

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	BERNAMA ONLINE
LINK	http://www.bernama.com/en/news.php?id=1654319

ENTREPRENEUR DEVELOPMENT MINISTRY REVIEWING POLICIES, INITIATIVES

KUALA LUMPUR Oct 16 (Bernama) -- The Ministry of Entrepreneur Development (MED) is in the midst of reviewing all policies and initiatives regarding the development of entrepreneurs and small and medium enterprises with the intention of making it more holistic, integrated and targeted.

The Minister, Datuk Seri Mohd Redzuan Yusof said, the aim is to create more local entrepreneurs in the marketplace with competitive products and services.

"For this reason, it is the ministry's mission to widen and coordinate entrepreneurial activities to be more targeted, inclusive, encompassing all segments of society, especially the B40s and M40s," he said in his address at the Malaysian Economic Summit here today.

He added the MED and its agencies such as TEKUN, Bank Rakyat and SME Corp, would provide support and facilitation to local entrepreneurs, so that they could move forward and withstand the competition as well as challenges on the global market.

"This is especially important with the current wave of economic changes and the Industry 4.0," he noted.

According to Mohd Redzuan, the ministry would focus on, among others, providing proper training and facilitation for entrepreneurs based on industry needs such as business advisory, loans and funding to stimulate the interest of potential and new entrepreneurs to establish their own start-ups.

He said that assistance would also be extended to entrepreneurs to ensure growth and sustainability of their businesses.

The one-day Malaysian Economic Summit was organised by Kingsley Advisory and Strategic Initiatives.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	MALAYSIAKINI ONLINE
LINK	https://www.malaysiakini.com/news/447648

KAJIAN MENYELURUH CUKAI BARU PERLU DIJALANKAN SEBELUM DIPERKENAL - PAKAR

Satu kajian menyeluruh perlu dilaksanakan sebelum sebarang mekanisme cukai baharu diperkenalkan dalam Bajet 2019 sebagai aliran hasil baharu yang berpotensi, kata seorang pakar ekonomi.

Dalam membuat saranan itu, Ketua Pakar Ekonomi Alliance Bank Malaysia Bhd, Manokaran Mottain berkata cukai baharu seperti cukai keuntungan modal akan menjejaskan pasaran modal.

Cukai keuntungan modal adalah cukai ke atas keuntungan modal atau keuntungan daripada jualan aset jenis khusus.

Keuntungan modal yang paling lazim direalisasikan adalah daripada jualan saham, bon, logam berharga dan hartanah.

"Apabila anda (kerajaan) mengenakan cukai itu di Malaysia, pengurus dana asing akan menjauhi pasaran ini.

"Kita tidak mempunyai pengurus dana tempatan yang kukuh untuk menyokong pasaran. Saya berpendapat, anda (kerajaan) perlu menjalankan kajian menyeluruh mengenai aspek ini, mungkin ia tidak perlu diperkenalkan sekarang, namun anda (kerajaan) boleh melaksanakannya pada tahun akan datang," katanya.

Beliau berkata demikian kepada pemberita di luar Sidang Kemuncak Ekonomi Malaysia 2018 anjuran Kingsley Advisory & Strategic Initiatives Institute semalam.

Manokaran berkata, beliau menjangkakan kerajaan tidak akan menaikkan cukai korporat kerana langkah itu akan menghalang pelaburan baharu.

Perdana Menteri, Tun Dr Mahathir Mohamad telah memberi petanda bahawa belanjawan kerajaan bagi tahun depan, yang akan dibentangkan pada 2 Nov ini, akan sederhana.

Bajet itu akan melibatkan banyak langkah seperti pembaharuan cukai memandangkan kerajaan berhasrat meningkatkan hasilnya.

Pada 2017, jumlah rasmi hutang kerajaan dan liabiliti luar jangka masing-masing pada RM686.8 bilion dan RM238.1 bilion.

Mengenai jangkaan Bajet 2019, Manokaran berkata kerajaan boleh menjimatkan sehingga RM3 bilion dalam peruntukan, dengan menumpukan untuk memberi manfaat kepada mereka yang benar-benar memerlukan daripada hanya merujuk kepada paras pendapatan semata-mata, serta menekankan kaedah untuk membantu rakyat, khususnya kumpulan isi rumah berpendapatan 40 peratus terendah.

Beliau berkata, kenaikan AS\$1 setong bagi harga minyak mentah Brent boleh membawa tambahan hasil RM300 juta dan anggaran tambahan hasil RM6.3 bilion kepada pendapatan kerajaan.

Antara Januari 2018 dan September 2018, harga purata minyak mentah Brent adalah pada AS\$73.1 setong.

Manokaran berkata, berdasarkan kutipan cukai pendapatan korporat lebih tinggi, hasil berkaitan minyak dan langkah rasionalisasi perbelanjaan kerajaan sehingga RM21.3 bilion atau lebih, kerajaan akan dapat memenuhi defisit fiskal 2.8 peratus yang disasarkan pada 2018.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	SINAR HARIAN ONLINE
LINK	http://www.sinarharian.com.my/nasional/med-akan-bincang-bina-pesawat-asia-dengan-jepun-1.892663

MED akan bincang bina pesawat Asia dengan Jepun

KUALA LUMPUR - Kementerian Pembangunan Usahawan (MED) merancang untuk mengadakan mesyuarat dengan kerajaan Jepun bagi membincangkan cadangan membina pesawat Asia.

Menteri, Datuk Seri Mohd Redzuan Yusof berkata, Malaysia akan menyumbang dari segi komponen pembuatan bagi pesawat Asia yang dicadangkan itu.

Beliau berkata, mesyuarat pertama mengenai projek kapal terbang Asia itu dijangka diadakan di Jepun pada penghujung November ini.

"Idea ini bukan dari Malaysia sebaliknya ia dicetuskan oleh kerajaan Jepun sendiri. Mereka sebenarnya menjemput kita untuk mempertimbangkan penyertaan dalam projek pesawat Asia.

"Kita mempunyai pangkalan di sini berkaitan apa yang kita boleh lakukan untuk menyolong industri kapal terbang global, seperti CTRM (Composites Technology Research Malaysia Sdn Bhd) yang membekalkan komponen peringkat kedua kepada Airbus," katanya kepada pemberita di luar Sidang Kemuncak Ekonomi Malaysia 2018, anjuran Kingsley Advisory & Strategic Initiatives Institute di sini, hari ini.

Mohd Redzuan berkata, CTRM akan menjadi projek yang dipanggil pangkalan, dan kerajaan mungkin membuka lebih banyak kemudahan sekiranya projek Jepun itu direalisasikan.

"Kita tidak menyediakan pelan tindakan yang boleh diperkatakan. Hanya satu idea yang dicetuskan oleh kerajaan Jepun untuk membina pesawat Asia.

"Saya tidak tahu berapa banyak negara (yang akan menyertai projek ini). Saya tidak dapat memberi banyak maklumat kepada anda kerana ia (masih) di peringkat idea," katanya.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	THE SUN DAILY ONLINE
LINK	http://www.thesundaily.my/news/2018/10/16/higher-fiscal-deficit-3-next-year-forecast

Higher fiscal deficit of 3% next year forecast

KUALA LUMPUR: While this year's fiscal deficit of gross domestic product (GDP) is expected to meet the 2.8% goal, a higher deficit of 3% could be seen next year despite efforts to cut expenditure along with the cancellation of major infrastructure projects.

Alliance Bank Malaysia Bhd chief economist Manokaran Mottain said for the upcoming Budget 2019, the government is likely to reduce the amount of allocation as part of operating expenditure cuts and streamlining of administrative processes. It is estimated that around RM8 billion to RM10 billion in operating expenditure could be saved annually.

He expects 2019 government's revenue and total expenditure to register at about RM228 billion and RM273 billion respectively, resulting in 2019 fiscal deficit to increase to 3% of total GDP.

"With all these trimming down of expenses, you still can't get off from registering a (larger) deficit of 3% (in 2019) and this is mind-boggling. The impact of all these project cancellation and expenditure trimming on the GDP is that the 2019 GDP will likely be slower at 4.5%," Manokaran said at the Malaysian Economic Summit 2018 yesterday, which was organised by the Kingsley Advisory & Strategic Initiatives Institute, a new independent private sector think tank.

He estimated that total expenditure will be lower by RM10 billion for 2019, including lowering development expenditure to be in the range of RM40 billion from RM45.4 billion estimated for 2018, but noted that operating expenditure will be difficult to trim, estimating that on a conservative basis, the government can save some RM5 billion.

He said the government should not rush into correcting its debt issue and trim down development expenditure heavily, as development expenditure can contribute to future GDP.

Malaysian Rating Corp Bhd associate director of research and chief economist Nor Zahidi Alias concurred, saying that there should not be a drastic cut in development expenditure.

"We cannot put brakes on development expenditure drastically to the point that we suffer in terms of headline growth. We care about sovereign rating but not to the point where we squeeze the economy to the brink of recession."

Nonetheless, he said anything that affects sovereign rating, especially for emerging markets like Malaysia, will have an implication on capital flows, currency and business sentiment.

"Austerity is not the solution. What's more critical is the debt-to-GDP ratio. Cutting expenditure can be done in the first and second year, but going forward it's more difficult to cut expenditure so I'd look for new sources of revenue," said Zahidi.

Meanwhile, University of Nottingham Malaysia school of economics head Dr Teo Wing Leong is of the view that spending cuts should start from operating expenditure, followed by reducing wastage and increasing efficiency.

Asset disposals by government-linked companies can also be an option.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	FMT MEDIA ONLINE
LINK	https://www.msn.com/en-my/news/national/asian-aircraft-malaysia-to-discuss-project-with-japanese-govt/ar-BBOs4fG

Asian aircraft: Malaysia to discuss project with Japanese govt

KUALA LUMPUR: The entrepreneur development ministry is planning to meet the Japanese government over a proposal to build an Asian aircraft.

Its minister, Mohd Redzuan Yusof, said Malaysia could contribute in terms of manufacturing components for the proposed aircraft.

He said the first meeting on the proposed Asian aircraft project would be held in Japan in late November.

"This idea did not come from Malaysia — it came from the Japanese government.

"They actually invited us to consider participating in the Asian aircraft project.

"We have the base here in relation to what we can do to support the global aircraft industry, such as CTRM (Composites Technology Research Malaysia), which is supplying Tier 2 components to Airbus," he told reporters on the sidelines of the Malaysian Economic Summit 2018, organised by the Kingsley Advisory and Strategic Initiatives here today.

The government, he added, may open more facilities if the project takes off.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	DAILY EXPRESS ONLINE
LINK	http://www.dailyexpress.com.my/news.cfm?NewsID=128032

Kuala Lumpur: A thorough study is needed before the introduction of any new tax mechanism in Budget 2019 as a potential new revenue stream, says an economist.

In making the call, Alliance Bank Malaysia Bhd Chief Economist Manokaran Mottain said new taxes such as the capital gains tax would affect the capital market.

A capital gains tax is a tax levied on capital gains or profits from the sale of specific types of assets.

The most common capital gains are realised from the sale of stocks, bonds, precious metals and property.

"When you impose that on Malaysia, foreign fund managers will run away from here. We do not have domestic fund managers quick enough to support (the market). I would say you need to have a thorough study on that, maybe not now, next year you can introduce," he added.

Manokaran was speaking to reporters on the sidelines of the Malaysian Economic Summit 2018 organised by Kingsley Advisory and Strategic Initiatives here.

He said he did not expect the government to increase corporate tax as it would deter new investments.

Prime Minister Tun Dr Mahathir Mohamad had indicated that the government's budget for next year, to be tabled on Nov 2, will be austere.

The budget will entail many measures such as new forms of taxes as the government looks to boost its revenue.

In 2017, the official total government debt and contingent liabilities were at RM686.8 billion and RM238.1 billion respectively.

On Budget 2019 expectations, Manokaran said the government could save up to RM3 billion in handouts, by narrowing down the scope to benefit those in real need, instead of referring to income level alone, as well as focus on ways to help the rakyat, especially those in the B40 income group.

He added that an increase of US\$1 per barrel in Brent crude oil price could result in an additional RM300 million in revenue and estimated additional revenue of RM6.3 billion to the government's coffers.

Between January 2018 and September 2018, Brent crude oil averaged at US\$73.1 per barrel.

Manokaran said given the higher corporate income tax collections, oil-related revenue and the government's expenditure rationalisation exercise totalling up to RM21.3 billion or more, the government will be able to meet its guidance of 2.8 per cent targeted fiscal deficit in 2018.



EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	BORNEO POST ONLINE
LINK	http://www.theborneopost.com/2018/10/17/med-to-meet-japanese-govt-on-asian-aircraft/

MED to meet Japanese govt on Asian aircraft

KUALA LUMPUR: The Ministry of Entrepreneur Development (MED) is planning a meeting with the Japanese government on a proposal to build an Asian aircraft.

Its Minister, Datuk Seri Mohd Redzuan Yusof said Malaysia would contribute in terms of manufacturing components for the proposed Asian aircraft.

He said the first meeting on the proposed Asian aircraft project would be held in Japan in late November.

"This ideation does not come from Malaysia, it comes from the Japanese government. They actually invited us to consider participating in the Asian aircraft project.

"We have the base here in relation to what we can do to support the global aircraft industry, such as CTRM (Composites Technology Research Malaysia) (which) is supplying Tier 2 components to Airbus," he told reporters on the sidelines of the Malaysian Economic Summit 2018 organised by the Kingsley Advisory and Strategic Initiatives here yesterday.

Mohd Redzuan said CTRM would become the project so-called base, and the government may open more facilities if the Japanese project were to materialise.

"We have not prepared the blueprint so to speak. Only an ideation coined by the Japanese government to initiate the Asian aircraft.

"I do not know how many countries (will participate in the project). I can't tell you much. That is (still) an ideation stage," he added.

EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	THE STAR ONLINE
LINK	https://www.thestar.com.my/business/business-news/2018/10/17/economist-dont-pull-brakes-on-development-spending/

Economist: Don't pull brakes on development spending



Malaysian Economic Summit 2018. From left to right: Tan Sri Dr Michael Yeoh, Nor Zahidi Alias, Manokaran Mottain, Dr Teo Wing Leong, Dominic Shum

KUALA LUMPUR: While sovereign rating is an important factor to consider in relation to managing fiscal balance, it should not be to the extent of pushing the economy towards a recession, says panelists at an economic summit.

Malaysian Rating Corp Bhd associate director of research and chief economist Nor Zahidi Alias said the government should not pull the brakes on development expenditure, although operating expenditure may need to be controlled, moving forward.

“When it comes to Budget 2019, I agree that we care about sovereign ratings, but not to the point where we squeeze the economy to the brink of recession.

“We shouldn’t pull the brakes on development expenditure too drastically to the point where we suffer in terms of headline growth,” he said during a session at the Malaysian Economic Summit.

Nor Zahidi noted that the government’s fiscal balance tends to move in tandem with sovereign ratings.

“If you want to have a good sovereign rating, you have to make sure the fiscal balance is good.

“I suppose this is why the government is so concerned about consolidating the fiscal position and trying to reduce the deficit to below 3%,” he said.

On government expenditure, he noted that operating expenditure has increased by about 5.5% per year on a compounded annual growth rate basis between 2010 and 2017.

“If you look at emoluments itself, it has increased by 8% per annum.

“Debt services have grown about 9% and pension and gratuity by about 11% per annum.

“I think the government is looking very closely at this, although some are very sensitive,” he said.

Institute of Public Accountants Australia (KL branch) council member, Dominic Shum, is of the opinion that cutting expenditure is the best way forward.

“The government must understand that we must be able to sustain this deficit.

“If you spend on something that does not improve productivity in the long run, then it is not sustainable,” he said.

He said the country would not achieve a balanced budget unless drastic action is taken.

“For example, Malaysia has a much smaller population than the United Kingdom but we have about the same number of universities.

“We have quite a number of public universities – one in each state – is that really necessary?” he asked.

Shum, however, said he is still optimistic about the economic situation in Malaysia.

“We should think about how we can fund major public projects instead of the current model.

“During our prime minister’s previous tenure, there was a lot of privatisation – maybe we should relook this as a way to reduce expenditure,” he said.



EVENT	MALAYSIAN ECONOMIC SUMMIT
DATE	16 OCTOBER 2018
VENUE	ROYALE CHULAN KUALA LUMPUR
NEWS	THE STAR ONLINE
LINK	https://www.thestar.com.my/business/business-news/2018/10/17/malaysia-may-take-part-in-asian-aircraft-project/

Malaysia may take part in Asian aircraft project

PETALING JAYA: Malaysia will meet with Japanese officials at the end of the year to discuss the possibility of participating in an Asian aircraft project.

Entrepreneur Development Minister Datuk Seri Mohd Redzuan Yusof said the idea was put forward by the Japanese government, which had invited Malaysia, among other Asian countries, to participate in the project.

"They invited us to consider participating in the Asian aircraft project, as we have the base here in relation to what we do to support the global aircraft industry," he said.

Composites Technology Research Malaysia Sdn Bhd, which has [DRB-Hicom Bhd](#) as its major shareholder, manufactures and supplies composite aero structures to major aircraft manufacturers including Airbus.

This will be our base if the ideation does materialise in the near future.

"Malaysia will supply components for the aircraft," he told reporters after delivering his keynote address at the Malaysian Economic Summit.

He said a blueprint had not been prepared yet, and the project was only at the ideation stage.

"The plan is to expand the capacity and capabilities of the vendors already in the industry, and then combine resources and technology among participating Asian countries to realise this project.

"We hope to have a meeting in late November to discuss this further," he said.