

## WTW Press Statement on 2016 Budget

1. The Government emphasized Budget 2016 as a balanced budget to buttress investor confidence in the Government's financial stability but resulting in less funding for development expenditure (about RM50 billion out of a total budget of RM267 billion).

More tax deductions were provided to low income families but taxes were increased for upper income households, contrary to earlier promises of reduced personal income taxes in the light of the introduction of GST.

2. Government support for the development of the Malaysia Vision Valley (MVV), Cyberjaya City Centre (CCC) and Aeropolis KLIA should see accelerated growth to the south of Kuala Lumpur.

MVV from Nilai – Port Dickson could be the next region of growth provided that highway and rail access are improved. Cyberjaya's popularity as a commercial and residential address will be further increased with the proposed 141 acres Cyberjaya City Centre. Initially Aeropolis KLIA will see 1,300 acres developed into a new urban centre.

3. RM900 million has been allocated for a dispersal road off Jalan Tun Razak from KLCC to Tun Razak Exchange which will ease traffic congestion not only in the KLCC area and Tun Razak Exchange but also in the Bukit Bintang shopping area.

Funds have been allocated for the development of Bus Rapid Terminals (BRT) in KL-Klang and Kota Kinabalu which will effectively improve public transport services in areas further distanced from MRT/LRT projects.

Other highway developments (DASH, SUKE) will encourage residential developments to the north and south-west of Kuala Lumpur.

RM42 million allocated for Mukah Airport (Sarawak) and upgrading of Kuantan and Kota Bharu will also stimulate further property development in these cities.

4. Continuing to improve the affordable housing program, RM200 million will be allocated to assist first time buyers. We estimate that between 20,000 and 30,000 will benefit this scheme compared to the estimated 330,000 potential buyers for affordable houses.

Under PR1Ma, Rumah Mesra Rakyat, Perumahan Penjawat Awam 1Malaysia (PPA1M) and Program Perumahan Rakyat, a total of 317,000 units affordable homes have been planned.

The shortage of affordable housing for the rakyat appears to still remains an elusive problem to resolve.

5. The growth in tourist arrivals in 2016 should be maintained on an upward trend in 2016 with the introduction of the E-Visa for visitors from China, India, Myanmar, Nepal, Sri Lanka, US and Canada. By 2016, it is targeted to have 30.5 million tourists with RM103 billion receipts as well as the 100% tax exemption (FY 2016 to 2018) for tourism related business operators.

GST exemption in domestic economy class flights improve connectivity within intercity in East Malaysia and indirectly boost domestic tourism for wide range of citizen