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PERSEKUTUAN MAJIKAN-MAJIKAN MALAYSIA

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MEDIA RELEASE

MEF WELCOMES BUDGET 2024 THEMED “MADANI ECONOMY, EMPOWERING THE PEOPLE” TO SUSTAIN AND EXPAND MSMEs BUSINESSES AND ENHANCE TALENT DEVELOPMENT

PETALING JAYA: YAB Prime Minister, Dato’ Seri Anwar Ibrahim tabled the Budget 2024 at the Dewan Rakyat today after the government had earlier during the 12th Malaysia Plan Mid Term Review (12MP MTR) introduced new measure to achieve sustainable national development and prosperity. The supporting new policies include The National Energy Transition Roadmap, The New Industrial Master Plan 2030 and the Madani Economy Framework. All the policies aimed at transforming Malaysia to be within the 30th largest economy in the world and putting Malaysia within 12th most competitive country within the World Competitiveness Index.

Budget 2024 is the biggest budget tabled by the government at RM 393.83 Bil. RM 303.8 Bil is allocated for operating expenditure while RM 90 Bil allocated for development expenditure.

The MEF President Datuk Dr Syed Hussain Syed Husman, P.J.N., J.P., states that “MEF welcomes the initiatives and measures in 2024 Budget aimed at eradicating extreme poverty by end of 2023. MEF compliments YAB Dato’ Seri Anwar and the Government for their efforts to improve health care and education. The country needs political stability and businesses welcome the Budget 2024 financial support for MSMEs. Support to MSMEs is critical as MSMEs made up about 97% of all registered businesses and is expected to boost up GDP growth and to create more jobs especially for the youths. The government allocated RM100 million in digitalisation grants with RM5,000 to 20,000 MSMEs to fund upgrades of sales, inventory and digital accounting

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systems. Under Bank Negara Malaysia (BNM), RM900 million in loan funds are available to small and medium enterprises (SMEs) for automation and digitalisation.”

“MEF welcomes the expansion of the scope of automation tax incentives to cover the commodity sector under the Plantation and Commodities Ministry, to increase productivity of plantation products and reduce dependence on foreign labour. The initiative will attract more locals to work in the plantation sector.”

The 12 *IKHTIAR* listed by YAB PM in the Madani Budget will put Malaysia on the right track to achieve closer to 5% GDP in 2024. The GDP in 2ndQ 2023 recorded moderate growth of 2.9% compared to 5.6% in 1st Q 2023. Through Madani Budget the government carry out comprehensive reforms to the economic structure in order to put Malaysia back to be one of the top-level countries in Asia.

“MEF supports the government’s ESG efforts and other socio economic introduced in 2024 Budget. The initiatives in 2024 Budget also address issues on social protection and cost of living issues touching on wages, affordability of goods and food security. The initiatives in Budget 2024 are directed to mitigate effects of uncertain global economic outlook and to prepare Malaysia economy for projected increase in prices of food and energy and reduced consumer demands.”

The overall allocation involving TVET education amounted to RM6.8 bil will attract more youths to take up TVET. MADANI Budget revamps the country's TVET education through collaboration with GLCs and private companies. As of 5 October, 17 GLCs and 44 private companies have cooperated for curriculum development as well as contribution of equipment and expertise. Budget 2024 allocated RM1.6 billion in funding to provide 1.7 million training offers. HRD Corp will reallocate 15 % special fund of the total levy collection to implement the MADANI Training Programme encompassing retraining and skills improvement programmes for SMEs entrepreneurs and the vulnerable such as

ex-convicts, PWDs, senior citizens and pensioners. RM100 million is allocated to provide industry-recognized professional certification to TVET graduates and as an incentive for the industry to collaborate with public TVET institutions. The Academy in Industry programme will be implemented to provide skills training while working for up to 18 months with an allocation of RM70 million.

“Budget 2024 encourages upskilling and venturing into new fields by granting tax relief of up to RM2,000 for participation in self-improvement courses is extended till 2026. The government also expanded the scope for lifestyle relief to cover fees for personal development courses such as language, photography and sewing.”

Datuk Dr Syed Hussain states further that “MEF calls on profitable businesses to respond positively to the recommendation of YAB Dato’ Seri Anwar that private sector employers review the appropriateness of remuneration and rewards for employees taking into account the current cost of living challenges. The YAB PM states that next year, the Government will start intensifying engagement sessions. The YAB PM calls for the private sector employers to reward the employees especially companies with reasonable profits.”

“The subsidy revisit in Budget 2024 to benefit only locals instead of benefitting foreigners is very important. Locals first concept is important to be implemented as currently about 3.5 mil foreigners enjoy subsidies granted by the government which was meant for locals.”

For further information, please contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.

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