Market Research Institute with initial funding of **RM75 million** through Capital Market Development Fund
72. Extend the income tax exemption period to Islamic Banking and Takaful business entities conducting foreign currencies activities through International Currency Business Unit to year of assessment 2020:
    - income tax exemption
    - stamp duty exemption on instruments
73. One-off increase in Private Retirement Scheme (PRS) incentive to RM1,000 for PRS contributors (**RM165 million**)

INCREASE EXPORTS

74. National Export Promotion Fund for exports promotion programmes by MATRADE, MIDA and SMECorp (**RM130 million**)
75. EXIM Bank provides financing totalling RM200 million & insurance credit facilities with coverage value up to RM1 billion to SMEs
76. Increase production of palm oil, rubber, cocoa and pepper (**RM286 million**)
77. Improve the quality of palm oil products, replantation of palm oil and upgrade estate roads (**RM100 million**)

ACCELERATE TOURISM SECTOR

78. Intensify promotion and improve tourism facilities (**RM400 million**):
    - clean air and ecotourism initiatives
    - Visit ASEAN@50 Year Campaign in conjunction with the 50th anniversary of ASEAN & host for the 2017 SEA and Para ASEAN Games

79. Extend the duration to submit application for Pioneer Status promotion and Investment Tax Allowance for new 4 and 5 star hotels to 31 December 2018
80. Increase tax deduction to RM700,000 to encourage sponsorships by the private sector in art and cultural performances and shows, as well as local and foreign heritage.
81. Extend the eVisa facilities to countries in the Balkans and South Asia regions.

DIGITAL ECONOMY

82. MDEC to implement digital programmes such as e-commerce ecosystem, Digital Maker Movement **(RM162 million)**
83. Introduction of new location categories as Malaysia Digital Hub to enjoy the benefits of MSC Bill of Guarantees, including tax incentives as well as introduction of Digital Free Zones.
84. Offer a more competitive price for broadbands (higher speed at the same price)
85. Increase ethernet broadband speed in public universities to maximum 100 Gbps
86. Widen the coverage and enhance the quality of broadband up to 20 Mbps throughout the nation **(RM1 billion)**

ENTREPRENEURSHIP

87. Declare 2017 as Startup & SME Promotion Year.
88. Implement programmes under SME Master Plan **(RM75 million)**
89. Extend all schemes under *Syarikat Jaminan Pembiayaan Perniagaan* (SJPP) to 2025
90. Provide 2% rebate on interest rates charged to exports-oriented SME borrowers under SJPP scheme (limited to a total accumulated funding of RM1 billion)
91. WCGS fund for startups **(RM200 million)**
92. Introduce a new pass category, namely Foreign Knowledge Tech Entrepreneurs to encourage investment in high technology startups.
93. To invigorate creative industries & film production **(RM80 million)**
    - Film in Malaysia Incentive, Arts and Culture Revitalisation Agenda, FINAS Content Creation Hub in Santubong Sarawak, and Kota Kinabalu, Sabah, Artist Committee

EARLY CHILDHOOD AND PRESCHOOL EDUCATION

94. Continue the Additional Food Assistance and Per Capita Grant to children in TABIKA and TASKA (**RM140 million**)
95. Improve daily nutritional food packages to include 250ml of milk, raisins and eggs benefitting nearly 280,000 children (**RM60 million**)
96. Improve access to preschool education in government schools for free benefitting 200,000 children (**RM132 million**)

PRIMARY AND SECONDARY EDUCATION

97. Reconstruct 120 destitute schools (30 in Sabah & 30 in Sarawak) using Industrial Building System (IBS) and upgrade 1,800 science laboratories (**RM570 million**)
98. Complete construction of 227 schools, including 8 new schools (**RM478 million**)
99. Strengthen English Language proficiency programmes such as Cambridge English, Dual Language and Highly Immersive programmes (**RM90 million**)
100. MCMC to provide tablets to 430,000 teachers to lessen their workload (**RM340 million**)
101. Schooling Assistance Programme of RM100 each to students from families earning below RM3,000 benefitting 3.5 million students (**RM350 million**)
102. Provide Hostel Meal Assistance Programme to 365,000 students (**RM1.1 billion**)
103. Continue 1Malaysia Supplementary Food Programme for primary school students (**RM300 million**)
104. Provide Additional Assistance for Payment of School Fees; Textbook Assistance and Per capita Grant Assistance (**RM1.1 billion**)
105. Provide matching grants of up to RM50 for accumulated savings in SSPN-i to Year 1 students in fully-assisted Government schools.
106. Provide Special Needs Student Allowance of RM150 monthly to 67,000 students & replace buses or coasters for 21 special education schools (**RM107 million**)
107. Maintenance of National Schools, National-type Chinese Schools, National-type Tamil Schools, Religious Schools, Fully-residential schools, Government-aided religious schools, registered *Sekolah Pondok* and MRSM (**RM600 million**)

EMPOWERING HIGHER EDUCATION

108. Provide allocation for 20 public universities (**RM7.4 billion**), among others:
    - 4 university hospitals (**RM1.4 billion**)
    - Empower 5 research universities (**RM300 million**)
    - Research fund for higher education institutions (**RM100 million**)
109. Replace book vouchers with student debit cards worth RM250 to purchase books, stationeries, computer devices and internet access benefitting 1.3 million students (**RM300 million**)
110. Continue providing scholarships (**RM4.3 billion**) through Public Service Department (RM1.6 million), MARA (RM2 billion), MoHE (RM250 million), MoH (RM208 million), MoE (RM194 million), MoHR (RM28 million), and KBS (RM21 million).
111. Discounts to encourage repayments of PTPTN loans effective 22 October 2016 till December 2017.
    - 15% discount on the outstanding debt for full settlement;
    - 10% discount for payment of at least 50% of the outstanding debt made in a single payment; and
    - 10% discount for repayment through salary deduction or direct debit in accordance with the repayment schedule.

SOCIAL SAFETY NET

112. Assistance to poor families benefitting 69,000 families:
    - General Assistance up to RM300/month; Children Assistance up to RM450/month
113. Socioeconomic assistance of RM300 monthly to senior citizens benefitting 120,000 senior citizens
114. Establish 8 Senior Citizen Activity Centres
115. Assistance to the disabled (PWD): employee allowance; disabled children training allowance; assistance for PWDs who are unable to work benefitting 150,000 PWDs (**RM535 million**)
116. Direct GST exemption to registered PWDs to purchase aid equipment without going through Private Welfare Entities as well as wider scope of exemption
117. Increase allowance of village heads, chairman of Village Development and Security Committee including heads of New Villages and Orang Asli to RM900

PUBLIC TRANSPORT

118. Implementation of the new East Coast Rail Line (600 km) project connecting Klang Valley to the East Coast (estimated cost: **RM55 billion**)
119. Accelerate the implementation of Pan Borneo Highway in Sabah and Sarawak.
120. Restore the East Coast railway line along Gua Musang – Tumpat (**RM100 million**)
121. Increase frequency of ETS service – purchase of 19 sets train (**RM1.1 billion**)

WELFARE OF ORANG ASLI

122. Implement treated water supply projects at 42 Orang Asli villages, entrepreneurship and economic development programmes, village resettlement, among others at Sungai Ruil, Cameron Highlands (**RM222 million**)
123. Land mapping in Sabah (**RM20 million**) & Sarawak (**RM30 million**) through Native Customary Rights project.

CHINESE AND INDIAN COMMUNITY

124. Development of Chinese New Villages (**RM50 million**)
125. Loans for Chinese Communities through:
    - KOJADI (**RM50 million**)
    - Malaysian Chinese Women Entrepreneurs Foundation (**RM20 million**)
    - 1Malaysia Hawkers and Petty Traders Foundation (**RM20 million**)
126. Programmes to increase capacity and income of Indians (**RM50 million**)
127. Business financing programme, SPUMI through TEKUN (**RM50 million**)
128. Programmes for financing Indian entrepreneurs (**RM100 million**)
129. Preschool programme in National-typed Tamil Schools involving 50 schools (**RM10 million**)

EMPOWERING ECONOMY OF BUMIPUTERA

130. To enhance the viability of entrepreneurs and to expand their business capacity through SME Bank (**RM100 million**)
131. To implement entrepreneurship programme under AIM (**RM100 million**)
132. To assist TEKUN small-scaled entrepreneurs, including a new scheme, TEMANITA (**RM300 million**)
133. Entrepreneurship and Business Premises Financing Programme through *Perbadanan Usahawan Nasional Berhad* (PUNB) (**RM200 million**)
134. MARA entrepreneurship programmes such as halal industry enterprises, youth entrepreneurship development & training (**RM120 million**)
135. TERAJU facilitation fund (**RM500 million**)
136. Exports Fund under TERAJU (**RM100 million**)
137. Peneraju Skil dan Iltizam, Peneraju Profesional as well as Peneraju Tunas through Bumiputera Education Steering Foundation (**RM100 million**)

CORPORATE TAX

138. Reduce tax rate between 1 and 4 percentage points for companies with significant increase in taxable income for year of assessment 2017 and 2018.
139. Reduce tax rate from 19% to 18% for SMEs with taxable income up to first RM500,000.
140. Extend double taxation promotion on operating expenditure borne by anchor companies for the Vendor Development Programme until 31 December 2020.

SECURITY AND PUBLIC ORDER

141. Special Insurgency Incentive Payment to Malaysian Armed Forces (ATM) veterans (**RM55 million**)
142. Maintenance of main defence assets such as aircraft, patrol vessels, communication equipment, buildings and weaponry (**RM1.8 billion**)
143. Increase communication devices, rations and purchase of uniform (**RM1.3 billion**)

144. Deployment of personnel at the eastern border of Sabah to enhance effectiveness of ESSZONE (**RM323 million**)
145. To create Sea Basing at the East Coast of Sabah waters & Helicopter Forward Operating Base
146. Upgrade interior roads in Sarawak under the Jiwa Murni Programme by ATM (**RM114 million**)
147. Expand the Armed Forces School Ferry services involving 15,000 children of ATM (**RM15 million**)
148. Allocation for Royal Malaysia Police, among others, to build 12 district police head quarters, Commando 69 training centres & purchase of vehicles (**RM8.7 billion**)
149. Urban crime prevention programme – omnipresence & Motorcycle Patrol Unit (**RM60 million**)
150. To provide uniform for 200,000 RELA personnel (**RM80 million**)
151. Residence Association Grant to the registered associations up to RM10,000 to finance security control equipment, cleaning and maintenance of neighbourhoods (**RM40 million**)

WOMEN DEVELOPMENT AND FAMILY WELL-BEING

152. Implement programme to mainstream women's role in the nation's development, among others, I-KIT, I-KeuNita as well as Women Career Comeback programmes (**RM2 billion**)
153. Mammogram screenings and Human Papilloma Virus (HPV) vaccination, for free (**RM30 million**)
154. Tax exemption up to RM1,000 for purchase of breastfeeding equipment, claimable every two years.
155. Tax exemption up to RM1,000 for parents sending their children aged 6 and below to registered nurseries and preschools starting from year of assessment 2017.

APPRRECIATE ROLE OF RELIGIOUSMEN & KEMAS

156. Increase the Imam allowance under JAKIM to RM850 per month benefitting 15,000 Imams.
157. One-off assistance of RM500 to bilal and *siak*.
158. To increase KAFA teachers' allowance to RM900 benefitting 33,000 teachers.
159. Develop *tahfiz* education through National Tahfiz Education Policy (**RM30 million**)

PRESCHOOL AND PERMATA DEVELOPMENT PROGRAMMES

160. To increase allowance for KEMAS assistants to RM500, benefitting 11,000 assistants.
161. Establish the Top STEM Talents Excellence Centre at Academy of Sciences Malaysia.
162. Transform IPG *Raja Melewar* Campus, Negeri Sembilan and *Tuanku Bainun* Campus, Pulau Pinang to PERMATA Pintar and Berbakat Centre.

AMENDMENT TO BANKRUPTCY ACT 1967

163. To enable bankrupt individuals to rejoin business activities by amending the Bankruptcy Act for social guarantors and those diagnosed with chronic diseases as well as the elderly.

APPRECIATE CIVIL SERVANTS

164. Fully Paid Study Leave with Scholarship to the Support Group.
165. Quarantine Leave up to five days for civil servants whose children are infected with infectious diseases and required to be quarantined.
166. Extend the existing computer loan facility to include smartphones, with a limit of RM5,000 for every 3 years.
167. Increase the limit of motorcycle loan facility up to RM10,000.
168. Increase the public servants' housing loans eligibility to RM200,000 and RM750,000.
169. Complete 30,000 units of 1Malaysia Civil Servants Housing (PPA1M) with selling price between RM90,000 – RM300,000.
170. Extend the contract of service and contract for service officers for one year.
171. Introduce grade 56 for medical and dental specialists.
172. Expedite the appointment of 2,600 medical doctors, dentists and pharmacists latest by December 2016.
173. Special assistance of RM500 to all civil servants and RM250 to government retirees.



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