社会经济研究中心

SOCIO-ECONOMIC RESEARCH CENTRE

Ministry of Finance Economic Report and National Budget 2020

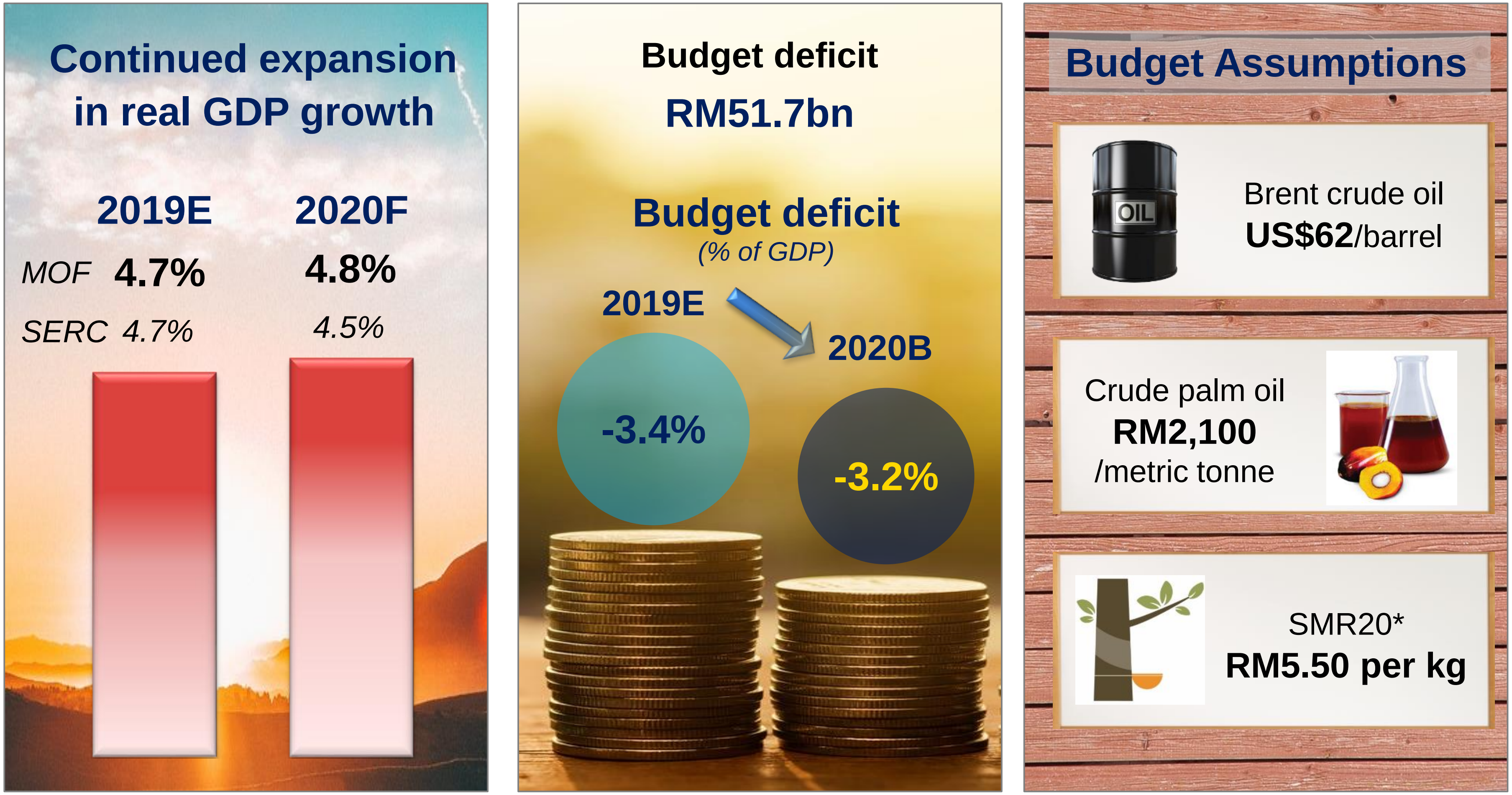
Expansionary yet Responsible

BUDGET 2020

2020 BUDGET Highlights

Theme

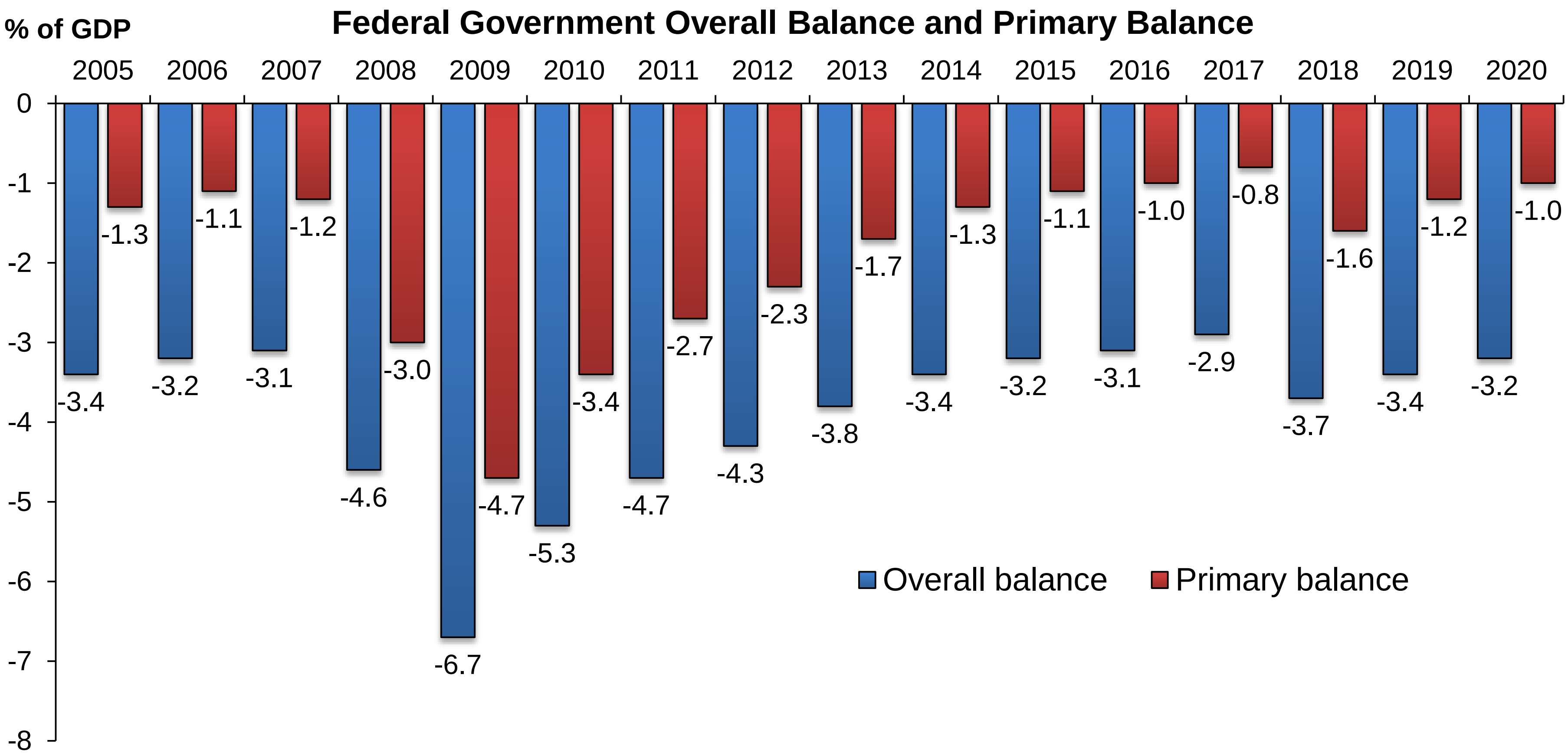
Driving Growth And Equitable Outcomes Towards Shared Prosperity



Note: Standard Malaysian Rubber 20

Overall deficit at 3.2% of GDP & primary deficit at 1.0% of GDP in 2020

- Fiscal consolidation remains on track amid higher expenditure in 2020.
- A smaller primary deficit indicates improved fiscal health.



Note: Primary balance excludes debt service charges
Source: MOF

Medium-Term Fiscal Framework (MTFF) 2020-2022

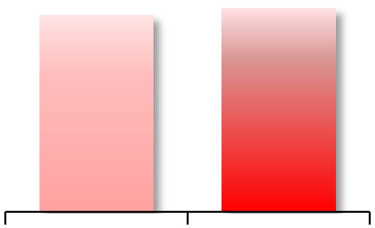
	2020-2022	
	Total *(RMbn)*	Share of GDP *(%)*
Revenue	764.9	*15.0*
Non-petroleum	615.7	*12.1*
Petroleum-related	149.2	*2.9*
Operating expenditure	751.4	*14.7*
Current balance	**13.5**	***0.3***
Gross development expenditure	159.0	*3.1*
Less: Loan recovery	1.8	*0.0*
Net development expenditure	157.2	*3.1*
Overall balance	**-143.7**	***-2.8***
Primary balance	**-31.9**	***-0.6***
Underlying assumptions		
Real GDP growth (%)	4.5 – 5.0	
Nominal GDP growth (%)	5.5 – 6.0	
Crude oil price (USD per barrel)	60 – 65	
Oil production (barrels per day)	600,000	

Note: MTFF estimate, excluding budget measures
Source: MOF

Economic Outlook

2020 ECONOMY snapshot

%	2019E	2020B
MOF	4.7	**4.8**
SERC	*4.7*	*4.5*



2020
Real GDP
RM1.49 trillion

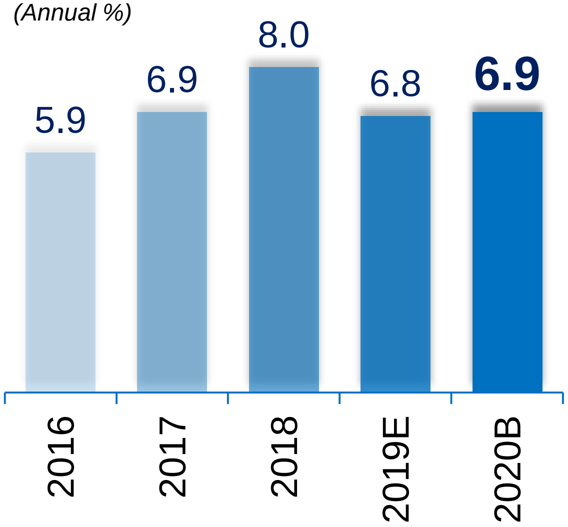
Nominal GDP RM1.61 trillion

Inflation Rate
- **2019E : 0.9%**
- **2020B : 2.0%**

Unemployment Rate
- **2019E : 3.3%**
- **2020B : 3.3%**

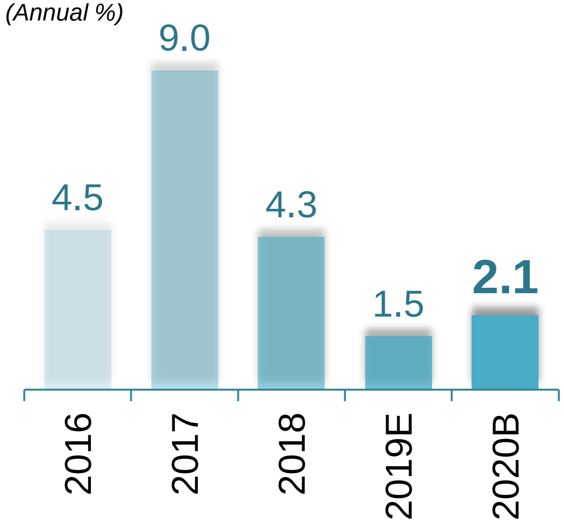
Resilient Private consumption

*2020B: **59.3%** share of GDP*



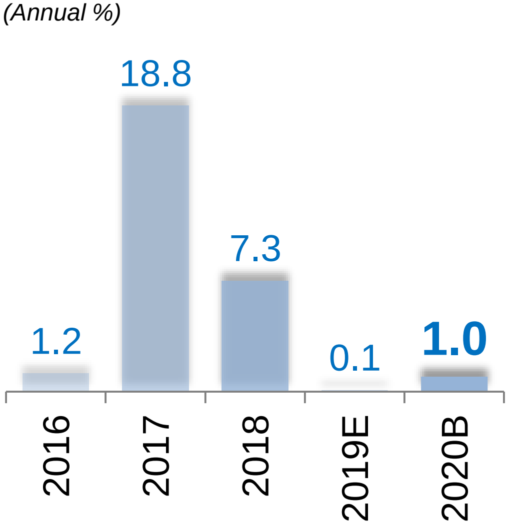
Still Weak Private Investment

*2020B: **16.3%** share of GDP*



Subdued Gross Exports

*2020B: **63.1%** of GDP*



SERC's comments

A. Economic Overview

- *The Ministry of Finance (MOF)'s projected* ***real GDP growth of 4.8% in 2020 vs. SERC's 4.5%*** *(MOF: estimated 4.7% in 2019 vs. SERC's 4.7%) is* ***on the high side*** *given increasing external uncertainties weighing on trade and investment amid still-cautious domestic business confidence.*

- *With exports expected to remain subdued in 2020 (estimated 1.4%), the economy still pinning high hopes on the strength of* ***private consumption, which is projected to increase by 6.9%*** *(6.8% in 2019), underpinned by stable labour market (unemployment rate at 3.3%) and income-supportive measures such as Bantuan Sara Hidup (BSH) of RM5.0bn amid some dampening impact from the reintroduction of a managed float RON95 fuel prices.*

- *We view with concern over the continued moderate pace of* ***private investment (estimated 2.1% in 2020 vs. 1.5% in 2019)*** *as it would exert a bigger drag on economic growth prospects if it is not revitalised amid the resumption of strategic projects while the property overhang in residential and commercial properties had dampened private investment in real estate. We see the* ***urgent need of policy reorientation to enhance better investment climate and competitive cost of doing business*** *as well as* ***provide growth catalysts*** *to re-energise private investment.*

A. Economic Overview (cont.)

- *In tandem with an increase of 4.3% in development expenditure to RM56.0bn in 2020, **public investment is projected to decline marginally by 0.6%** compared to a larger contraction of 8.1% in 2019. Development of new oil and gas projects such as Kasawari, on-going projects such as Floating LNG2, MRT2, LRT3, LRT line extension and ECRL as well as Tekai hydroelectric and Pasir Gudang combined-cycle gas turbine power plant projects are expected to buoy public investment.*

- *By sector, MOF expects **all economic sectors to register positive growth in 2020, which is tandem with our estimates amid variation in the growth estimates**. The services sector is expected to lead with a projected growth of 6.2%, followed by manufacturing (4.1%), construction (3.7%), agriculture (3.4%) and mining (0.3%). The manufacturing sector is at risk, hinging on the anticipated revival in global semiconductor sales and also on the outcome of the US-China's trade and technology war.*

- ***Headline inflation** as measured by the Consumer Price Index (CPI) is expected **to increase by 2.0% in 2020** (estimated 0.9% in 2019), reflecting largely the impact of a managed floating of RON95 fuel prices, departure levy and digital tax as well as the expected water tariff hikes. At this juncture, no ceiling price will be set for RON95 when it is on a managed float. The fuel price adjustment will be gradual, with the price hikes not more than 4 cents per litre. Global crude oil price outlook remains a wild card.*

Where is the GROWTH coming from?

Services (2019E: 6.1%, 2020B: 6.2%)
% share of GDP in 2020B: 58.2%

- Supported by tourism related activities and accelerating growth of e-commerce.
- 5G-driven ICT; increase in bank lending and higher fee income; operation of new highways.

Manufacturing (2019E: 4.0%, 2020B: 4.1%)
% share of GDP in 2020B: 22.1%

- Benefit from global electronics supply chain following the US-China trade and technology dispute and uptick in electronics cycle.
- Domestic-oriented industries (consumer and construction-related clusters).

Agriculture (2019E: 4.3%, 2020B: 3.4%)
% share of GDP in 2020B: 7.2%

- Higher output of palm oil (2020: 22.2 mil tonnes vs. 21.0 mil tonnes in 2019); CPO average prices at RM2,100 per metric tonne in 2020 vs. RM2,000 in 2019; Higher demand (bilateral trade deal) from China.
- Higher production of rubber and food products (except aquaculture).

Where is the GROWTH coming from? (cont.)

Mining (2019E: 0.6%, 2020B: 0.3%)
% share of GDP in 2020B: 7.0%

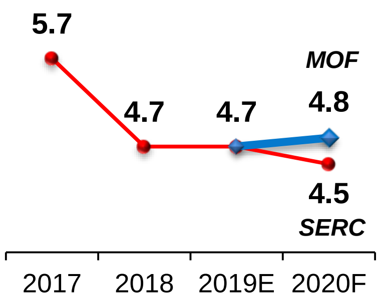
- Strong demand from petrochemical industry ; rising exports of LNG.
- Commencement of the North Malay Basin Full Field Development (FFD – Phase 2), Gorek, Integrated Bokor (Phase 3), Betty redevelopment projects.
- Crude oil subsector is expected to increase moderately, underpinned by the development of Anggerik FFD, Zetung FFD and Bayan Oilfield (Phase 2B and 2C).

Construction (2019E: 1.7%, 2020B: 3.7%)
% share of GDP in 2020B: 4.7%

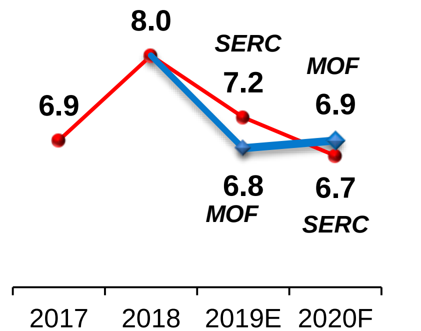
- Acceleration and revival of mega projects and building of affordable housing.
- Civil engineering segment: ECRL; MRT2; LRT3; Electrified Double Track Gemas-Johor Bahru; KVDT2; Central Spine Road; Pan Borneo Highway; and Coastal Highway in Sarawak.
- Non-residential subsector remains subdued, dragged by persistent overhang.

Malaysia's key ECONOMIC INDICATORS

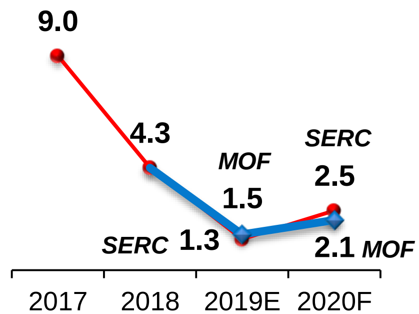
Real GDP Growth
(%)



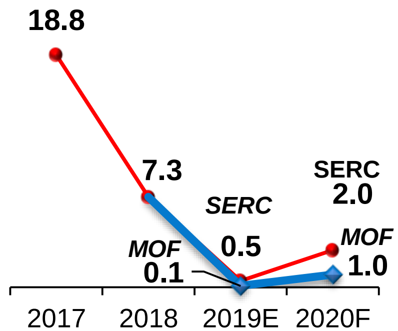
Private Consumption Growth
(%)



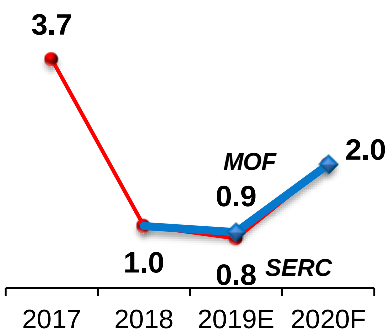
Private Investment Growth
(%)



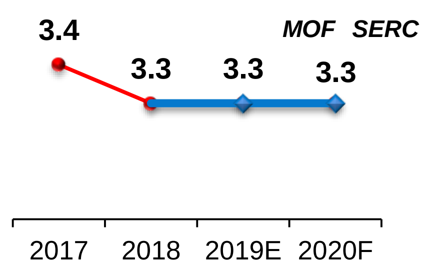
Gross Exports Growth
(%)



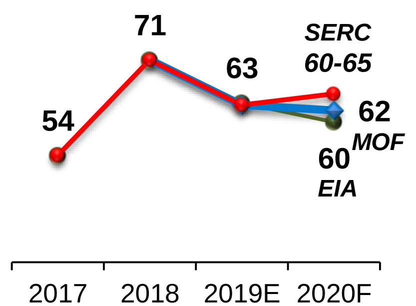
Inflation Rate
(%)



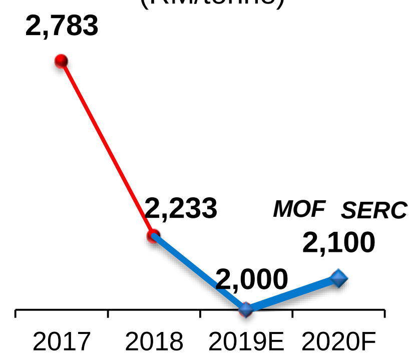
Unemployment Rate
(%)



Brent Crude Oil Prices
(US$/barrel)



Crude Palm Oil Prices
(RM/tonne)



Source: DOSM; MOF; EIA; MPOB; SERC as indicated in by the red line

Sources of GDP growth: DEMAND and SUPPLY side

- **Private consumption remains resilient**; public investment will decline marginally in 2020.
- All economic sectors are expected to register **positive growth** in 2020.

% growth, 2015=100	**2017**	**2018**	**2019 1H**	**2019E (MOF)**	**2019E (SERC)**	**2020B (MOF)**	**2020F (SERC)**
GDP by demand component							
Private consumption (58.1%)	6.9	8.0	7.7	6.8	7.2	6.9	6.7
Private investment (16.8%)	9.0	4.3	1.2	1.5	1.3	2.1	2.5
Public consumption (12.1%)	5.5	3.3	3.2	2.0	2.7	1.5	2.0
Public investment (6.5%)	0.3	-5.0	-11.3	-8.1	-8.9	-0.6	-1.0
Exports of goods and services (64.3%)	8.7	2.2	0.1	-0.4	-0.7	1.4	1.2
Imports of goods and services (56.7%)	10.2	1.3	-1.8	-2.1	-1.6	1.9	1.0
GDP by economic sector							
Agriculture (7.3%)	5.8	0.1	4.9	4.3	4.6	3.4	2.5
Mining & quarrying (7.3%)	0.4	-2.6	0.3	0.6	0.5	0.3	0.8
Manufacturing (22.2)	6.0	5.0	4.2	4.0	4.4	4.1	3.9
Construction (4.7%)	6.7	4.2	0.4	1.7	0.8	3.7	1.5
Services (57.5%)	6.2	6.8	6.3	6.1	6.1	6.2	6.0
Overall GDP	**5.7**	**4.7**	**4.7**	**4.7**	**4.7**	**4.8**	**4.5**

Figure in parenthesis indicates % share to GDP in 2019E
Source: DOSM; MOF

Budget Commentary

2020 BUDGETARY OPERATION snapshot

REVENUE

(RM bn)

2018	2019E	2019E*	2020B
232.9	263.3	233.3	244.5

-7.1% from 2019E

+4.8% from 2019E*

* Excludes a one-off PETRONAS special dividend of RM30bn

EXPENDITURE

-6.0% from 2019E

+6.5% from 2019E*

* Excludes a one-off tax refunds of RM37bn

(RM bn)

2018	2019E	2019E*	2020B
287.1	316.0	279.0	297.0

OPERATING EXPENDITURE

(RM bn)

2018	2019E	2019E*	2020B
231.0	262.3	225.3	241.0

-8.1% from 2019E

+7.0% from 2019E*

* Excludes a one-off special tax refunds of RM37bn

DEVELOPMENT EXPENDITURE

+4.3% from 2019E

(RM bn)

2018	2019E	2020B
56.1	53.7	56.0

SERC's comments

B. Budget Overview

- *The fiscal budget for 2020 is a budget that prepares Malaysians and businesses for the future. It is an* ***expansionary yet responsible*** *budget for sustaining economic growth, job creation, lifting productivity through reskilling and upskilling as well as enhancing competitiveness.*

- *While the Malaysian economy is estimated to grow by 4.7% in 2019 (SERC: 4.7%) and 4.8% in 2020 (SERC: 4.5%), the Government* ***takes no chances to insure the economy against ongoing risks****, including weak global growth prospects and prolonged trade tensions. If the global economy does turn down more sharply than expected, then a decisive expansionary budget stance is deemed appropriate to keep the economy going at decent tempo.*

- *It is indeed a tough and challenging political balancing act for the Minister of Finance to craft a* ***responsive budget without impairing domestic growth and worsening the fiscal deficit****.*

- *2020 Budget thrusts are aimed at* ***strengthening Malaysia's economic resilience, revitalise private investment and competitiveness*** *in an era of increasing global uncertainty and complexity, brought about by changing trade winds toward more market protectionism mindset and rapid digital technologies-induced disruptions.*

SERC's comments

C. On the Budgetary Operations

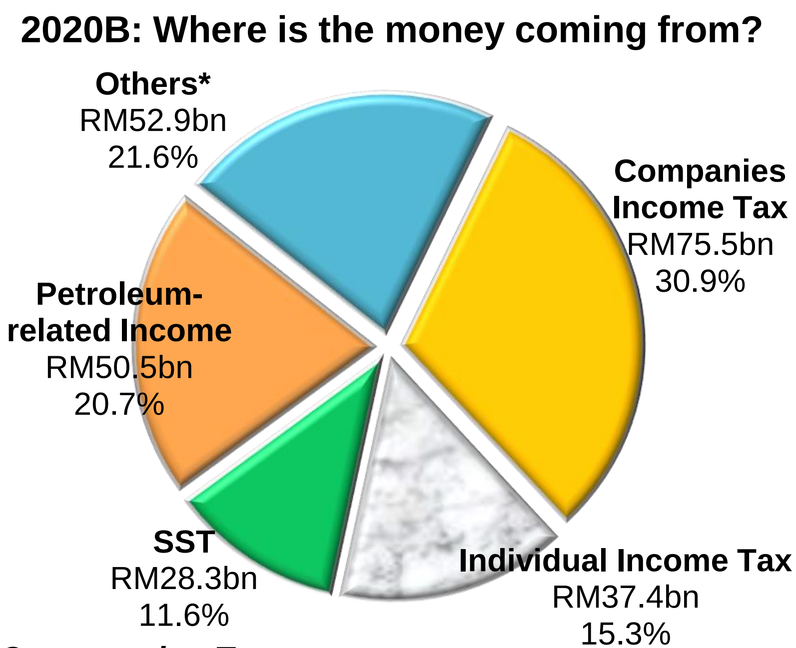
- *The **fiscal deficit for 2020 is expected at RM51.7bn or -3.2% of GDP,** slightly higher than the earlier guidance of -3.0% of GDP but an improvement from the deficit of RM51.8bn (-3.4% of GDP) in 2019. **Primary deficit** excluding debt service charges will narrow to -1.0% of GDP in 2020 from -1.2% of GDP in 2019, indicating improving fiscal health.*

- *A slight deviation from the deficit original target of -3.0% of GDP is acceptable as to allow for some targeted expansionary spending to safeguard the domestic economy against the high risk of a bigger global economic slowdown.*

- ***Operating surplus** is projected to improve to **RM3.5bn in 2020** (2019E: RM1.0bn). Owing to higher commitments, operating surplus has been shrinking to an **average of RM2.9bn per year in 2008-2019** from an average of **RM13.9bn per year in 2001-2007**.*

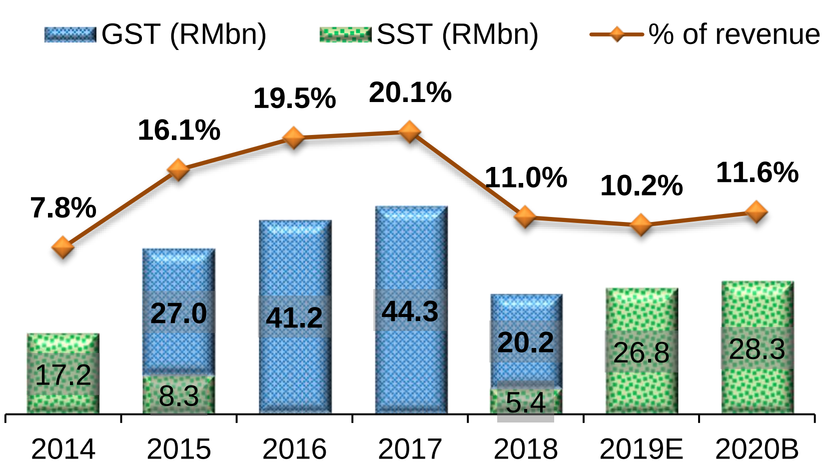
- *We **do not expect global rating agencies to build a rating review case on Malaysia** as the Government remains committed towards meeting the medium-term fiscal consolidation stability framework. There is a need to strike a balance between stimulating domestic economic activity and consumption and the containment of government debt.*

DISTRIBUTION in revenue

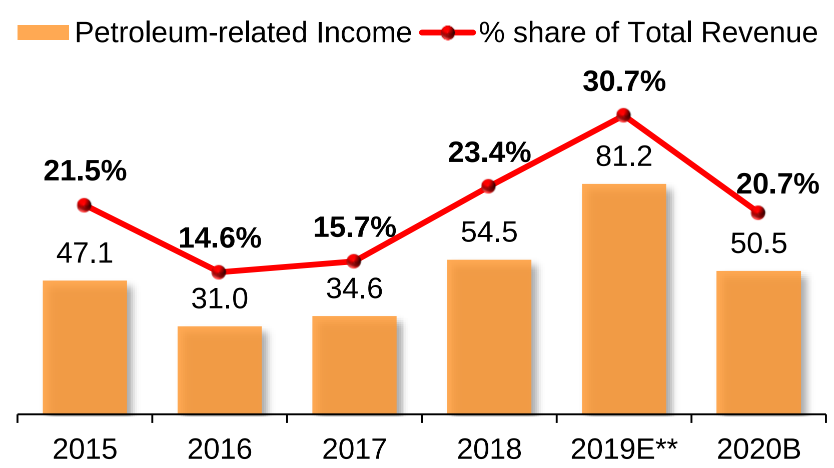


- **SST revenue** is budgeted to increase by 5.6% to **RM28.3bn in 2020** or 11.6% of total revenue (2019: RM26.8bn).
- **Company income tax** (+6.7% to RM75.5bn); **Individual income tax** (+6.1% to RM37.4bn).
- **Petroleum-related revenue** will **decline by 37.8% to RM50.5bn** (**the absence of RM30 bn PETRONAS's special dividend**).
- **Oil price assumption**: US$63/bbl in 2019 and US$62/bbl in 2020.

Consumption Tax:



Petroleum-related Revenue:



** Includes non-tax revenue, excise duty, stamp duty, etc.*
Source: MOF

*** Includes a one-off PETRONAS dividend of RM30bn for income tax and GST refunds*

SERC's comments

Budget Revenue

- *It should be noted that **federal revenue is projected to decline by 7.1% to RM244.5bn in 2020** from estimated RM263.3bn in 2019. Excluding the one-off PETRONAS special dividend of RM30.0bn in 2019, **federal revenue will increase by 4.8% in 2020**, which is on the high side given the anticipated slower economic growth.*

a) ***Sales and Services Tax (SST) collection is revised higher to RM26.8bn in 2019 from RM22.0bn projected in 2019 Budget** due to better-than-expected collection in 1H 2019. Of the total, **RM15.5bn is sales tax collection** due to higher demand for four wheels drive (4WD) and sports utility vehicles (SUV) as well as machines and spare parts. **RM11.3bn is estimated for service tax,** contributed by higher demand for food and beverages, telcos and insurance sector. **For 2020, SST collection** is projected **to increase by 5.6% to RM28.3bn or 11.6% of total revenue**.*

b) ***Oil-related revenue, including PETRONAS dividend** is estimated to **decline by 1.4% to RM50.5bn in 2020** (20.7% of total revenue) from RM51.2bn (excluding a one-off PETRONAS dividend of RM30.0bn) in 2019. **For 2020, Petronas dividend is budgeted at RM24.0bn**, same amount as in 2019, based on crude oil price assumption of US$62 per barrel in 2020 (US$63 per barrel in 2019).*

Budgetary EXPENDITURE MIX

Share of development expenditure rises in 2020

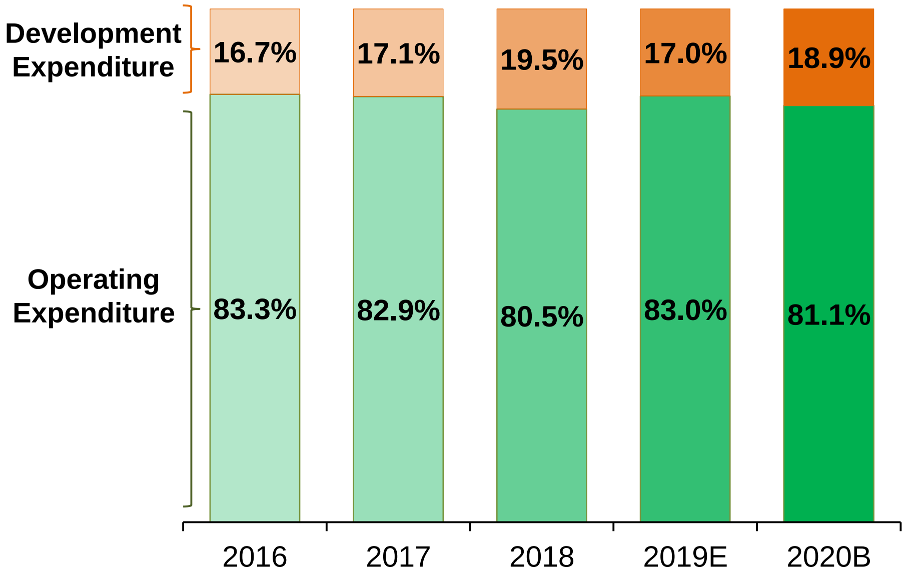
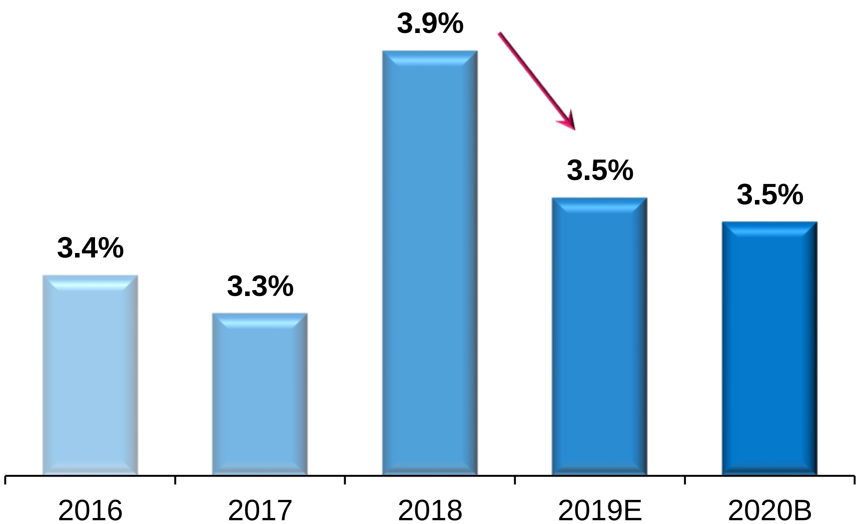


Figure denotes share of total expenditure

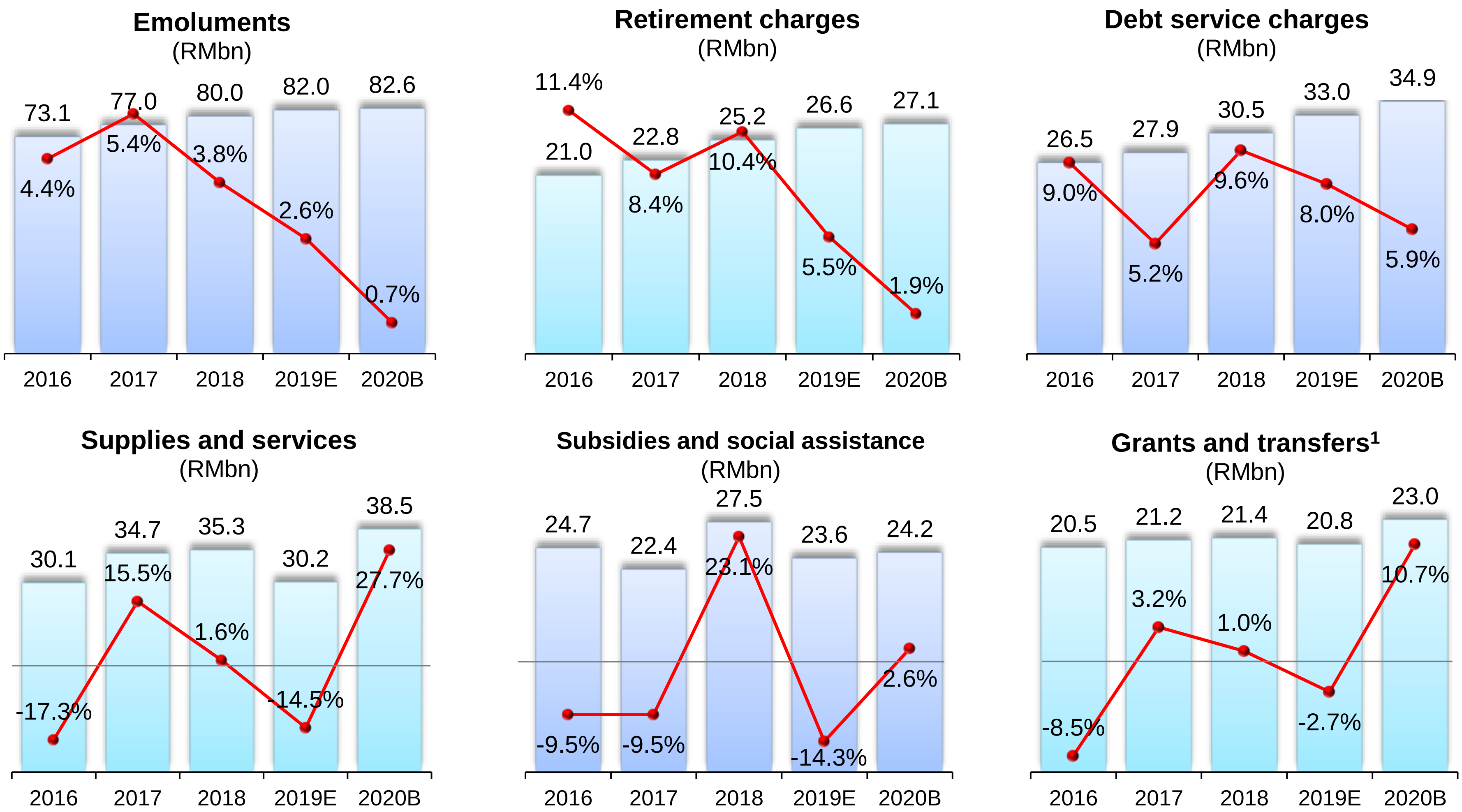
Stable share of DE to GDP in 2020



Source: MOF, SERC

OPERATING EXPENDITURE needs further restrain

Distribution of operating expenditure by type

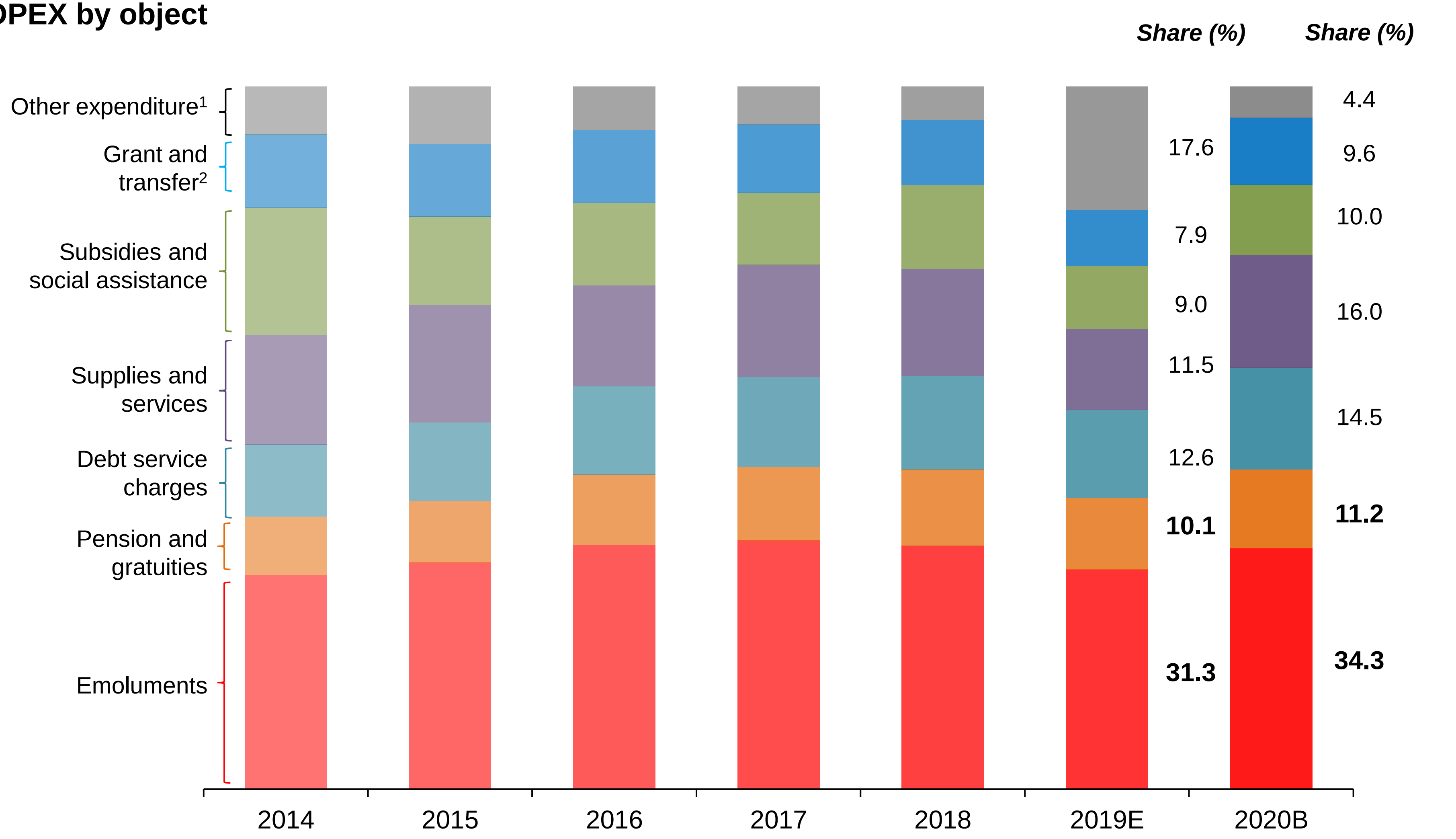


Note:
Line chart indicates an annual rate of change in operating expenditure
Straight line indicates 0%
[1] Includes grants and transfers to state governments and grants to statutory bodies

Source: MOF

About 46% for EMOLUMENTS and RETIREMENT CHARGES

OPEX by object



[1] *Includes assets acquisition, refunds and write-offs, grants to statutory funds and etc.*
[2] *Includes grants and transfers to state governments and grants to statutory bodies.*

Source: MOF

SERC's comments

Total Expenditure

- ***Total expenditure*** *is projected to* ***increase by 6.5% to RM297.0bn in 2020*** *(RM279.0bn in 2019, excluding a one-off tax refunds of RM37.0bn). Of this,* ***operating expenditure*** *takes a* ***lion share of 81.1%*** *of total expenditure (an average share of 73.5% per year in 2001-09), leaving a balance of* ***18.9%*** *for* ***development expenditure*** *(an average share of 26.5% per year in 2001-09).*

(i) Operating Expenditure

- ***Operating expenditure will increase by 7.0% to RM241.0bn in 2020*** *from RM225.3bn in 2019, which excludes a one-off income tax and GST refunds of RM37.0bn. It makes up 81.1% of total expenditure and 98.6% of total revenue (an average of 89.9% per year in 2001-09).*

a) ***Emoluments*** *for 1.4 million civil servants will amount to* ***RM82.6bn or 34.3% of total opex in 2020****; followed by* ***RM27.1bn or 11.2% of total*** *for* ***retirement charges*** *to accommodate 874,000 pensioners and beneficiaries;*

b) ***RM34.9bn or 14.5% of total for debt service charges*** *(DSC). It should be noted that DSC accounts for 14.3% of total revenue, which has been rising in recent years due to increased debt and liabilities; and*

SERC's comments

(i) Operating Expenditure (cont.)

c) ***Supplies and services (16.0% of total capex) is budgeted to increase by strong double-digit rate of 27.7% to RM38.5bn in 2020*** *(-14.5% to RM30.2bn in 2019). The increase is for* ***repairs and maintenance as well as allocation for professional services****.* ***Ministry of Health*** *will receive 28.2% of total allocation for procurement of medical supplies as well as repairs and maintenance of medical facilities.* ***Ministry of Education*** *will get 16% of total supplies and services mainly for repairs and maintenance of school facilities, security and cleaning services.*

- *With no strong political will to undertake structural reforms to right size 1.4 million civil servants and reform public sector pension (with potential liabilities of RM100bn in the years ahead) as well as more rationalisation of non-critical spending, operating expenditure will continue to exert pressure on the budget's allocation, and hence lesser amount for development expenditure. On concerns over the sustainability of public sector pension scheme, the Government is exploring options for a more robust scheme to efficiently manage future pension obligations. We propose* ***a migration from defined-benefit pension plan to a defined contribution scheme****.*

(i) Operating Expenditure (cont.)

- ***Subsidies and social assistance will increase by 2.6% to RM24.2bn or 10.0% of total opex in 2020*** *after a decline of 14.3% to RM23.6bn in 2019.*

a) Fuel subsidies *are estimated to be lower with the reinstatement of a managed-float system for RON95 starting 1 January 2020. The targeted fuel subsidy scheme which is estimated to cost RM784 million per year will benefit 2.9 million eligible recipients (B40 households) receiving between RM48 every four months or RM144 per year (motorcycle owners) and RM120 (car owners) every four months or RM360 per year. For cars, only those with 1,600cc engines and below or vehicles over 10 years old with engines larger than 1,600cc are eligible. With the implementation of this targeted fuel subsidy scheme, the Government may save at least RM2.0bn fuel subsidy, depending on the direction of global crude oil prices.*

b) Bantuan Sara Hidup (BSH) or cost of living aid *will be allocated RM5.0bn in 2020 for 3.6 million households (RM5.0bn in 2019 and RM6.4bn in 2018). In 2019 Budget, BSH was restructured in terms of recipients' criteria and assistance compared to previous BR1M.*

Development expenditure: SECTORAL ALLOCATION

By Sector	2018	2019E	2020B	2018	2019E	2020B	2018	2019E	2020B
	RM million			% YoY			% Share		
Economic	**36,103**	**28,820**	**31,019**	**49.3**	**-20.2**	**7.6**	**64.4**	**53.7**	**55.4**
Agriculture and rural development	2,133	2,310	2,973	-3.9	8.3	28.7	3.8	4.3	5.3
Energy and public utilities	2,254	2,584	4,338	-8.9	14.6	69.8	4.0	4.8	7.7
Trade and industry	2,512	3,022	2,446	-33.9	20.3	-19.1	4.5	5.6	4.4
Transport	17,004	11,209	12,195	63.0	-34.1	8.8	30.3	20.9	21.8
Environment	1,665	1,945	1,734	-19.2	16.8	-10.8	3.0	3.6	3.1
Others	10,535	7,750	7,333	229.0	-26.4	-5.4	18.8	14.5	13.1
Social	**12,873**	**15,010**	**15,068**	**3.6**	**16.6**	**0.4**	**22.9**	**28.0**	**26.9**
Education and Training	6,505	8,020	7,864	3.2	23.3	-1.9	11.6	14.9	14.0
Health	1,773	2,258	2,898	20.6	27.4	28.3	3.2	4.2	5.2
Housing	1,285	1,830	1,491	63.7	42.4	-18.5	2.3	3.4	2.7
Others	3,310	2,902	2,815	-14.3	-12.3	-3.0	5.8	5.5	5.0
Security	**4,929**	**6,689**	**6,557**	**-7.6**	**35.7**	**-2.0**	**8.8**	**12.5**	**11.7**
Defence	3,262	3,432	3,160	-24.4	5.2	-7.9	5.8	6.4	5.6
Internal Security	1,667	3,257	3,397	63.6	95.4	4.3	3.0	6.1	6.1
General Administration	**2,190**	**3,181**	**3,356**	**-25.5**	**45.3**	**5.5**	**3.9**	**5.8**	**6.0**
Total	**56,095**	**53,700**	**56,000**	**25.0**	**-4.3**	**4.3**	**100.0**	**100.0**	**100.0**

Source: MOF

SERC's comments

(ii) Development Expenditure

- ***Development expenditure (DE) is budgeted to increase by 4.3% to RM56.0bn or 18.9% of total expenditure in 2020*** *(RM53.7bn in 2019).*

- *Of the 2020 allocation,* ***RM53.2bn is allocated for 4,744 ongoing projects*** *while* ***RM2.8bn is for 722 new projects****.*

- *The* ***economic*** *sector remains the largest recipient (RM31.0bn or 55.4% of total DE), followed by* ***social*** *(RM15.1bn or 26.9% of total),* ***security*** *(RM6.6bn or 11.7% of total) and general administration (RM3.4bn or 6.0% of total) sectors.*

a) ***The transport sector*** *will see an increase of 8.8% in allocation to RM12.2bn or 21.8% of total DE) mainly for public transportation and highway such as MRT2, KVDT and Pan Borneo Highway, expansion of airports in Sandakan and Johore Bahru, as well as maintenance and upgrading of roads, bridges, ports and railways.*

b) ***Energy and public utilities sector*** *will receive an allocation of RM4.3bn or 7.7% of total DE. This is for the enhancement of utilities and amenities, water supply and sewerage services as well as flood mitigation infrastructure.*

SERC's comments

(ii) Development Expenditure (cont.)

c) ***Agriculture and rural development*** *will be allocated with RM3.0bn or 5.3% of total DE, mainly for paddy irrigation system, oil palm and rubber replanting activities, and agricultural entrepreneurs' fund.*

d) ***Trade and industry subsector*** *is allocated with RM2.4bn or 4.4% of total DE, focussing on projects and programs related to entrepreneurs' development, corridors development, industrial readiness for IR4.0.*

e) ***Education and training sector*** *will be given a sum of RM7.9bn or 14.0% of total DE for rebuilding of dilapidated schools, refurbishment and improving of schools' infrastructure, upgrading of training institutions, education training and research fund.*

f) ***Health sector*** *will be allocated with RM2.9bn or 5.2% of total DE, a strong increase of 28.3% from RM2.3bn in 2019. The allocation is mainly for building, upgrading and maintaining hospitals and clinics as well as procurement for medical equipment.*

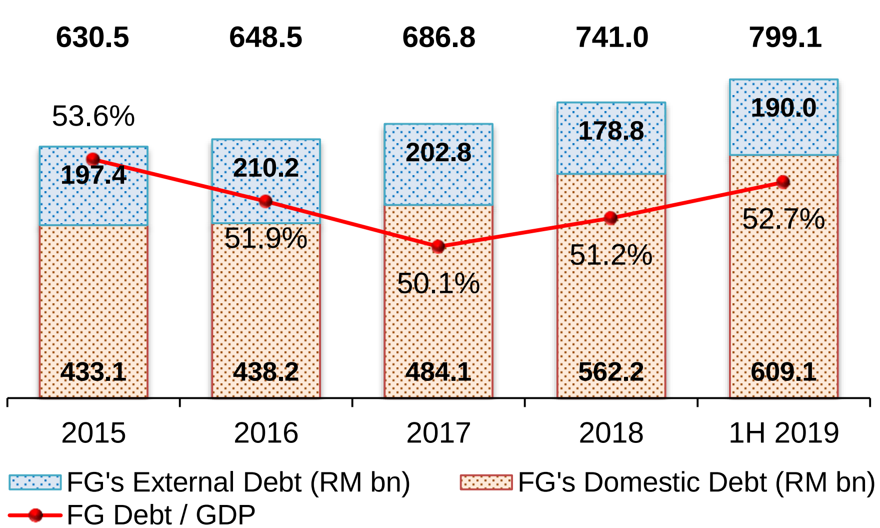
g) ***Housing sector's*** *allocation of RM1.5bn will be primary utilised for the construction of People's Housing Project and civil servants' quarters as well as rehabilitation of abandoned private housing projects.*

Overall Federal Debt and Liabilities

FG's total DEBT AND LIABILITIES (end-June 2019: RM1.17 trn or 77.1% of GDP)

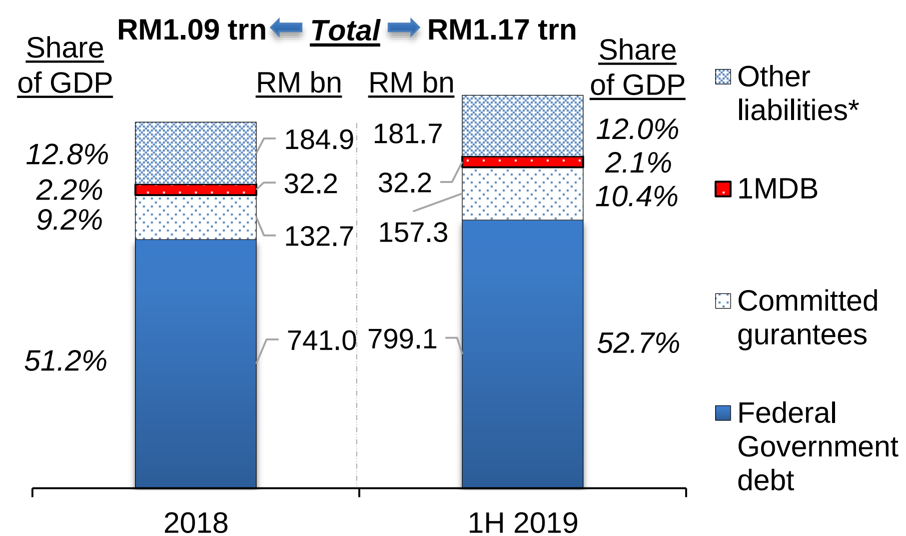
- **Federal government's direct debt stood** at **RM799.1bn (52.7% of GDP) at end-June 2019**, a rise of 7.8% from RM741.0bn (51.2% of GDP) at end-2018.
- The **Federal Government debt, contingent liabilities and commitment made under public-private partnership (PPP) projects** stood at **RM1.17 trillion (trn)** or **77.1 of GDP as at end-June 2019** (End-2018: RM1.09 trillion or 75.4% of GDP).

FG debt to GDP ratio improves due to the transfer of Treasury Housing Loan



Source: BNM; MOF

Federal Government Debt and Liabilities Exposure



** PPP, PFI and PBLT;*
1MDB=1Malaysia Development Berhad

Details of Government Guarantees

Major Recipients of Loan Guarantees as at end-June 2019

Entity	RM million	Share (%)	Share of GDP (%)
Total loan guarantees	**273,847**	**100.0**	**18.0**
Of which:			
DanaInfra Nasional Berhad	57,820	21.1	3.8
National Higher Fund Corporation	40,300	14.7	2.7
Prasarana Malaysia Berhad	31,414	11.5	2.1
Public Sector Home Financing Board	20,750	7.6	1.4
Malaysia Rail Link Sdn. Bhd.	18,715	6.8	1.2
Khazanah Nasional Berhad	14,000	5.1	0.9
Pengurusan Air SPV Berhad	12,410	4.5	0.8
Project Lebuhraya Usahasama Berhad	11,000	4.0	0.7
Suria Strategic Enegry Resources Sdn. Bhd.	8,049	2.9	0.5
GovCo Holdings Berhad	7,300	2.7	0.5
Total of major recipients	**221,758**	**81.0**	**14.6**

Source: MOF

Details of Government Guarantees (cont.)

Committed Guarantees

	RM million		Share (%)	
	2018	2019*	2018	2019*
DanaInfra Nasional Berhad	52,740	57,820	*39.7*	*36.7*
Prasarana Malaysia Berhad	31,414	31,414	*23.7*	*20.0*
Urusharta Jamaah Sdn Bhd	-	20,000	-	*12.7*
Malaysia Rail Link Sdn Bhd	18,862	18,715	*14.2*	*11.9*
Suria Strategic Energy Resources Sdn Bhd	7,925	8,049	*6.0*	*5.1*
GovCo Holdings Berhad	7,300	7,300	*5.5*	*4.6*
Jambatan Kedua Sdn Bhd	5,751	5,679	*4.3*	*3.6*
MKD Kencana Sdn Bhd	3,500	3,500	*2.6*	*2.2*
SRC International Sdn Bhd	3,600	3,400	*2.7*	*2.2*
Sentuhan Budiman Sdn Bhd	800	800	*0.6*	*0.5*
TRX City Sdn Bhd	485	429	*0.4*	*0.3*
Asset Global Network Sdn Bhd	228	203	*0.2*	*0.1*
K.L. International Airport Berhad	94	40	*0.1*	*0.0*
Total	**132,699**	**157,349**	***100.0***	***100.0***

** End-June 2019*

Source: MOF

Components of 1MDB's Debt

	Rate	Maturity	Principal	
	%		USD million	RM million
Government Guarantee				
Sukuk	5.75	2039	-	5,000
IPIC-MOF Inc.				
1MDB Energy Ltd	5.99	2022	1,750	7,320^
1MDB Energy (Langat)	5.75	2022	1,750	7,320^
Letter of Support				
Global bond	4.44	2023	3,000	12,550^
Total				**32,190**

^ Exchange rate as at end-June 2019: RM/USD = 4.1829

社会经济研究中心

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THANK YOU

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