

## MEDIA RELEASE

**Budget 2024 puts Malaysia on track to build resilience and wealth through MADANI principles**

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

Budget 2024 builds on and strengthens the principles and objectives of Malaysia MADANI, incorporating measures that aim to restructure the economy and improve the quality of life for all Malaysians. KRI believes that the government's focus in prioritizing structural reforms, particularly through measures that emphasize fiscal responsibility and inclusive growth, is timely in the context of Malaysia's growth and development in the long term.

The government's commitment in pursuing fiscal reforms is commendable. Measures that target both subsidy rationalisation as well as an expansion of the tax base will allow the country's fiscal position to remain resilient amidst the increased instability and complexity that define the international arena at present. KRI also commends the revisions made to the existing SST framework. The increase in SST from 6 percent to 8 percent will strengthen the country's fiscal position while minimizing the impact to households. We look forward to the government's announcement regarding the precise mechanism for subsidy rationalisation, which was mentioned in the Budget.

KRI welcomes the move to kickstart the nation's industrial transformation agenda in line with the New Industrial Master Plan (NIMP) 2030. The shift towards tiered incentives is encouraging and enables Malaysia to create new economic clusters, extend domestic linkages, and ensure environmental sustainability. The government's commitment to public sector digital transformation in the form of digitalised health records, GovTech and national digital identification is a step in the right direction.

Boosts to the existing social protection framework are timely. This includes the measures to raise government contributions to SOCSO's Self-Employment Social Security Scheme and the matching contribution limit for EPF's i-Saraan and i-Suri schemes. The increased allocation for Sumbangan Tunai Rahmah (STR) as well as the expansion of the Sumbangan Asas Rahmah (SARA) programme are timely as well.

KRI applauds the reformist nature of the 2024 budget in the context of the nation's development strategy. We are confident that Budget 2024 will set Malaysia on a growth trajectory that will safeguard the rakyat's well-being while advancing the nation's economic and industrial transformation agenda as well as its resilience.

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#### **ABOUT KHAZANAH RESEARCH INSTITUTE (KRI)**

The Khazanah Research Institute, sponsored by Yayasan Hasanah, is a not-for-profit organisation and 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](http://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

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