

*For Immediate Release*

**COMMENTS ON BUDGET 2025 by Datuk Dr Pamela Yong,  
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**Prioritizing Prosperity: INSAP urges government to enhance support for middle-income groups and aging population**

INSAP welcomes the Ministry of Finance's position to strengthen Malaysia's fiscal position and to ensure wider coverage of assistance or welfare aid for the lower income groups, including people with special needs and marginalized groups. We understand that the government is laying the foundation for the eventual removal of subsidies for fuel and other essentials that would see rise in prices. However, we caution that the startlingly lack of reform in the tax regime and support system for the working class or middle-income groups could potentially erode prosperity and wellbeing these group in the future.

INSAP has called for a commitment from the government to enhance the structural integrity of Malaysia's economy beyond introducing fiscal prudence, and we sought the government to streamline the tax regime and remove the need to implement new taxes. INSAP concurs with the popular opinion of analysts and economists prior to today's announcement that the government needs to consider granting higher relief to taxpayers primarily those in the middle-income group – which would increase disposable income for the majority of the working class.

At the same time, we are wondering if the government is going to do more to address the ageing population phenomenon in the country. While the Minister of Finance mentioned that we are facing the core problems related to ageing in the country, there were no substantial measures or strategies introduced in the budget to address the weaknesses in the economic ecosystem that address the issues.

While Budget 2025 included a number of incentives to boost small and medium sized enterprises, the increase in minimum wage would certainly increase operating costs of businesses in the country while not providing guarantee that the salary structures in the country would be lifted to meet the high-income nation status. Then again, there was also no mention on the government's strategy to help build Malaysian businesses to grow into major enterprises in their respective fields.

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