

## **TEEAM'S PRESS STATEMENT**

Kuala Lumpur  
14 October 2023

### **“TOWARDS A SUSTAINABLE MADANI BUDGET LAUDED BY TEEAM”**

In response to the 2024 budget announcement by YAB Prime Minister, The Electrical and Electronics Association Malaysia (TEEAM) expresses our sincere appreciation for the Government's significant emphasis on electric vehicles (EVs), which represents a promising opportunity for our electrical industry. TEEAM plays a pivotal role in the supply of cables and related electrical products for EV charging infrastructure. The extension of tax relief, with incentives of up to RM2,500 for Electric Vehicle charging facility installation, and its extension until 2027, is expected to bolster EV adoption and the installation of home-based EV chargers. This move indirectly paves the way for job opportunities for wiremen and electricians, aligning with the objectives outlined in the recently launched NETR, where one of the focuses is on green mobility.

Additionally, the Green Investment Tax Allowance (GITA), offering 100% capital expenditure deductions, and the Green Income Tax Exemption (GITE), providing incentives for up to 5 years for green activities such as integrated waste management, electrical vehicle charging stations, biomass, biogas, mini-hydro, solar, geothermal, and wind energy, will serve as catalysts for the growth of the E&E industry. All TEEAM members involved in the electrical supply chain stand to benefit from these incentives, in accordance with the government's direction as outlined in NETR.

Furthermore, tax deductions for environmental, social, and governance (ESG) related expenditures will encourage our manufacturing members to invest in ESG facilities, thus facilitating compliance with ESG standards. This compliance will open doors for expanding exports to overseas markets, aligning with the government's aspirations in NIMP 2023. Manufacturing sectors will invest in energy monitoring systems to track energy consumption during manufacturing processes, in accordance with the government's goals for energy efficiency (EE) planning.

The expansion of tax incentives to the agriculture sector, encompassing palm oil, rubber, timber, cocoa, and others, in the realm of automation, is a positive development. This expansion is expected to generate numerous project opportunities in automation, such as Industrial Internet of Things (IIoT), cloud storage, and data centre applications. These opportunities will create both direct and indirect business prospects for our members involved in the automation sector and its supply chain.

Nevertheless, we find ourselves somewhat surprised by the proposed service tax increase from 6% to 8%. This 2% raise has a wide-reaching impact on professional services, encompassing engineering services, audit fees, and company secretary charges, affecting nearly 44% of our TEEAM members. This impact is particularly pronounced among our Electrical Contracting and Services members, who have consistently supported the development of the country's electricity industry. As a result of this service tax increase, contractors will be compelled to pass on the additional expenses to their customers, resulting in higher service fees.

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Furthermore, the extension of the service tax's scope to encompass logistics services raises concerns. This shift entails subjecting the entire logistics and warehousing process to the service tax regime. Given that many of our members are actively engaged in importing and exporting E&E components and equipment, as well as delivering electrical components to installation sites, these new tax implications are bound to lead to increased project costs.

As the government plans to fully implement e-invoicing on July 1, 2025, TEEAM strongly urges the government to provide comprehensive planning and guidance to stakeholders to prevent any confusion during the implementation process.

In conclusion, TEEAM earnestly hopes that the government will reconsider maintaining the service tax at 6% to alleviate additional burdens on the public and introduce more incentives for the E&E industry, which plays a significant role in Malaysia's development.

Thank you.

Yours sincerely,

**The Electrical and Electronics Association of Malaysia**



Ir. Chang Yew Cheong  
President

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**ABOUT TEEAM**

The Electrical and Electronics Association of Malaysia (TEEAM) is the national representative body of the Electrical and Electronics (E&E) industries in Malaysia. TEEAM was established in 1952 and it aims to work closely with all Government departments, statutory bodies and the private sector to ensure and promote orderly growth and development of the E&E industries. Our members are the backbone of the E&E essential products & services. TEEAM participates actively in national development through assisting the Government to shape policies and regulations that affect the combined E&E industry. As the industries' leading body, TEEAM is well represented in various Government Ministries and related Agencies. TEEAM plays a key role in supporting our members' diverse needs by representing their views. TEEAM has over 1,900 members who have created many job opportunities and have positively contributed to the Malaysian economy.

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