

Press statement

11 October 2019

**Comments on Budget 2020 by Datuk Abdul Farid Alias, Group President and CEO,
Maybank and Chairman of the Association of Banks in Malaysia**

Budget 2020 strives to balance between the immediate needs as well as the medium term needs of the country.

Tun Mahathir started Malaysia on its move towards a “cyber” nation in 1996, ahead of other countries back then. The financial crisis of 1997 had diverted our attention and now we need to get back on track.

There is an array of customised incentives targeted to stimulate investments and develop enabling infrastructure for 5G technology and Industry 4.0, which shows the Government’s commitment in accelerating economic growth to be supported by the growth in digital economy.

There is also an initiative to encourage the SME sector to digitise their operations. Perhaps what we can add in this area is an effort to re-skill the work force, and to curate an environment where an evolution towards digital immersion will not just be allowed but encouraged.

We are glad to see the objective to maintain fiscal discipline. It is important to do this during the times when we can do so, so in the times when we do not have much choice we will still have other tools at our disposal.

We believe the enhancements and additions to funding schemes by the Government and development financial institutions to complement banking industry financing for SMEs and entrepreneurs are positive and will further enhance the growth of these sectors. We believe the SME sector is underrepresented in our economy and this initiative can help the sector to expand further.

And in the spirit of shared prosperity, the immediate needs of the B40 segments need to be supplemented, while the medium term initiatives are being executed. These range from immediate measures to address income and cost of living issues for the B40 and vulnerable groups, to longer term initiatives such as improvement in social safety nets, job creation as well as investment for human capital development, particularly to address high youth unemployment and low female participation in the labour force.
