

KERATAN AKHBAR

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12MP Spending Cap Raised to RM415B

EMPHASISING SUSTAINABLE ECONOMIC GROWTH

12MP SPENDING CAP RAISED TO RM415B

Govt adds RM15 billion, with RM90 billion spending per year, to prioritise people's wellbeing

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PRIME Minister Datuk Seri Anwar Ibrahim tabled the mid-term review of the 12th Malaysia Plan (12MP) in a special session of Parliament yesterday, and added a massive RM15 billion to its expenditure ceiling.

This brings the ceiling to RM415 billion from the RM400 billion allocated in 2021.

In raising the ceiling, Anwar said for the years 2023 to 2025, the 12MP would emphasise sustainable economic growth, as well as transparent, fair and equitable wealth distribution across all economic sectors.

"The increase in allocation is to prioritise the people's wellbeing while improving the quality of management and retargeting subsidies in meeting the people's needs. Hence, the government will spend RM90 billion per year (2023 to 2025) to upgrade the people's wellbeing," he said.

Anwar said the mid-term review would also allow for a comprehensive review of policies, strategies, targets and initiatives for socioeconomic development, as well as measures to strengthen governance towards a sustainable, prosperous and high-income nation.

"The review will be re-aligned with the government's vision of the Madani Economy, which focuses on empowering and strengthening the national economy in the next 10 years.

"This means taking into account the development gap between urban and rural areas, the existing economic gap between the rich and poor, swelling debt, slow transition of economic structure as well as limited fiscal space," he said.

Anwar said the government had spent at least 34 per cent of the 12MP allocation in its first two years.



Prime Minister Datuk Seri Anwar Ibrahim and Economy Minister Rafizi Ramli holding copies of the mid-term review of the 12th Malaysia Plan at Parliament yesterday. (BERNAMA PIC)

"In 2021, the total development expenditure was RM64.3 billion, while in 2022 the amount was RM71.6 billion," he said.

The 12MP tabled by former prime minister Datuk Seri Ismail Sabri Yaakob had allocated RM400 billion as development expenditure or RM80 billion per annum, higher than the 11MP's allocation of RM248 billion.

Of the RM90 billion to be spent each year till 2025, the infrastructure projects include health facilities such as clinics, upgrades for hospitals, the establishment of a mental health institute and a National Ageing Plan.

Other projects include building affordable homes, ending extreme poverty, rehabilitating schools, building roads, public transport systems, improving electricity supply in Sabah and resolving water problems there and in Kelantan, improving food security, flood mitigation and boosting border security.

Speaking to reporters later, Economy Minister Rafizi Ramli said the additional allocation of RM15 billion would allow the government to upgrade facilities.

"When we review (the 12MP) during the first two years of implementation, the limit was fixed at RM400 billion, (and) so many things were not taken into account and not included under the initial budget.

"This is because the prime minister's focus to ensure there will be no more dilapidated schools or clinics, and roads will be well-maintained were not emphasised in the previous plan.

"Hence, this is why it requires additional allocation as we need new plans to be added to the existing ones, while not abandoning the people's needs," he said.

Rafizi said the target of a 3.5 per cent deficit by 2025 could be maintained despite the increase in allocation.

He said this would allow the government to spend more without being burdened with more debt.

"With good governance, we are confident that the additional RM15 billion (in spending) can be funded by the savings on various existing expenses shifted to development expenses in the next two years.

"Hence, we are confident that we can maintain a 3.5 per cent deficit, which allows internal savings, and not borrow and spend."

Anwar said the Bumiputera equity target of 30 per cent had not been reached even after 50 years of implementation.

He said the government would review the approach to ensure the level of participation would be more meaningful.

"Every plan under the Bumiputera empowerment agenda previously focused on participation in the economy based on equity ownership, (but) the ownership has yet to reach the 30 per cent target after 50 years.

"Hence, the Madani Economy through the mid-term of 12MP, among others, will review the approach that measures the participation rate and the control of the Bumiputera economy, which is more meaningful," he said.

12MP MIDTERM REVIEW HIGHLIGHTS RMK12

DEVELOPMENT EXPENSES

Increase 12MP ceiling to **RM415** billion from the **RM400** billion budgeted in 2021

To spend at least **RM90** billion a year between 2023 and 2025

INFRASTRUCTURE PROJECTS

HEALTH:

- 1,200 dilapidated clinics to be upgraded between 2023 and 2025
- RM500 million upgrade for Johor Baru's Sultanah Aminah Hospital
- Establish mental health institute
- Establish National Ageing Action Plan

HOUSING:

- 500,000 affordable homes by the end of 12MP

PEOPLE'S INCOME:

- RM1.5 billion for enhancing income programmes to end extreme poverty

EDUCATION:

- Rehabilitating dilapidated schools

ROADS:

- Construction of Sarawak-Sabah Link Road I
- Construction of Phase 1B of the Pan Borneo Highway in Sabah
- Upgrading of East-West Highway from Gerik, Perak, to Jeli, Kelantan
- Upgrading the road from Tanah Rata to Kea Farm, Cameron Highlands
- Upgrading of Senal-Desaru Highway
- Widening of North-South Expressway from Yong Peng to Senai Utara

TARGETS

Be among **Top 25** in Human Development Index in 10 years

Private investment to grow **6.4** per cent per year, or an average of **RM300** billion per year, in the final period of 12MP

TRANSPORTATION:

- Penang International Airport expansion
- Redevelopment of Sultan Abdul Aziz Shah Airport, Subang
- Penang light rail transit (LRT) project
- Bus Rapid Transit (BRT) and intra-city bus services expansion including in Johor Baru and Klang Valley
- New port development on Pulau Carey (Klang, Selangor)

ENERGY:

- Improve electricity supply in Sabah

WATER SUPPLY:

- Resolving water supply problems in Kelantan and Sabah

FOOD SECURITY:

- RM3 billion for Muda Agricultural Development Authority to develop padi infrastructure in Kedah

FLOOD MITIGATION:

- More flood mitigation projects to be implemented

BORDER SECURITY:

- Building a naval base in Bintulu
- More heavy military hardware, such as armoured vehicles and littoral mission ships

50,000 youths to get skilled jobs by obtaining Malaysian Skills Certificate

Rare earth elements industry to contribute **RM9.5** billion to gross domestic product by 2025