

MEASURES TO AID YOUTH FINANCES

Budget 2023 programmes to alleviate the economic burdens of youth

PRIME Minister Datuk Seri Anwar Ibrahim in his Budget 2023 speech revealed that the unemployment rate in Malaysia for people aged 24 years and below was still above 10%.

This, coupled with the high inflation rate of 3.3% and costlier food, makes it increasingly difficult for youths to live comfortably.

Amid soaring prices of goods and services, the Government announced numerous measures in Budget 2023 for youths to ease their economic burdens and help them cope with the cost of living, regardless of their socio-economic backgrounds.

Anwar also announced greater career opportunities for youths and TVET graduates, and skills training programmes to enhance youth marketability.



The government has put in place a number of measures in Budget 2023 for youths to ease their economic burden.

Easing financial constraints

> **e-Tunai Belia Rahmah:** Among the many measures is e-Tunai Belia Rahmah, with the government allocating RM400mil towards this initiative to offer a one off e-wallet credit of RM200 to encourage cashless offline payment. The initiative will benefit two million eligible youths aged 18 to 20 years, or students enrolled full-time at institutes of higher learning.

> **Driving test fees:** The government will fund driving test fees for underprivileged youths planning to venture into delivery services using motorcycles to obtain their Class B2 motorcycle licences, as well as taxi, bus and e-hailing licences.

> **PTPTN loan discount:** For students or youths who are struggling to pay off their PTPTN loans,

the government offered discounts of 5% to 20% on loan repayments starting from March 1 until May 31, 2023. In addition, borrowers with a monthly income of RM1,800 and below can defer repayment for a period of six months.

> **Bankruptcy cases:** As of January this year, more than 260,000 bankruptcy cases were recorded, which involve a majority of Malay youths. To address this, the government will amend the Insolvency Act 1967 to permit bankruptcy cases to be discharged quickly.

Pending the amendment, minor cases involving debts of less than RM50,000 – subject to conditions – will be automatically discharged from March 1. This is open to all Malaysians.

> **Access to financing:** Youth entrepreneurs will also benefit

from the extensive measures taken in Budget 2023, with access to financing through agencies such as Bank Negara Malaysia, BSN and TEKUN with funds totalling RM1.7bil.

Of that amount, RM300mil is specified to support micro businesses owned by women and youth entrepreneurs.

TEKUN also provides RM330mil, including RM10mil to support youth from underprivileged backgrounds, so that they can generate income through delivery services using motorcycles.

Hiring youths

With the average monthly income of youths aged 25 years and below at a lowly RM1,700 as of 2021, more needs to be done to get youths into the workforce.

Budget 2023 data indicates that

while 90% of technical and vocational education and training (TVET) graduates can find employment, they only earn around RM2,000 per month.

To tackle this issue, the government is encouraging local businesses to hire more local youth, with a number of attractive incentives in place.

The government intends to collaborate with industry players to train TVET graduates, with a target involvement of 50 companies especially among GLCs.

These leading companies will partially or fully manage the operations of TVET institutions such as community colleges, industrial training institutes (ILP) and national youth skills institutes (IKBN) to provide training programmes that meet their needs.

Another way it aims to do this is

through the Social Security Organisation (Socso) which will provide an incentive of RM600 monthly for three months as an addition to the salary offered to employers who hire TVET graduates.

This move is estimated to help 17,000 graduates with RM45mil allocated for this purpose.

GLCs will also offer 35,000 career opportunities to school leavers and graduates.

Upskilling programmes

Additionally, youths need to improve their career prospects by improving their capabilities and skills, to earn a higher salary.

To push youths in this direction, the government will cover up to RM2,500 for short course studies at IPTA or IPTS, and up to RM4,000 for professional certification and micro credentials, in training fees for youth and gig workers to undergo upskilling programmes.

Socso will provide an allowance of RM300 for three months as replacement income for gig workers undergoing training programmes.

The government urges those who qualify to make full use of these measures as applications have also been made more user-friendly and aid will be disbursed swiftly.

For more information on Budget 2023 benefits, go to budget.mof.gov.my/manfaat