

TRANSLATED FROM THE ORIGINAL SPEECH IN BAHASA MALAYSIA
IN CASE OF ANY DISCREPANCY, THE BAHASA MALAYSIA VERSION WILL PREVAIL

**SPEECH
THE FIFTH MADANI BUDGET
2027**

by:
**YAB DATO' SERI ANWAR BIN IBRAHIM
PRIME MINISTER AND MINISTER OF FINANCE**
introducing
THE SUPPLY BILL (2027)

in the Dewan Rakyat
Friday, 9 October 2026
corresponding to 27 Rabiulakhir 1448 Hijrah

**“THE FIFTH MADANI BUDGET: REACHING FOR THE SKIES, WHILE
ANCHORED ON OUR VALUES”**

Tan Sri Speaker Sir,

I beg to move that the Bill intituled “An Act to apply a sum from the Consolidated Fund for the service of the year 2027 and to appropriate that sum for the service of that year” be read a second time.

PREAMBLE

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh,

Salam Sejahtera.

Tan Sri Speaker, Honourable Members of this House and my fellow Malaysians, whom I hold dear,

1. Before I proceed, I extend my heartfelt thanks to everyone who made the *Formula 1 Gulf Air Bahrain Grand Prix* in Malaysia 2026 such an orderly and resounding success. Beyond the F1 crews, the event was carried by thousands of volunteers and civil servants. It shows that when we join forces as one, in the spirit of *segulai sejalai*, Malaysia can triumph on the world stage. So too at the 20th Asian Games, where we matched our best-ever showing, with medallists drawn from every race – proof that we are at our finest when we draw strength from every community.

The nation is proud of you!

2. Every age gives a nation its own canvas on which to paint a bolder, more inclusive landscape. Yet there are moments in the folds of history when a nation is asked not merely to manage what it has, but summoned to widen the horizon of its ambition, steel the confidence of its people and shape the future together, with a clear and profound grasp of the spirit of the age – the *zeitgeist*.

3. As Allah SWT reveals in Surah al-Hashr, verse 18:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا اتَّقُوا اللَّهَ وَلْتَنْظُرْ نَفْسٌ مَّا قَدَّمَتْ لِغَدٍ ۖ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ ١٨

“O you who believe, be mindful of Allah, and let every soul look to what it has sent ahead for tomorrow. And be mindful of Allah; indeed, Allah is fully aware of all that you do.”

4. The word *lighad* – “for tomorrow” – carries a demand both vast and profound. No person, no community and no nation can live by managing today alone. We are called to think ahead and to lay firm foundations for the future: to test those foundations, to ask which doors we are opening or widening, and to weigh the legacy we will leave to the generations to come.

5. True progress is measured not by how far we travel, but by what we carry together along the way: human dignity, strong families, a fair chance for each generation to rise, the integrity of our institutions, and the conviction that effort will be repaid with opportunity. It is not enough to inherit our strengths. We must enlarge them, until they become a greater legacy for those who follow.

6. The British philosopher and historian of ideas Sir Isaiah Berlin borrowed an ancient image, simple yet sharp and profound: *the hedgehog and the fox*. The fox knows many things; the hedgehog knows one big thing. A nation needs both. A nation must hold to one great and constant ambition: a purpose that gives the journey its direction and meaning. The economy demands growth and distribution; technology, innovation and protection; public finances, discipline and compassion; development, speed and wisdom. A nation thus needs the hedgehog’s steadfastness of direction and ambition, and the fox’s ingenuity in finding the paths and the means to realise them.

7. The great Islamic thinker and jurist al-Mawardi, in his reflections on the culture and conduct of government, held that power cannot stand on its own without order, law and responsibility. Government acquires meaning only when the trust of power is exercised justly, when institutions function as they should, and when the interests of the many are protected.

8. Today, that is our test. The world grows ever more turbulent. War, great-power rivalry and a disrupted climate are driving up the price of food and the cost of energy. Supply chains we long took for granted are fraying, testing the security of our food and our supplies. Artificial intelligence is rapidly reshaping trade, energy, work and life itself. Yet great change brings not only anxiety. It also opens doors for nations bold enough to read the times, master new knowledge and prepare their people early.

9. Malaysia must not merely weather change. We must have the confidence to shape it. Before us lie the opportunities to leap ahead in semiconductors, artificial intelligence, new energy, the digital economy and high-value industries; to raise productivity and wages; to strengthen local enterprise; and to ensure that young Malaysians are not mere consumers of change, but creators of progress itself.

10. A truly successful economy, then, is not one that merely grows, but one that answers to the lives of its people.

11. So our question is not simply how large an economy we wish to build, but whether that growth opens room for families to save, for workers to

earn more dignified wages, for small businesses to keep growing – and for every one of them to reach for the skies while staying rooted to the ground.

12. And so let it be said plainly: a national Budget is a moral statement – the National Covenant of a responsible Government.

13. Malay thought has long placed justice and trust at the very heart and linchpin of government. The classical Malay poet and historian Raja Ali Haji, in *Gurindam Dua Belas* (1847), wrote:

*Hukum adil atas rakyat,
Tanda raja beroleh inayat.*

(Just laws upon the people / Mark a ruler blessed with grace.)

14. These terse lines carry a meaning that is vast and lasting: that power is measured not by the grandeur of one's station, but by the justice the people can feel. Authority worthy of the name is not merely strong. It knows that power must always walk hand in hand with trust and accountability.

*Raja mufakat dengan menteri
Seperti kebun berpagarkan duri.*

(A ruler in counsel with his ministers / Is a garden fenced with thorns.)

15. In our tradition, the bond between those who govern and those who are governed has never rested on power alone. It is anchored in *waad* – a

covenant, in which loyalty must be answered with justice, and power must be fenced in by trust.

This is our National Covenant.

16. That the nation will not abandon those crushed by hardship. And that every Malaysian child, whatever their family, region or station, has the right to see their potential, and to reach it.

17. Nor is this covenant one-sided. The nation provides the room and the opportunity; the rakyat fill it with knowledge, work, creativity and courage. The Government keeps its trust; the rakyat strengthen the nation through effort and excellence.

It is a duty history has laid upon us.

18. Yet that duty is not a burden to be shouldered in gloom. It is our generation's chance to leave behind a nation stronger than the one we inherited: with institutions more trusted, an economy more diverse, and young people with greater room to forge their own future.

19. History is not carved by great names alone, but by the millions who work every day: who teach and who heal, who trade and who create, who till the soil, who care for their families and build their lives.

20. The measure of a Budget, then, lies not in the thickness of its pages, the size of its allocations or the number of its announcements. The

measure is far more fundamental: are more Malaysians able to live with dignity, and will the Malaysia we hand to the next generation be fairer than the one we inherited? If the answer is yes, that is true progress. In the conviction that economic strength must, in the end, ennoble the human spirit; that growth must bear the fruit of justice; that reform must restore trust; and that every generation must bequeath a better nation than the last, I hereby present the MADANI Budget 2027: a generation's endeavour to strengthen the nation's order, and to keep our promise, our National Covenant, with the future. Fighting corruption and leakages, managing the deficit responsibly and strengthening the structure of our economy are not optional extras in the business of government.

FOUR YEARS OF MADANI: FROM STRUGGLE TO SUCCESS

21. Approaching its fourth year, the MADANI Government has set the direction and policy framework of Ekonomi MADANI, followed by bold reforms that are now bearing fruit.

- **The Ekonomi MADANI Framework was introduced alongside policies that drive growth and a fairer distribution of wealth**, such as the New Industrial Master Plan (NIMP) 2030, the National Energy Transition Roadmap (NETR) and the Bumiputera Economic Transformation Plan (PuTERA35).
- **Only the MADANI Government has boldly ventured where its predecessors would not: targeted subsidies.** Subsidies are the rakyat's privilege, yet for years they bled out to foreign nationals and

large corporations. BUDI MADANI is a national success: targeting subsidies to strengthen public finances while bringing prices down for the rakyat. **The result:** subsidy money that once leaked away now funds a near-doubling of assistance to the rakyat, from 8 billion ringgit in 2022 to 15 billion ringgit under STR and SARA this year. Imagine, too, had we kept putting off subsidy targeting in the midst of this energy crisis: the fiscal burden would have exceeded 40 billion ringgit.

- **We have reinforced fiscal discipline.** The Public Finance and Fiscal Responsibility Act and the Government Procurement Act were enacted to place the Finance Minister's powers under scrutiny. The Audit Act was expanded to track and audit public money. **The result:** investor confidence has risen; growth has been strong and has beaten its targets; investment and trade have reached record highs; competitiveness has surged; and the ringgit has been Asia's best performer.

22. And so **the Fifth MADANI Budget marks the next step towards a great ambition for the face of Malaysia in the years ahead.** As reform presses on without fear, the fruits of growth, and every ringgit saved through reform, must return to the rakyat as greater benefits.

23. In line with the Ekonomi MADANI Framework and the Thirteenth Malaysia Plan 2026–2030, **this Budget is our National Covenant for *Reaching for the Skies, While Anchored on Our Values*, built upon eight principal Foundations.** Today, I have chosen to present the broad

framework and the key announcements. For the rest, **the full text and its annexes, as circulated, are authoritative.**

FOUNDATION ONE:

ADDRESSING THE COST OF LIVING FOR THE RAKYAT

24. THE COST OF LIVING REMAINS A PRESSING ISSUE THAT WEIGHS HEAVILY ON THE RAKYAT. Recognising this, the Government remains committed to improving existing policies to ensure that the well-being of the rakyat continues to be given priority.

- Last month, for instance, the Government provided further relief to households by raising the electricity bill's exemption threshold from 600 to 800 kWh per month. This adjustment benefits more than 8 million domestic consumers, or up to 90 per cent of the total.
- The Government also increased the monthly BUDI95 petrol quota to 300 litres last month, while eligible jeep and pick-up owners under BUDI Diesel were granted a quota of 400 litres per month. September's usage records show that only around 100 thousand users, or less than 1 per cent, reached their 300-litre BUDI95 limit, while 15 thousand jeep and pick-up owners fully utilised their 400-litre BUDI Diesel quota. These demonstrate that the monthly quotas provided are sufficient to meet the needs of the rakyat.

COST-OF-LIVING ASSISTANCE

25. THE TOTAL PROVISION FOR SUBSIDIES, ASSISTANCE AND INCENTIVES IS EXPECTED TO EXCEED 80 BILLION RINGGIT NEXT YEAR. Of this amount, fuel subsidies are expected to remain high at 40 billion ringgit, while nearly 3.3 billion ringgit will be allocated for assistance through the Social Welfare Department (JKM).

26. I AM PLEASED TO ANNOUNCE THAT THE GOVERNMENT WILL INCREASE THE ALLOCATION FOR SUMBANGAN TUNAI RAHMAH (STR) AND SUMBANGAN ASAS RAHMAH (SARA) TO 16 BILLION RINGGIT IN 2027, COMPARED WITH 15 BILLION RINGGIT PREVIOUSLY.

- **THE GOVERNMENT WILL EXTEND SARA ASSISTANCE OF UP TO 150 RINGGIT PER MONTH, OR 1,800 RINGGIT ANNUALLY, TO ALL STR RECIPIENTS,** benefiting up to 9 million Malaysians.
- In addition, **THE GOVERNMENT WILL EXTEND SARA MADANI ASSISTANCE OF 100 RINGGIT, ON TWO OCCASIONS, TO MALAYSIANS AGED 18 AND ABOVE WHO ARE NOT STR RECIPIENTS, WITH DISBURSEMENTS SCHEDULED AHEAD OF AIDILFITRI AND IN CONJUNCTION WITH THE 70TH NATIONAL DAY.** This initiative will benefit up to 13 million Malaysians, including those in the M40 income group.
- **THE GOVERNMENT HAS ALSO AGREED TO EXTEND THE USE OF SARA TO PURCHASES OF FRESH PRODUCE AND PERISHABLE**

GOODS AT 216 FARMERS' MARKETS AND TAMU UNDER FEDERAL AGRICULTURAL MARKETING AUTHORITY (FAMA) NATIONWIDE.

- Currently, 15 thousand SARA business partners have participated in the programme, of which 6,800 are small grocery shops and cooperatives. **THE GOVERNMENT WILL WIDEN THE PARTICIPATION OF SMALL GROCERY SHOPS TO 10 THOUSAND, NEXT YEAR, ENSURING THAT MORE OF THESE BUSINESSES CAN BE PART OF THE SARA NETWORK.**

27. THE GOVERNMENT REMAINS COMMITTED TO STRENGTHENING JUALAN RAHMAH MADANI AND JUALAN AGRO MADANI PROGRAMMES. ACCORDINGLY, THE ALLOCATION FOR THESE PROGRAMMES WILL BE INCREASED FROM 630 MILLION RINGGIT TO 750 MILLION RINGGIT, WITH A TARGET OF 35 THOUSAND PROGRAMMES NATIONWIDE.

- A total of 30 thousand Jualan Rahmah programmes will be organised across all State Legislative Assembly constituencies (DUN). The Government will give greater attention to rural communities, low-cost housing areas and urban Projek Perumahan Rakyat (PPR), with efforts to increase the number of programmes held in these locations. Distribution will also be broadened beyond conventional grocery shops to include vending machines. At the same time, **Jualan RAHMAH MADANI Borong** will be organised to assist small traders.

- In addition, 5,000 Jualan Agro MADANI programmes will be carried out, providing the public with access to fresh agricultural produce such as fish, chicken, vegetables and fruit at prices up to 30 per cent lower.

28. The distribution of essential goods to rural and remote areas will be expanded for the benefit of the rakyat, with an allocation of 250 million ringgit. This covers six new locations, including Kampung Terian, Penampang, Sabah and Kampung Dato' Godam, Batang Lupar, Sarawak.

29. The Government recognises the concerns of the middle-income group, the M40, who continue to bear the burden of the cost of living with patience and resilience. **IN THIS REGARD, I AM PLEASED TO ANNOUNCE THE FOLLOWING MEASURES:**

First: **THE INDIVIDUAL TAX RELIEF THRESHOLD, WHICH HAS NOT BEEN REVIEWED SINCE 2010, WILL BE RAISED FROM 9,000 RINGGIT TO 12,000 RINGGIT.**

Second: **INCOME TAX RATES FOR RESIDENT INDIVIDUAL WILL BE REDUCED BY ONE PER CENTAGE POINT.**

- **For chargeable income ranging from 70,001 ringgit to 100,000 ringgit, the rate will be reduced to 18 per cent.**
- **For the next income band, from 100,001 ringgit to 150,000 ringgit, the rate will be revised to 24 per cent.**

Third: **INDIVIDUAL TAX RELIEFS WILL ALSO BE EXPANDED:**

- medical treatment will be expanded to include postpartum care services.
- care of parents and grandparents will cover all care-related expenses, not limited to just healthcare.
- sports equipment will be expanded to include the purchase of sports shoes.
- fee for education and skills training will be expanded to cover all fields of study and tuition for children.
- Lifestyle tax relief will be broadened to include AI software subscriptions, as well as pet vaccination expenses and the cost of adopting pets from registered shelters.

30. At the same time, the Government remains committed to progressive taxation. **ACCORDINGLY, THE TAX RATE APPLICABLE TO HIGH-INCOME EARNERS WITH INCOME EXCEEDING 1 MILLION RINGGIT WILL BE ADJUSTED TO 30 PER CENT.**

31. **COLLECTIVELY, THE INCREASE IN TAX RELIEF AND REDUCTION IN INDIVIDUAL INCOME TAX RATES WILL PROVIDE APPROXIMATELY 5 MILLION TAXPAYERS WITH ADDITIONAL DISPOSABLE INCOME OF UP TO 1,600 RINGGIT.**

DECENT WAGES FOR THE RAKYAT

32. **NARROWING THE GAP BETWEEN PRODUCTIVITY AND WORKERS' WAGES MUST REMAIN A PRIORITY.** The pressure on the

cost of living becomes an increasingly heavy burden when income growth fails to keep pace with increases in the prices of goods. This concern is reflected in Malaysia's labour compensation share of GDP, which remains relatively low at 33.9 per cent.

- **THE GOVERNMENT HAS AGREED TO RAISE THE MINIMUM WAGE FROM 1,700 RINGGIT TO 2,000 RINGGIT.** The new rate will take effect from June 2027, benefiting more than 4 million workers. MSMEs with annual sales below 50 million ringgit will be exempted to provide room for adjustment to business models.
- We acknowledge that the minimum wage provides a necessary floor for workers' incomes, but it does not address the wider issue of wages that do not adequately reflect the skills and qualifications of our workforce. **ACCORDINGLY, THE MADANI GOVERNMENT WILL REFORM THE WORKERS' INCOME FRAMEWORK, BEGINNING WITH A MINIMUM WAGE OF 2,500 RINGGIT A MONTH FOR SEMI-SKILLED WORKERS AND GRADUATES.**
- **THE GOVERNMENT ALSO WELCOMES THE COMMITMENT BY GOVERNMENT-LINKED INVESTMENT COMPANIES (GLICs) AND GOVERNMENT-LINKED COMPANIES (GLCs) TO RAISE THE LIVING WAGE BENCHMARK FROM 3,100 RINGGIT TO 3,400 RINGGIT PER MONTH.** This initiative is expected to benefit 230 thousand workers.
- The Government has increase the minimum wage, introduce minimum wage for semi-skilled workers and graduates, as well as increasing the

salaries of civil servants. GLICs and GLCs have also set the example. Several employers in key sectors, including banking as well as oil and gas, have likewise established more decent wage levels. **IN THIS REGARD, I URGE ALL PRIVATE-SECTOR EMPLOYERS TO FOLLOW SUIT AND PLAY THEIR PART IN ENSURING THAT WORKERS RECEIVE FAIRER REMUNERATION.**

33. IN RELATION TO WAGES, the Government will make further efforts to curb the employment of undocumented foreign workers. Companies other than MSMEs may only claim tax deductions on wage expenditure if wages are paid through bank account permitted under the **Employment Act 1955**. Tax deductions for other expenditures will not be subject to this requirement.

RIGHTS OF GIG WORKERS

34. An estimated 600 thousand Malaysians make their living as e-hailing and p-hailing drivers. The MADANI Government will pursue a more comprehensive approach to the protection of gig workers.

- **THE GIG WORKERS CONSULTATIVE COUNCIL IS CURRENTLY NEGOTIATING TO ESTABLISH A MINIMUM INCOME RATE, A FORMULA FOR DETERMINING INCOME AND MINIMUM STANDARDS OF SOCIAL PROTECTION FOR GIG WORKERS. THE PROCESS IS EXPECTED TO BE FINALISED IN EARLY 2027.**
- **PENDING THE FINALISATION OF THESE PROCESS, THE GOVERNMENT AND GRAB HOLDINGS LIMITED HAVE AGREED**

TO SHARE THE COST OF A 160 MILLION RINGGIT PACKAGE, TO BE IMPLEMENTED BEGINNING 2027. THIS INITIATIVE IS INTENDED TO ENHANCE THE NET INCOME AND STRENGTHEN MEASURES TO SAFEGUARD THE WELFARE OF E-HAILING AND P-HAILING WORKERS.

- THIS PACKAGE WILL INCLUDE AN INCREASE IN THE MINIMUM INCOME RATE FOR E-HAILING AND P-HAILING WORKERS, ASSISTANCE FOR VEHICLE MAINTENANCE AND INSURANCE COSTS AS WELL AS CONTRIBUTIONS TO THE SOCIAL SECURITY ORGANISATION (SOCSO).**
- IN THIS REGARD, THE MEDIAN NET MONTHLY INCOME OF E-HAILING DRIVERS IS EXPECTED TO RISE BY UP TO 227 RINGGIT, WHILE P-HAILING DELIVERY WORKERS ARE EXPECTED TO RECEIVE AN INCREASE OF UP TO 100 RINGGIT PER MONTH.**
- LIKEWISE, THE GOVERNMENT HAS AGREED TO INTRODUCE A 35 PER CENT MATCHING INCENTIVE FOR SOCSO CONTRIBUTIONS FOR E-HAILING AND P-HAILING WORKERS. THIS INCENTIVE WILL BE INCREASED TO 50 PER CENT IF PLATFORM COMPANIES ALSO CONTRIBUTE TOWARDS THE WORKERS' CONTRIBUTIONS.**
- BEYOND E-HAILING AND P-HAILING WORKERS, THE GOVERNMENT WILL EXTEND A 70 PER CENT MATCHING INCENTIVE FOR CONTRIBUTIONS UNDER SOCSO TO 200**

THOUSAND SELF-EMPLOYED INDIVIDUALS ACROSS 17 NON-MANDATORY SECTORS.

- Tax relief for SOCSO contributions will be expanded to include mandatory contributions under the LINDUNG Kendiri Scheme. In addition, taxpayers will be eligible for further tax relief of up to 150 ringgit for voluntary contributions to the LINDUNG 24 Jam and LINDUNG Kendiri schemes.
- As part of efforts to strengthen retirement savings among e-hailing and p-hailing drivers, the Government will introduce matching incentive of up to 600 ringgit a year for EPF contributions, subject to a lifetime limit of 6,000 ringgit.
- BSN and Agrobank will provide financing facilities totalling 270 million ringgit for gig workers seeking to start a business or purchase a first home.
- The Government will introduce comprehensive regulation of the p-hailing sector under the Land Public Transport Agency (APAD) and the Commercial Vehicles Licensing Board (LPKP).

35. To strengthen social protection, every citizen will be automatically registered as an EPF member upon reaching the age of 18, enabling retirement savings to begin earlier.

FOUNDATION TWO: PRIORITISING EVERY STATE

EQUITABLE DEVELOPMENT ACROSS STATES

36. When we say we are *Reaching for the Skies, While Anchored on Our Values*, we mean raising each state's economic ceiling and dismantling the structural barriers that have held the rakyat back for far too long. We are putting our money where our mouth is. But let us be clear: equity does not mean treating unequal circumstances as if they were equal. The American philosopher John Rawls called this *justice as fairness*. He began by asking whether justice should be judged by the greatest good for society as a whole, or by an order that is truly fair to every single person. In *A Theory of Justice* (1971), he invites us to imagine choosing the rules of society without knowing whether we would be born rich or poor, at the top or on the margins, blessed with advantages or burdened by want – what he called the *original position*, behind a *veil of ignorance*.

37. That is how we have approached allocations to the states. Developed states can keep surging ahead. Developing states get room to pick up the pace. And regions still lagging behind are given the strength to close the gap. That is what equity means: not every state getting the same, but every state getting what is fair and reasonable, so that its people can move forward too.

- **TACKLING FLASH FLOODS IN THE KLANG VALLEY CANNOT WAIT.** The Federal and Selangor State Governments have agreed on **five key measures**, including assessing the capacity of the Batu Dam and the Klang Gates Dam for the next 30 years. As an immediate step, 100 million ringgit will go towards building retention ponds and maintaining rivers to reduce flood risk.
- **KELANTAN'S FLOODS AND CLEAN WATER WOES WILL BE RESOLVED.** The Government will begin planning the **Lebir Dam Project as a long-term solution**. Meanwhile, construction of the Machang Water Treatment Plant and the replacement of ageing pipes are already under way.
- **PENANG IS BEING PUT ON THE MAP AS THE NATION'S TECHNOLOGY FINANCE CENTRE.** Khazanah and InvestPenang will set up a **100 million ringgit Strategic Investment Fund** to back semiconductor and advanced manufacturing companies in their early stages of growth.
- **NOR CAN TACKLING TRAFFIC CONGESTION IN JOHOR BAHRU.** The Government has agreed to implement the **Elevated Autonomous Rapid Transit (e-ART) system as the main solution**. Ahead of the RTS Link's opening, we will add local bus routes, run buses and KTM Komuter trains more frequently and provide Grab Shuttle services in busy areas.

- **PERAK IS BECOMING AN INDUSTRIAL HUB.** We will step up the **development of LuMIC as a maritime hub** in Lumut to attract investment and create jobs. **The Automotive Hi-Tech Valley in Tanjong Malim will be built up as a regional automotive hub.** To encourage wholly Malaysian-owned automotive vendors to relocate their operations there, a tax deduction capped at 5 million ringgit will be given for qualifying relocation expenditure incurred from 1 January 2027 to 31 December 2030.
- **Melaka must become a magnet for investors and a training ground for talent.** The *Melaka Centre of Excellence* offers high-technology TVET training that leads to jobs with dignified wages for Melaka's young people. The Government is determined to cut flood risk through the River Rehabilitation Project and the Sungai Rambai Flood Mitigation Plan.
- **Malaysia Vision Valley 2.0 is fuelling Negeri Sembilan's economy.** The MADANI Government is complementing this growth with infrastructure such as a new road from Nilai-Labu to Bandar Enstek, the upgrading of Jalan Pajam-Nilai-Salak and the Klang Valley Double Track Phase 2 (KVDT2).

- **The ECRL is opening up Pahang's strategic areas to growth.** The MADANI Government supports development along the ECRL alignment, including heavy industry in Bentong and public housing near the KotaSAS station.
- **The Chuping Valley Development is bringing more jobs and business opportunities to Perlis.** The Government is developing infrastructure in the Chuping Valley Development Area and the NCER Agribio Economic Zone. The Perlis Inland Port will also be equipped with scanners to smooth trade and strengthen border security.
- **Kedah carries two of the nation's strengths: it is our rice bowl and a high-technology powerhouse.** Kulim Hi-Tech Park is drawing global semiconductor investment, creating skilled jobs and business opportunities for the people of Kedah. At the same time, the Five Seasons in Two Years Rice Planting Project in the MADA area remains a priority, to raise yields and farmers' incomes.
- **Terengganu continues its rise as an ecotourism destination.** Key attractions such as Setiu Wetlands, Tasik Kenyir, Pulau Tenggol and Pulau Bidong will be upgraded. At the same time, the rakyat's well-being comes first: a Regional Sewage Treatment Plant and a sewerage network will be built in Kuala Terengganu.

PROSPERITY FOR SABAH AND SARAWAK

38. THE MALAYSIA AGREEMENT 1963 IS A NATIONAL COVENANT, one the whole nation must honour.

39. For decades, the Special Grant failed to keep pace with the development needs of Sabah and Sarawak. **THE MADANI GOVERNMENT HAS RAISED IT ON THREE OCCASIONS, AND THE LATEST INTERIM RATE STANDS AT 1.5 BILLION RINGGIT, to be paid in full before the year is out.** Negotiations with Sabah and Sarawak continue towards a fair and sustainable annual formula.

40. Twelve MA63 matters have been resolved under the MADANI Government, including:

- permanent Sabah and Sarawak representation in the Inland Revenue Board of Malaysia (IRBM);
- Bintulu Port, which has been handed over and is now owned by Sarawak;
- MASwings, which has passed to Sarawak and taken wing as AirBorneo, while the Federal Government continues to provide an annual subsidy of 209 million ringgit, serving 820 thousand passengers each year in the interior; and
- electricity regulatory powers, which have been handed to Sabah, while the Federal Government continues to provide 600 million ringgit to keep the lights on.

41. IN 2027, SABAH AND SARAWAK WILL ONCE AGAIN RECEIVE THE HIGHEST FEDERAL ALLOCATIONS. Sabah will receive 18.7 billion ringgit, up from 17.6 billion ringgit this year, and Sarawak 16.2 billion ringgit, up from 15.1 billion ringgit.

42. THE GOVERNMENT HAS AGREED TO DOUBLE THE NUMBER OF JPA SPONSORSHIP OFFERS FOR SABAH- AND SARAWAK-BORN STUDENTS. This means 4,200 young people from Sabah and Sarawak will be able to go on to university every year.

43. The Sarawak Government has shown real commitment to developing the Sibu Special Economic Zone. The Federal Government will begin formal negotiations to finalise its incentive framework, a one-stop investment facilitation centre and its strategic infrastructure needs.

44. The Government has agreed to install STATCOM systems at the Dam Road and Segaliud Main Intake Substations, at a cost of 204 million ringgit. Meanwhile, the *Southern Link* Transmission Line project will continue as a long-term measure to secure Sabah's electricity supply.

45. Road projects in Sabah and Sarawak will continue, with an allocation of 3.3 billion ringgit for 2027. The letter of acceptance for the Miri section of the Trans Borneo Highway has been issued, while those for the Limbang and Lawas sections are expected by the end of this year. The Sarawak-Sabah Link Road 1 and Pan Borneo Sabah Phase 1B are targeted for completion by the end of next year. Of federal road maintenance spending,

350 million ringgit is set aside for G1–G4 contractors in Sabah and Sarawak.

A CAPITAL FOR THE RAKYAT

46. Skyscrapers do not make **KUALA LUMPUR**. The capital's soul lies in stalls and warung that are comfortable and safe, in liveable homes for the rakyat and in a heritage with a pulse – a stage for culture that draws visitors in.

- **CONGRATULATIONS TO KHAZANAH NASIONAL on the success of Warisan KL.** Restoring the Sultan Abdul Samad Building and its surroundings has drawn half a million visitors from home and abroad. **Next in line for restoration are Menara Dayabumi, the Kuala Lumpur Railway Station and the KTMB Headquarters.**
- **OUR THANKS ALSO TO PNB,** which has restored Stadium Merdeka and will next restore Stadium Negara. **TO BRING THIS NATIONAL HERITAGE BACK TO LIFE, ENTERTAINMENT DUTY WILL BE WAIVED** for arts, cultural, entertainment and sports events held at both stadiums.
- Dewan Bandaraya Kuala Lumpur (DBKL) will provide 400 million ringgit to create 120 acres of new green space, restore existing parks and upgrade public amenities and housing for the rakyat.

- **A 100-ACRE LEASEHOLD SITE IN BUKIT KIARA WILL ALSO BE GAZETTED AS A FEDERAL PARK** for everyone to enjoy.
- **DBKL WILL BUILD A 22-KILOMETRE COVERED PEDESTRIAN WALKWAY** linking landmarks such as Masjid Negara, Dataran Merdeka and Pasar Seni. Covered walkways will also link residential areas to business premises, schools, clinics and public transport stations. Buggies will be provided for visitors' comfort, particularly senior citizens visiting key sites such as Tugu Negara, Taman Botani and Carcosa Seri Negara.
- Two DBKL-owned buildings, at the Anjung Kelana Homeless Transformation Centre in Taman Desa and the Cheras Temporary Market, will be upgraded into day centres for senior citizens.

BASIC INFRASTRUCTURE AND HOUSING

47. THE ALLOCATION FOR RURAL ROAD PROJECTS WILL BE INCREASED TO 2.3 BILLION RINGGIT, compared with 1.3 billion ringgit in 2022.

48. IN TOTAL, 3.3 BILLION RINGGIT IS ALLOCATED FOR BASIC RURAL INFRASTRUCTURE PROJECTS, including village street lights, community facilities and the supply of clean water and electricity.

49. TNB is lighting up villages with solar street lamps and fitting rooftop solar panels on welfare homes and houses of worship. Electricity supply

is also being improved at tahfiz schools, pondok and Orang Asli settlements.

50. The MADANI Administration has brokered a 40-year Bulk Water Supply Agreement between the State Governments of Perak and Penang.

51. Access to clean water nationwide continues to improve through the National Non-Revenue Water Reduction Programme, at a cost of 2.5 billion ringgit, with a focus on replacing 1,900 kilometres of critical, ageing pipes.

52. The JENDELA project is strengthening the nation's internet connectivity, with a total investment of 5 billion ringgit. **SO FAR, WE HAVE EXTENDED WI-FI COVERAGE TO EVERY PUBLIC UNIVERSITY CAMPUS AND 4G TO EVERY FELDA SETTLEMENT. NEXT YEAR, OUR FOCUS IS TO BRING 4G TO EVERY ORANG ASLI VILLAGE,** ensure internet access along 7,000 kilometres of roads and 1,700 kilometres of railway, and roll out **the MADANI Submarine Cable (SALAM).**

Housing for the Rakyat

53. **BANDAR MADANI BUKIT JALIL WILL BE DEVELOPED** as a residential area for the rakyat, complete with amenities including a vertical school. **REGISTRATION FOR PHASE 1 WILL OPEN THIS MONDAY.**

54. **NEARLY 1 BILLION RINGGIT WILL BE PROVIDED** for projects such as **Rumah Mesra Rakyat** and **Program Residensi Rakyat**. Four new housing projects will be carried out in Kulai, Johor; Nilai, Negeri Sembilan; Paya Rumput, Melaka; and Pertang Valley, Terengganu.

55. **SJKP WILL PROVIDE HOUSING FINANCING GUARANTEES OF UP TO 20 BILLION RINGGIT**, opening the door to home ownership for 80 thousand first-time buyers, particularly the self-employed without a fixed income.

56. **THE GOVERNMENT PROPOSES A FULL STAMP DUTY EXEMPTION** on loan agreements and instruments of transfer for first homes priced up to 500 thousand ringgit. **For homes priced up to 750 thousand ringgit, THE FIRST 500 THOUSAND RINGGIT WILL BE FULLY EXEMPT FROM STAMP DUTY, AND THE BALANCE 50 PER CENT EXEMPT.** This applies to sale and purchase agreements executed from 1 January 2027 to 31 December 2030.

57. **TOWARDS ZERO ABANDONED HOUSING PROJECTS** by 2030, **A FULL STAMP DUTY EXEMPTION** will be given on loan agreements and instruments of transfer executed by rescuing contractors or developers, as well as by original purchasers. This exemption is effective from 1 January 2027 to 31 December 2030.

58. SINCE 2024, KAMPUNG ANGKAT MADANI AND SEKOLAH ANGKAT MADANI HAVE REACHED NEARLY 500 VILLAGES AND 1,700 SCHOOLS.

- For instance, the Attorney General's Chambers provided facilities at Kampung Jilid 8 in Kuala Muda, Kedah, including a football field, a fishermen's jetty and a BSN ATM, which also benefit residents of neighbouring villages.
- SK Telok Kalong in Terengganu received a comfortable special remedial classroom and robotics learning facilities for its pupils, contributed by Sime Darby Berhad.
- I wish to record my appreciation and congratulations to the management of the ministries, departments and agencies, and to the corporate partners, who made this initiative a success.

59. IN 2027, THE GOVERNMENT WILL ROLL OUT KOMUNITI ANGKAT MADANI WITH AN ALLOCATION OF 50 MILLION RINGGIT, this time focusing on urban PPR communities. The top management of ministries and agencies will be entrusted to lead it. Universities and TVET institutions will bring in the skills PPR residents need, and we will provide shared kitchens, business equipment and training to help residents earn more.

60. THE ALLOCATION FOR REPAIRING INFRASTRUCTURE IN KAMPUNG BARU CINA WILL BE INCREASED TO MORE THAN 100 MILLION RINGGIT, including to refurbish and rebuild dilapidated facilities.

61. THE ALLOCATION FOR THE MAINTENANCE OF REGISTERED NON-MUSLIM HOUSES OF WORSHIP WILL ALSO BE INCREASED TO 80 MILLION RINGGIT.

62. GLIC and GLC foundations will put up a 100 million ringgit matching grant, among others to **strengthen the childcare ecosystem and train 6,000 childcare providers** in more than 50 new areas across nine states.

63. THE GOVERNMENT WILL INTRODUCE A TOKENISED RETAIL SAVINGS SUKUK. Through blockchain technology, ordinary Malaysians will be able to invest in Government sukuk and choose where their money goes: education, healthcare or social protection for the poor. In other words, the rakyat will be able to put their savings where their priorities are.

64. The allocation for small projects in local authority areas will be increased to nearly 700 million ringgit, covering upgrades to parks, public toilets and stalls.

- This includes building MADANI stalls and redeveloping:
 - the Jalan Chui Yin Hawker Complex, Bentong, Pahang;
 - Pasar Buntong, Ipoh, Perak; and
 - the Hill Trace hawker site, George Town, Penang.

- State Economic Development Corporations will upgrade facilities including:
 - Kompleks Usahawan Tempatan Kuala Perlis;
 - Arena Niaga in Kunak and Hentian Telupid, Sabah; and
 - Medan Selera Keluncur Taman Rekreasi Laut in Kuala Kedah.
- MARA will also redevelop its hawker centres and stalls. Alongside this, the Tamu Desa initiative will support entrepreneurs in Sabah and Sarawak.
- More than 10 thousand small traders renting DBKL premises, including those at public markets, food courts and hawker centres, will be given a 50 per cent rental discount throughout 2027. Meanwhile, festive season bazaar rates will start from as low as 400 ringgit.

FOUNDATION THREE: SAFEGUARDING THE WELFARE OF ALL RAKYAT

BUMIPUTERA AND ISLAMIC ECONOMY

65. The Government remains steadfast in its commitment to empowering the Bumiputera economy. **The Bumiputera agenda is being driven through an inclusive approach under Bumiputera Economic Transformation Plan 2035 (PuTERA35).**

66. **The Government has gazetted 50 acres of land in Kuala Lumpur as Malay Reserve Land, a first for any previous administration. PETRONAS HAS NOW COMMENCED DEVELOPMENT OF THE FIRST 10 ACRES TO PROVIDE AFFORDABLE HOUSING.**

67. The Government first provided an endowment of 200 million ringgit to Yayasan Pelaburan Bumiputra in 1978. **No further endowments have been provided since 1981. THEREFORE, honouring the pledge to empower the Bumiputera economy and ownership, THE GOVERNMENT AGREES TO PROVIDE 50 ACRES OF STRATEGIC LAND IN THE KUALA LUMPUR AREA, VALUED AT RM1 BILLION, AS A NEW ENDOWMENT TO YAYASAN PELABURAN BUMIPUTRA. THE INTENT IS FOR THIS LAND TO BE DEVELOPED BY PERMODALAN NASIONAL BERHAD (PNB), TAKING INTO ACCOUNT THE NEED FOR AFFORDABLE HOUSING AS WELL AS BUMIPUTERA INTERESTS.**

68. **WE HAVE ALSO AGREED THAT NEARLY 11 ACRES OF GOVERNMENT LAND IN BELFIELD, KUALA LUMPUR WILL BE DEVELOPED TO BUILD AT LEAST 2,500 UNITS OF RUMAH MADANI, with 70 per cent reserved for Bumiputera.**

69. I have held engagement sessions with representatives of Bumiputera associations and contractor companies to hear first-hand their concerns about the challenges facing their businesses. **I AM PLEASED TO ANNOUNCE:**

- **THE VALUE OF GOVERNMENT PROCUREMENT RESERVED FOR G1–G4 BUMIPUTERA CONTRACTORS WILL BE INCREASED TO 7.5 BILLION RINGGIT, COMPARED TO 4 BILLION RINGGIT THIS YEAR.**
- **FOR MAINTENANCE, REPAIR AND UPGRADING WORKS ON GOVERNMENT FACILITIES, THE PROCUREMENT THRESHOLD FOR DIRECT AWARD WILL BE ALLOWED UP TO 200 THOUSAND RINGGIT, AND FOR QUOTATION UP TO 3 MILLION RINGGIT.**
- **BUMIPUTERA AGENDA STEERING UNIT (TERAJU) WILL ALSO PROVIDE FINANCING OF UP TO 1 BILLION RINGGIT. TERAJU'S CAPACITY WILL ALSO BE STRENGTHENED TO ENABLE MORE EFFECTIVE MONITORING OF BUMIPUTERA PROJECTS ACROSS ALL DEPARTMENTS, AGENCIES AND COMPANIES.**
- Financing provided by Perbadanan Usahawan Nasional Berhad will be increased to 500 million ringgit, compared to 350 million ringgit.
- THE GOVERNMENT will reintroduce the RM10 stamp duty rate on loan and financing agreements under the CAKNA II Scheme from 1 January 2027 to 31 December 2030. The same rate will continue to apply under the CAKNA I Scheme until 31 December 2030.
- GLCs and PETRONAS are targeting 58 billion ringgit in procurement from Bumiputera companies. Beginning 2027, the GLC procurement guidelines, which have not been reviewed since 2006, will be updated.

Vendor performance will also be measured based on company growth, innovation and the ability to penetrate new markets.

70. GLICs WILL INVEST 2 BILLION RINGGIT TO EMPOWER BUMIPUTERA COMPANIES. For instance, Ekuiti Nasional Berhad (Ekuinas) and Pelaburan Hartanah Berhad (PHB) will assist Bumiputera companies towards public listings and reinforce strategic property ownership, while a 250 million ringgit Dana Ciptawan will be established by Khazanah and TERAJU to support the growth of mid-tier Bumiputera companies.

71. A centralised solar park for Government buildings will be developed with an investment of 1.5 billion ringgit. This will also create opportunities for Bumiputera construction, engineering and maintenance companies. Under the Large Scale Solar programme (LSS6) solar project, 150 megawatts will be allocated to Bumiputera companies to support their participation in the clean energy industry.

72. The 10 Bumiputera Champions initiative will continue, with an allocation of 40 million ringgit to develop 15 high-potential companies by 2027.

73. Malaysia continues to strengthen its position as a global leader in the Islamic economy.

- To further develop Malaysia as an Islamic fund management hub, Shariah-compliant fund management service providers will be given a

40 per cent income tax exemption for the year of assessment 2028 to 2030.

- Malaysia maintains its position among the world's largest sukuk markets. To promote sustainable Shariah-compliant financing, issuers of Sukuk Prisma will be eligible for tax deductions on issuance costs approved by the Securities Commission for the Year of Assessment 2027 to 2030. Grants received under the SRI Sukuk Scheme and Bond Grant Scheme will also be given tax exemption from 1 January 2027.
- Many of our entrepreneurs produce quality products, yet face difficulties in obtaining halal certification and penetrating broader markets. **THE GOVERNMENT HAS AGREED TO PROVIDE MATCHING GRANTS OF UP TO 5,000 RINGGIT FOR MSMEs SEEKING HALAL CERTIFICATION FOR THE FIRST TIME.** A grant of 25 thousand ringgit will also be provided to empower halal MSMEs in sectors such as cosmetics and pharmaceuticals.
- EPF members who opt for Simpanan Shariah can now pay zakat directly from their dividends, in line with the facilities already available at PNB and Lembaga Tabung Haji.

WELFARE FOR TARGETED GROUPS

74. The Government will step up efforts to prepare the nation for an ageing society:

- **A SENIOR CITIZENS BILL WILL BE DRAFTED** to address abandonment and strengthen the comprehensive care ecosystem.
- **EFFECTIVE 1 JANUARY 2027, THE SERVICE TAX RATE FOR ELDERLY CARE SERVICES BE REDUCED FROM 8 TO 6 PER CENT. SERVICE TAX EXEMPTION BE GIVEN TO ELDERLY CARE SERVICES WITH ANNUAL FEES OF UP TO 96 THOUSAND RINGGIT.**
- To develop a larger workforce in the elderly care sector, **more than 40 million ringgit will be provided through HRD Corp to train 8,000 people and help them secure employment in this field.**
- Two Pusat Kepakaran Penjagaan Bersepadu (NICE) will be developed in Pulau Pinang and Sarawak for training, research and elderly care provisions.

75. Meanwhile, **ASSISTANCE FOR SENIOR CITIZENS WILL BE INCREASED TO 1.3 BILLION RINGGIT, BENEFITING NEARLY 200 THOUSAND ELDERLY INDIVIDUALS.**

76. EPF members who reach the ages of 55 and 60 can opt for the i-Emas scheme to receive monthly withdrawals, allowing their remaining savings to continue earning dividends.

77. **FOR PERSONS WITH DISABILITIES (PWD), I AM PLEASED TO ANNOUNCE:**

- **The total allocation for assistance for PWDs will increase to 1.5 billion ringgit, benefiting more than 300 thousand individuals.**
- **The monthly assistance for bedridden PWDs and chronically ill patients will be increased from 500 to 600 ringgit.**
- **The income threshold for eligibility for the Disabled Workers Allowance will be raised from 1,700 ringgit to 2,000 ringgit.**
- **The allowance for Students with Special Education Needs will be increased from 150 ringgit to 200 ringgit monthly, benefiting over 150 thousand special needs students, including autistic children.**
- **The Special Education Needs Teaching Incentive will be increased from 250 to 300 ringgit per month, benefiting 20 thousand special education teachers.**
- **Two Pusat Permata Kurnia will be built in Melaka and Pahang, as dedicated centres providing education, support and training for autistic children.**
- **More than 130 new Tabika Tunas Istimewa classes will be opened in rural areas nationwide to provide more effective early intervention for autistic children from low-income families.**

- 15 Community Rehabilitation Program (PDK) premises will be upgraded into Specialised Therapy Centres, benefiting 20 thousand registered PWDs with Down Syndrome.
- A total 3,000 new caregivers of PWDs will receive specialised skills training to meet the demand for disability care services nationwide.

78. THE DEPARTMENT OF ORANG ASLI DEVELOPMENT (JAKOA) WILL BE ALLOCATED 445 MILLION RINGGIT. This includes the implementation of new projects such as:

- replanting in Pos Poi, Sungai Siput, Perak; and
- the construction of Orang Asli preschool in Kampung Angkek and Pos Belatim, Gua Musang, Kelantan.

79. In Kinta, Perak, some Orang Asli children live far from school and are at risk of dropping out because of the difficulties of commuting daily. THE GOVERNMENT HAS AGREED TO BUILD A DEDICATED HOSTEL WITH 100 PLACES FOR THESE CHILDREN.

80. Since 2023, the MADANI Government has helped more than 250 thousand rakyat emerge from the burden of bankruptcy.

- **BEGINNING 2027, THE GOVERNMENT HAS DECIDED TO RAISE THE BANKRUPTCY THRESHOLD FROM 100 THOUSAND TO 150 THOUSAND RINGGIT.**

- To expedite the process of obtaining bankruptcy relief, the Second Chance Fast Track Policy will be expanded to include primary caregivers of PWDs family members, chronic patients, senior citizens, gig workers and individuals with irregular income.
- Automatic discharge as early as three years under Section 33C of the Insolvency Act will continue to be strengthened to expedite the discharge of eligible bankrupt individuals.

FOUNDATION FOUR:

ELEVATING THE QUALITY OF SERVICES FOR THE RAKYAT

HEALTHCARE SERVICE AGILITY

81. THE ALLOCATION FOR THE MINISTRY OF HEALTH WILL INCREASE TO 47.7 BILLION RINGGIT, compared to 46.5 billion ringgit.

82. I AM PLEASED TO ANNOUNCE THAT THE ISSUE OF CONTRACT DOCTORS WILL BE ADDRESSED. SINCE 2023, THE MADANI GOVERNMENT HAS APPOINTED OVER 15 THOUSAND CONTRACT DOCTORS TO PERMANENT POSITIONS, INCLUDING 4,000 THIS YEAR. FOR 2027, MORE THAN 9,000 CONTRACT DOCTORS WILL BE OFFERED PERMANENT POSTS. THIS MEANS THAT MOVING FORWARD, MEDICAL OFFICERS WHO SUCCESSFULLY COMPLETE THEIR HOUSEMANSHIP TRAINING WILL BE OFFERED PERMANENT APPOINTMENTS AS MEDICAL OFFICERS.

83. IN RECOGNITION OF 47 THOUSAND PARAMEDICS AND NURSES WHO SHOULDER IMMENSE RESPONSIBILITIES ON THE GROUND, THE POST BASIC INCENTIVE ALLOWANCE (BIPB) RATE WILL BE INCREASED FROM 100 RINGGIT TO 200 RINGGIT PER MONTH.

84. We grieve the tragic crash of the Flying Doctor Service helicopter in Long Lellang, which claimed the lives of frontliners. **THE GOVERNMENT AGREES TO INCREASE THE AIR HEALTHCARE SERVICE INCENTIVE ALLOWANCE FROM 30 RINGGIT TO 100 RINGGIT.**

85. TO REDUCE WAITING TIMES FOR PATIENTS RECEIVING TREATMENT:

- **FUNDING TO OUTSOURCE PATIENTS TO OTHER HOSPITALS IS INCREASED TO 200 MILLION RINGGIT.**
 - The scope of collaboration will be expanded to encompass the use of private healthcare facilities, including operating theatres, by the public sector.
 - Sessional arrangements for retired Government specialists and private specialists will be made more flexible, with an increased maximum duration.
 - The scope of the programme is expanded to include Expanded Newborn Screening, Prenatal Genetic Testing and rehabilitation.

- **MEANWHILE, MCMC WITH AN INVESTMENT OF 1 BILLION RINGGIT, WILL CONTINUE TO ACCELERATE THE IMPLEMENTATION OF THE ELECTRONIC MEDICAL RECORD SYSTEM PROJECT ACROSS HEALTHCARE FACILITIES NATIONWIDE.**

86. THE GOVERNMENT WILL LAUNCH THE MEDIASAS PLAN BEGINNING JANUARY 2027, at an affordable price. Under this plan, hospital charges will be based on diagnosis and treatment categories to ensure costs are better controlled and predictable. EPF members under the age of 55 will be permitted to pay MediAsas premiums through their Sejahtera Account. For SMEs with fewer than 75 employees, the Government will subsidise the first-year premium by 200 ringgit per employee, capped at 50 employees per company. This is expected to benefit up to 200 thousand workers.

87. TRANSPARENCY IN PRIVATE TREATMENT COSTS WILL BE ENHANCED: Electronic medical records will be expanded based on the one individual, one record principle. Beginning 2027, private hospital billing will adopt standardised and transparent fee categories so that patients clearly understand each charge and price distortion can be reduced. The e-CKAPS portal is also being developed to enable full online licensing for private healthcare facilities starting in 2027, targeting a reduction in processing times of up to 65 per cent.

88. The Government is also providing healthcare facilities to assist underprivileged rakyat in receiving medical care.

- Dana Tabung Bantuan Perubatan is increased to 60 million ringgit from 40 million ringgit.
- STR recipients and their spouses aged 40 and above are offered free health screenings, medical equipment assistance and cancer treatment incentives under PeKa B40, with an allocation of 80 million ringgit.
- Since the introduction of the mySalam scheme, 1.6 million rakyat has benefitted with total claims amounting to 1.3 billion ringgit. The mySalam scheme will continue next year.
- The BuAi Programme offers affordable fertility treatment to 2,000 couples and men's wellness services to 42 thousand individuals.
- Free thalassaemia screening will be expanded to husbands and children of carriers to reduce the risk of births with thalassaemia major.

89. Nine new facilities will be constructed, including:

- (1) The Specialist Clinic and Day Care Centre Complex at Hospital Sultanah Aminah, Johor;
- (2) Dental Specialist Centre in Kuching, Sarawak;
- (3) Integrated Health Complex in Gerik, Perak; and
- (4) Integrated Health Complex in Rembau, Negeri Sembilan.

90. **ALL PUBLIC HOSPITAL AND CLINIC INFRASTRUCTURE WILL BE MAINTAINED AND REPAIRED** with an allocation of 1.2 billion ringgit. This includes upgrading remaining dilapidated clinics.

91. More than 770 million ringgit is provided for the procurement of advanced and modern equipment to expedite diagnosis and treatment. This includes:

- Upgrading haemodialysis facilities at public hospitals nationwide;
- Procurement of 400 new ambulances for MOH hospitals to improve emergency response times;
- Equipping USM Specialist Hospital with robotic surgery technology to expand treatment options for patients in the East Coast and northern Peninsular Malaysia; and
- Providing clinical simulation equipment and basic science laboratories to 18 MOH Training Institutes to enhance the skills of over 20 thousand trainees, medical personnel and paramedics.

EDUCATION FOR ALL

92. The great Tamil poet Thiruvalluvar, in verse 731 of his celebrated work Tirukkural, wrote:

“தள்ளா விளையுளும் தக்காரும் தாழ்விலாச் செல்வரும்
சேர்வது நாடு.”

"Thallaa Vilaiyulum Thakkaarum Thaazhvilaach Chelvarum
Servadhu Naadu."

The verse speaks of a great nation: one blessed with fertile lands, a people rich in knowledge and virtue, and prosperity that does not come at the expense of moral character. Even in ancient times, Thiruvalluvar understood that a nation's greatness rests not merely on its wealth and monuments, but on the wisdom, justice and human dignity that sustains it.

93. **The Ministry of Education continues to receive the highest allocation, at nearly 69 billion ringgit**, compared to 66.2 billion ringgit this year.

94. **THE GOVERNMENT AGREES TO INCREASE THE ALLOCATION TO REPAIR AND MAINTAIN ALL TYPES OF SCHOOLS FROM 1 BILLION RINGGIT TO 2 BILLION RINGGIT. This increase means:**

- **THE ALLOCATION FOR NATIONAL SCHOOLS INCREASES TO 900 MILLION RINGGIT.**
- **THE ALLOCATION FOR NATIONAL-TYPE CHINESE SCHOOLS (SJKC) INCREASES TO 100 MILLION RINGGIT.**
- **THE ALLOCATION FOR NATIONAL-TYPE TAMIL SCHOOLS (SJKT) INCREASES TO 50 MILLION RINGGIT. ALTHOUGH THE NUMBER OF STUDENTS IN SJKT IS RELATIVELY SMALLER, THE**

DILAPIDATED CONDITION OF THE SCHOOL INFRASTRUCTURE DEMANDS IMMEDIATE ATTENTION.

- **THE ALLOCATION FOR SEKOLAH AGAMA RAKYAT, TAHFIZ INSTITUTIONS, AND REGISTERED PONDOK SCHOOLS UNDER JAKIM INCREASES TO 200 MILLION RINGGIT. THE SCOPE OF THIS ALLOCATION WILL BE EXPANDED TO INCLUDE OPERATIONAL AID FOR THESE INSTITUTIONS.**

95. **Meanwhile, nearly 1.3 billion ringgit is provided to upgrade 682 dilapidated schools, particularly in Sabah and Sarawak.**

96. Records show that nearly 500 thousand pupils are expected to enter Standard 1 next year, including over 70 thousand aged 6. **TO ACCOMMODATE THE INCREASE IN STANDARD 1 PUPILS, 3,500 ADDITIONAL CLASSROOMS ARE EXPECTED TO BE COMPLETED BY THE END OF THIS YEAR USING THE INDUSTRIALISED BUILDING SYSTEM (IBS).**

- The Government will also construct new schools, preschool buildings, and facilities at existing schools, including:
 - 1) SK Seri Chemor, Ipoh, Perak;
 - 2) Bandar Serenia School Complex, Sepang, Selangor;
 - 3) Full replacement construction of National-type Tamil School (SJKT) Ladang Pamol, Kluang, Johor;

- 4) Construction of an academic block at National-type Chinese School (SJKC) Pei Chai, Kuantan, Pahang; and
- 5) Preschool building at SK Bulu Silou, Keningau, Sabah

- A new matriculation college is currently being constructed in Marang, Terengganu.

97. ENCOURAGING PUBLIC PARTICIPATION IN CREATING QUALITY SCHOOL ENVIRONMENTS: Tabung Sumbangan Wang Awam Sekolah will be enhanced so that voluntary contributions from parents, alumni and the public can be utilized for school operations, facility repairs, equipment procurement and student programmes. **CASH CONTRIBUTIONS TO THIS FUND WILL BE ELIGIBLE FOR A TAX DEDUCTION OF UP TO 10 PER CENT OF AGGREGATE INCOME.**

98. I AM PLEASED TO ANNOUNCE:

- **EARLY SCHOOLING AID (BAP) IS INCREASED FROM 150 RINGGIT TO 200 RINGGIT PER PUPIL.** This means a family with four children will receive 800 ringgit to prepare for the 2027 school session. A total of 5.3 million pupils are eligible to receive Early Schooling Aid (BAP) with an allocation of 1 billion ringgit. **THIS AID WILL BE DISTRIBUTED AT SCHOOLS SO THAT PARENTS CAN ATTEND AND MEET DIRECTLY WITH TEACHERS AS A SHARED RESPONSIBILITY FOR THEIR CHILDREN'S ACADEMIC PROGRESS AND CHARACTER DEVELOPMENT.**

- **AS I HAVE ANNOUNCED PREVIOUSLY, THE GOVERNMENT AGREES TO PROVIDE A FORM SIX LIVING ALLOWANCE TOTALING 2,500 RINGGIT.** This rate matches the matriculation student allowance and will benefit 90 thousand Form Six students.
- An allocation of 870 million ringgit is provided under the Rancangan Makanan Tambahan (RMT) to over 800 thousand pupils.

99. Teachers must return to their core duty of educating and shaping the minds and character of our children, unburdened by clerical work. **The recruitment of Teaching Assistants will be expanded to 200 high-density primary schools** and will be progressively scaled up following an evaluation of its effectiveness.

100. The Ministry of Higher Education (MOHE) **will introduce** a comprehensive legal framework for higher education to replace the Universities and University Colleges Act (UUCA), covering university autonomy, academic freedom and the rights of students. **With immediate effect, all disciplinary proceedings at public universities relating to freedom of expression, the expression of views, public criticism and peaceful assembly are hereby discontinued.**

101. **The Ministry of Higher Education is allocated 19.1 billion ringgit.**

- 800 million ringgit is provided to upgrade infrastructure such as lecture halls and student accommodation, as well as replace obsolete equipment.

- The Government welcomes public contributions, including from alumni and the corporate sector to public universities. Contributions made will enjoy an income tax deduction of up to 10 per cent of aggregate income.

102. PTPTN has been a lifeline for young Malaysians aspiring to pursue higher education.

- **FOR THE YEAR 2027, THE GOVERNMENT AGREES TO GRANT A DEFERMENT OF LOAN REPAYMENTS TO BORROWERS EARNING UP TO 2,500 RINGGIT A MONTH.**
- **A MINIMUM REPAYMENT OF ONLY 50 RINGGIT WILL BE IMPOSED ON BORROWERS EARNING BETWEEN TWO THOUSAND FIVE HUNDRED RINGGIT AND THREE THOUSAND RINGGIT A MONTH.**
- **This measure will benefit over 400 THOUSAND PTPTN BORROWERS.**
- **BORROWERS WITHOUT ARREARS WHO MAKE REGULAR REPAYMENTS WILL BE GRANTED A 10 PER CENT DISCOUNT.**
- The Government also agrees to **PROVIDE A TAX DEDUCTION TO EMPLOYERS WHO MAKE PTPTN LOAN REPAYMENTS ON BEHALF OF THEIR EMPLOYEES.** This incentive covers repayments made from 1 January 2027 to 31 December 2028.

103. **TO ADDRESS STUDENT ACCOMMODATION ISSUES**, the Government is collaborating with GLICs to accelerate project implementations.

- **Phase 1 of the Universiti Malaya Student Residence is scheduled for completion in 2031, which will benefit 10 thousand UM students.**
- **KWAP WILL INVEST 750 MILLION RINGGIT FOR THE VISTA KAMPUS PROJECT to construct student residences across six selected universities, including UniSZA and UiTM.**

104. Every university student must be assured of meal provision. **THEREFORE, THE DAPUR SISWA MADANI PROGRAMME will be expanded to polytechnics and teaching education institutes with an allocation of 20 million ringgit.** This initiative will provide cooking equipment, food item contributions and Menu Kasih Siswa priced at just 5 ringgit.

105. **TAX DEDUCTIONS WILL BE PROVIDED TO PARTIES CONTRIBUTING FOOD AND EQUIPMENT FOR THIS PURPOSE** from 1 January 2027 to 31 December 2030.

106. **THE FLYSISWA MADANI 2027 FLIGHT TICKET ASSISTANCE IS INCREASED TO 500 RINGGIT FROM 400 RINGGIT, BENEFITING OVER 60 THOUSAND PUBLIC HIGHER EDUCATION STUDENTS.**

TRANSPORT AND ROAD SAFETY

107. To all public transport commuters:

- **THE My50 FACILITY WILL BE CONTINUED** for the benefit of 300 thousand Prasarana bus and rail commuters in the Klang Valley.
- **THE MYKOMUTER50 FACILITY WILL BE INTRODUCED** for the benefit of 40 thousand KTM Komuter users. Through this facility, commuters can save an average of up to 160 ringgit per month in expenditure. Meanwhile, free passes continue to be provided to 360 thousand school pupils, PWD community and children under six.
- Recently, the rakyat have frequently faced instances of broken-down trains or disrupted services that affect their daily commute to work. **THEREFORE, PRASARANA AND KTMB HAVE BEEN TASKED WITH TAKING IMMEDIATE STEPS TO ENSURE THE SMOOTH OPERATION OF TRAIN SERVICES.** As a long-term solution, Prasarana is investing over 3.4 billion ringgit for a comprehensive overhaul of their rail services. Meanwhile, the Government will also procure 42 new train sets for ETS and KTM Komuter services.
- **ECRL Phase 1 from Kota Bharu to the Gombak Integrated Terminal is expected to commence operations this December. Malaysia and China have also agreed to extend the route to Rantau Panjang. A BUS TERMINAL WILL ALSO BE BUILT AT THE**

KOTA BHARU ECRL STATION FOR THE CONVENIENCE OF THE PEOPLE OF KELANTAN.

- Stage bus services will be enhanced in major cities with an allocation of 270 million ringgit. This includes connecting 15 stations along the East Coast ahead of ECRL operations.
- With regards to transport infrastructure, the Government and MAHB will provide 1.1 billion ringgit to upgrade roads in port areas, as well as airports in Kota Kinabalu, Miri, Tawau, Sandakan, Penang and the STOLports in Long Banga and Ba'Kelalan, Sarawak

108. On Merdeka Day, four people tragically lost their lives, including a couple and their young child, in a crash on LPT1 in Temerloh. As of August this year, 28 fatal cases were recorded involving drivers under the influence of alcohol or drugs. Such tragedies grieve us deeply, demonstrating that while enforcement has been tightened, traffic violations remain concerning. **THEREFORE, AS A FIRMER MEASURE:**

- **THE GOVERNMENT WILL AMEND THE ROAD TRANSPORT ACT TO MANDATE THAT DRIVERS UNDER THE INFLUENCE OF ALCOHOL OR DRUGS PAY COMPENSATION TO VICTIMS.**
- **TELEMATICS SYSTEMS WILL BE MANDATED ON COMMERCIAL VEHICLES** to monitor speed, location and high-risk driving patterns, including linking alcohol detection devices prior to driver start-up.

Voluntary implementation will proceed through 2027 while the Government develops a driver database for enforcement purposes.

- **SOCSSO will provide health screening vouchers to commercial vehicle drivers to identify health risks** that could impair driving ability.
- The Government continues to empower the role of District Engineers to accelerate the execution of small projects such as potholes. **THE ALLOCATION FOR THIS PURPOSE IS INCREASED TO 40 MILLION RINGGIT.**
- A total of 2.5 billion ringgit is provided to maintain Federal Roads, including nearly 800 million ringgit specifically for G1-G4 contractors.
- State roads will also be repaired using 5.7 billion ringgit from MARRIS funds.
- Lembaga Lebuhraya Malaysia will construct 15 motorcycle shelters, install 70 CCTV cameras along the PLUS highway and provide 50 electric vehicle charging facilities at strategic locations.

SERVICE DELIVERY AGILITY

109. The Special Task Force on Agency Reform (STAR), led by the Chief Secretary to the Government, has dismantled bureaucratic red tape and reduced compliance costs. **NEARLY 25 MILLION RINGGIT IS**

PROVIDED TO EXPEDITE GOVERNMENT TRANSACTIONS WITH THE RAKYAT AND BUSINESSES.

110. On the same note, Program Itizam Kecekapan Perkhidmatan Kerajaan improves the performance of Federal and state departments and agencies as well as local authorities (PBT), particularly at customer service counters dealing directly with the rakyat.

111. I hear the concerns faced by construction contractors affected by rising operating costs. **THEREFORE:**

- **THE GOVERNMENT AGREES TO REINTRODUCE THE VARIATION OF PRICE (VOP) CLAUSE SPECIFICALLY TO ABSORB COST INCREASES FOR DIESEL AND BITUMEN.**
- To expedite high-impact projects for the rakyat such as quarters, schools, hostels, clinics, and halls, **PROJECTS WITH A PRE-APPROVED PLAN FROM JKR VALUED UP TO 5 MILLION RINGGIT CAN INVITE INTERESTED CONTRACTORS TO PARTICIPATE USING THE QUOTATION METHOD.**

FOUNDATION FIVE:

SAFEGUARDING NATIONAL SUPPLIES AND PREPAREDNESS

ENERGY TRANSITION

112. We are grateful that our country has remained resilient against the impact of the Middle East Conflict. However, we must expedite the energy transition to ensure the long-term sustainability of the nation's energy supply.

- **TNB TO INVEST 15 BILLION RINGGIT TO STRENGTHEN THE NATIONAL GRID** to meet the country's continuous electricity demand.
- **UEMLESTRA TO INVEST 1 BILLION RINGGIT**, including energy storage project at KLIA and a 1-gigawatt hybrid energy project in Johor.
- The 1 billion ringgit KWAP Dana Iklim⁺ will be utilised for green projects such as renewable energy and decarbonisation.
- Hot weather has contributed to higher household electricity consumption. Through NUR MADANI, rebates of up to 200 ringgit will be provided for purchasers of energy-efficient air conditioners and refrigerators.

113. To encourage greater adoption of green and sustainability technology among companies, tax incentives will be enhanced and extended until 31 December 2030:

- Companies undertaking green and sustainable technology projects and electric vehicle charging stations will be eligible for an Investment Tax Allowance of up to 100 per cent.
- Companies purchasing green technology assets for their own consumption will be eligible for an Investment Tax Allowance of up to 100 per cent.

AGRICOMMODITY SECURITY

114. The five season in two years paddy cultivation project is crucial to ensuring the continuity of the nation's rice supply. Currently, upgrading works on irrigation systems across 15 paddy field blocks are progressing according to schedule. Meanwhile, **THE PEDU DAM REHABILITATION PROJECT IS EXPECTED TO BE COMPLETED BY END-2027.**

115. The collaboration between the Federal Government and State Governments on agri-food projects is achieving significant outcomes at the community level. **THESE COLLABORATIONS WILL BE FURTHER INTENSIFIED WITH AN ALLOCATION OF 300 MILLION RINGGIT.** Among the successful projects is the red tilapia farming in Batang Ai, Sarawak, which supports the production of up to 7.2 million fish fingerlings annually, benefiting nearly 200 small-scale livestock farmers. The dairy

project in Mersing, Johor is targeted to contribute 50 per cent of Johor's milk production by 2030.

116. FOR PADDY FARMERS:

- **THE GOVERNMENT WILL ALLOCATE 2.62 BILLION RINGGIT IN ASSISTANCE FOR PADDY FARMERS.** This means that for each hectare of paddy field, farmers will receive approximately 4,300 ringgit, including subsidies for seeds, fertilisers, pesticides, ploughing fees, and paddy prices.
- **THE GOVERNMENT HAS AGREED TO INCREASE THE PADDY HARVESTING INCENTIVE FROM 50 RINGGIT PER HECTARE PER SEASON TO 100 RINGGIT. THE PLOUGHING INCENTIVE, WHICH HAS BEEN INCREASED TO 300 RINGGIT, WILL BE MAINTAINED AND EXTENDED TO PADDY FARMERS IN SABAH AND SARAWAK.**
- To rehabilitate and restore the fertility of the paddy fields, 20 million ringgit will be provided to supply foliar fertilisers for more than 10 thousand hectares of paddy fields.

117. FOR FISHERMEN:

- **THE GOVERNMENT HAS AGREED TO INCREASE THE NUMBER OF FISHERMEN HOLDING SPECIAL SAMPAN LICENCES FROM 17 THOUSAND TO 20 THOUSAND WITH AN ALLOCATION OF 30**

MILLION RINGGIT. To increase fishermen's incomes, **GRANTS WILL BE PROVIDED FOR AQUACULTURE PROJECTS**, including the provision of biofloc system for tilapia farming. Agrobank will also provide 40 million ringgit in funding for aquaculture projects.

- At the same time, eligible fishermen will continue to enjoy subsidised diesel at RM1.65 per litre. An allocation of 178 million ringgit will be provided for Fishermen's Living Allowances of up to 300 ringgit per month.

118. Agropreneurs will have access to over 1 billion ringgit in financing through Agrobank, Bank Rakyat and the Suruhanjaya Koperasi Malaysia. This will support higher agricultural output, including through technology adoption. More than 40 million ringgit will be provided to support the production of high-value products using modern technology. These include premium bean-to-bar chocolate, agarwood oil extracts, and aromatherapy products.

119. Last month, I had the opportunity to engage with smallholders and commodity producers. **THEREFORE, I WISH TO ANNOUNCE THE FOLLOWING:**

- **THE ALLOCATION FOR REPAIRING FARM ROADS WILL INCREASE TO 100 MILLION RINGGIT**, up from 50 million ringgit.
- **HYBRID FINANCING AMOUNTING TO 100 MILLION RINGGIT WILL BE PROVIDED TO SUPPORT OIL PALM REPLANTING** for

4,500 smallholders. Under this hybrid arrangement, they will only be required to repay half of the financing.

- Soft loan facilities of 200 million ringgit will also be introduced to finance replanting costs for land sizes up to 40 hectares. Repayment is deferred for four years while awaiting the trees to bear fruit. Smallholders will only bear a 2 per cent interest rate, with the remaining interest borne by the Government.
- **FOR RUBBER SMALLHOLDERS, THE GOVERNMENT HAS AGREED TO INCREASE THE RUBBER PRODUCTION INCENTIVE FOR THE THIRD TIME.** In 2022, the incentive was only 2.50 ringgit per kilogram. Currently, it stands at 3.00 ringgit per kilogram. The incentive will be increased to 3.30 ringgit, benefiting more than 300 thousand smallholders.
- As of September, 290 thousand smallholders received a monthly subsidy of 400 ringgit. This includes farmers, livestock breeders, as well as small-scale operators of oil palm, rubber, cocoa, pepper, and kenaf.
- 30 million ringgit will be provided to curb crop diseases and pest infestations in the oil palm sector, including Ganoderma, bagworms, and mealybugs, as well as diseases affecting cocoa and pepper crops.

120. The progress FELDA has made is increasingly felt by settlers. A total of 109 thousand settlers now hold land titles, while the average monthly net income of settlers has increased from 2,272 ringgit in 2023 to 3,800 ringgit this year. The delisting of FGV has also strengthened FELDA's financial position to safeguard the welfare of settlers. For 2027, the Government has approved 1.26 billion ringgit to strengthen FELDA's finances, maintain roads and provide housing for the FELDA generation.

SECURITY AND DEFENCE

121. The Ministry of Home Affairs and the Ministry of Defence will each receive an allocation of 22 billion ringgit.

- 7.1 billion ringgit will be allocated for the acquisition and maintenance of assets of the armed forces, the police, and other uniformed bodies under KDN.
- **NEW FACILITIES WILL BE CONSTRUCTED, including:**
 - (1) the APMM State Headquarters in Tanjung Kupang, Johor;
 - (2) the PGA Battalion 19 Complex in Cheras;
 - (3) the Keningau Immigration Office, Sabah; and
 - (4) three new police stations in Sungai Rambai, Melaka; Tanjung Malim, Perak; and Batu Lintang, Sri Aman, Sarawak.

122. MALAYSIA WILL CONTINUE TO STRENGTHEN ITS BORDER SECURITY.

- **An allocation of 490 million ringgit for the Malaysia Border Control and Protection Agency.**
- Airport screening will be enhanced, including **mandatory drug and alcohol testing for pilots and flight crew.**
- **48 new body and luggage scanners will be installed** at the Kuala Lumpur, Penang and Kota Kinabalu International Airports.

123. MCMC has blocked more than 5.7 billion scam-related calls and SMS messages. **FOR EARLIER DETECTION OF SCAMMERS AND CYBERCRIMINALS:**

- **Pusat Respons Penipuan Kebangsaan** will develop an AI application that will allow the rakyat to check suspicious phone numbers, bank accounts or links before making a transaction.
- **Bahagian D11 PDRM** is enhancing the Malaysia Internet Crime Against Children system with advanced analytics capabilities to enable earlier detection of perpetrators and child sexual exploitation networks.
- **MCMC** will also intensify the implementation of the Safe Internet Campaign in all schools, with a focus on tackling cyberbullying and child exploitation.

124. **WE NEED TO ADDRESS DISASTER RISK AT AN EARLY STAGE.**

- **To date, the Government has completed six flood mitigation projects worth 336 million ringgit.** Currently, 82 flood mitigation projects are also being implemented according to schedule. **For 2027, new projects to be implemented include the Kuching City Flood Mitigation Project; the Sungai Golok Integrated River Basin Development Project Phase 2, Kelantan; and the Sungai Kemaman Integrated River Basin Development Project, Terengganu.**
- In addition, slopes, drainage systems and drains in local authority areas nationwide will be repaired and upgraded, with an allocation of nearly 320 million ringgit.
- The National Disaster Management Agency (NADMA) will receive an allocation of 260 million ringgit. **THE GOVERNMENT HAS AGREED TO INCREASE ASSISTANCE FOR REPAIRING THE HOMES OF DISASTER VICTIMS FROM 5 THOUSAND RINGGIT TO 10 THOUSAND RINGGIT.**
- 17 amphibious craft will be procured by the Malaysian Civil Defence Force to expedite rescue operations.
- The GDRN initiative by Yayasan GLIC and GLC will continue to assist disaster victims through a 20 million ringgit matching grant.

FOUNDATION SIX:

SURPASSING THE LIMITS OF ECONOMIC POTENTIAL

125. Second-quarter GDP grew by 6 per cent, a performance that exceeded even Government agencies' expectations. With this momentum, **GROWTH IN 2026 IS PROJECTED AT BETWEEN 4.8 AND 5.3 PER CENT.** Although global **uncertainty** is expected to persist, Malaysia's economic fundamentals remain strong. **THEREFORE, GDP GROWTH IN 2027 IS PROJECTED AT BETWEEN 4.2 AND 5.2 PER CENT.**

EMPOWERING HOME-GROWN INNOVATION

126. Almost all businesses in Malaysia are micro, small and medium enterprises (MSMEs). They contribute 40 per cent to the economy and employ 8 million people, or half of the country's workforce.

127. **RECOGNISING THE BURDEN OF RISING OPERATING COSTS ON MSME ENTREPRENEURS, THE GOVERNMENT HAS AGREED TO REDUCE THE MSME INCOME TAX RATE BY ONE PER CENTAGE POINT.**

- **FOR THE FIRST 150 THOUSAND RINGGIT OF TAXABLE INCOME WILL BE REDUCED TO 14 PER CENT.**
- **FOR THE BAND FROM 150 THOUSAND RINGGIT TO 600 THOUSAND RINGGIT, THE RATE WILL BE REDUCED TO 16 PER CENT.**

- **THIS TRANSLATES TO AN ADDITIONAL INCOME OF UP TO 6,000 RINGGIT FOR 300 THOUSAND MSMEs.**

128. The Government also proposes the following tax measures:

- The value limit for each low-value asset eligible for capital allowances will increase to 3,000 ringgit. For companies other than MSMEs, the overall claim limit will rise to 30 thousand ringgit.
- Manufacturers will be able to reclaim sales tax on machinery, spare parts and equipment purchased from local traders or distributors. The facility will also cover raw materials used to produce pharmaceuticals, animal feed, fertilisers and pesticides.
- To raise the productivity of local companies, Accelerated Capital Allowances on expenditure for locally produced plant and machinery, and ICT equipment and software, will be extended until 31 December 2030.
- To support cash flow of MSMEs through bank credit facilities provided to mid-tier companies, the Government proposes stamp duty of just 10 ringgit on agreements for the utilisation of excess credit executed from 1 January 2027 to 31 December 2030.
- Loan agreements executed through peer-to-peer (P2P) financing platforms will be subject to stamp duty of just 10 ringgit from 1 January 2027 to 31 December 2030.

- Full stamp duty exemption on the opening of savings and current accounts effective 1 January 2027.

129. I have seen first-hand how equipment assistance helped a mother in Penang put her sewing skills to use. Sometimes, there are rakyat that have the skills but lack the capital to buy equipment such as sewing machines or ovens. **THEREFORE, THE GOVERNMENT HAS AGREED TO ALLOCATE 200 MILLION RINGGIT UNDER SEJAHTERA MADANI GRANTS TO HELP 40 THOUSAND RECIPIENTS, PARTICULARLY WOMEN, ACQUIRE EQUIPMENT AND RECEIVE TRAINING.**

130. Microfinancing is another tool to support small entrepreneurs earn more from their businesses. **THEREFORE, THE GOVERNMENT WILL INCREASE MICROFINANCING TO 6.6 BILLION RINGGIT IN 2027.**

- Under Amanah Ikhtiar Malaysia (AIM), Kelantan has received the highest amount of financing, while Sabah has the most number of recipients. **NEXT YEAR, 3 BILLION RINGGIT WILL BE AVAILABLE UNDER AIM TO SUPPORT 360 THOUSAND ENTREPRENEURS.**
- **TEKUN FINANCING FUND WILL INCREASE TO 1.3 BILLION RINGGIT**, with a focus on supporting Bumiputera entrepreneurs.
- **FINANCING FOR THE INDIAN COMMUNITY UNDER TEKUN AND AIM WILL ALSO INCREASE TO 150 MILLION RINGGIT.** This will help small Indian entrepreneurs expand their businesses.

- **BSN WILL PROVIDE 1.7 BILLION RINGGIT IN MICROFINANCING**, with dedicated allocations for youths, gig workers, hawkers and vulnerable groups.

131. **BANKS HAVE BEGUN OFFERING BASIC CREDIT CARDS AT REDUCED INTEREST RATES CAPPED AT 14 PER CENT PER ANNUM. MY APPRECIATION TO ALLIANCE BANK, MAYBANK AND CIMB** for making this facility available. Therefore, I welcome more banks to follow suit.

132. Bank Negara Malaysia will provide 5 billion ringgit in financing to support SMEs affected by the West Asia conflict. Given the very encouraging take-up, **BNM HAS AGREED TO ADD ANOTHER 5 BILLION RINGGIT TO THE FINANCING FACILITY.**

133. BPMB Group will allocate 7 billion ringgit across seven strategic sectors to support growth in high-impact industries and core sectors of national development, including renewable energy, logistics, aerospace and semiconductors.

134. Next year, **SJPP AND CGC WILL PROVIDE FINANCING GUARANTEES OF UP TO 32 BILLION RINGGIT.** SJPP will also extend its coverage to mid-tier companies across all sectors, with the guarantee limit raised to 50 million ringgit. A total of 1 billion ringgit guarantees by SJPP will be earmarked to support the expansion of local companies through mergers and acquisitions.

135. THIS MEANS THAT THE TOTAL VALUE OF LOAN FACILITIES AND FINANCING GUARANTEES WILL INCREASE FROM 50 BILLION TO 57 BILLION RINGGIT IN 2027.

136. For the first eight months of 2026, Malaysia's trade reached 2.5 trillion ringgit, with exports surging 31.2 per cent to 1.36 trillion ringgit.

- **NEXT YEAR, MATRADE will receive 60 million ringgit to support local companies enter new overseas markets and diversify their export destinations.** BPMB will also provide 1 billion ringgit in financing to support local MSMEs venturing into export markets.
- Saudara Mohamad Azmi Warisan, a coffee entrepreneur from Kampung Sungai Leman, Selangor, has benefited from NADI platform, and managed to raise sales by up to 80 per cent or 240 thousand ringgit. **THEREFORE, NADI WILL BE FURTHER STRENGTHENED WITH AN ALLOCATION OF 142 MILLION RINGGIT,** helping more young entrepreneurs tap into online business.
- **The Government and KWAP WILL ESTABLISH A 50 MILLION RINGGIT UNIVC FUND to showcase university research to market.** The Government is also prepared to take on early-stage risks to encourage more private capital to back home-grown innovation.

- JOM MALAYSIA will receive 10 million ringgit to bring rural products and high-value services onto digital platforms and into overseas markets.
- To support the low-altitude economy, including drone operations, CAAM will invest 50 million ringgit to develop a digital airspace management system, a national test site and safety standards.

137. THE GOVERNMENT TAKES SERIOUSLY THE CONCERNS OF SMALL TRADERS OVER FOREIGN E-COMMERCE COMPANIES entering our market without proper oversight and enforcement. **THEREFORE**, the Government are moving swiftly to examine legislative and enforcement measures to safeguard local MSMEs from unfair competition and ensure that products bought by the rakyat are safe.

138. THE E-COMMERCE BILL WILL BE TABLED IN THE NEXT PARLIAMENT SITTING, as part of efforts to strengthen accountability among online platforms and sellers.

INVESTMENT IN HIGH-VALUE SECTORS

139. Approved investments in the first half of 2026 reached 218.5 billion ringgit, up 11.7 per cent. This puts us on track to set a new record high for the third consecutive year.

140. Government-Linked Investment Companies are entrusted to build the resilience of the domestic economy and enhance the capabilities of local companies in high-value sectors. **THEREFORE, GLICs THROUGH GEAR-UP WILL MOBILISE 25 BILLION RINGGIT IN DOMESTIC INVESTMENT.**

- For instance, Sime Darby Property, EPF and LTAT established New Economy Venture Fund with a total of 1.25 billion ringgit to develop data centres and industrial logistics assets in Elmina, Selangor.
- Khazanah and KWAP will invest 1.2 billion ringgit to support local semiconductor companies move into higher-value segments of the industry. This includes a partnership between Khazanah and the Selangor State Government on an investment fund to develop the state's semiconductor industry.

141. Startups need support at every stage, from ideas to seed capital and scaling up. Mid-tier companies, meanwhile, must rapidly become self-reliant to lead in high-value industries.

- **Khazanah's Jelawang Capital and KWAP's Dana Perintis will invest 450 million ringgit in developing startups.**
- **A total of 2.1 billion ringgit from the NIMP fund, KWAP's Dana Pemacu and Khazanah's MTC Fund will be utilised to strengthen mid-tier companies** in fields such as E&E, digital technology, aerospace and medical devices.

- To attract private capital through Equity Crowdfunding (ECF) and P2P platforms, 270 million ringgit will be allocated to support SMEs, mid-tier companies and social enterprises.
- Income tax exemption will be extended to individual investors through ECF platform as well as angel investors financing early-stage technology startups until 31 December 2030.
- 41 million ringgit will be provided to Cradle Fund to implement the Malaysia Startup Ecosystem Roadmap as well as grants for prototype development and commercialisation.
- MTDC's SemiconStart Programme will provide follow-on equity investments for startups in IC design, advanced packaging and semiconductor materials.

142. The MADANI Government's reforms have restored investor confidence. In just two years, Malaysia has leapt to 15th place in the World Competitiveness Index. We also ranked first as a digital nomad destination in the Rumavi Global Relocation Index 2026.

143. We must continue making it easier to do business in Malaysia, so that global companies can operate here and bring in the best skilled talent.

- First: The Government will improve the tax incentives for Global Services Hubs (GSHs) from 1 January 2027. Among the changes is a preferential tax rate of 5 per cent on income from GSH activities for new companies.**
- A preferential tax rate of 5 per cent will apply to income above a specified baseline for existing Principal Hub or GSH companies.
 - The GSH incentive period will be extended in five-year increments, up to a maximum of 30 years.
 - GSH companies managing treasury and funds will be exempt from withholding tax on interest payments and stamp duty on intercompany loan agreements. These exemptions will also apply to such activities under the JS-SEZ package.
- Second: Existing DE Rantau Nomad Pass holders that reach the two-year limit will be allowed to continue staying and working remotely in Malaysia, subject to the prescribed eligibility criteria.**
- Third: From 1 January 2027, spouses of expatriates holding a Category I Employment Pass who themselves hold a Dependant Pass will be allowed to work in Malaysia, subject to the prescribed conditions. This will help Malaysia remain a destination of choice for top talent without their spouses having to give up their careers.**

Fourth: We have introduced Malaysian ASEAN Business Entity (MyABE) status to support the expansion of Malaysian companies across ASEAN. The Securities Commission, working with TalentCorp, will now facilitate the initial Employment Pass application process for listed MyABE companies, with a target of five working days.

Fifth: The Reinvestment Allowance is being reviewed, including examining the eligibility criteria and the mechanism for providing the incentive, to make it more targeted and strengthens industry competitiveness.

Sixth: The Securities Commission Malaysia and the Hong Kong securities regulator have formalised cooperation to facilitate Malaysian companies list their shares in both markets. Matching grants will be provided to cover listing costs.

144. To strengthen the domestic maritime industry, full income tax exemption for Malaysian shipping companies will be extended until year of assessment 2036. Stamp duty on loans to purchase or build Malaysian ships will be fixed at 2,000 ringgit for loans up to 100 million ringgit or 5,000 ringgit for loans of more than 100 million ringgit.

CROSS-BORDER ECONOMY

145. **National borders are becoming new gateways to prosperity**—places to accelerate trade, attract investments and create high-value jobs for the youth.

146. In the south, the JS-SEZ brings together the strengths of Malaysia and Singapore. From 2025 to June 2026, 132 billion ringgit in investment was recorded.

- **SINGAPORE'S PRIME MINISTER LAWRENCE WONG AND I WILL LAUNCH THE JS-SEZ MASTER PLAN AND BLUEPRINT by the end of this year.**
- Nexus Sedenak will become a new industrial node in the north of the JS-SEZ, with potential investment of 12 billion ringgit and 45 thousand jobs. The road from the Sedenak interchange will be upgraded, followed by facilities linking major ports and regional trade networks.
- Under the Queen Bee approach, a Special Task Force has been established to coordinate inter-agency negotiations to attract leading companies in strategic sectors to invest in the JS-SEZ.
- For Forest City, the Single Family Office (SFO) Scheme allows one family to manage its funds in Malaysia, with zero tax on qualifying income for up to 20 years. A Multi-Family Office (MFO) model will be

introduced, allowing licensed fund managers to provide services to several families, including approved SFO funds.

147. In the north, trade along the Bukit Kayu Hitam–Sadao corridor reached 27 billion ringgit in the first six months of the year. **THEREFORE, THE DELAPAN SPECIAL BORDER ECONOMIC ZONE CONTINUES TO BE STRENGTHENED.**

- The 122-acre NCT InnoSphere is being developed as a hub for heavy vehicles, engineering, maintenance and logistics, complementing industries in Kulim and Penang.
- A cross-border financing framework is being developed in collaboration with Labuan IBFC to facilitate financing and multi-currency transactions.
- Direct access from the East Gate of the Bukit Kayu Hitam Immigration Complex to the Inland Container Depot will be developed through private investment to expedite cargo movement.

148. MALAYSIA AND INDONESIA HAVE AGREED TO EXPEDITE THE REOPENING OF THE TEBEDU-ENTIKONG TRADE ROUTE. Border roads between Sabah, Sarawak and Kalimantan will be upgraded to facilitate two-way movement.

149. PETRONAS’S DECISION TO EXPAND ITS INVESTMENT IN PHASE TWO OF LNG CANADA strengthens Malaysia’s role in the international LNG supply chain. **THE SUCCESSFUL PETROLEUM**

DISCOVERY IN SURINAME and cooperation opening the way for potential development of **the GALKYNISH FIELD IN TURKMENISTAN**, one of the world's largest natural gas fields.

150. In addition, **PETRONAS'S TRANSITION TO FULL OWNERSHIP STRENGTHENS THE PENDERANG INTEGRATED COMPLEX** as a strategic national asset. It will enable the optimisation of the value chain towards high-value products, while drawing on the technology and expertise of global partners, and position Pengerang as a strategic hub for fuel supply security, particularly amid uncertainty in global markets.

151. Alongside this, **THE PENDERANG BIOREFINERY, DEVELOPED IN PARTNERSHIP WITH ENILIVE**, Eni and Euglena energy company, will extend Pengerang's role in producing low-carbon fuels, including *sustainable aviation fuel*, HVO and bio-naphtha.

152. PETRONAS and TNB's involvement in cross-border energy projects under the **ASEAN POWER GRID** will not only strengthen energy security and open up new economic opportunities, but also provide a foundation for regional diplomacy, cooperation and connectivity.

YOUTH TALENT: BAKAT MADANI

153. BAKAT MADANI was launched through commitments from six GLICs, PETRONAS and a network of GLCs to provide training and quality employment opportunities for 25 thousand young people. **FOR 2027, THE**

TARGET WILL BE 30 THOUSAND NEW JOB OPPORTUNITIES, INCLUDING THROUGH PRIVATE SECTOR PARTICIPATION.

154. To encourage greater private-sector participation, **COMPANIES PROVIDING BAKAT MADANI TRAINING PROGRAMMES WILL RECEIVE A TAX DEDUCTION FOR THE PERIOD** from 29 June 2026 to 31 December 2030.

155. **TOTAL TVET ALLOCATIONS ACROSS MINISTRIES WILL AMOUNT TO 8 BILLION RINGGIT.** The Government's focus is to improve young people's skills and employability.

- **WITH FUNDING OF 3 BILLION RINGGIT, HRD CORP WILL OFFER 3 MILLION SKILLS TRAINING OPPORTUNITIES,** including continuing professional development for professionals.
- **PERBADANAN TABUNG PEMBANGUNAN KEMAHIRAN (PTPK) WILL PROVIDE 500 MILLION RINGGIT TO FINANCE TRAINEES ENROLLED IN SKILLS TRAINING PROGRAMMES AT PUBLIC AND PRIVATE TRAINING INSTITUTES REGISTERED WITH PTPK.**
- **Community Colleges will continue to provide short courses for tahfiz students to facilitate entry into employment, entrepreneurship and higher education.**
- **Other Ranks personnel of the Malaysian Armed Forces (ATM) completing their service will receive skills training through collaborations**

with institutions, including the Malaysian Institute of Aviation Technology (MIAT) and Malaysian Maritime Academy (ALAM).

- **Majlis Amanah Rakyat (MARA)** will train and place 1,000 Bumiputera youths in high-growth sectors. Trainees in **GIATMARA's** electrical wiring courses will be utilised to repair and overhaul wiring in 20 thousand homes belonging to poor families.
- **Construction Industry Development Board (CIDB)** will equip 10 thousand youth with skills in robotics and digital technologies, preparing them for new career pathways, while reducing reliance on foreign labour.
- **Advanced Technology Training Centre (ADTEC) under the Department of Manpower (JTM)** will open pathways to highly skilled automotive careers for graduates through the Advanced Automotive Technology Programme.

156. THE GOVERNMENT IS ALSO PRIORITISING SKILLS DEVELOPMENT FOR YOUNG PEOPLE IN THE INDIAN COMMUNITY. FUNDING FOR MITRA WILL THEREFORE INCREASE TO 150 MILLION RINGGIT, with priority given to providing training and jobs for Indian youths in fields including industrial automation, technology and aircraft maintenance.

157. Reaching for the Skies, While Anchored on Our Values also means leading in AI without compromising our values or national **security**. I have often stressed the need for young people to master the fields of the future, such as coding, data science and quantum technology.

- **THE SOVEREIGN AI CLOUD NOW BEING PLANNED WILL ENSURE THAT THE RAKYAT'S DATA AND THE NATION'S STRATEGIC INFORMATION REMAIN UNDER MALAYSIAN CONTROL.**
- **The response to the free AI subscriptions for young people has been very encouraging. I AM THEREFORE PLEASED TO ANNOUNCE** that we will expand this initiative with another 100 thousand free AI subscriptions, while extending it to new AI applications such as ChatGPT.
- Rakyat Digital also provides free access to digital courses through a partnership with Coursera, covering more than 16,000 courses and Professional Certificate programmes from leading universities and industry organisations around the world.
- Overall, 6 billion ringgit will be allocated to intensify research, development and commercialisation of innovations across ministries.

- AI Malaysia Berhad will receive almost 15 million ringgit to reinforce a safe and ethical AI ecosystem, towards a target of 200 thousand AI skilled workers.
- MDEC fund of 30 million ringgit will help 4,000 MSMEs adopt AI and automate their operations. This programme will also train and certify 5,000 AI professionals.
- Malaysia is now recognised at Tier 1, the highest level, for readiness to transition to post-quantum cryptography. The National Cyber Security Agency (NACSA) and the Malaysian Communications and Multimedia Commission (MCMC) will develop home-grown data protection technologies capable of addressing threats from quantum computers, while strengthening CSCDC Berhad's capabilities.
- Meanwhile, MyDigital ID has recorded more than 14 million registered users logging in across 203 public and private services, helping the rakyat conduct their affairs securely.
- Next year, it will be Malaysia's turn to host the *FIRA RoboWorld Cup*. This stage should open opportunities for young talent and researchers to take home-grown robotics innovations to the world.

FOUNDATION SEVEN:

PRESERVING THE NATION'S IDENTITY

NATURAL HERITAGE, CULTURE, LANGUAGE AND THE CREATIVE ARTS

158. Malaysia has successfully maintained nearly 18 million hectares of forest cover, representing 54.4 per cent of the country's total land area. This is in line with Malaysia's commitment at the 1992 Earth Summit in Rio de Janeiro to maintain at least 50 per cent of its land area under forest cover.

159. As of 2025, nearly 4,000 hectares of mangrove forests and coastal areas have been successfully rehabilitated through the planting of more than 9.3 million mangrove trees and other suitable species.

160. Peat swamp forest conservation and fire risk management have been strengthened through high-impact financing, strategic partnerships and advanced technologies.

161. Malaysia is among the world's 17 megadiverse countries, home to nearly 70 per cent of the world's known species of flora and fauna. This includes 12 thousand species, or more than 80 per cent, found in Sabah and Sarawak.

162. To support state governments in conserving the nation's natural heritage, **THE ECOLOGICAL FISCAL TRANSFER (EFT) FUND WILL BE**

INCREASED TO 270 MILLION RINGGIT. This increase aims to promote community-based economic activities and ecotourism.

163. A 65 MILLION RINGGIT WILL BE ALLOCATED TO SUPPORT 2,500 COMMUNITY RANGERS, COMPRISING ORANG ASLI, MILITARY VETERANS AND RETIRED POLICE PERSONNEL, in safeguarding the nation's biodiversity. The allocation also covers the construction and maintenance of ranger posts to support patrol activities.

164. We welcome the return of leatherback turtles to nest along the Terengganu coast, following the last recorded nesting in 2017. To safeguard our marine heritage, **A MEASURE TO BUY BACK OLD FISHING NETS WILL BE INTRODUCED TO ENSURE THAT ABANDONED NETS NO LONGER ENDANGER MARINE LIFE.** In addition, ageing public sewerage systems in Pulau Tuba, Langkawi, Redang and Tioman will be urgently upgraded.

165. A TOTAL OF 15 MILLION RINGGIT FROM PALM OIL INDUSTRY CESS COLLECTIONS WILL BE ALLOCATED FOR ENVIRONMENTAL CONSERVATION. Priority will be given to protecting the habitats of endangered species such as the Malayan tiger, Bornean elephant and Orang Utan.

166. THE CREATIVE INDUSTRY WILL CONTINUE TO BE STRENGTHENED to elevate the nation's image, create employment opportunities and bring Malaysian stories to the global stage. **AN ALLOCATION OF MORE THAN 130 MILLION RINGGIT WILL BE**

PROVIDED TO SUPPORT THE LOCAL FILM, MUSIC AND CREATIVE CONTENT SECTORS.

- This includes incentives for local and international film and animation productions undertaken in Malaysia, **AND ADDITIONAL INCENTIVES FOR WORKS THAT SHOWCASE MALAYSIAN CULTURE AND NATIONAL IDENTITY.**
- **FROM 2027, TICKETS FOR LOCAL FILMS AND THEATRE PERFORMANCES IN THE FEDERAL TERRITORIES WILL BE FULLY EXEMPTED FROM ENTERTAINMENT DUTY.** State governments are encouraged to adopt similar measures to support local creative talents.
- The local animation ecosystem will be strengthened to develop 20 new intellectual properties and commercialise Malaysian characters on the global stage.

167. In the era of artificial intelligence, the Malay language must advance rapidly in tandem with technological progress. **THE GOVERNMENT WILL MOBILISE THE COLLECTIVE RESOURCES OF MINISTRIES, AGENCIES AND EDUCATIONAL INSTITUTIONS TO CONTRIBUTE VERIFIED AND ANNOTATED DIGITAL LANGUAGE DATA TO DEWAN BAHASA DAN PUSTAKA.** Developing a robust digital ecosystem is essential to enable Malaysia to build its own AI technologies rooted in national identity.

SPORTS AND UNITY

168. We celebrate the success of the Malaysian contingent at the Aichi-Nagoya Asian Games, securing nine gold, seven silver and 16 bronze medals. **TO ALL ATHLETES, COACHES AND OFFICIALS: CONGRATULATIONS AND THANK YOU FOR BRINGING HONOUR TO THE NATION.**

169. NEXT YEAR, MALAYSIA WILL ONCE AGAIN WELCOME NEIGHBOURING COUNTRIES AS HOST OF THE 2027 SEA GAMES AND ASEAN PARA GAMES. These prestigious sporting events will provide an opportunity to enhance the nation's standing and foster unity among Malaysians. **THEREFORE, an allocation of 240 million ringgit will be provided for preparations to host the 2027 Sea Games and ASEAN Para Games.**

170. IN ADDITION, 460 MILLION RINGGIT WILL BE ALLOCATED FOR NATIONAL SPORTS DEVELOPMENT. This includes strengthening high-performance sports and the road to gold programme, supporting Para athletes and Deaf Sports programmes, as well as maintaining sports facilities nationwide.

171. The Government will allocate 30 million ringgit for the Sports Matching Grant to encourage sports associations, clubs and NGOs to organise high-performance sporting events.

172. The allocation for school sports activities will also be increased by 50 per cent to 27 million ringgit, benefiting more than 4.6 million students across 10 thousand schools nationwide.

173. I am often asked, what is MADANI? As though it were something new. Yet, at the heart of MADANI lies IHSAN (compassion), a value deeply rooted in our society. We are all familiar with the story of Usop, popularly known for his Minyak Hitam Jalanan, whose heartwarming exchange of kindness with Dicky went viral. We also celebrate nurse Deena Nadzhiefa, who helped feed an Indian patient, and Zira, who provided free meals to hungry schoolchildren. This is the true spirit of MADANI, where COMPASSION TRANSCENDS RACIAL BOUNDARIES. It is therefore essential that these noble values be instilled in our children. **ACCORDINGLY, THE GOVERNMENT WILL INTRODUCE THE BUDI BELIA PROGRAMME, UNDER WHICH YOUTH WHO COMPLETE THE REQUIRED HOURS OF VOLUNTEER SERVICE WITH SELECTED NON-GOVERNMENTAL ORGANISATIONS (NGOS) WILL RECEIVE AN E-WALLET INCENTIVE OF 100 RINGGIT.**

174. **IN ADDITION, THE GOVERNMENT WILL ORGANISE THE UNITY LEAGUE TO REVIVE TRADITIONAL SPORTS AND FOLK GAMES as a platform for fostering unity.** The initiative aims to attract up to 200 thousand participants at the community level, bringing Malaysians of different ethnic backgrounds together through sports and strengthening bonds.

175. THE GOVERNMENT HAS AGREED TO INCREASE THE ANNUAL RUKUN TETANGGA GRANT FROM 6,000 RINGGIT TO 10,000 RINGGIT for each active, registered Rukun Tetangga area nationwide. This will enable more activities promoting unity, community engagement and national integration to be carried out at the community level of diverse ethnic and religious backgrounds.

VISIT MALAYSIA YEAR 2027

176. THE GOVERNMENT HAS EXTENDED THE VISIT MALAYSIA YEAR CAMPAIGN UNTIL NEXT YEAR. A TOTAL OF 935 MILLION RINGGIT WILL BE ALLOCATED FOR TOURISM AND CULTURE.

- This includes providing incentive grants to industry players to promote and organise tourism events.
- Tourism facilities will be upgraded, including jetty infrastructure and heritage sites with the potential for UNESCO recognition, such as Danum Valley in Sabah; Lembah Bujang in Kedah and Taman Negara in Pahang.
- Arts, culture and heritage will continue to be promoted through the organisation of a Cultural Festival in conjunction with the SEA Games, as well as support for cultural and heritage practitioners in areas such as handicrafts, weaving and batik.

- The International and Charter Flight Matching Grant will be provided to pioneer new direct flight routes from China, India, Central Asia and Europe. The scope of the grant will be expanded to include cruise ships, ferries and tour buses bringing international tourists to Malaysia.

177. To boost tourism on the duty-free islands of Langkawi and Labuan, **THE DUTY-FREE PURCHASE LIMIT FOR VISITORS AND TOURISTS WILL BE INCREASED TO 10 THOUSAND RINGGIT, SUBJECT TO A MINIMUM STAY OF 48 HOURS.** More products made in Langkawi will also be exempted from import duty, thereby supporting local entrepreneurs.

178. On some resort islands, residents and tourists face difficulties in finding ATMs. Small businesses lose sales when customers do not have cash. Next year, QR payment facilities will be expanded to 15 locations, including resort islands.

179. Malaysia must become a preferred destination for major international events. Rebates will be provided to event organisers at venues with a capacity of at least 10 thousand spectators. Tax incentives for incentive travel, international conferences and trade exhibitions will also be extended until the year of assessment 2030.

UPHOLDING ISLAMIC PRINCIPLES

180. The MADANI Government remains committed to upholding Islamic teachings and values in Malaysia.

- **THE ALLOCATION FOR ISLAMIC AFFAIRS WILL BE INCREASED FROM 2.6 BILLION RINGGIT TO 3.1 BILLION RINGGIT.**
- To preserve traditional Islamic scholarship (turath), **THE MADANI GOVERNMENT HAS ESTABLISHED THE MALAYSIAN PONDOK AND TURATH ADVISORY COUNCIL**, with the involvement of renowned international Islamic scholars such as Sheikh Ali Gomaa and Sheikh Idris al-Fasi. We have also introduced the Malaysian Turath Certificate to ensure the sustainability of pondok institutions.
- JAKIM and MDEC are collaborating to provide digital devices and digital skills training to teachers and students at more than 300 pondok schools nationwide.
- The Creative Dakwah Programme has been introduced to produce fresh, authentic and engaging Islamic outreach content that resonates with the younger generation through digital media, influencers and AI.
- **THE GOVERNMENT IS PLEASED TO ANNOUNCE THE FOLLOWING:**

First: A SPECIAL INCENTIVE OF 150 RINGGIT PER MONTH WILL BE PROVIDED TO 500 KAFA TEACHERS WHO TEACH STUDENTS WITH SPECIAL NEEDS, including through sign language and the Braille Quran.

Second: THE GOVERNMENT, THROUGH TABUNG HAJI, WILL FULLY COVER THE SOCSO CONTRIBUTIONS FOR ALL 40 THOUSAND IMAMS, BILALS, TOK SIAK, NOJA, MARBUT AND TAKMIR TEACHERS.

Third: THE GOVERNMENT HAS AGREED TO PROVIDE A SPECIAL CONTRIBUTION OF 750 RINGGIT IN APPRECIATION OF THE SERVICES OF 70 THOUSAND KAFA TEACHERS, TAKMIR TEACHERS, IMAMS, BILALS, TOK SIAK, NOJA AND MARBUT.

FOUNDATION EIGHT: MANAGING THE RAKYAT'S MONEY WITH INTEGRITY

REFORM WITHOUT FEAR

Tan Sri Speaker Sir,

181. An eminent monk who lived during the Tang Dynasty (AD 618–907) expressed a profound metaphor rich in wisdom in the poem Shangtang Kaishi Song (上堂開示頌):

不经一番寒彻骨，怎得梅花扑鼻香。

Bù jīng yī fān hán chè gǔ, zěn dé méi huā pū bí xiāng.

“How can the plum blossom release its fragrance without first enduring the bitter cold that penetrates to the bone?”

182. This metaphor reflects a fundamental truth about life and the human struggle, great achievements do not come from prolonged comfort, but require perseverance, patience and the willingness to endure hardship.

183. Therefore, the Budget is not merely about calculating revenue and allocating funds. It is a test of the trust placed in us—whether power is kept in check, laws are upheld and public funds are managed with integrity. An economy cannot stand strong on weak institutions.

- **Systemic and deeply entrenched corruption will be eradicated relentlessly.** The RCI into Tabung Haji, the FELDA crisis and the earlier 1MDB scandal should serve as stark reminders that when power is abused, what is lost is not merely money, but also the rights of the rakyat and the dignity of the nation.
- **The MADANI Government has restored Parliament’s authority.** We have long fought for an independent Parliament. After more than three decades, parliamentary autonomy has finally been restored. Special Select Committees have been established, and PMQT has been introduced to allow the Prime Minister to be questioned directly.
- **The Government protects the rakyat through legislation.** The Anti-Bullying Act and the Online Safety Act have been enacted. The roles of

SUHAKAM and the Children's Commissioner have been strengthened, as have protections for whistleblowers and witnesses.

- **The MADANI Government upholds human rights.** The mandatory death penalty has been abolished, attempted suicide has been decriminalised, and stalking has been made an offence.

184. The most difficult reforms are those that limit our own powers. This year, the proposal to limit the Prime Minister's term of office was brought before Parliament but has yet to secure a two-thirds majority. The proposal to separate the roles of the Attorney General and the Public Prosecutor has also been examined in depth. We respect the parliamentary process, but our resolve to pursue these reforms will never waver.

185. As the administration enters its fifth year, **the MADANI reform agenda continues to be strengthened without fear:**

- **THE GOVERNMENT-OWNED ENTITIES BILL WILL BE DRAFTED** to strengthen the governance of entities entrusted with managing the rakyat's money and assets. The Bill will cover Government companies and statutory bodies to prevent a recurrence of abuses such as the 1MDB scandal and the Tabung Haji and FELDA crises.
- **TO STRENGTHEN GOVERNANCE AND TRANSPARENCY IN PUBLIC FINANCIAL MANAGEMENT, ALL LOAN REPAYMENTS COLLECTED, INCLUDING EDUCATION AND BUSINESS LOANS FINANCED THROUGH OPERATING AND DEVELOPMENT**

ALLOCATIONS AND CHANNELLED DIRECTLY TO FEDERAL STATUTORY BODIES, MUST BE USED SOLELY FOR THE APPROVED PURPOSES AND TARGET GROUPS. THIS REQUIREMENT ALSO APPLIES TO INTEREST INCOME GENERATED FROM THESE FUNDS. The existing Government policy stipulates that loan repayments collected by Federal Statutory Bodies using Federal Government funds cannot be used to finance the operating expenditure of statutory bodies, other programmes or activities, or any expenditure beyond the scope of the original allocation approval.

- **THE GOVERNMENT WILL WORK CLOSELY WITH GLCs AND THE CORPORATE SECTOR TO STRENGTHEN SERVICE DELIVERY TO THE RAKYAT. FOR INSTANCE, TNB AND TELECOMMUNICATIONS COMPANIES WILL BE INVOLVED IN THE PROVISION OF RURAL ELECTRICITY SUPPLY AND INTERNET CONNECTIVITY TO ACCELERATE PROJECT IMPLEMENTATION BY POOLING GOVERNMENT FUNDS AND CSR CONTRIBUTIONS.**
- **FOLLOWING THE GOVERNMENT PROCUREMENT ACT COMING INTO FORCE IN 2027, THE GOVERNMENT WILL ENHANCE TRANSPARENCY BY PUBLICLY DISCLOSING PROJECT INFORMATION, INCLUDING THE CONTRACTORS INVOLVED AND CONTRACT VALUES.**
- **ENFORCEMENT AGENCIES, INCLUDING THE MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC), ROYAL MALAYSIA POLICE**

(RMP), MINISTRY OF DOMESTIC TRADE AND COST OF LIVING (KPDN), ROYAL MALAYSIAN CUSTOMS DEPARTMENT (RMCD) AND MALAYSIA COMPETITION COMMISSION (MYCC), WILL STRENGTHEN THEIR OPERATIONAL CAPABILITIES WITH AN ALLOCATION OF 1.1 BILLION RINGGIT.

- **WHEN GOVERNANCE IS STRENGTHENED, THE BENEFITS OF REFORM CAN BE CHANNELLED TOWARDS THE WELL-BEING OF THE RAKYAT.**

- For instance, proceeds from the sale of special vehicle registration numbers have been returned to the rakyat. University students receive 500 ringgit in flight ticket assistance, underprivileged youth were provided free B2 motorcycle licence tests, and free helmets were distributed.

- **THEREFORE, FOLLOWING THE RECENT SALE OF THE SPECIAL H SERIES VEHICLE REGISTRATION NUMBERS, THE GOVERNMENT HAS AGREED TO PROVIDE A ONE-OFF SPECIAL FINANCIAL ASSISTANCE OF 1,000 RINGGIT TO 38 THOUSAND TAXI DRIVERS, INCLUDING RENTAL CAR DRIVERS, AS WELL AS 15 THOUSAND SCHOOL BUS DRIVERS NATIONWIDE.** The assistance will be disbursed next week.

- Criminal and evidence laws will be reformed, public defence strengthened, and more effective protection provided to victims, children and vulnerable groups.

- The Government is studying the establishment of a **Malaysian Law Reform Commission** to identify outdated laws and gaps in legislation. Laws on contracts, the sale of goods and mediation are also being reviewed to enable disputes to be resolved more quickly.

EXPENDITURE AND REVENUE ESTIMATES FOR 2027

186. The Fifth MADANI Budget continues an expansionary fiscal policy, **leveraging the nation's full resources, amounting to 510 billion ringgit, compared with 470 billion ringgit.** The breakdown is as follows:

- 376.8 billion ringgit in Federal operating expenditure;
- 83 billion ringgit in Federal development expenditure;
- 25 billion ringgit in GLICs investments;
- 11 billion ringgit in public-private investments; and
- 14.2 billion ringgit in investments by Federal Statutory Bodies and MKD companies.

187. Federal revenue this year is projected to be higher at 363.6 billion ringgit, compared with the original estimate of 343.1 billion ringgit. Next year, revenue is expected to rise further to 380.8 billion ringgit.

188. The crisis in West Asia has increased fuel subsidies to 40 billion ringgit. **The fiscal deficit for 2026 is now projected at 3.6 per cent,** compared with the original target of 3.5 per cent.

189. Nevertheless, the rate remains on a downward trajectory, from 5.5 per cent in 2022 and 3.7 per cent last year. Insya-Allah, the deficit will decline further to 3.3 per cent in 2027, towards the target of 3 per cent by 2028.

190. The reduction in the deficit and the controlled level of new borrowings have enabled **Federal Government debt as a per centage of GDP to decline consistently, from 65.2 per cent in 2025 to 64.0 per cent in 2026, and is projected to decline further to 63.7 per cent in 2027.**

CIVIL SERVANTS' WELL-BEING

Tan Sri Speaker Sir,

191. Sincere appreciation is extended to the 1.6 million civil servants for their dedication and commitment in Serving the Nation. They are the driving force behind the MADANI aspiration to elevate our nation's dignity, standing and stature to greater heights. It is pleased to announce that:

First: THE ALLOCATION FOR THE CONSTRUCTION AND MAINTENANCE OF QUARTERS, INCLUDING FOR POLICE OFFICERS, DOCTORS, MILITARY PERSONNEL, TEACHERS AND FIREFIGHTERS, WILL BE INCREASED TO 2.3 BILLION RINGGIT.

The Property Management Division will be upgraded to the National Property Department to strengthen the management of civil servants' housing.

Second: **FAMILY HOUSING FOR THE ARMED FORCES WILL BE BUILT IN SKUDAI, JOHOR, ALONG WITH NEW QUARTERS AT DEPOT TAHANAN IMIGRESEN LANGKAP, PERAK, AND PAPAR, SABAH. THESE WILL BENEFIT NEARLY 900 PERSONNEL AT A COST OF MORE THAN 500 MILLION RINGGIT.**

Third: Allowances for RELA personnel, Auxiliary Firefighters, Police Volunteers and Civil Defence Volunteers will be increased to 9 ringgit per hour for volunteers and 10.80 ringgit per hour for supervisors, with an allocation of 339 million ringgit, benefiting nearly 50 thousand volunteers.

Fourth: The one-off Ex-Gratia Waris Pukal benefit will be increased from 20 thousand ringgit to a maximum of 50 thousand ringgit, subject to the length of service. This is in addition to the Ex-Gratia Waris Bulanan benefit for cases of death resulting from work-related accidents, and will take effect from 1 January 2026.

Fifth: In recognition of outstanding officers awaiting promotion due to limited posts, the Government has agreed to implement one-off

promotions on a *Khas Untuk Penyandang* basis for 12 thousand P&P officers.

Sixth: The Government has agreed to increase the total maternity leave entitlement throughout the period of service from 360 days to 490 days. This means that maternity leave will be increased to a maximum of 98 days for each childbirth. A 20 million ringgit will be allocated to upgrade childcare centres at Government facilities.

Seventh: The minimum pension will be increased from 1,000 ringgit to 1,350 ringgit a month. This will benefit nearly 59 thousand pensioners, ATM veterans and recipients of derivative pensions.

192. In recognition of the contributions of civil servants, **THE GOVERNMENT HAS AGREED TO PROVIDE SPECIAL FINANCIAL ASSISTANCE OF 1,500 RINGGIT TO 1.3 MILLION CIVIL SERVANTS AT PREMIER GRADE B AND BELOW, INCLUDING CONTRACT APPOINTEES.**

193. **SPECIAL FINANCIAL ASSISTANCE OF 750 RINGGIT WILL ALSO BE PROVIDED TO MORE THAN ONE MILLION GOVERNMENT RETIREES, INCLUDING PENSIONABLE AND NON-PENSIONABLE VETERANS.**

194. THIS SPECIAL FINANCIAL ASSISTANCE WILL BE DISBURSED IN TWO PAYMENTS, BEFORE AIDILFITRI AND AHEAD OF THE 70TH ANNIVERSARY OF MALAYSIA'S INDEPENDENCE.

CONCLUSION

Tan Sri Speaker Sir,

195. Having laid out the figures, detailed every Foundation and priority, and set out each of our endeavours, we must return at last to the question at the root of it all: where will all of this take us?

196. In *The Odyssey*, the ancient Greek poet Homer tells of Odysseus, commander and veteran of the Trojan War, who braved seas and storms, temptation and turmoil, yet never lost the one thing that mattered most: his pure and unwavering memory of Ithaca. That is where a journey finds its meaning. Not in how far one wanders, but in the resolve never to lose one's way, nor one's reason for travelling.

197. So it is with nations, and the lives lived within them. We may walk many roads, forge many triumphs, raise grand towers and gleaming landmarks, master new technologies and open new frontiers. But in the end, every nation must know its Ithaca: the ambition it seeks, the values and roots it will defend, and the legacy it means to leave.

198. This Budget, then, is not the destination. It is one more step towards Ithaca. We began today with the call of *lighad* – that every soul look to what it has prepared for tomorrow. And so we end where we began. Our responsibility is measured not by what we have spent, but by what we have prepared for those who will live tomorrow. We do not build a nation for a single fiscal year. We build it for a generation. And the task of a generation is not merely to enjoy what it has inherited, but to enlarge what it will bequeath.

Tan Sri Speaker Sir,

199. This is where our National Covenant finds its meaning. It is a solemn pledge that the nation will never lose its love for its people; that power will always be fenced in by trust; that the nation's wealth will return to the common good; and that every generation bears the duty to hand on a better Malaysia. This is what we mean by *intergenerational responsibility*.

200. This covenant also reminds us that building a nation is not the work of the Government alone. It is a shared endeavour. The Government shoulders the trust; the rakyat pour in their effort. The nation opens the room; society fills it with knowledge, creativity and courage.

Wassalamualaikum Warahmatullahi Wabarakatuh.

Tan Sri Speaker Sir, I beg to move.