

# PM: Budget focuses on governance, fiscal discipline

**PUTRAJAYA:** The 2026 Budget reflects the government's approach centred on strong governance, fiscal discipline and empathy towards the people.

Prime Minister Datuk Seri Anwar Ibrahim said the approach was not merely based on economic theory, but was formulated in line with current realities, the country's fiscal challenges and the extraordinary commitment shown by Treasury officials.

He said each national budget must align with prevailing economic conditions rather than relying solely on idealised economic theories that failed to take into account real constraints.

"The nation is no longer in the same vibrant economic environment as in the 1990s, when growth exceeded 10 per cent annually and deficits were small.

"Instead, we have inherited a high debt burden and large deficits, which require a more prudent and balanced approach," he said at the Finance Ministry's monthly assembly.

Anwar said these factors must be carefully considered before the government could design a budget framework that was relevant to current economic needs.

"That is why my main focus since taking office has been to strengthen governance."

He said good governance and integrity were the cornerstone of the government's efforts to rebuild confidence in administra-

tive institutions, including boosting the capabilities of enforcement agencies like the Inland Revenue Board, Customs Department, Malaysian Anti-Corruption Commission and police.

"We have collected RM15.5 billion from seizures, outstanding taxes, smuggling of cigarettes and alcohol and online scam syndicates. This is not new tax revenue, but the result of strict governance and clean enforcement.

"If revenue increases because we have stopped leakages and corruption, why should we burden the people with more taxes?"

He said the government's fiscal policy now focused on balancing deficit reduction and national debt, while ensuring that public welfare was protected.

"We have reduced the deficit from 5.6 per cent to 3.8 per cent. That is significant. But I do not want this to be done hastily, because if it is too drastic, the people will be squeezed."

On targeted subsidies, he said the government was taking a careful approach to ensure savings were not at the expense of the welfare of low-income citizens.

"We do not want people to be burdened just to achieve attractive numbers in economic reports. Economic theory must be grounded in the reality of the people, not theory in the clouds. That is why we implement targeted subsidies with precision and fairness," he said.