



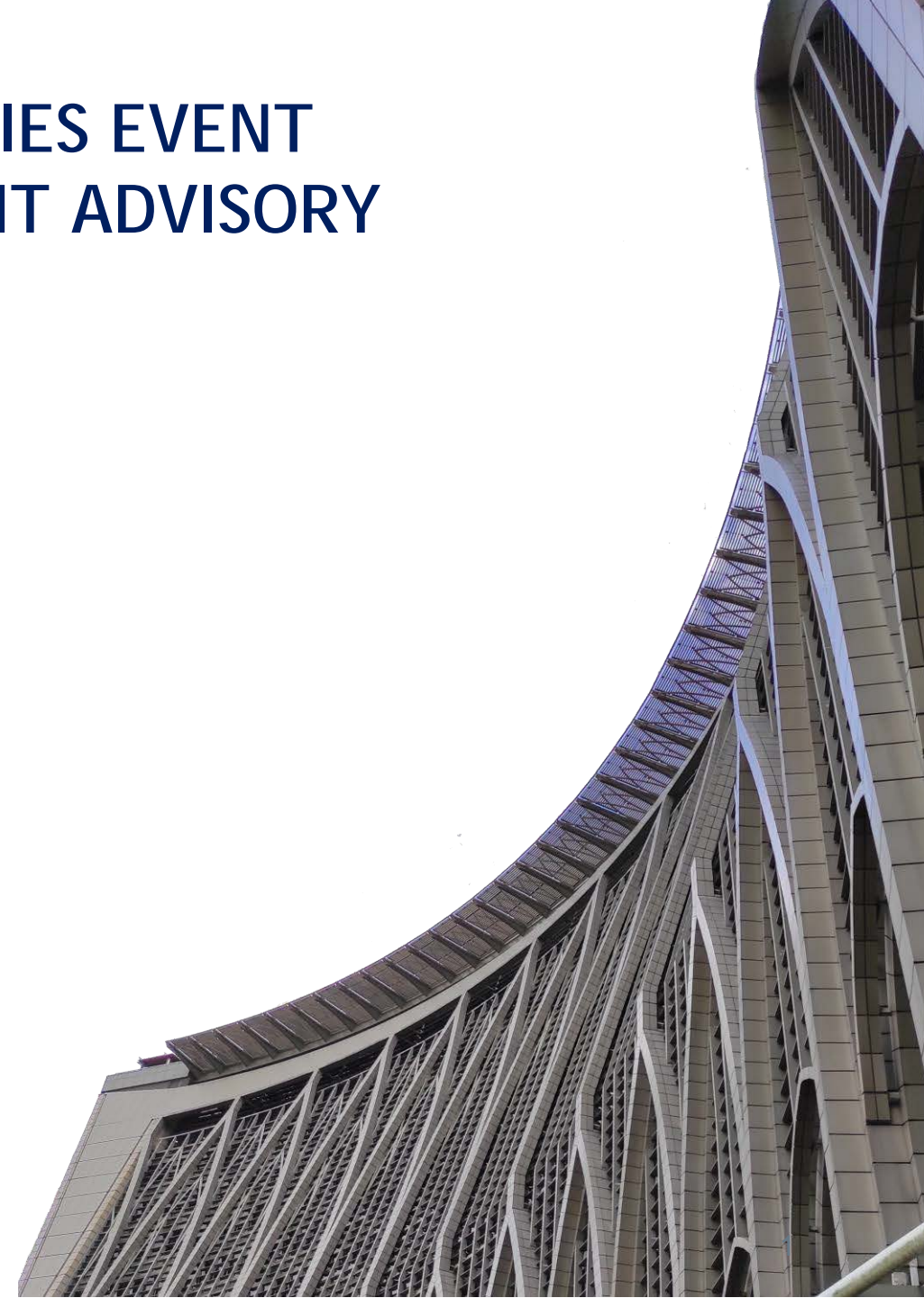
# GLOBAL FUTURE CITIES EVENT UK BUILT ENVIRONMENT ADVISORY GROUP

## 12<sup>th</sup> Malaysia Plan & National Budget

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National Budget Director

Date : 14<sup>th</sup> December 2021 (Tuesday)  
Time : 2 PM  
Venue : Online



# 12<sup>th</sup> Malaysia Plan (2021-2025) & Shared Prosperity Vision 2030

## 12<sup>th</sup> Malaysia Plan

- A Prosperous, Inclusive, Sustainable Malaysia

## Theme 2

- Strengthening Security, Wellbeing and Inclusivity

## Game Changer VII

- Multiplying Growth of Less Developed States especially Sabah and Sarawak to Reduce Development Gap

## Target

Priority will be given to Sabah, Sarawak, Kelantan, Kedah, Perlis and Terengganu by allocating at least 50% of the Total Basic Development Expenditure (Basic DE)

## Measures

Promoting competitive cities

Accelerating rural development

Enhancing subregional cooperation

Modernising and diversifying the economic base

Strengthening and streamlining regional economic development

## Shared Prosperity Vision 2030



# 12MP & Development Expenditure (DE) by State

EPU prepares 12<sup>th</sup> Malaysia Plan which includes assessing & approving DE projects proposed by Federal Ministries

Based on projects approved by EPU, then MoF will provide annual allocations by project through the Federal Ministries

EPU & MoF will aim to ensure **balanced & inclusive development** through the projects and allocations approved

NO	STATE	2020 RM million	2021 RM million	2022 RM million
1	Johor	2,137.67	4,119.12	4,600.64
2	Kedah	1,170.35	1,475.57	1,563.75
3	Kelantan	1,465.55	1,856.48	2,386.82
4	Melaka	548.99	534.05	574.05
5	Negeri Sembilan	620.51	835.80	767.90
6	Pahang	1,990.58	2,537.16	2,567.04
7	Perak	1,972.03	1,643.82	1,536.79
8	Perlis	268.65	302.64	412.01
9	Pulau Pinang	979.43	998.43	995.80
10	Sabah	5,107.39	5,060.08	5,164.89
11	Sarawak	4,470.02	4,516.06	4,674.15
12	Selangor	2,891.92	5,865.47	5,937.93
13	Terengganu	1,133.72	1,371.77	1,376.58
<b>TOTAL DE BY STATE</b>		<b>24,756.81</b>	<b>31,116.45</b>	<b>32,558.35</b>



# Type of Transfers (Grants) from Federal to States

Transfers of Federal Government Grants to States as stipulated:

- Federal Constitution
- Legal and Financial Act
- Cabinet Meeting Decision
- National Finance Council

1. Capitation Grant
2. State Road Maintenance Grant (MARRIS)
3. Tourism Grant
4. Special Grant (only for Sabah, Sarawak, Selangor and Kedah)
5. Revenue Growth Grant
6. Grants to Local Authorities
7. Service Charges to the State (Involvement in Federal Project)
8. Concurrent List Grants (including museum and library)
9. Compensation for Sabah and Sarawak related to import duty and excise duty
10. Financial Assistance to the Local Authorities for the Payment of Electric Bill (Street Lamps and Traffic Lights)
11. Economic Development, Infrastructure and Livelihood Grant
12. Deficit Grant



# Grants from Federal to State Governments

NO.	STATE	2020	2021	2022 (BUDGET)
1	Johor	888.98	843.38	865.39
2	Kedah	463.58	449.09	458.13
3	Kelantan	298.77	323.99	331.19
4	Melaka	203.77	205.17	210.84
5	N. Sembilan	460.42	441.09	451.36
6	Pahang	448.23	506.93	511.76
7	Perak	782.31	799.29	820.72
8	Perlis	142.42	135.03	138.09
9	P. Pinang	311.70	319.05	325.34
10	Selangor	899.91	833.49	852.53
11	Terengganu	383.10	387.16	393.58
12	Sabah	1,183.48	1,134.19	1,163.06
13	Sarawak	1,236.48	1,236.64	1,269.91
<b>TOTAL</b>		<b>7,703.15</b>	<b>7,614.50</b>	<b>7,791.90</b>

## >60% for State Road Maintenance Grant (MARRIS)

No.	Grants	2020 RM Million	Percentage Of total (%)
1	MARRIS	4,694	61%
2	Concurrent list	811	11%
3	Local authorities	460	6%
4	Per Capita grant	414	5%
5	State Services	385	5%
6	TAHAP development	337	4%
7	Revenue growth	250	3%
8	Compensation (Sabah&Sarawak)	240	3%
9	Other	112	1%
<b>TOTAL</b>		<b>7,703</b>	<b>100%</b>





# Recent Enhancement: Ecological Fiscal Transfer (EFT)

## Introduction

- **Budget 2019 - Allocation of RM60 million under Pemberian TAHAP**

- **Budget 2021 - Allocation increased to RM70 million**

- **Budget 2022 - Allocation of RM70 million**

## Conditions on use of EFT

- **Distribution of allocation takes into account protected areas & sustainability efforts**
- **Reimbursable to the State Governments**
- **Expenses made must be in accordance with the criterias set by KeTSA**

**Initiative taken by the Federal Government to incentivise State Governments to ensure the sustainability of the country's biodiversity**

**2019**

**RM60 million**

**2020**

**RM60 million**

**2021**

**RM70 million**

**2022**

**RM70 million**

(Starting year 2022 onwards, allocation will be determined and administered by KeTSA)

- **Pemberian TAHAP ((Tahap Pembangunan Ekonomi, Infrastruktur dan Kesejahteraan Hidup) (*Economic Development, Infrastructure and Livelihood Grant*))**



# Budget 2022 context & focus areas

## 2021



GDP  
**6.5–7.5% → 3-4%**



Unemployment  
**4.5% (Sept)**



**37,000 SMES**  
Went out of business

## 2022

NRP: Economy  
reopens  
**5.5–6.5%**

Unemployment  
**< 4%**

Supporting businesses  
**recover**

**RECOVERY**

Economy

Jobs

Income

**RESILIENCE**

National

Social Protection

Financial

**REFORM**

Fiscal

Inclusiveness

Sustainability



# Stimulus Package & Budget

NO.	STATE	2020 RM Million	2021 RM Million	2022 RM Million
1	Johor	10	20	20
2	Kedah	5	20	20
3	Kelantan	10	20	20
4	Melaka	10	20	20
5	Negeri Sembilan	5	20	20
6	Pahang	10	20	20
7	Perak	10	20	20
8	Perlis	10	20	20
9	Pulau Pinang	5	20	20
10	Sabah	5	20	20
11	Sarawak	10	20	20
12	Selangor	5	20	20
13	Terengganu	10	20	20
<b>TOTAL</b>		<b>105</b>	<b>260</b>	<b>260</b>

FOCUS AREA		
2020	PRE (small scale projects)	
	PEMERKASA (small scale projects)	
2021	Food Security	
	SDG	Tourism
2022		





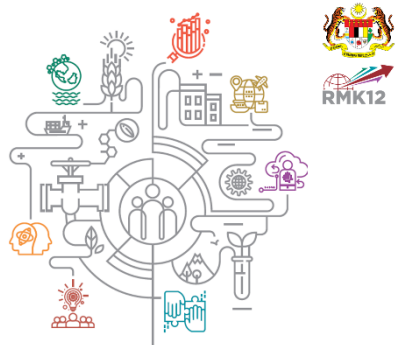
Federal Government will continue to review assistance to all States to ensure development that is:

- Balanced,
- Inclusive and
- Sustainable.



KEMENTERIAN KEWANGAN  
MALAYSIA

BUDGET  
2022



TWELFTH  
MALAYSIA  
PLAN

2021-2025  
A PROSPEROUS, INCLUSIVE, SUSTAINABLE MALAYSIA

THANK YOU