

SEAFIC WELCOMES A MALAYSIAN BUDGET THAT RESPONDS TO THE PRESENT AND REFORMS FOR THE FUTURE

The Southeast Asian Futures Initiative Centre (SEAFIC) welcomes Belanjawan MADANI 2027, tabled today by Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim, as a Budget that **speaks directly to the pressures urban households described** in SEAFIC's recent study, *The Urban Squeeze*.

At RM510 billion, the Budget **reaches the squeezed middle as well as lower-income households** while cutting the fiscal deficit to 3.3% of GDP in 2027. Many of the Budget's measures echo issues SEAFIC has raised through its research and roundtable discussions with stakeholders, including:

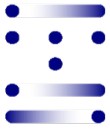
A higher floor for wages. The minimum wage rises from RM1,700 to RM2,000 from June 2027, covering more than 4 million workers for companies earning more than RM50 million in revenue. For the lowest paid, up to RM300 more a month gives a buffer against the swings in transport, utility and food bills. A proposed RM2,500 starting pay for graduates and semi-skilled jobs gives them a steadier footing to rent, save or borrow. The GLIC and GLC living-wage benchmark rises from RM3,100 to RM3,400 for 230,000 workers, setting a benchmark for private sector employers.

Recognising flexible incomes. The Budget provides a viable route to home ownership for Malaysians with irregular income. The Housing Credit Guarantee Scheme (SJKP) will guarantee RM20 billion in loans for 80,000 first-home buyers, mainly self-employed, while BSN and Agrobank will provide RM270 million for gig workers to start businesses and buy homes. For 600,000 drivers and riders, better social security and steadier earnings are backed by a RM160-million package Grab co-fund, as well as a higher PERKESO and EPF matching contribution. The Second Chance bankruptcy policy now covers gig workers and irregular earners, so one tough patch no longer locks them out of credit for years.

Aid that buys fresh food. Fresh produce supports better nutrition for families as SARA can now be spent on the same at 216 FAMA farmers' markets. It is extended to every Malaysian adult: up to RM150 a month for 9 million STR recipients and RM100 twice for up to 13 million others, bringing the squeezed middle into the safety net. Jualan Rahmah and Agro MADANI rise to RM750 million, with 30,000 Jualan Rahmah reaching urban public housing (PPR), cutting both grocery and transport bills previously needed to find cheaper food.

Other notable measures addressing the urban squeeze include the MyKomuter50, which saves users up to RM160 a month, and no stamp duty for first homes up to RM500,000, as well as Medi Asas, a medical insurance plan that complements other social security measures.

Data centres and the compute economy. Through GEAR-uP, Sime Darby Property, EPF and LTAT will invest RM1.25 billion in data centres and logistics in Selangor, and a Sovereign AI Cloud will keep citizens' data under Malaysia's strategic control. Supporting infrastructure includes TNB's RM15 billion grid investment, UEM Lestra's RM1 billion in energy storage and a 1 GW hybrid power project in Johor, and RM2.5 billion to replace 1,900 km of old water pipes, investments that should help ensure data centre demand does not come at the expense of reliable, affordable power and water for households. AI Malaysia targets 200,000 AI-skilled workers, and MDEC will help 4,000 SMEs adopt AI, giving Malaysian workers and small firms a direct stake in the compute economy through skilled jobs and supplier opportunities.



Regional growth and resilience. The Johor–Singapore Special Economic Zone has drawn RM132 billion in investment, with Nexus Sedenak expected to create 45,000 jobs. Additionally, PETRONAS and TNB will join the ASEAN Power Grid. Bank Negara Malaysia’s RM10 billion fund for SMEs hit by the West Asia conflict reflects the energy-price risks SEAFIC flagged earlier this year and helps protect the jobs of workers in smaller firms affected by the energy-price spike.

SEAFIC Chairman, YM Tengku Datuk Seri Utama Zafrul Aziz, said, “These are issues SEAFIC continues to track, particularly on how broader geopolitical and geoeconomic policies have impacted businesses and households. **Budget 2027 shows that the Government has listened. The next step is delivery of these measures.** Done well, Malaysia can show the region that **growth in the economy and more holistic support for households can go hand in hand.**”

Budget 2027 is clearly aimed at easing daily pressures on households while preparing Malaysians for the jobs of the future. It shows that **growth should be measured not only in investment and infrastructure, but also in the security and mobility of the families who power it.**

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SOUTHEAST ASIAN FUTURES INITIATIVE CENTRE
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About SEAFIC

Headquartered in Malaysia, the Southeast Asian Futures Initiative Centre (SEAFIC) is a regional think tank dedicated to advancing economic development, international trade and investment, as well as international cooperation in the ASEAN region. With a futurist outlook, Southeast Asian Futures Initiative Centre (SEAFIC) provides high quality, demand-driven research to address contemporary and emerging regional challenges. The Southeast Asian Futures Initiative Centre (SEAFIC) also acts as a catalyst for informed decision-making, policy formulation, and business strategy development. SEAFIC: seafic.org