

Rakyat helped shape Budget 2025

Anwar: Coming face-to-face with the grassroots had a huge impact on me

DATUK Seri Anwar Ibrahim says the strong will and resilience of Malaysians in facing immense challenges shaped his approach to Budget 2025.

The Prime Minister said he had criss-crossed the country and saw first-hand the poor conditions and hardship faced by folk in states like Sabah and Kelantan.

He said it was this that inspired him to introduce various economic initiatives to address the issue of widening inequality and poverty, and his determination to ensure that government subsidies reach the right target groups.

Anwar cited his visit to Felra Lahad Datu in Sabah two months ago, which was also to monitor areas that had been intruded by terrorists in Kampung Tanduo in 2013.

"The issue of customary land arose and this was resolved for residents of Tambisan. I also pledged to meet the needs of a national school there," he said in unveiling Budget 2025 at the Dewan Rakyat yesterday.

Anwar, who is also the Finance Minister, said he went to the Siti Khadijah market in Kelantan to observe the dilapidated conditions there; Kapit, Sarawak, to review the progress of development projects in rural and remote areas; and most recently Alor Setar, Kedah, to witness the aftermath of the floods that destroyed vast areas of crops.

Anwar said coming face-to-face with the grassroots had a huge impact on him and it helped him understand and come to grips with their hardship and issues related to erosion and flooding, education, health and social needs.

"These significant problems,



Presenting the Budget:

Anwar (right) sharing a light moment during his speech in Parliament. With him are Deputy Prime Ministers Datuk Seri Dr Ahmad Zahid Hamidi (centre) and Datuk Seri Fadillah Yusof (left). — Bernama

when examined, are a microcosm of broader issues," he added.

Anwar said Budget 2025 is aimed at adhering to every benchmark of the Madani Economy with three focuses - reinvigorating the economy, driving reforms and prospering the people, which he described as the core theme of the latest budget.

Budget 2025 has a total allocation of RM421bil, with RM335bil for operating and RM86bil for development expenditure respectively (excluding RM2bil in contingency savings).

The highlights include the plan to implement targeted subsidies for RON95 petrol from mid-2025 and to the increase of minimum wage from RM1,500 to RM1,700 per month effective Feb 1.

The top two ministries in terms of allocations received are Education and Health.

Anwar said the core framework of the budget is to drive more

robust growth by taking into account new developments as well as demands of the times.

He assured the people the government will safeguard the interests of the majority through the implementation of the targeted subsidy measure.

Each targeted subsidy initiative is aimed at correcting the imbalances of blanket subsidy practices that benefit the ultra-rich group and foreign nationals in the country.

"The undeniable fact is that foreigners and the top 15% group of ultra-rich consumers enjoy 40% of the RM8bil subsidy for RON95 petrol.

"The RM8bil fund will be better utilised for improving education, healthcare and public transportation facilities," he said.

The government, he reiterated, remains committed to maintaining subsidies for the majority of Malaysians as demonstrated by

the targeted electricity subsidy, with 85% of the population unaffected.

Anwar emphasised that savings from the petrol subsidy rationalisation will go to the welfare of the majority of Malaysians.

"Subsidies, in principle, should not be enjoyed by the ultra-rich group. For too long, we have been providing blanket subsidies for fuel, electricity, water, education and healthcare services, and even essential food items like chicken," he added in his two-and-a-half-hour speech which began at 4pm.

On education subsidies, Anwar said if this was gradually reduced for those in the top 15% income bracket, the funds gained could be used to improve the infrastructure of fully residential schools (SBP) and public institutions of higher learning (IPTA) to benefit all students.

"Subsidies for each SBP student reaches RM15,000 per year... sim-

ilarly, at the higher education level. For example, the average tuition fee paid by undergraduate pharmacy students is RM3,000, while the total cost of education amounts to RM30,000, and these subsidies are given without considering the family's income."

He said the targeted subsidy initiative will also involve public health, as high-income groups should contribute to better healthcare services in government hospitals.

The savings could be used to fund medical devices for poor patients and upgrade government hospitals and clinics.

Anwar said with the country's current direction and stability, the positive signs are becoming increasingly clear.

"The increased figures and investments are beginning to inspire confidence, the strengthening of governance through firm enforcement and institutional reforms is now firmly established, and the culture of caring for the people is becoming more ingrained.

"All these are early signs towards the realisation of the aspired civil society. And this is the result of the cooperation of all parties including leaders, government machinery, businesses and entrepreneurs, workers and the people as a whole.

"Indeed, this peace and stability must be strengthened to foster a spirit of racial unity, harmony, goodwill and love," he added.

He concluded his third budget since becoming Prime Minister in 2022 with a poem by Indonesian poet Teguh Esha about "love", which was greeted with loud thumps from the government bench.