



# Industry players and CEOs give their views

## BUDGET 2021

**AmBank Group**  
Group CEO  
Datuk Sulaiman Mohd Tahir

The government's Budget 2021 is one that is reflective of the need for mitigatory measures to manage the continued impact of the Covid-19 pandemic.

What is crucial about this budget is that it is focused and targeted, instead of being broadbased.

The call for financial institutions, specifically banks, to provide focused attention and assistance to B40 borrowers and micro enterprises by way of the extended repayment assistance is necessary and apt.

To date, AmBank is pleased to have approved close to 100% of repayment assistance applications for loans and facilities, amounting to more than RM11bil for individuals and SME customers.

The flexibility to withdraw RM500 monthly for a year from the Employees Provident Fund (EPF) Account 1 will allow those who are facing difficulties to have access to funds.

Importantly, it is clear that this is only for those who have lost their jobs as we need to balance urgent present needs with future financial stability.

The government's RM1bil allocation as an incentive for technology and high value-added investments as well as the RM500mil High Technology Fund from Bank Negara are important as they allow local businesses to become more competitive in the global arena, while also contributing to the overall value chain.

We are also pleased to see the implementation of projects that are able to generate a strong positive multiplier effect on the nation's economy.

These include the government's RM2.5bil allocation to contractors for maintenance work, RM2.7bil for rural infrastructure works, as well as RM15bil for transportation projects, including the Pan Borneo Highway and the Klang Valley Double-Tracking Project Phase 1.

The high-speed rail project will certainly spur new growth areas in the economy.

We trust these measures will boost both consumer and business confidence while easing cash-flow issues.



**Public Bank Bhd**  
Founder, chairman emeritus, director and adviser  
Tan Sri Teh Hong Piow

With an immediate focus on protecting livelihoods while supporting and revitalising businesses, we are confident that the measures announced (in Budget 2021) will help see Malaysia's economic growth well on the road to sustained recovery.

We are fully supportive of the government's moves in ensuring the truly deserving, especially the B40 and unemployed, are fully taken care

of, either through specific initiatives or targeted assistance. We applaud the government for having a finger on the pulse of the nation in meeting the needs of the day by increasing the quantum of personal and corporate financial assistance and expanding the various subsidy and financing schemes.

The strengthening of various industries, the continuation of ongoing infrastructure projects and the many incentives to encourage private sector investments will contribute to the broad-based recovery and economic growth expected in 2021.



**Malayan Banking Bhd**  
Group president & CEO  
& Association of Banks in Malaysia chairman  
Datuk Abdul Farid Alias

It is during times like these that we must find ways to assist struggling communities and businesses, the unemployed, and those whose income have been significantly reduced because of underemployment, pay cuts or loss of business.

This budget also allocates around RM8.5bil to protect and create jobs as well as provide various training programmes. Organisations should support this agenda and strive to preserve jobs, invest in re-skilling and up-skilling their employ-

ees, and take care of their workers' welfare so that together, we can overcome this extremely challenging environment and uncertain period. In our view, organisations should not feel pressured to reduce staff costs by retrenching employees to maintain profits and dividends. All stakeholders must work together to ride out this storm.

We also believe ESG-related investments can stimulate economic growth, generate business opportunities and create jobs. So we are pleased the budget has measures to achieve the Sustainable Development Goals, promote green investing and protect the environment and natural resources.



**RHB Banking Group**  
Group managing director  
Datuk Khalussaleh Ramli

It is indeed encouraging to see much support provided to vulnerable groups, especially the B40 segment, through the continuation of fiscal stimulus packages including the enhancement to payment assistance for loan and financing. This much-needed social aid would ease the hardship faced by the rakyat, as well as support the rebuilding and strengthening of Malaysia's social and economic threshold.

We also welcome the government's targeted action plans to continue supporting and ensuring sustenance of the worst-hit segments especially small and medium enterprises. As in the past, it is reassuring that the government continues to ensure that business owners are able to withstand the economic impact of the Covid-19 pandemic.

With the expansionary Budget 2021, downside risks to Malaysia's economic growth next year are likely to be more limited compared to 2020. At the current juncture, the three risks that we are closely monitoring are the timing of a commercial adaptation of an effective Covid-19 vaccine, the path of global economic growth and the volatility in global financial market conditions.



**Mah Sing Group Bhd**  
Founder and group managing director  
Tan Sri Leong Hoy Kum

The announcement of the full stamp duty exemption on the instruments of transfers and loan agreements for the purchase of first residential properties worth up to RM500,000, starting from Jan 1 2021 until Dec 31, 2025 will definitely help to boost home ownership in these five years, especially for first-time home buyers.

Mah Sing's product positioning is in line with the government's direction, as 51% of our 2020 sales target is within this range and 63% of our home buyers are below the 35-year-old age bracket, who are likely to be first-time home buyers.

Mah Sing will also continue to align its strategy to offer affordably priced homes at strategic locations to cater to the needs of the current markets. In addition, Mah Sing will continue to assist homebuyers through our existing attractive sales campaign such as Mah Sing's Easy to Own Campaign, where home buyers can benefit from HouzKEY, offered via a collaboration with Maybank Islamic.



**Standard Chartered Malaysia**  
Managing director and CEO  
Abrar A. Anwar

Expanding the ongoing targeted repayment assistance for the B40 segment and micro enterprises will help people and businesses cope and navigate through this tough period.

The RM1bil special incentive package for high value-added technology will no doubt continue to attract quality investments and add value to the country's economy. For companies looking at relocating to Malaysia, the extension of a special income tax relief for eligible non-resident individuals holding key positions for strategic new investments will be a considerable pull factor, on top of access to a diverse pool of talent and the country's prime location in the heart of South-East Asia.

Bank Negara's RM500mil fund for assisting companies in the high tech and innovative sectors and MDEC's RM100mil allocation will aid in creating a future-ready workforce and equipping people with the skills needed to thrive in the changing world of work.



**KPMG Malaysia**  
Head of Tax  
Tai Lai Kok

One of the more attractive announcements in moving the country and economy towards a faster recovery mode is the initiative to encourage the domestic production sector with the allocation of RM300mil towards driving an online trading environment for local manufacturers and traders.

This is good recognition that our traditional methods of doing business are rapidly getting outdated and we risk being left behind in a globalized world where one can purchase virtually anything online. Opening up our goods to the outside world using technology will do wonders to enable our locally made goods to enter markets that were inaccessible in the past.

Another innovative proposal involves the granting of a limited tax deduction to individuals for amounts invested in Equity Crowd Funding ventures. Equity Crowd Funding has been around for a while and it is interesting to see an incentive being introduced to give a boost to this sector.

**S P Setia Bhd**  
President & CEO  
Datuk Khor Chap Jen

We applaud the efforts of the government to help those who are in the B40 category to own a home. In line with these efforts, we hope that the government will consider taking over the responsibility of building affordable housing for the B40 segment as this will enable more cohesive, consistent and efficient macro implementation and results, while the developers can concentrate fully on the free market housing. Developers can contribute to a fund for this purpose.

The decision to avail the Rent-To-Own scheme for those eligible for PR1MA housing would help ease the homeowners' challenge to come up with the down-payments. We do, however, hope that the government would consider extending this scheme beyond PR1MA as more eligible homebuyers will be able to benefit from this effort.

The stamp duty exemption on the Memorandum of Transfer and legal fees will help to encourage sales for first-time homebuyers. Waiving this duty is a good move to help boost interest as it lessens the affordability gap for first-time homebuyers.

**Eco World Development Group Bhd**  
President and CEO  
Datuk Chang Khim Wah

This is a very well-thought-out budget which recognises the myriad challenges we are facing due to the profound changes in almost every aspect of life caused by the Covid-19 pandemic. More importantly it offers a clear way forward for us as a nation in the specificity of the measures which cover just about every sector of the economy.

The focus on job creation, upskilling and re-skilling along with the many proposals to prioritise automation, digitalisation and move Malaysia further up the technological food chain is certainly the right way forward.

On the residential property front the government's proposal to fully exempt stamp duty on the instruments of transfer and loan agreements for first-time home buyers purchasing properties priced up to RM500,000 until Dec 31, 2025 is very welcomed. It will certainly benefit many of our young purchasers, particularly those buying their first homes under our duduk series as well as various other products such as Co-Homes that we will be launching specifically to meet the homeownership needs of the M40 customer group.



**Dagang NeXchange Bhd**  
Group managing director  
Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir

We welcome the inclusion of measures outlined in Budget 2021 aimed at accelerating the implementation of digitalisation in businesses.

These measures certainly come at the right time where businesses can leverage and step up the use of digital technology, which is emerging as a key solution for businesses especially when physical movements and physical contact are restricted.

For DNeX, we will continue to step up efforts to help customers embrace digitalisation and we are committed to being part of customers' journey in digitalisation. Having accumulated a strong track record in trade facilitation, DNeX has a competitive edge in making further headway in helping businesses digitalise trade processes.

We are positioning DNeX as the digital trade facilitation partner for businesses and government agencies towards improvements and efficiency in trade processes as well as the ease of doing business in the country. Towards this end, DNeX looks forward to working closely with businesses and government agencies in their digitalisation journey.



**CIMB Group Holdings Bhd**  
Group CEO  
Datuk Abdul Rahman Ahmad

As Malaysia navigates the impact of Covid-19, we are pleased to see the government's firm commitment on expansionary stimulus for 2021, continuing the fiscal injections made in 2020. The government spending today is necessary given the unprecedented environment.

Proactive measures by the government include deepening engagements for job creation, training and reskilling, investing further in broadband connectivity and accelerating development in e-commerce. These long-term investments will reduce the digital divide at both levels of human capital and technological infrastructure.

The government's focus on the rakyat is commendable and timely where increased healthcare spending is needed to address the Covid-19 challenge through multi-lateral partnerships. This is especially relevant given the recent resurgence in Covid-19 cases.

CIMB, alongside other strategic government-linked companies and government-linked investment companies in Malaysia, will continue to stand united in supporting the national recovery effort, through further investments and job creation.



**Khazanah Research Institute**  
Chairman  
Tan Sri Nor Mohamed Yakcop

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 RM90mil allocation to the pneumococcal immunisation programme 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.

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 measure, which had significantly expanded the number of households categorized as 'poor', the increased spending for these welfare schemes is of utmost importance.



**Bursa Malaysia and Universiti Kebangsaan Malaysia**  
Chairman  
Tan Sri Abdul Wahid Omar

An expansionary and holistic budget totalling RM322.5bil appropriate with current priorities for the people's wellbeing, business continuity and economic resilience. Notwithstanding the record spending, the budgeted fiscal deficit of 5.4% of gross domestic product is lower than the forecast deficit of 6% for 2020 and lower than the highest deficit of 6.4% recorded in 2009 (restated) during the global financial crisis.

Apart from increasing the ceiling for the Covid-19 Fund and various measures to protect public health, many benefits are extended to the rakyat such as the introduction of Bantuan Prihatin Rakyat of up to RM1,800 for households earning less than RM2,500 per month, the 1% income tax reduction for taxpayers in the RM50,001 to RM70,000 taxable income band and the reduction in the Employees Provident Fund contribution from 11% to 9%.

The sustainability agenda has also gained attention. The alignment of Budget 2021 with the 17 Sustainable Development Goals 2030 is timely.