

TARIKH : 18 JANUARI 2023
AKHBAR : THE STAR
MUKA SURAT : 1 & 2

A whole new Budget 2023

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Focus includes debt cut, green and digital initiatives

ECONOMY

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PUTRAJAYA: It will be an entirely new Budget 2023, which would not be linked in any way to the tabled version in October last year by the previous administration, says Prime Minister Datuk Seri Anwar Ibrahim.

Speaking at a media conference after leading the Budget 2023 Dialogue Council themed "Membangun Malaysia Madani" here yesterday, Anwar said he would revamp the budget from "all aspects", and it will have a new

"We would be tabling it based on relevant figures and information that are updated until January 2023."

Datuk Seri Anwar Ibrahim

foundation and core, although he acknowledged that he would still be looking at suggestions from the previous version presented.

"Additionally, this budget would hold an advantage over the previous one because we

would be tabling it based on relevant figures and information that are updated until January 2023, while the previous budget took

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Malaysians must set aside 'culture of contentment'

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data that were updated only until September last year," he said.

He added that one of the focus points of the revised budget would be to reduce government debt.

Speaking earlier at the dialogue, Anwar said small and medium enterprises (SMEs), green initiatives and digital advancement, including the agricultural and renewable energy sectors, would be the focus points of the budget.

"Government policies should focus on these areas due to their potential and the number of workers employed.

"By aiding them, those in these sectors will be able to compete with giant corporations," he added.

He said high-end industries would also be given due attention as they remain an important sector, especially those with export potential.

"Participants at the dialogue session also pressed the issues of gender, persons with disabilities, as well as agriculture and agrobased (industries). We will include their points into the budget and give additional emphasis to these areas," he added.

He noted that SMEs have the potential to enhance their competitive capabilities if they are afforded more assistance and opportunities.

The Prime Minister said the budget would

focus on digital advancement, SMEs and the green economy, given their importance and potential.

For 2023, Anwar said Malaysia's debt service stood at RM45bil, representing 15% of its revenue, while the country's debt now stands at RM1.2 trillion and could reach RM1.5 trillion, including liabilities.

He said Malaysians must set aside the "culture of contentment" in facing 2023, as the economy is still challenging.

He reiterated his administration's efforts to change the budget's orientation to ensure the vast majority of Malaysians would benefit from its economic initiatives.

Meanwhile, Anwar said although the national unemployment figures were low, the youth unemployment rate for those under 25 was at 10%.

He also said his administration has begun to utilise the targeted subsidy approach by maintaining electricity tariffs for the lower and middle income groups as well as SMEs, and increasing power tariffs for multinational companies and "large", profitable exporting firms.

On whether increasing the overnight policy rate (OPR) would make the ringgit more attractive, Anwar, who is also Finance Minister, said he would continue to leave the call of deciding the OPR to Bank Negara, amid the recent strengthening of the local currency, especially against the US dollar.

"Obviously, the Finance Ministry would

continue to engage the central bank in such matters, so that we can have a better look also at the macroeconomic picture at the same time," he said.

Meanwhile, Anwar said the country could save up to RM10bil from the leakages that occurred in the government procurement system if corruption is eradicated at all levels, including changing the old way of doing things, namely without political interference or the interests of big businessmen in government procurement.

For one, he plans to protect government finances by improving the procurement process for military equipment, among others, so that these processes will not be subject to any political interference or serve private interests.

"We are experiencing high leakages. In less than two months at the Finance Ministry, I have identified RM3bil to RM4bil that can be saved," he said.

Anwar is due to table the revised Budget 2023 on Feb 24 in his capacity as Finance Minister, after the previous administration under Datuk Seri Ismail Sabri Yaakob tabled the Budget on Oct 7 last year, involving an allocation of RM372.3bil.

On Dec 20 last year, Anwar approved a "mini budget" of RM107.72bil that was passed to enable civil servant salaries, utilities, scholarships, welfare payments as well as education services and healthcare be paid, until the new Budget 2023 is passed.