



*Belanjawan 2026*  
**MALAYSIA  
MADANI**

# Budget 2026 Briefing

by Ministry of Finance

23 October 2025, Thursday



#Belanjawan2026 #EkonomiMADANI

# Staying the Course: RMK13 & Belanjawan 2026 anchored on Ekonomi MADANI

## EKONOMI MADANI: MEMPERKASA RAKYAT

Raising the Ceiling  
Leading Asian Economy

Driving  
Economic Reform

To succeed requires  
an ***all-of-Malaysia***  
***approach***  
(Rakyat, Government &  
Industry)

Strengthening  
Governance &  
Execution

Raising the Floor  
Improving Rakyat's Livelihoods

Delivering Well-being  
for all

### Malaysia Anchored on **MADANI** Values

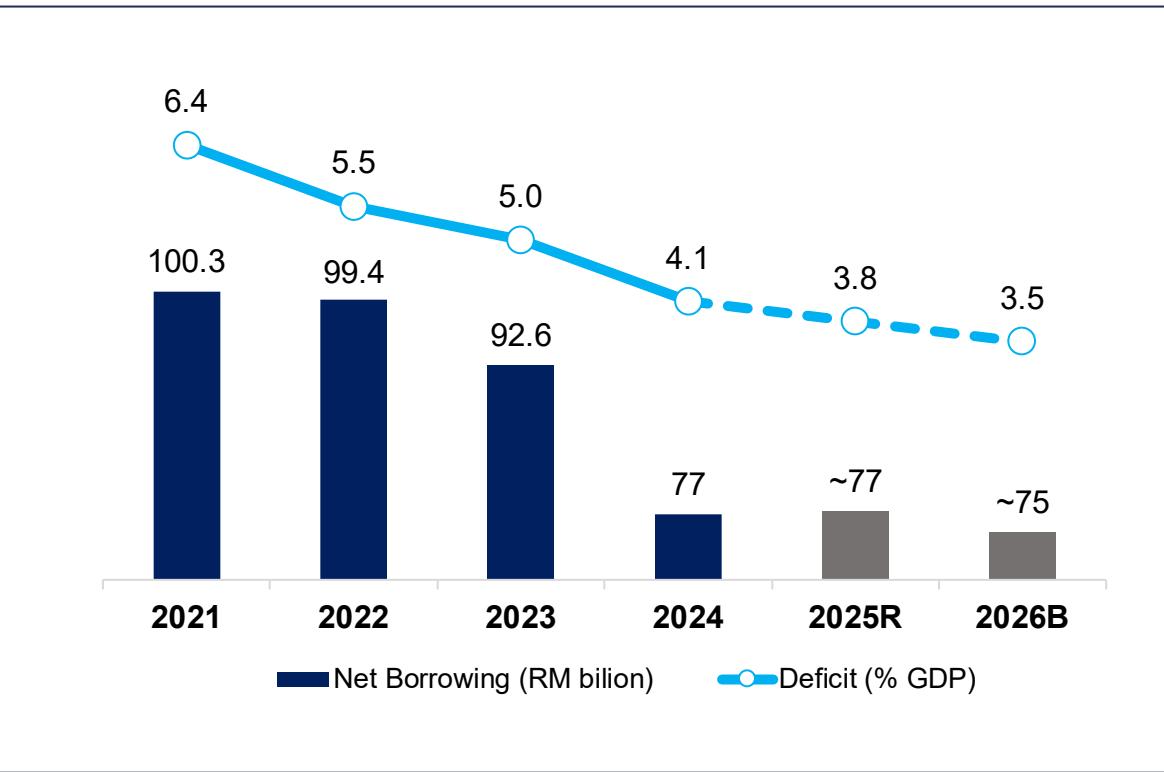
[Sustainability, Prosperity, Innovation, Respect, Trust, Care & Compassion]

# Budget 2026

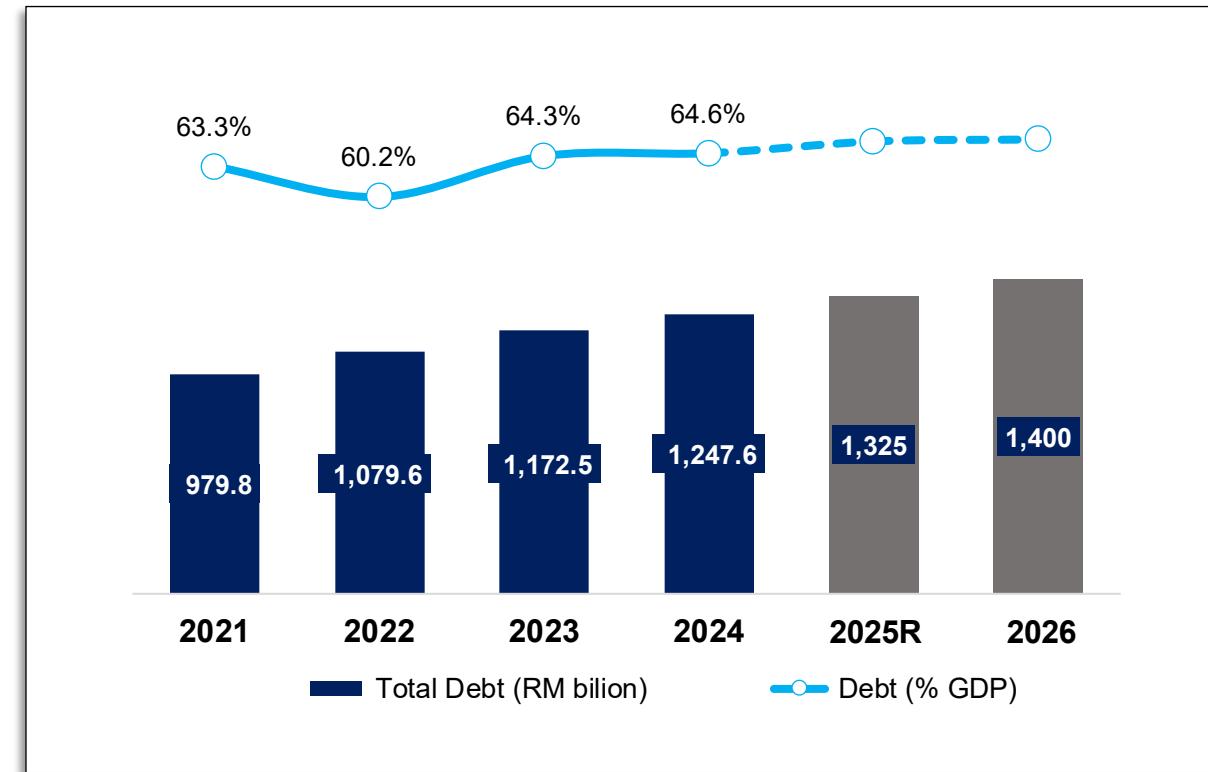
Hardcore Poverty Rate <b>0.2% → 0.09%</b> 2022 → 2024	GDP <b>4.4%</b> H1 2025	GDP <b>4.0 – 4.8%</b> 2025	Deficit <b>3.8%</b> 2025	OE + DE <b>RM419b</b> 2026
Approved Investment H1 2025 <b>RM190.3b</b> 2024: RM384.4b	Unemployment <b>3.0%</b> 2024: 3.2%	Projected GDP <b>4.0 – 4.5%</b> 2026	Deficit <b>3.5%</b> 2026	OE + DE + GLIC + PPP + BBP + MKD <b>RM470b</b> 2026
Jobs created H1 2025 <b>65,138</b> 2024: 127,239	Inflation August 2025 <b>1.3 %</b> 2024: 1.8%	Projected Inflation <b>1.3 – 2.0%</b> 2026	National Debt <b>RM1.3t</b> 2025	MSMEs Financing <b>RM50b</b> 2026

## MADANI Government committed towards responsible fiscal management

In line with our fiscal consolidation path, new borrowing is trending down...



Debt growth is decreasing from 8.6% in 2023 to 6.4% in 2024 and about 6% in 2025



**In the medium term, the Government will continue to reduce the fiscal deficit and new borrowing towards achieving the targets under the FRA**

## Budget 2026 continues the Economy MADANI Agenda & implements RMK13 priorities

### III Administration & Governance

Responsible yet Expansionary  
Fiscal Stance

Law Reforms &  
Strengthening Enforcement

MADANI Governance  
Prioritising Rakyat

Responsive and Innovative  
Public Service Delivery

### Raising the Ceiling

Boosting the Growth  
of HGHV Industries

Driving Inclusive Growth &  
Narrowing Development Gaps

Developing Regional MSME  
Champions

Globalising Malaysia's Economy

### Raising the Floor

Addressing Cost of Living

Strengthening the Social System

Improving Quality of Life

Safeguarding Social Justice

# RAISING THE CEILING



Boosting the Growth of  
HGHV Industries

Promoting Value-  
Added Activities  
NIMP, NSS, NETR

GLIC GEAR-uP DDI  
RM30 billion

Advancing the  
Digital Economy  
& AI

Energy Transition  
Agenda

Driving Inclusive  
Growth & Narrowing  
Development Gap

Sabah & Sarawak  
Regional  
Development

AI & Connectivity

Enhancing Food  
Security

Security &  
Readiness

Developing Regional  
MSME Champions

Supporting MSME  
Financing  
RM50 billion

Enhancing Startup  
Ecosystem

Advancing  
Bumiputera Agenda

Made by Malaysia

Globalising  
Malaysia's Economy

Promoting ASEAN  
Integration  
(Border Development)

Diversifying Export &  
Investment Markets

VMY 2026  
Tourism  
(Warisan KL)

Malaysia Open for  
Business

# RAISING THE FLOOR



**Addressing Cost of Living**

**STR & SARA**  
RM15 billion

**Social Assistance & Targeted Subsidy**

**RAHMAH MADANI Umbrella**

**Income Generation Opportunities**

**Strengthening the Social System**

**Social Protection for Informal Sector**

**Prioritising Education**  
RM66 billion

**Industry-based Vocational Training (TVET)**

**Second Chance**

**Improving Quality of Life**

**Healthcare Reforms**  
RM46 billion

**Basic Infrastructure**

**Public Transport System & Road Safety**

**Community Housing**

- Kota MADANI
- SJKP
- HOC

**Safeguarding Social Justice**

**Assistance + Opportunities for Vulnerable Groups**

**Addressing Poverty in Rural and Urban Areas**

**Female Economic Empowerment**

**Unity & Sports**

# Budget 2026 Priorities



## ADMINISTRATION & GOVERNANCE

### Prudent Fiscal Expansion

- 2026 Fiscal Deficit Projection (3.5%)
- 2026 Fed Gov Revenue Projection (RM343.1b)
- 2026 Budget Allocation: OE (RM338.2b), DE (RM81b), GLIC Investments (RM30b), PPP (RM10b), BBP & MKD (RM10.8b)
- Fiscal deficit target FRA 3.0%
- Targeted subsidy

### Law Reforms & Strengthening Enforcement

- Parliament & Judicial Institutions (RM220m)
- **Separation of Attorney General and Public Prosecutor**
- Governance and Rakyat Protection Bill
- Allocation for MACC, PDRM, KPDN, JKDM & MyCC (RM715m)
- Digital stamp duty, e-Invoice & stamp duty self-assessment system, review of vehicle tax exemption in Langkawi & Labuan

### MADANI Governance & Prioritising Rakyat

- **MADANI Initiatives** (RM1b)
- **Mobile services** (RM118.4m) Mobile clinic and dental clinic (RM60.8m), KPT community outreach (RM27m)
- **State Government Priorities**
- Basic infrastructure Small Projects

### Responsive & Innovative Public Service Delivery

- Expansion of MyDigital ID
- Government digital application (RM20m)
- **STAR** (RM25m)
- **APPGM** (RM15m)
- "Prompt AI" (RM50m)
- APELQ Intan
- **Social enterprise** (RM15m)
- Government quarters (RM2.17b)
- **Loan for first time home buyers** – public servants (SJJP, BSN)
- **Youth financing scheme LPPSA**
- Public Servant Housing Programme (RM150m)



## RAISING THE CEILING

### Boosting the Growth of HGHV Industries

- **GLIC GEAR-uP** (RM30b)
- Sovereign AI Cloud (RM2b)
- Loan fund for **NSS** (RM500m)
- Strategic Investment Fund Programme for Bumiputera (RM105m)
- **National Energy Transition Facilitation Fund** (RM150m)
- **National Artificial Intelligence Office (NAIO)** (RM18m)

### Driving Inclusive Growth & Narrowing Development Gap

- **Sabah DE** (RM6.9b)
- **Sarawak DE** (RM6b)
- Subsidy, incentives and paddy assistance (RM2.6b)
- FELDA, FELCRA dan RISDA (RM2.4b)
- MINDEF (RM21.7b)
- KDN (RM21.1b)

### Developing Regional MSME Champions

- **SME financing** (RM50b)
- Strengthening **start-up ecosystem** by Cradle Fund (RM54.8m)
- MARA, Yayasan Peneraju & UiTM (RM6b)
- Bumiputera small contractors G1-G4 (RM2.4b)

### Globalising Malaysia's Economy

- Leading the development of **ASEAN Power Grid**
- Infrastructure Development at **JS-SEZ**
- **Export Incentive Scheme** by EXIM Bank (RM500m)
- **Warisan KL** (RM15m)
- **Visit Malaysia 2026** (RM500m)



## RAISING THE FLOOR

### Addressing Cost of Living

- **STR & SARA** (RM15b)
- **Payung Rahmah MADANI** (RM600m)
- JKM welfare assistance (RM3.1b)
- **Subsidies for necessity goods in rural areas** (RM250m)
- **Jualan Agro MADANI** (RM30m)
- ITEKAD (RM35m)
- Basic Education (RM66b)
- Maintenance (RM1b); Sekolah Daif (RM1b)
- **TVET industry-based program** (RM7.9b)
- **Dasar Peluang Kedua Fast Track**, PEKA (RM10m) & Mula Niaga program for female prisoner (RM5m)
- Implementation of **Akta Pekerja Gig & Mikro Madani GIG** (RM20m)
- I-Saraan, I-Saraan Plus & I-Suri (RM250m)
- Skim Lindung Kendiri (SKSPS) (RM100m)
- Senior citizens welfare incentives (RM1.26b)

### Strengthening the Social System

- Health reforms (RM46.5b)
- **Hospital and clinic maintenance** (RM1.2b)
- Future Healthcare (RM650m); RESET (RM60m)
- **Basic infrastructure road, water, electricity** (RM3.3b)
- **JENDELA 2** (RM780m) & **POP Phase 2** (RM770m)
- Housing: **Kota MADANI**, SJJP, HOC
- Repair & Rebuild **Rumah Rakyat** (RM483m)
- Maintenance of Jalan Persekutuan (RM2.5b)
- 1,450 electric buses and 300 electric van
- Empowerment of **National Agrofood** (RM300m)

### Improving Quality of Life

- **GLIC/GLC Foundation & NGO matching** grant (RM120m)
- Women at Work; Micro MADANI Wanita (RM150m)
- MARA, Yayasan Peneraju dan UiTM (RM6b); Orang Asli (RM421m)
- **OKU assistance** (RM1.4b); 100 special mobility vehicle
- Unity program & national identity (RM55m)
- Podium program & RTG (RM150m)
- **Youth and sport** (RM280m)

