

EXECUTIVE SUMMARY

ICDM ADVOCACY DIALOGUE & NETWORKING

“Post-Budget 2025: Key Highlights & Conversation with the Ministry of Finance”

6 November 2024



As we digest the key measures introduced in Budget 2025, the pressing question on everyone’s mind is how to navigate the evolving landscape. ICDM has invited [Datuk Johan Mahmood Merican](#), Secretary General of the Treasury, Ministry of Finance to provide an in-depth review of the Budget’s key pillars: Reinvigorating the Economy, Driving Reforms and Prospering the Rakyat. The session highlighted Malaysia’s fiscal priorities and measures to boost economic growth and competitiveness while addressing key concerns of board members and the importance of corporate governance in adapting to these shifts.

Key takeaways

- 1 Budget 2025 Priorities:** The budget prioritises revitalising the economy through transformative changes with a strong focus on supporting MSMEs to improve Malaysia's competitiveness. Key measures include sustainable investments, targeted incentives and boosting the efficiency of government agencies for better public delivery and well-being.
- 2 Economic Context and Reforms:** Malaysia’s fiscal challenges such as high debt are being addressed through reforms like the Fiscal Responsibility Act and subsidy rationalisation. There is a strong emphasis on transparency and improved governance in public procurement to rebuild trust and ensure efficient use of resources.
- 3 Key Economic Statistics:** The government aims for an encouraging GDP growth while targeting fiscal deficit reduction. Key indicators such as unemployment and inflation rates were discussed as well as strategic allocations for development expenditure to stimulate long-term public investments and economic stability.
- 4 Tax and Revenue Measures:** The budget includes expanding the tax base with new measures like the proposed dividend tax. While these measures aim to enhance revenue generation, there are concerns about their equitable impact on different income groups and the potential burden on individuals and businesses.
- 5 Stakeholder Engagement:** Critical questions were raised on tax measures, income classification and the cost-of-living implications. There was a consensus on the need for collaborative efforts between the government and stakeholders to address fiscal challenges and ensure equitable economic growth.

Key questions for Boards to consider:

- How will the new Budget influence our approach to resource management, financial stewardship and seize opportunities for growth?
- How will the new tax measures and the proposed dividend tax affect our financial strategy?
- What steps should we take to adapt to the new economic conditions and what actions should we take to manage the risks posed by financial shifts on our stakeholders and the broader market?
- How can we integrate sustainability into our business strategy and align with the budget's focus on sustainable economic development?
- Are there partnership opportunities with MSMEs that can help improve our supply chain or competitiveness?

Special thanks to Datuk Johan Mahmood Merican, Secretary General of Treasury of Ministry of Finance (MoF) and Farah Rosley, Malaysia Tax Leader of Ernst & Young Tax Consultants Sdn Bhd for the insightful presentation and informative sharing session.



ICDM's board members with the speakers. From L-R: Jasmine Ng, Farah Rosley, Michele Kythe Lim, Datuk Johan Mahmood Merican, Tan Sri Zarinah Anwar, Dato' Abdul Aziz Abu Bakar, Maheswari Kanniah and Salleh Hassan

Do reach out to advocacy@icdm.com.my for any enquiries on corporate governance, board leadership and director development.