



SIARAN MEDIA / MEDIA RELEASE
FINANCE MINISTER OF MALAYSIA
31 MAY 2018

SAVING THE COUNTRY FROM THE RM1 TRILLION DEBT

- A. 100 DAYS PROMISES – STABILISING PETROL AND DIESEL RETAIL PRICES, IMPLEMENTATION OF SST**
- B. SECOND PHASE OF BANTUAN SARA HIDUP (BSH) PAYMENT (FORMERLY KNOWN AS BR1M)**
- C. TOLL DISCOUNT DURING AIDILFITRI**
- D. 2018 WORLD CUP BROADCAST**
- E. ESTABLISHMENT OF TABUNG HARAPAN MALAYSIA**
- F. SPECIAL ASSISTANCE FOR AIDILFITRI OF RM400 FOR CIVIL SERVANTS GRADE 41 AND BELOW AND RM200 FOR PENSIONERS**
- G. FEDERAL GOVERNMENT FINANCIAL POSITION FOR 2018**

1. The Ministry of Finance is focused on the Government's fiscal measures, especially on financial steps to be implemented to ensure that the Government's financial position remains robust. Measures include reducing the RM1 trillion Federal Government debt caused in part by financial scandals such as 1MDB and to ensure that our Budget deficit remains manageable. The Federal government shall also ensure that the current balance (revenue received less operating expenditure) is not in deficit.

100 Days Promises

2. The Federal Government is committed to fulfill Pakatan Harapan's 100 Days manifesto to ensure the well-being of the rakyat without escalating the hidden debt burden of RM1 trillion passed on to the Pakatan Harapan government by the previous administration. Therefore, the Government has agreed to implement the following measures:

Price Stabilisation Measures on Petrol And Diesel Retail Prices

3. Retail prices of RON95 petrol and diesel will be maintained at current prices of RM2.20 and RM2.18 per litre respectively. Meanwhile, the retail price of RON97 petrol will be maintained at current price of RM2.47 per litre from 1 to 6 June 2018 although the Goods and Services Tax (GST) is zero-rated (0%). Effective 7 June 2018, the retail price of RON97 will be set based on market prices and reviewed on a weekly basis every Thursday according to the managed float mechanism.

Implementation of the Sales Tax and Service Tax (SST)

4. The Goods and Services Tax (GST) will be set at 0% beginning 1 June 2018. To replace the GST, the Sales Tax Bill 2018 and the Service Tax Bill 2018 will be tabled in Parliament as soon as possible after the debate on the motion of the Royal Address in the First Meeting of the First Term of the 14th Parliament Session. The Sales Tax and the Service Tax will be implemented from 1 September 2018 subject to the completion of all required legislative procedures.

5. To ensure that the RM1 trillion national debt can be contained if not reduced, the Federal Government is compelled to implement some of the 100 Days Promises, particularly on the targeted petrol subsidies for cars below 1,300cc and motorcycles below 125cc, the EPF contribution scheme for housewives, the increase in minimum wage, the deferment of PTPTN loans repayment until the RM4,000 monthly income threshold and the implementation of the Skim Peduli Sihat only when the financial situation improves.

6. As much as we would like to implement all of the 100 day promises, this Federal government is fiscally responsible and would not follow the previous government's example of fiscal imprudence which would almost certainly have led the nation on a path to bankruptcy. The Federal government continues to be committed to implement our manifesto promises when the financial situation permits.

Bantuan Sara Hidup or BSH payments (formerly known as BR1M)

7. Effective on 6 June 2018 (Wednesday), the Government has agreed to disburse the second tranche of the BSH 2018 payment. This payment will involve almost 4.1 million recipients with an estimated allocation amount of RM1.6 billion. The Government hopes that this BSH payment will assist the rakyat in purchasing essential items in preparation for the Hari Raya Aidilfitri celebrations. BSH payments will be credited directly to the respective recipient's account. For those who have no bank account, a letter of approval will be mailed directly to the recipient and the cash may be collected at any nearest Bank Simpanan Nasional branch. Only those who are qualified shall receive this assistance. For further inquiries, kindly contact the toll-free number: 1800-88-2716 or email to: br1m@treasury.gov.my.

Highway Toll Discount of 50% for the last two days of Ramadhan

8. To welcome Hari Raya Aidilfitri by reducing travelling costs and traffic congestion during the festive season, a 50% toll discount will be given for the last two days of Ramadan. This discount is an additional incentive after the Government has set a zero rate for the GST from 1 June 2018. Concessionaires are encouraged to continue the toll discount as has been implemented during previous festive seasons in order to reduce travelling costs.

World Cup Football 2018 Live on RTM Channel

9. Sports is one the platforms which can unite Malaysians. Therefore, to give everyone the opportunity to watch the upcoming World Cup Football Championship 2018 live and free of charge on TV as promised in the Pakatan Harapan manifesto, this event will be broadcasted live via RTM throughout the tournament period. We believe that this will make for a more enjoyable Hari Raya Aidilfitri for all football fans. The government has set aside a maximum of RM40 million for this World Cup 2018 broadcast but the actual expenditure is RM30 million which will likely be sponsored via advertising revenue. The Multimedia and Communications Minister, YB Gobind Singh Deo will provide the details.

Establishment of the Tabung Harapan Malaysia

10. In light of the recent developments and concerns of the rakyat on the country's debt position, there have been fervent requests by patriotic 5 Malaysians to channel donations and their sincere contributions to the Federal Government to reduce the Federal government's debt. In this regard, in order to enable the donations and contributions to be systematically managed and organised, a trust fund known as Tabung Harapan Malaysia (THM) will be set up and managed by the Ministry of Finance. Donations and contributions are accepted in local currency (Ringgit Malaysia). On behalf of the Federal Government, I express my appreciation and gratitude for the concern and sincere contributions of Malaysians. The account number no is 566010626452 (Maybank) and the contribution is tax deductible. So far, the amount of contributions as at 2pm is RM6.5 million. The Ministry of Finance will be updating the latest contribution amount at our website (www.treasury.gov.my) every day at 2pm.

Special Assistance for Aidilfitri for Civil Servants Grade 41 and below and Pensioners

11. The Federal Government recognises the important role civil servants of the past and present play in shaping the country. As such, a Hari Raya bonus of RM400 will be given for civil servants Grade 41 and below and RM200 for pensioners. This will cost the government approximately RM700 million.

Federal Government Financial Position 2018

12. Following the announcement of the zero-rated GST announcement effective 1 June 2018 (Friday), Federal Government revenue is expected to decline by RM21 billion. However, with the increase in global oil prices (an average of USD70 per barrel), the expected 6 increase in oil-related revenue is estimated at only RM5.4 billion. As an immediate measure, the Ministry of Finance has identified expenditure savings worth RM10 billion. The measures are focused on the review of expenditure including the downsizing, delaying and abolition of overlapping and non-urgent programmes and projects.

13. The country has come together to elect a new Federal government to save the country from financial ruin. This task will not be easy. We believe that together, we can reduce our RM1 trillion Federal government debt. Despite the fiscal pressures, the fundamentals of the economy remain strong. The banking sector is well-capitalised with low non-performing loans ratio and there is sufficient liquidity in the capital markets. Let us remain united to face and overcome these economic challenges.

Sayangi Malaysiaku!

YB Lim Guan Eng
Menteri Kewangan
Putrajaya
31 Mei 2018
