

Finance Ministry sets 3 short-term priorities for Budget 2025

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The Finance Ministry has outlined three short-term priorities for Budget 2025 to achieve the objectives of the Madani Economy.

In its pre-budget statement for Budget 2025, the ministry said the three goals were: to raise the ceiling in terms of restructuring the economy towards greater competitiveness and higher value-added activities; raise the floor in terms of improving quality of life and inclusiveness of opportunities; as well as to strengthen governance and public delivery.

“The statement sets out the theme of ‘Ekonomi Madani: Negara Makmur, Rakyat Sejahtera’ to guide the national consultation process for Budget 2025,” it said.

In line with the Madani principles, the Finance Ministry said the government is committed to a holistic and inclusive process in formulating Budget 2025 and welcomes feedback from the people.

Finance Minister II Amir Hamzah Azizan affirmed the ministry’s dedication to

advancing fiscal reforms in Budget 2025, aligning with the Fiscal Responsibility Act's medium-term goals to reduce deficits and manage debt sustainably.

“At the same time, the ministry will also ensure that the fiscal policy remains supportive of private sector-led growth,” he said.

The Finance Ministry said Malaysia's economy is experiencing robust growth, with the gross domestic product increasing from 2.9 percent in the fourth quarter of 2023 (4Q 2023) to 4.2 per cent in 1Q 2024, and is projected to expand by 5.8 percent in 2Q 2024.

“This growth was fueled by, among others, a recovery in exports, which grew by 5.2 percent in 1Q 2024 compared to the 8.1 percent contraction in 2023.

“Private investment growth strengthened to 9.2 percent in 1Q 2024 compared to 4.6 percent in 1Q 2023,” it said.

The statement is in line with global best practices to promote public discourse and transparency in formulating annual budgets.

Hence, the Finance Ministry said the statement was issued to communicate the government's priorities for Budget 2025 to stakeholders, to guide inputs and proposals for the national budget.

It noted that the national budget formulation process kicked off on July 9 through the Budget 2025 Consultation chaired by Prime Minister Anwar Ibrahim, who is also the finance minister.

“More than 400 participants representing government agencies, the private sector, academics, NGOs, and civil society organisations participated in the inaugural consultation session.

“This will soon be followed by a series of nationwide consultations over the coming weeks,” it said.

Concurrently, the Finance Ministry said members of the public can submit their comments, feedback and proposals to the Belanjawan 2025 portal.

Budget 2025 will be tabled in Dewan Rakyat on Oct 18, 2024.

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