

12MP: Dedicated tax to fund poverty alleviation programme mulled

KUALA LUMPUR (Sept 27): Putrajaya is exploring the possibility of introducing a dedicated tax to fund poverty alleviation programmes as part of efforts to transform its approach in eradicating hardcore poverty by 2025 while ensuring that all Malaysians enjoy a decent standard of living, according to the 12th Malaysia Plan (12MP).

Without elaborating on the “dedicated tax” that “will be explored”, the 12MP said “bold and radical initiatives on a need basis will be introduced to support the hardcore poor” among the bottom 10% of households (B10).

“These initiatives include establishing dedicated poverty units at the federal and district levels as well as integrating and centralising a database on poverty,” the 12MP read, adding that support will be given to “all poor Malaysians irrespective of gender, ethnicity, socioeconomic status and location”.

Covid-19 raised the incidence of absolute poverty to 8.4% in 2020 from 5.6% in 2019 and 7.6% in 2016, the 12MP said, citing data from the Department of Statistics Malaysia (DOSM). Absolute poverty in rural areas was greater at 12.4% compared with 3.8% for urban areas in 2019.

Incidences of relative poverty, meanwhile, increased from 15.6% in 2016 to 17% in 2019. The national poverty line income (PLI) was RM2,208 in 2019.

The country’s 10 poorest districts are Tongod, Pitas, Kota Marudu, Kota Belud, Beluran, Telupid, Nabawan and Kudat in Sabah, Pusa in Sarawak and Lojing in Kelantan, the 12MP report said.

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