KEMENTERIAN KEWANGAN



Belanjawan 2027
MALAYSIA MADANI

Belanjawan 2027

Reaching for the skies, Anchored on our values

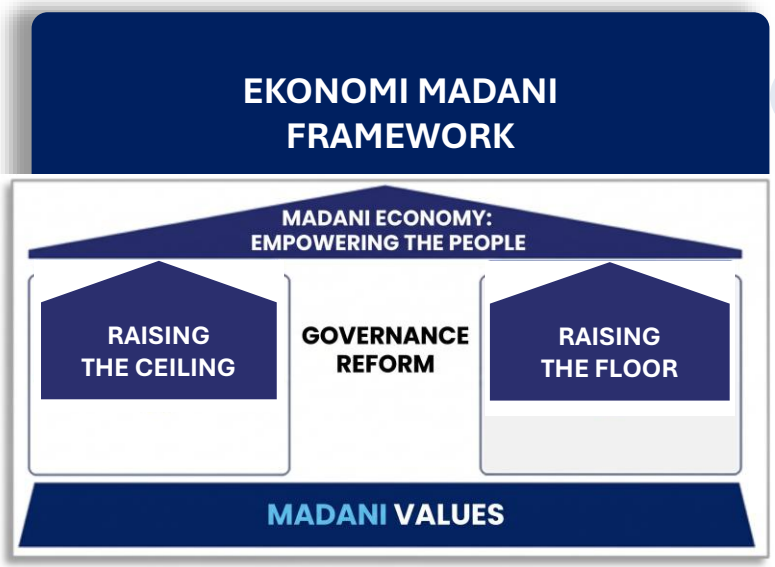
Budget Briefing with KPMG

19 October 2026 (Monday) 3.30 pm

#Belanjawan2027 #EkonomiMADANI

Belanjawan 2027: National Covenant for Nation and People's Development

Continuity of Ekonomi MADANI



- NIMP
- NETR
- NSS

- FRA+ GPA
- Amendment of Audit Act
- Iltizam Act

- Targeted subsidies
- Minimum wage
- PuTERA35

Budget 2027 Focus

'Waad Nasional' (Covenant)

Social contract between Government & citizens

Reaching for the skies

Malaysia as the leading Asian economy

&

Anchored on our values

MADANI values & rakyat's day-to-day living

From macro to micro according to needs

National

Advancing national priorities and beyond

State

Addressing priority issues

Community

Interventions based on needs

Rakyat

Assistance, financing & tax relief

NARRATIVE Belanjawan 2027 is the National Covenant of the MADANI Government to the rakyat:

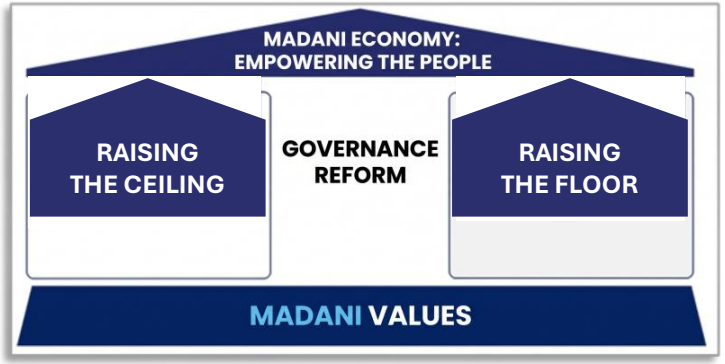
1 **Consistency of Policy**
Continuing the Ekonomi MADANI Framework

2 **The Spirit of Belanjawan 2027**
Ambitious aspirations, anchored on our values

3 **Reaching the People**
Delivering impact from national to grass roots

Four Belanjawan 2023 – 2026: Anchored on Ekonomi MADANI Framework to accelerate growth, proven results

EKONOMI MADANI Framework



- NIMP
- NETR
- NSS

- FRA+ GPA
- Audit Act amendment
- Government Service Efficiency Commitment Act

- Subsidy rationalisation
- Minimum wage
- PUTERA35

REFORMS DELIVERED

Deficit consolidation

5.5% → 3.7%

2022 2025

Increased assistance

BR1M → BKM → STR/SARA

RM6b 2018 *RM8b 2022* *RM15b 2026*

Targeted Subsidies

- Electricity
- Chicken + egg
- Diesel
- Petrol RON95

Increased state's allocation

- **Project approvals based on State's priority**

Strengtheningthe Parliament institution

- Parliament Services Act
- Special Select Committee

Raising incomes

Minimum wage	RM1,700 2025
SSPA	↑15%

CELEBRATING SUCCESS

Strong GDP growth

6.0%

Q2 2026

2023: 3.7% → 2025: 5.2%

Unemployment

2.9%

Q1 2026

Lowest> 10 years

Modest inflation

1.9%

S2 2026

2023: 3.3% → 2025: 1.4%

Hard-core poverty eradicated

0.2% → **0.09%**

2022 2024

IMD World Competitiveness Ranking

Ranked - 15

2026

2022: 32 → 2025: 26

Ringgit

↑10% vs USD

2025

Strongest in Asia

NARATIF **Nearing four years, MADANI Government's reform has produced results**

1 Clear strategy
Ekonomi MADANI Framework

2 Steadfast reforms
Subsidy rationalised, fiscally disciplined

3 Tangible results from reforms
Macroeconomic success achieved

Belanjawan MADANI 2027 (5th): Reaching for the skies, Anchored on our values

Ekonomi MADANI Framework

Government for all

- B40, M40 & T20
- Bumiputera, Chinese, Indian and..
- Youth to Elderly
- Male & Female
- Workers & Entrepreneur
- Children

Continuing Governance Reforms

Strengthening policies, Focused Execution

- Articulating ambitions
  (Medium Term goals)
- Delivering impact
  (to be completed by 2027)

Celebrating Success

From Macro to Micro; Delivering Benefits to the Grassroots Level

Caring for

- Every Rakyat
- Every Community
- Every State
- National issues

National Covenant

- Policy Continuity
- Initiatives to propel the economy

- Balanced Development
- Fairness of Opportunity

- Championing the Rakyat
- Safeguarding the future

> ***"This pledge is not a one-way promise. The nation provides the space and opportunities. The people fill it with knowledge, creative work, and courage."***

Belanjawan 2027 : Key statistics

Global Outlook

Global GDP Growth

3.4%

(2026: 3.0%)

Crude Oil Price

>USD100

Global Inflation

2026: 4.7%

IMF Projection

Macroeconomy 2026

GDP Growth

4.8 – 5.3%

2026

Petroleum products subsidy

~RM40 bil

(B2026: RM15 bil)

Inflation

1.5 – 2.5%

2026

Macroeconomy 2027

GDP Growth

4.2 – 5.2%

2027

Unemployment

3%

(2026: 3%)

Estimated Inflation

1.8 – 2.8%

2027

Fiscal Policy

Fiscal Deficit

3.3%

(2026 : 3.6%)

Debt

63.7%

(2025: 65.2%
2026: 64%)

Debt Service Charges

RM 61 bil

(2026: RM57.3 bil)

Belanjawan 2027

OE + DE

RM459.8 bil

(B2026 : RM419.2 bil)

OE + DE + PPP + GLIC + MKD + BBP

RM510 bil

(B2026: RM470 bil)

MSME financing

RM57 bil

(B2026: RM50 bil)

Belanjawan 2027

Reaching for the skies, Anchored on our values

RAISING THE FLOOR

1 ADDRESSING COST OF LIVING

- Targeted Assistance & Subsidies
- Minimum wage policy
- Income Tax Relief

3 SAFEGUARDING ALL CITIZENS

- Community focused initiatives
- Senior Citizens & Persons with Disabilities

5 NATIONAL SUPPLY & READINESS

- Energy Transition & Security
- Food Reserves & Securities
- National Defence & Security

7 PRESERVING NATIONAL IDENTITY

- Safeguarding the environment
- Cultural & Creative Industries
- Sports & Unity
- Visit Malaysia Year 2027 (VMY 2027)

RAISING THE CEILING

2 PRIORITISING ALL STATES

- Increased Allocation for All States
- Projects Alligned With States Government Priorities

4 ELEVATING PUBLIC SERVICES

- Basic & Higher Education
- Healthcare Facilities & Services
- Public Transport System

6 UNLOCKING ECONOMIC CAPACITY

- MSMEs Tax Incentives
- MSMEs Financing Facilities
- Business-friendly Policies

GOVERNANCE & ADMINISTRATION

8 MANAGING PUBLIC FUNDS WITH INTEGRITY

- Implementation of the Parliamentary Services Act
- Fiscal Responsibility Act (FRA) & Public Finance Commitments
- Enforcement of the Government Procurement Act
- Online Safety Act
- Enactment of the State-Owned Entities (SOE) Act
- Expansionary, yet Responsible Fiscal Policy

Belanjawan 2027 : From Macro to Micro according to Needs

Belanjawan 2027 benefits are chanelled from the national level, to every state and community down, to every individual

National

Healthcare RM47.7 b (2026: RM46.5 b)
· Reducing waiting times
· Ensuring workforce sustainability, e.g. contract doctors
· MediAsas Plan

Education RM69 b (2026: RM66.2 b)
· Safe & comfortable schools
· Maintenance **RM2 b** (2026: **RM1 b**)
· Upgrading dilapidated schools **RM1.3 b**
· Encouraging alumni activities

Basic Rural Infrastructure
RM3.3 b, including village roads

Inclusive Universal Access
Covering all roads, FELDA settlements & public universities

Higher Education RM19.1 b (2026: RM18.6 b)
· Repeal of the Universities and University Colleges Act (AUKU)
· Student Kitchen Initiative (Dapur Siswa)
· Provision of student accommodation

Public Transport
. MY50 + MYKOMUTER50
· Enforcement against drink-driving

Natural Environment
EFT **RM270 m**

State

Sabah
- **Electricity Supply**
- Southern Link

Sarawak
- **Industrial Development**
- Sibu Special Economic Zone

Johor
- **Public Transport**
- E-ART, SBST buses, RTS

Kelantan
- **Water supply/ Flood**
- Lebir Dam

Selangor
- **Flash floods**
- Dual-Purpose Retention Ponds

Pulau Pinang
- **Tech Finance Centre**
- GLIC Funding

Melaka
- **Industrial Development**
- TVET Training

Perak
- **Industrial Development**
- LuMIC, AHTV, KIGIP

Perlis
- **Border Economy**
- Perlis Inland Port

Kedah
- ***Jelapang padi***
- MADA Irrigation

Terengganu
- **Tourism**
- Infrastructure upgrade

Pahang
- **ECRL Corridor**
- KotaSas TOD & Industry Development Bentong

N.Sembilan
- **Malaysia Vision Valley**
- Road Infrastructure

Kuala Lumpur
- **Safe & Livable City**
- Road Infrastructure

Community

Bumiputera
. Endowment YPB
· Small contracts **RM7.5 b**
· Contract Financing

Chinese
· SJKC **RM100 m**
· Kampung Baru Cina **100 m**

Indians
. Financing
. MITRA **RM150 million**

E-hailing & P-hailing workers
. Improving Welfare
· Social Protection
· Home Financing

Self-employed individuals
SJKP First Home Ownership **RM20 b**

Komuniti Angkat MADANI
Village & PPR

Senior Citizens & Person with Disabilities
. Care Centres
· Welfare Assistance

Assistance for Paddy Farmers, Smallholders & Fishermen

Rukun Tetangga Grants
RM10,000

Rakyat/ Individuals

B40
- STR/ SARA RM16 billion
- Jualan Rahmah RM750 million
- Minimum Wage RM2,000
- Wages for Semi-Skilled Workers RM2,500
- Living wage GLC RM3,400

M40
- SARA for all (2 x RM100)
- Tax relief RM9,000 → RM12,000
- 1% Tax Deduction RM70,000 – RM150,000
- Broader reliefs eg pets

Housing Stamp Duty
- <RM500,000:100%
- RM500,000 – RM750,000 : 50%

No-Frills Credit Card

PTPTN
Loan facilities

***Geran Sejahtera* MADANI**

BUDI95 & BUDI Diesel
300 liter sufficient for **99%** users

Electricity Subsidy
600 kwh → **800 kwh**, sufficient **90%** users

Strengthening actions to combat scams

Flood House Repair Assistance
RM5,000 → **RM10,000**

Early Schooling Assistance
RM150 → **RM200** per student

Belanjawan 2027: Supporting MSMEs and Advancing Economic Sectors

Support for MSMEs and economic sectors through four channels: tax, financing, funds, and policy

Tax

Tax Rates for MSMEs
Reduction by 1%
. <**RM150,000**: **15%** → **14%**
. **RM150,000** – **RM600,000**: **17%** → **16%**
. Benefit 300,000 MSMEs
. Savings up to **RM6,000** per SME

Small Value Aset Capital Allowance
. MSMEs **RM3,000**
· Others **RM30,000**

Sales Tax Claim for manufacturers
Including pharmaceuticals, fertilisers + pesticides

ACA Accelerated Capital Allowance
ACA for local plant, machinery and ICT extended until 31 Dec 2030

RA – Reinvestment Allowance to be reviewed
Review of criteria and eligibility

Financing

Micro Credit RM6.6 b
. AIM **RM3b**
· TEKUN **RM1.3 b**
. BSN **RM1.7 b**

Bank Negara SRF
RM5 b (April) + **RM5 b** (October)

BPMB RM7 b
. Export **RM1 b**
· Environmental Sustainability **RM2 b**
· Semiconductor **RM250 m**
· Aerospace **RM240 m**

Guarantees
. SJPP **RM20 b**
· CGC **RM10 b +RM2 b**

Tourism
. Financing **RM700 m**
· VMY 2027 Incentives
· Duty Free Limit **RM10,000**

Funds

DDI GLIC RM25 b
. Semiconductor **RM1.2 b**
· Startups **RM450 m**
· Mid-Tier Companies **RM1.7 b**
· Public Higher Education Institution (IPTA)
. IP Commercialisation **RM50 m**

TERAJU RM1 b & PUNB RM500 m

P2P & ECF
. Fund **RM270 m**
· ECF tax exemption extended until 2030

BAKAT MADANI
. 30,000 opportunities
· Tax deduction

BSN Digitalisation Matching Grant RM100 m

NIMP Fund RM200 m

NETF Fund RM100 m

Policy

Enforcement against unfair competition from foreign businesses

E-Commerce Bill to strengthen platform accountability

Global Services Hub
Tax rate **5%**

DE Rantau Nomad Pass
2 years + 2 years

Expatriate Pass
Facilitating permission to work for spouses

MFO (Multi-Family Office)

STAR & Government Efficiency Program
· Reduce bureaucracy
· Reintroduced VOP for diesel and bitumen

NARRATIVE

Tax reduced, Financing increased, Investment Funds expanded & Policies facilitated


Belanjawan 2027
MALAYSIA
MADANI