

MEDIA RELEASE

A Budget to Enable the Nation to Move Forward with Hope and Confidence

**Media Release of Tan Sri Nor Mohamed Yakcop
Chairman, Khazanah Research Institute (KRI)**

We live in extraordinary times. Against the backdrop of the ongoing Covid-19 pandemic, the emphasis of Budget 2021 in addressing both the lives and livelihoods of all Malaysians is timely. We welcome Budget 2021's breadth of coverage, with well-considered priorities. We would like to highlight the following:

In the face of the Covid-19 pandemic, the Government has made the highest ever allocation for health, signalling a clear commitment to ensure that the country's health system is well positioned to handle the pandemic, in addition to other non-Covid health needs of the population. In addition to allocations specific to Covid-19, we support the inclusion of several measures to increase the overall resilience of the rakyat against various diseases, including the RM90 million allocation to the pneumococcal immunization program expected to protect 500,000 children. Furthermore, the recognition of mental health conditions as a serious problem is laudable, particularly in light of Covid-19. The Budget 2021 allocations for health will undoubtedly enable Malaysia to be in a strong position to tackle the ongoing public health crisis.

Improvement in the social assistance measures for the poor and vulnerable groups, both in the depth and the breadth of coverage, is a welcome move. In light of the recent revision of the poverty line income (PLI) measure, which had significantly expanded the number of households categorized as 'poor', the increased spending for these welfare schemes is of utmost importance. The increase in the assistance amount for disabled persons, the elderly, and poor families with children will provide the much needed support to the targeted groups to cushion them against the increasing cost of living. The Bantuan Prihatin Rakyat scheme (BPR) is an improvement from the earlier Bantuan Sara Hidup, as it accounts for differing household sizes, dependencies and different forms of deprivations.

The 2021 budget shows the Government's commitment to spur employment opportunities at large, particularly benefiting youth and young graduates. The *Program Skim Jaminan Penjanaaan Pekerjaan* (JanaKerja), the Short-Term Employment Programme (MySTEP) and an extension of targeted wage subsidy measures are timely and would provide more opportunities for Malaysians in the job market. Through these initiatives, more than 500,000 new jobs opportunities are targeted to be available next year. Budget 2021 should positively impact the country's job market.

The provision of childcare centres in public and private buildings will ease working women's burden, especially front-line workers, and promote women's participation in the workforce. Also laudable is the social support provision of RM21 million for women facing domestic violence and divorce.

The Covid-19 pandemic has sped up the country's nascent digital transformation and makes the issue of digital policy more pressing than ever before. The Budget 2021 allocation of RM150

million to encourage local entrepreneurs to adopt digital services through the SME and Micro SME e-Commerce Campaign should stimulate the digital economy in the country. Recognising the need for digital upskilling in the workforce to enable more meaningful participation in the digital economy, Budget 2021 has also included RM100 million allocation through MDEC to provide ICT training to the current workforce. In terms of digital inclusivity, RM180 telecommunication allowance for B40 households and RM500 million allocation for internet connectivity in 430 schools is encouraging.

Budget 2021 is an important step to enable the nation to face the Covid-19 crisis squarely, and move forward with hope and confidence.

END

For further information, please contact Najyah Johar Salim (najyah.johar@krinstitute.org) or call 03-2034 0000.

ABOUT KHAZANAH RESEARCH INSTITUTE (KRI)

The Khazanah Research Institute, sponsored by Khazanah Nasional Berhad, is a not-for-profit organisation and is incorporated as a company limited by guarantee. The objective of the Institute is to undertake analysis and research on the pressing issues of the nation and, based on that research, provide actionable policy recommendations. For more information on KRI, visit www.krinstitute.org.

Among the Institute's roles are

- carrying out rigorous impartial research and analysis that is founded on facts and data
- convening workshops, round tables, conferences and talks for subject matter experts, policy makers, thought leaders and interested members of the public, as appropriate
- being an advocate of its research findings and policy recommendations.

Follow KRI on social media to keep up-to-date with our research:



@KRInstitute



@KRInstitute or www.facebook.com/KRInstitute/



Khazanah Research Institute



@krinstitute