



*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  
**0.2% → 0.09%**

2022 → 2024

GDP  
**4.4%**

H1 2025

GDP  
**4.0 – 4.8%**

2025

Deficit  
**3.8%**

2025

OE + DE  
**RM419b**

2026

Approved Investment  
H1 2025  
**RM190.3b**

2024: RM384.4b

Unemployment  
**3.0%**

2024: 3.2%

Projected GDP  
**4.0 – 4.5%**

2026

Deficit  
**3.5%**

2026

OE + DE + GLIC + PPP  
+ BBP + MKD  
**RM470b**

2026

Jobs created  
H1 2025  
**65,138**

2024: 127,239

Inflation  
August 2025  
**1.3 %**

2024: 1.8%

Projected Inflation  
**1.3 – 2.0%**

2026

National Debt  
**RM1.3t**

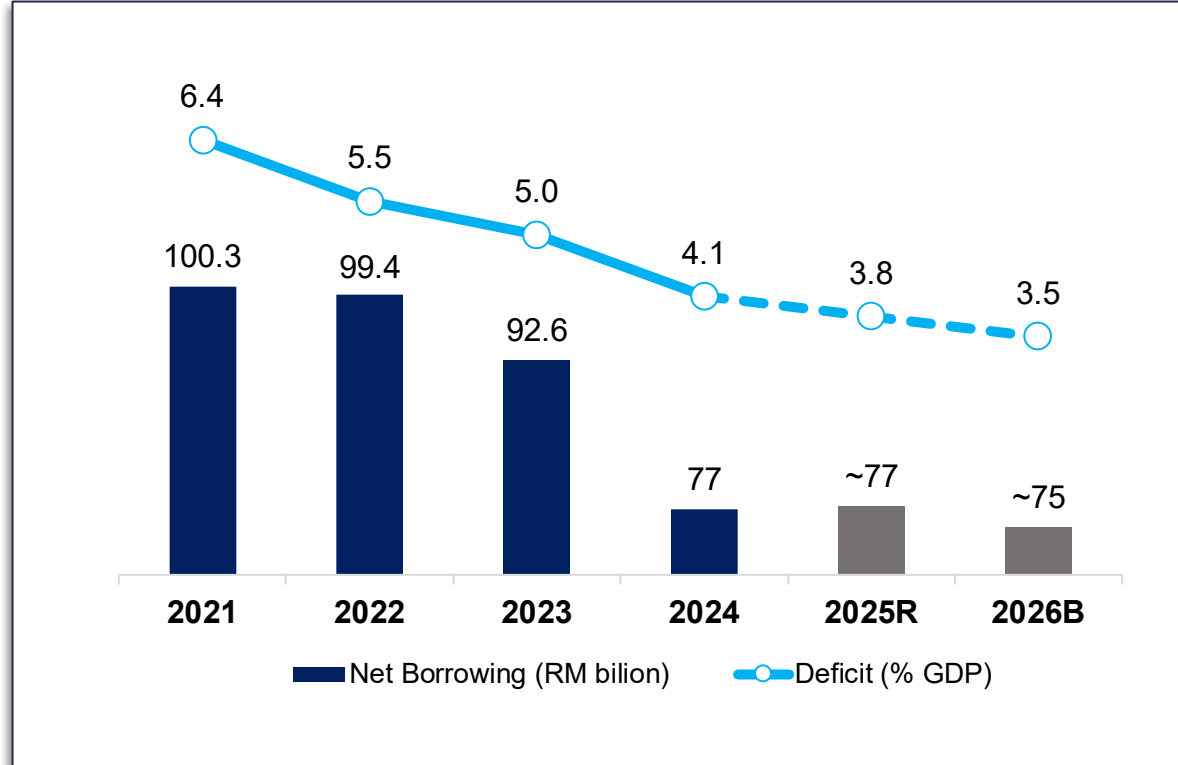
2025

MSMEs Financing  
**RM50b**

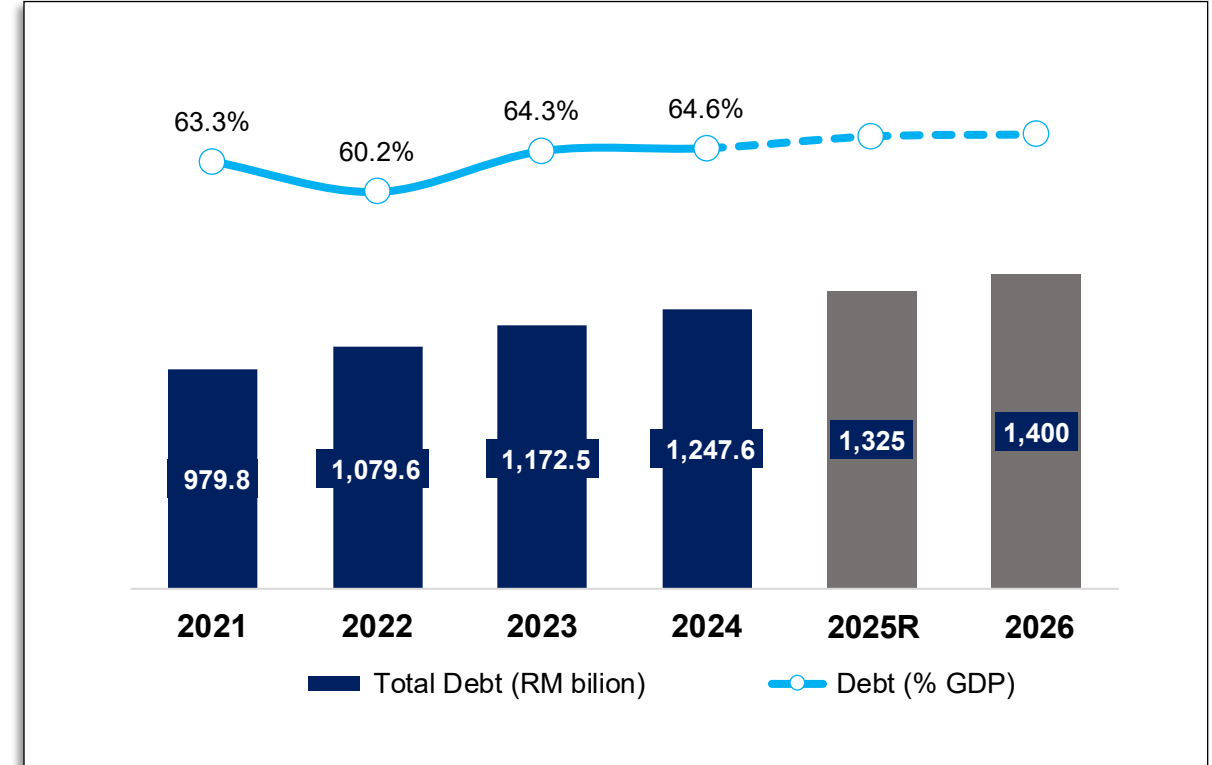
2026

## 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

### **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 <ul style="list-style-type: none"> <li>• Kota MADANI</li> <li>• SJKP</li> <li>• HOC</li> </ul>
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 (SJKP, 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)

### Strengthening the Social System

- 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)

### Improving Quality of Life

- 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**, SJKP, 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)

### Safeguarding Social Justice

- **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)





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