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8 FOUNDATIONS TO DRIVE GROWTH, PROSPERITY

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1 Addressing cost of living

This will be done through increased financial assistance, subsidies and tax relief, as well as improved wages and social protection for workers, particularly those in the gig economy. The aim is to make essential goods more affordable, support middle-income households and boost workers' improve earnings and retirement savings.

- STR, Sara allocations increased to **RM16b** next year, benefiting up to 9 million people
- Sara Madani initiative to benefit **13 million Malaysians**, including those in M40 group
- Income tax relief threshold raised from **RM9,000 to RM12,000**
- Minimum wage raised from **RM1,700 to RM2,000**, benefiting **4 million** people



2 Prioritising every state

This will be achieved through initiatives that promote balanced and equitable development in all states, with infrastructure investments and economic opportunities tailored to each state's needs. The aim is to narrow regional development gaps, improve living standards and create jobs.

- Tackle flash floods in the Klang Valley, resolve Kelantan's flood and clean water woes, address traffic congestion in Johor Baru and create jobs and business opportunities in Perlis
- Allocation for rural road projects increased from **RM1.3b to RM2.3b**
- Sabah's allocation increased to **RM18.7b from RM17.6b**
- Sarawak's allocation increased to **RM16.2b from RM15.1b**
- **RM3.3b** allocated for basic rural infrastructure projects, including village street lighting, community facilities and clean water and electricity supplies



3 Safeguarding the welfare of all people

This will be done by boosting the Bumiputera economy, Malaysia's Islamic economy and welfare support for vulnerable groups, including senior citizens, persons with disabilities, Orang Asli communities and financially distressed individuals.

- Bankruptcy threshold raised from **RM100,000 to RM150,000**
- Strengthen care services and support for senior citizens
- Provide tax exemptions for syariah-compliant fund management.
- Increasing financing from PUNB to **RM500m**, up from **RM350m**

5 Safeguarding national supplies and preparedness

Key initiatives include accelerating the energy transition, boosting food security, strengthening border and cyber defence, and enhancing disaster mitigation and response.

- TNB will invest **RM15b** in strengthening the national power grid.
- **RM490m** to go the MCBA to strengthen border security and airport screening
- Padi harvesting incentive to go up from **RM50 to RM100 per hectare** per season.
- Nearly **RM320m** will be allocated for slope protection and drainage works.



6 Surpassing the limits of economic potential

Focus on strengthening local businesses, attracting high-value investments, expanding exports, developing cross-border economic zones, creating quality jobs and advancing AI innovation.

- Reducing income tax rates for MSMEs by one percentage point
- **RM60m** for Matrade to help companies enter new overseas markets and diversify export destinations
- Bakat Madani target raised to **30,000 job opportunities**, including via private-sector participation
- Tax deductions for companies offering Bakat Madani training from June 29, 2026, to Dec 31, 2030

7 Preserving the nation's identity

Key initiatives include protecting biodiversity, supporting creative industries, strengthening Bahasa Melayu in the digital and AI era, developing sports and volunteerism, boosting tourism and increasing support for Islamic institutions, educators and community programmes.

- **RM65m** to support **2,500 community rangers**, including the construction and upkeep of ranger posts
- **RM130m** to support the local film, music and creative content sector
- **RM240m** to prepare for Malaysia's hosting of the 2027 Sea Games and Asean Para Games
- Increase the duty-free limit to **RM10,000** for visitors in Langkawi and Labuan, subject to a minimum 48-hour stay



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The 2027 Budget tabled by Prime Minister Datuk Seri Anwar Ibrahim aims to secure a better future for the next generation, anchored by 8 key foundations designed to steer the country's development agenda while improving the living standards of Malaysians

4 Elevating the quality of services for the people

This will be done by improving the accessibility and efficiency of public services, particularly in healthcare, education, public transport and road safety, while reducing bureaucracy and expediting delivery.

- Offer permanent positions to over **9,000 contract doctors**
- Increase the **Post-Basic Incentive Allowance** for 47,000 paramedics and nurses to **RM200 per month**
- Increase the Air Healthcare Service Incentive Allowance from

RM30 to RM100

- **RM80m** allocated to provide free health screenings, medical equipment aid and cancer treatment incentives under PeKa B40 for eligible STR recipients and their spouses aged 40 and above
- **RM1.3b** to upgrade 682 dilapidated schools, particularly in Sabah and Sarawak
- Complete **3,500 additional classrooms** by year end using IBS
- Introduce a comprehensive legal framework for higher education to replace the Universities and



University Colleges Act, covering university autonomy, academic freedom and students' rights

- Introduce the **MyKomuter50** pass for 40,000 users, enabling **RM160** in monthly savings
- **RM270m** allocated to enhance stage bus services in major cities, including connections to **15 stations** along the east coast ahead of ECRL operations

8 Managing the people's money and integrity

Key initiatives include reforming government institutions and procurement processes, strengthening enforcement agencies, improving public financial management, reviewing outdated laws and enhancing accountability among government-linked entities. Initiatives also outlined to improve civil servants' well-being.

- **RM1.1b** to strengthen operational capabilities of law enforcement agencies
- One-off assistance of **RM1,000 to 38,000 taxi drivers**, including rental car drivers
- Special **RM1,500 assistance for civil servants** at Premier Grade B and below, including contract appointees

