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Bernama - RM322.5 Billion Allocated For Budget 2021

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KUALA LUMPUR, Nov 6 - A total of RM322.5 billion will be allocated for Budget 2021, the largest expenditure in history, according to Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

He said the government intends to allocate RM236.5 billion for operating expenses, RM69 billion for development expenditure and RM17 billion under the COVID-19 Fund while RM2 billion is allocated for the Contingency Reserve Advance Warrant.

“Taking into account those estimates, the 2021 fiscal deficit is projected at 5.4 per cent of Gross Domestic Product (GDP),” he said when tabling the budget, which carried the theme Stand United, We Shall Prevail in Parliament today.

This is the first budget of the Perikatan Nasional government led by Prime Minister Tan Sri Muhyiddin Yassin after it was formed last March.

In the 2020 Budget announced by the Pakatan Harapan government last year, a total of RM297 billion was allocated.

Tengku Zafrul said the government's revenue has been affected following the spread of COVID-19, as a result, the government's revenue this year has been revised to RM227.3 billion, reducing almost RM18 billion from the original projection of RM244.5 billion in the previously announced Budget 2020.

Despite the lower revenue scenario, he said the government will not compromise in protecting lives and livelihoods in battling COVID-19.

“Thus, total allocation for 2020 is estimated at RM314.7 billion in terms of expenditure, an increase of RM17.7 billion compared to the original projection.

“The rise in expenditure is intended to finance the stimulus package and economic recovery. Therefore, the fiscal deficit for 2020 is estimated to increase to six per cent of GDP compared to the original target of 3.2 per cent,” he said.

Even though the effects of the COVID-19 epidemic will continue to be felt next year, Tengku Zafrul said the government revenue collection for the year 2021 is expected to increase to RM236.9 billion.

“Nevertheless, the government has decided that the 2021 Budget is an expansionary budget,” he said.

In preparing Budget 2021, Tengku Zafrul said, for the first time ever, budget consultations covered all 14 states, and involved more than 38 dialogues covering over 40 businesses and industries.

He said the Ministry of Finance had engagement sessions with leaders of all federal ministries and state governments, various captains of industry, academicians, non-governmental organisations, political party leaders, and most importantly, Malaysians across the full spectrum, from youth, women, parents to senior citizens.

He said Budget 2021 was formulated based on Three Integral Goals namely Rakyat’s Well-being, Business Continuity and Economic Resilience.

“The three goals are a continuity of the PRIHATIN, PRIHATIN SME PLUS, PENJANA and KITA PRIHATIN stimulus packages,” he said.

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