



MINISTRY OF FINANCE MALAYSIA

TOUCHPOINTS THE 2016 BUDGET

THE 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

2016 BUDGET TOUCHPOINTS

ECONOMIC PERFORMANCE & PROSPECTS

- GDP (2015): 4.5% to 5.5%; GDP (2016): 4.0% to 5.0%
- Fiscal Deficit 2016: 3.1% ; Fiscal Deficit 2015: 3.2%
- 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 Juta			
Oil revenue	66,274	62,428	43,872	31,718
<i>o/w PITA</i>	<i>26,956</i>	<i>25,600</i>	<i>9,529</i>	<i>9,331</i>
<i>PETRONAS Dividend</i>	<i>29,000</i>	<i>27,000</i>	<i>26,000</i>	<i>16,000</i>
GST/SST	17,216	31,608	34,635	39,000
<i>SST</i>	<i>17,216</i>	<i>4,608*</i>	<i>7,635*</i>	<i>-</i>
<i>GST</i>	<i>-</i>	<i>27,000**</i>	<i>27,000**</i>	<i>39,000</i>
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 totaling 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 goods proposed:
 - Soybean and organic-based infant and children milk formula;
 - Chickpeas, mung beans and white beans Dhal (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 compared with 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 on oil and gas industries qualified reimport 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 the 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 for activation effective from 1 January 2016 to 31 December 2016.

STRENGTHENING THE INCOME TAX STRUCTURE

- 9) Introduce new band of taxable income:

INCOME BAND	TAX RATE
RM600,001 – RM1,000,000	26%
> RM1,000,000	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 selected 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 instrument to finance the purchase of houses.

ENERGISING SMALL AND MEDIUM ENTERPRISES (SMEs)

Expected to contribute 41% of GDP by 2020

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

- 21) Implement SME Blueprint – **RM107 mil**
 - Provide funds at various stages of business development
- 22) Strengthening competitiveness of entrepreneur – **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 (complete March 2016), the Kelana Jaya – Putra Heights LRT line extension (complete mid-2016) – **RM10 bn**
- 27) The Sungai Buloh – Kajang Mass Rapid Transit Project (51 km) – **RM 32 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 (**RM 1 bn**)

UPGRADING TELECOMMUNICATION INFRASTRUCTURE

- 32) The rural broadband projects, National Fibre Backbone Infrastructure, High-speed broadband & undersea cable system under Malaysian Communications and Multimedia Commission – **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 in uneconomic rural routes – **RM67 mil**

PROMOTING TOURISM SECTOR

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

- 36) Implement online visa applications beginning with for 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' market & 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 the rearing of cattle & free-range chicken farms – **RM20 mil**
- 43) Extend tax incentives for food production activities until 2020.
 - The scope extended to rearing deer, cultivation of mushroom, coconut, seaweed, honey bees & stingless honey bees 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 currency in trade transactions
 - Ringgit-Renminbi credit swap facility for local banks.
- 46) Relaxation of conditions to 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 the 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 Industrialized 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.

STRENGTHENING MALAYSIA'S 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, benefit 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 maintenance of education facilities in safety and learning environment aspects – **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 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 programme 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 as well as 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 – **RM 360 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

IMPROVING MANAGEMENT OF FOREIGN WORKERS

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

EMPOWERING BUMIPUTERA

- 79) Implement various programmes under TERAJU – **RM150 mil**
 - Bumiputera Entrepreneurs Startup Scheme & High Performing Bumiputera Companies Programme
- 80) Peneraju Tunas, Peneraju Profesional dan Peneraju Skil dan Itizam programmes under Bumiputera Education Steering Foundation – **RM150 mil**
- 81) MARA sponsorship for 72,000 Bumiputera students to continue studies at tertiary level.
- 82) Increase equity ownership and strengthen Bumiputera entrepreneurship and businesses
 - EKUINAS (**RM 400 mil**), PUNB (**RM 250 mil**), PHB (**RM 150 mil**)
 - Development of Kampung Baru Kuala Lumpur (UDA Holdings) – **RM100 mil**

INTENSIFYING DEVELOPMENT IN SABAH AND SARAWAK

- 83) 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**
- 84) Economy class on Rural Air Services is exempted from GST
- 85) Interest free loans under BSN – **RM70 mil**
 - Build long houses with a maximum loan up to RM50,000 for every unit
- 86) Increase food supply and income of hill paddy farmers through allocation of subsidy on hill paddy fertiliser – **RM70 mil**
- 87) 1 Price 1Sarawak and 1 Price 1Sabah programmes – **RM260 mil**
- 88) 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**
- 89) 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

- 90) Increase involvement 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
- 91) SME Bank to provide **RM50 mil** to assist small-scale Indian entrepreneurs
- 92) Micro-financing facility by Amanah Ikhtiar Malaysia (AIM)
 - Additional RM200 mil new funds
- 93) Socio-Economic Development of Indian Community Programme – **RM100 mil**
 - This programme is in collaboration between NGOs and private skills training institutes
- 94) 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
- 95) Career and Skills Training Programme as well as Income Increment Programme under KKLW – **RM50 mil**
- 96) Assist B40 to get jobs & start a business – **RM100 mil**
 - The programme is in collaboration between NGOs & private skills training institutions
- 97) 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**
- 98) 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

- 99) Various income and productivity enhancement programmes under RISDA and FELCRA – **RM852 mil**
- 100) 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
- 101) 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

102) House Ownership Programmes

HOUSING SCHEME	INFO
PR1MA	<ul style="list-style-type: none"> 175,000 unit under construction & 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"> 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 (PR1MA & PPA1M)	<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"> 1,500 units
Housing for Second Generation of Settlers	<ul style="list-style-type: none"> 20,000 units by FELDA 2,000 units by FELCRA 2,000 units by RISDA
Government Linked Companies (GLCs)	<ul style="list-style-type: none"> 4,600 unit (Sime Darby Property) 800 unit (Kwasa Land)

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

QUALITY HEALTHCARE SERVICES

- 107) 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, vaccine and reagents to all Government hospitals and clinics – **RM4.6 mil**
- 108) Full medical charges on non-citizens beginning 1 January 2016
- Non-citizens are no longer eligible for medical subsidies

STRENGTHEN THE SOCIAL SAFETY NET SYSTEM

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

STRENGTHENING NATURAL DISASTER MANAGEMENT

- 112) 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**
- 113) Flood Mitigation Project nationwide – **RM730 mil**
- 114) The National Flood Forecasting and Warning Programme and develop a National Earthquake and Tsunami Sub-Centre in Sabah – **RM60 mil**

PUBLIC SAFETY AND SECURITY

- 115) Malaysian Armed Forces (ATM):
- Procurement of 6 Littoral Combatant Ship, Very Short Range Air Defence, armoured vehicles & the A-400M Airbus
 - The use of Unmanned Airborne System & Maritime Patrol Aircraft to improve Intelligence, Surveillance and Reconnaissance capacity
 - ESSCOM armed forces camp in FELDA Sahabat, Lahad Datu, Sabah – **RM523 mil**
 - 4,000 quarters for ATM personnel – **RM161 mil**
- 116) LTAT to build 2,000 units of affordable houses for armed forces personnel beginning 2016
- 117) The 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 for the patrolling unit of PDRM and another 500 units of patrolling cars – **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 43,000 contract officers.

BANTUAN RAKYAT 1MALAYSIA (BR1M)

- 120) Program Bantuan Rakyat 1Malaysia (BR1M) 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

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

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

INCREASE DISPOSABLE INCOME OF M40

- 123) Increase the tax relief to **RM2,000** from RM1,000 for each child under the age of 18 years from year of assessment 2016
- 124) Increase the tax relief to **RM4,000** from RM3,000 for individual taxpayers whose spouse does not have an income
- 125) 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
- 126) Increase tax relief from RM6,000 to RM8,000 for each child above the age of 18 years who is studying at local or foreign institutions of higher learning, from year of assessment 2016
- 127) Increase tax relief from RM6,000 to RM8,000 for disabled child above the age of 18 years who is studying at local or foreign institutions of higher learning, from year of assessment 2016
- 128) 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

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

SPECIAL PAYMENTS

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



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