

2025 BUDGET

Adopt five-part framework to tackle rising cost of living

ONE recurring issue in the annual budget is the rise in the cost of living. Measures, from introducing direct cash transfers to income tax reduction, have been announced in the past.

New ways to determine the people who should be included and excluded from government assistance have been proposed.

The latest: having a new indicator to measure the cost of living.

Salary hikes for civil servants have been decided.

An increase to the minimum wage is on its way, a new progressive wage model is on the table, and initiatives to encourage entrepreneurship have been rolled out.



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Loan and grant facilities to improve productivity have been put forth.

Measures to control inflation have been put in place, such as Payung Rahmah and other subsidies.

Strategies to address food security have been discussed, plus initiatives to combat poverty.

Even the Insolvency Act 1967 has been amended.

Every year, allocations for education and health are enough to sustain the wellbeing of the people.

Even the subsidy framework has been revised to ensure there's more money to help those in need.

Soon, the 2025 Budget, or the third Madani Budget, will be tabled.

How will it try to control the rising cost of living?

This issue cannot be seen in isolation, for example, just by looking at the inflation rate or prices of goods.

It involves people's expectations of what has been promised, their income level, state of well-

being and happiness.

It also involves people's worries about their future, whether they have enough money for old age, and their children's education.

People are also concerned about the healthcare system, in case there's another pandemic.

Shockingly, the Credit Counselling and Debt Management Agency found that 53,000 people under 30 are burdened by nearly RM1.9 billion in cumulative debt.

The agency also discovered that 28 per cent of working adults have borrowed money to buy essential goods.

To address this issue, a comprehensive and sustainable framework is needed.

The framework can act as a

roadmap of the government agenda's.

There are five parts in the framework:

BASIC SERVICES, to adapt and mitigate climate change;

INCOME, so people have enough money to spend on essential goods and live in dignity;

SOCIAL PROTECTION, for mental wellbeing, education, health, housing, food, and utility assistance;

PENSION SCHEME, with a multi-layered system; and,

JOB, to create high-income employment.

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