

HIGHLIGHTS

PERSONAL INCOME TAX

- Top rate reduced to 26% from 27%

EPF

- Employees' contribution to return to 11% from 2011

CHILDCARE

- All ministries, government departments to provide day care & education centres

BONUS

- Extension of RM500 special bonus to staff from Grade 41 to Grade 54 and those on mandatory retirement

SCHOLARSHIPS

- RM2.8b for student assistance, scholarship
- 30 scholarships for creme de la creme students
- Conversion of study loans to scholarships for students with first class honours degree

FUEL SUBSIDY

- New system using MyKad to prevent 'leakage'

1MALAYSIA CLINIC

- 50 1Malaysia community clinics to be set up in urban areas

EDUCATION (RM30 BILLION)

- For 80 new schools; 1,100 additional blocks & 347 school replacement projects; to refurbish, upgrade schools; pre-school education and high performance schools

INFRASTRUCTURE PROJECTS (RM9 BILLION)

- For road & bridge projects, water supply & sewerage services, rail facilities, ports & sea services and airport projects

PUBLIC TRANSPORT

- Covered walkways from LRT stations to activity centres
- More bus lanes & buses for Kuala Lumpur
- 4 new hubs for Penang

AGRICULTURE (RM6 BILLION)

- Consortium to go into large-scale food production, drainage, irrigation projects in padi fields, food-farming industry, aquaculture industry, Paya Peda Dam project in Terengganu and livestock industry

INFORMATION, COMMUNICATIONS TECHNOLOGY

- RM11.3b for high speed broadband
- Netbook package at RM50 per month for 2 years for local university students

FEDERAL TERRITORIES MINISTRY

- Renamed Ministry of Federal Territories and Urban Well-being

CREDIT CARD

- RM50 a year service tax on each principal credit card, RM25 on each supplementary card

PROPERTY

- 5 per cent tax on real property gains

> MORE REPORTS: P2-12,
P18-21, 28, 29, B1-B8

Budget for 1Malaysia

N S T 24/10/2009

“ The
2010

Budget will lay
the foundation
that will lead
us towards
becoming a
high-income
economy.”

— Datuk Seri Najib Razak



■ By Shahrman Johari
news@nst.com.my

KUALA LUMPUR: The 2010 Budget has sent a message that is loud and clear: Malaysia is serious about transforming its economy for the second time since independence and this will require hard work and sacrifices. “We now have to shift to a new economic model based on innovation, creativity and high value-added activities,” Prime Minister Datuk Seri Najib Razak, who is

also finance minister, said in his first budget speech in Parliament yesterday.

The government plans to spend about RM192 billion, about a tenth less than 2009, but it will still cut the deficit to 5.6 per cent of the economy, reflecting its responsibility of keeping the country's finances in good shape.

Themed “1Malaysia, Together We Prosper”, the 2010 Budget gives due attention on the education sector and the well-being of

rural and urban poor.

There are goodies for the working population like tax cuts, and more crucially there was also indication that those who can afford to pay more for petrol will have to do so.

This suggests new revenue streams for the government from selective subsidy cuts. Additional revenue could come from a new wave of privatisation of government agencies under the

□ TURN TO PAGE 2, COL 2