



03 OCT, 2025

Budget set to lean on tech-driven growth

Daily Express (KK), Malaysia



Budget set to lean on tech-driven growth

KUALA LUMPUR: Budget 2026 is expected to place strong emphasis on technology-driven growth, particularly in artificial intelligence (AI), automation, digital platforms and Industry 4.0 adoption.

Moomoo Malaysia's head of dealing, Ken Low, said a structural shift is underway from low-cost assembly towards semiconductor design, research and development (R&D), and niche fabrication.

"Reports suggest that as much as RM227 billion could be allocated for semiconductor R&D and talent development.

"The New Industrial Master Plan 2030 reinforces this trajectory, while incentives such as tax allowances and grants may accelerate digitalisation among small and medium enterprises," he said in a statement on Thursday.

Low said semiconductor hardware and digital service providers are well placed to benefit from policy incentives.

"Cloud, AI, and 5G infrastructure are likely to gain traction. Supporting assets such as data centres are also expected to see strong demand, while laggards in digital adoption could face valuation pressure," he said.

He added that Budget 2026 is also anticipated to fast-track clean energy investments, with clear targets of achieving 70 per cent renewable capacity by 2050, supported by grid upgrades and advanced storage systems.

He noted that Tenaga Nasional Bhd has already committed RM43 billion to modernise the national grid, supporting both renewable integration and surging demand for data centres.

According to the Ministry of Energy Transition and Water Transformation, 332 large-scale renewable projects have been approved, delivering nearly 5,900 megawatts of capacity, while Battery Energy Storage Systems are being rolled out to stabilise supply.

Low said the steel industry roadmap also aims for a fully green sector by 2050, underpinned by carbon transparency and licensing reforms.

"Alongside this, Malaysia is driving green financing through the Green Technology Financing Scheme and expanding green bond frameworks. Solar, hydrogen, EV infrastructure and storage companies may benefit directly. Utilities, meanwhile, must adapt quickly or risk stranded assets.

"Investors should also track sustainable finance flows, which are increasingly shaping capital allocation in infrastructure and energy," he added.

Low said that, if well framed and executed, Budget 2026 could position Malaysia as a compelling regional convergence story — fiscally disciplined like developed peers, while still offering growth premiums in technology, renewables and consumption. —Bernama