



TaXavvy

27 July 2023 | Issue 16-2023

Ekonomi MADANI: Memperkasa Rakyat

For a better and sustainable Malaysia

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The Prime Minister launched the *Ekonomi MADANI: Memperkasa Rakyat* today, 27 July 2023.

Ekonomi MADANI: Memperkasa Rakyat is an economic framework for subsequent policies to be announced later, including the National Energy Transition Roadmap, New Industrial Master Plan 2030, and the mid-term review of the 12th Malaysia Plan.

Focus of *Ekonomi MADANI: Memperkasa Rakyat*:

- Focus 1: Restructuring the economy towards Malaysia as a leading Asian economy
- Focus 2: The enlargement of wealth is benefitted equitably by the Rakyat

Ekonomi MADANI: Memperkasa Rakyat

Ekonomi MADANI: Memperkasa Rakyat aims to achieve the following targets within 10 years:

1. Malaysia as the top 30 largest global economy
2. Malaysia as the top 12 in global competitiveness
3. Increase share of labour income to 45% of total income
4. Increase female labour force participation rate to 60%
5. Malaysia as the top 25 on the Human Development Index
6. Improve Malaysia's position in the Corruption Perception Index to top 25
7. Moving towards fiscal sustainability, targeting deficit of 3% or lower

Tax-related measures

The following tax-related measures, announced previously, were recapitulated by the Prime Minister:

Supporting Focus 1

- Outcome-based tax incentives will be introduced to support companies that focus on high-impact activities.
- The Government plans to provide special incentives to encourage new green energy activities such as Sarawak's initiative in Carbon Capture, Utilisation and Storage. In the retabled Budget 2023, incentives for Carbon Capture and Storage technology was announced (refer to [TaXavvy Budget 2023 \(Retabled\) Edition](#)).
- Reduction of stamp duty for shares traded on Bursa Malaysia has been implemented since 13 July 2023 to rejuvenate capital markets (refer to [TaXavvy 14-2023](#)).

Supporting Focus 2

- Strengthening the development of Iskandar Malaysia through the introduction of a special financial zone. Incentives to be offered include granting of a special 15% income tax rate to eligible knowledge workers.
- Currently, accredited social enterprises are eligible to apply for income tax exemption on all income for up to 3 years of assessment based on Budget 2022 measures (refer to [TaXavvy 13-2023](#)). Moving forward, more incentives and special tax treatment will be offered to develop the social enterprise sector.

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