

## PIKOM RESPONSE TO BUDGET 2018 BY CHAIRMAN CHIN CHEE SEONG

**PETALING JAYA, Oct 27 2018:** The National ICT Association of Malaysia (PIKOM) welcomed the list of incentives under the Budget 2018 which is aimed at spurring the economy and benefitting the rakyat. The focus on Transformasi Nasional 2050 (TN50) will have a positive impact on the ICT industry with a slew of measures aimed at empowering Malaysians for the future.

The association is pleased that Prime Minister Datuk Seri Mohd Najib Tun Razak, announced that Malaysia is the host of the World Congress on IT (WCIT) in 2020 which has also been declared as Visit Malaysia Year.

PIKOM is delighted to have received the rights to host WCIT2020 from the World IT and Services Alliance (WITSA) and we look forward to welcoming our international visitors to this event dubbed as the Olympics of the ICT industry.

With a strong economy expected to grow by 5.2% in 2017, here are some of the perks that businesses can look forward to;

- RM200 million allocation to Malaysian Investment Development Authority (MIDA) for high impact projects;
- RM2 billion fund for Industrial Revolution (IR) 4.0 with 70% govt guarantee;
- RM200 million for training for SME Corp;
- RM150 million for export including the Market Development Grant (MDG);
- Startup funds for VCs including RM1 billion fund.

PIKOM is also pleased to note that the government has placed more emphasis on human capital development in 2018 especially on coding in schools; STEM education, with RM250 million for teachers' training and RM190 mil to upgrade 2,000 classes into a 21<sup>st</sup> century smart classrooms in order to enhance creative-based learning and innovative thinking.

We also welcome Capital Allowances for ICT equipment, which will include spending on software development, claimable for a period of four years as this will boost the companies' productivity and reduce the cost of operation.

The other incentives that will benefit the ICT Industry;

- RM1 bil for Sabah and Sarawak for broadband infrastructure;
- ICT projects in PDRM of RM 170 mil and RM 100 mil for communications systems;
- RM 100 mil allocation for e-rezeki, e-usahawan and e-ladang;
- Industry 4.0 and Digital Economy – RM 245 mil for smart manufacturing;
- Cyberjaya Futurise Centre to be strengthened;
- DFTZ focus on 1500 SMEs and RM 83.5 mil funding and de minimis increased to RM800;
- Boost start ups with setting up of regulatory sandboxes.

However PIKOM had hoped that there would be measures to drop the cost of broadband services as well as GST exemptions on ICT products and services which were not announced in Budget 2018.