



Press Statement

“Response to Announcement of Bajet 2022”

1st November 2021 - In response to the recent announcement of *Bajet 2022*, as well as the related press statement by Minister of Health, YB Tuan Khairy Jamaluddin, Malaysian Medics International (MMI) would like to express our gratitude for the 1.5% increase in budgetary allocation to RM 32.41 Billion, to the Ministry of Health, while highlighting several other pertinent issues in relation to the announcements that require further consideration.

MMI acknowledges and supports the many health-positive inclusions in *Bajet 2022*, including the allocation of RM 2 Billion allocated to the National COVID-19 Immunisation Programme (PICK) to secure its continuity; the commitment of RM 2 Billion towards improving the capacity of health facilities; the additional personal income tax exemptions on medical expenses incurred when consulting or receiving treatment from psychiatrists, clinical psychologists, and registered counsellors; the two- to four-year contract extension for over 10 thousand medical officers, pharmacists and dentists; the expansion of the Sugar Tax to include pre-mixed beverages; and the introduction of excise duties on all e-cigarette and vape products.^{1,2}

MMI hopes that these increased allocations and new policies would be robustly implemented in the near future, to safeguard the health and wellbeing of the Malaysian *rakyat*. In the interim, we humbly call on the Ministry of Health, the Ministry of Finance, other relevant stakeholders and distinguished policymakers to consider the following:

1) **Commit to increasing spending on mental health**

While MMI welcomes the RM 70 Million earmarked for the betterment of mental health², as well as the RM 320 Million allocated to psychiatry and mental health spending,³ Malaysia's spending on mental health continues to fall short of World Health Organisation recommendations, which implores that 2% of national health budgets are allocated to mental health.⁴ This is despite the COVID-19 pandemic exacerbating mental ill-health issues - due to increased poverty-related stressors, incidence of domestic violence, and substance abuse rates, thus leading to projected increases in mental health service utilisation. It is hence imperative that our nation's spending on mental health increases proportionally to meet these increased demands, with these funds being directed towards the expansion and improvement of primary (preventative), secondary (curative) and tertiary (advanced curative) mental health services, as well as towards the digitalisation of mental health services in Malaysia.

2) **Clarify key issues related to financial security and career prospects of healthcare workers**

MMI welcomes the increased emolument allocation for healthcare workers. However, we also recognise that the overall emolument increase of 1.9% in *Bajet 2022* compared to the previous year³, calculated from estimates of overall emolument figures from 2021 and 2022, may not be sufficient to keep up with headline inflation rates of 2-3%, as estimated by Bank Negara

Malaysia,⁵ thus suggesting a potential decline in real wages for healthcare workers. We would appreciate clarification on whether additional financial schemes - such as tax relief or one-off support payments for healthcare workers - form part of the government's plans to mitigate the disparity between wage growth rates and inflation.

Similarly, while MMI is enthusiastic over the RM 100 million allocations towards specialty training for over 3000 doctors and dentists, we would like to request further details on its anticipated distribution, including a breakdown by profession (medicine vs dentistry), specialty, and specialisation pathways (i.e. ratio of those specialising via local Masters programmes vs those specialising through parallel pathways).

Lastly, while MMI recognises the positive ramifications of the two to four-year contract extension on the career progression and financial security of existing healthcare workers, we would appreciate further clarification on the options available to healthcare workers at the end of their contract extension, including whether the government has plans to introduce further contract extensions after the initial extension, as proposed in our previous press statement.⁶

3) **Redirect revenue from increased taxation towards future health and social services allocations**

MMI strongly supports both the Sugar Tax expansion and the enhanced excise duties on all e-cigarette and vape products, in recognition of the well-established role of excise taxation in reducing the disease burden of non-communicable diseases (NCDs) such as hypertension, diabetes and obesity, by controlling the consumption of particular goods. However, it is equally important to recognise that excise duties (or "sin taxes") disproportionately affect lower-income populations - who are less price-sensitive than higher-income populations, and at higher risk of poorer health outcomes due to their socioeconomic status.⁷ MMI recommends that the Ministry of Finance considers directing a significant proportion of the revenue raised from excise duties towards budgetary allocations for health and social services in the future. These funds should be earmarked for national primary and secondary prevention programmes aimed at NCD risk reduction in susceptible populations, which are cost-effective interventions that mitigate the increasing burden of NCDs on the Malaysian health system. Examples include smoking or vaping cessation clinics, national programmes delivering nutrition education, and community screening programmes for the early detection of NCDs.

In summary, MMI recognises and appreciates the increased attention paid by the government towards key issues in healthcare, as evidenced by the increased allocation to healthcare in *Bajet 2022*. Nevertheless, we believe that the aforementioned issues warrant further deliberation, so as to ensure a more robust, responsive and equitable Malaysian health system.

Thank you.

MALAYSIAN MEDICS INTERNATIONAL

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About Malaysian Medics International (MMI)

MMI is an international medical student-led organisation that aims to connect, educate, and cultivate. Since our inception in 2013, we have grown into a global network of more than 200 leaders from seven countries around the world. Presently, we are an active advocate for inclusivity and diversity, reform in medical education, and the welfare of our junior doctors and medical students.

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