



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

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Letter to the Editor

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Budget 2027 delivers for the people, but key issues remain, says CAP

The Consumers' Association of Penang (CAP) finds the National Budget 2027 beneficial to a broad segment of the population. However, we remain apprehensive about Malaysia's RM40 billion fuel subsidy bill, as it continues to depend on the global geopolitical climate and on oil prices remaining within the level budgeted for.

Moreover, petrol subsidies should be targeted, as blanket subsidies benefit everyone, including those who do not require government assistance, while imposing a substantial fiscal burden on the government. Any savings arising from a more targeted subsidy mechanism could instead be channeled towards subsidies for essential goods and services.

Although the government has agreed to increase Malaysia's minimum wage from RM1,700 to RM2,000 per month effective June 2027, we believe that it should ultimately strive to adopt a living wage. According to [Bank Negara Malaysia](#), a living wage is the level of income required for a worker or household to attain a minimum acceptable standard of living, rather than merely meeting basic survival needs. Countries with established living wage frameworks include the United Kingdom, New Zealand and Canada. Furthermore, the [United Nations](#) recognises living wages as an important means of achieving the Sustainable Development Goals, fostering a more just and sustainable economy, and strengthening public trust in governments and institutions.

For the time being, concerns that raising the minimum wage will drive up the prices of goods and services may be overstated, provided the Ministry of Domestic Trade and Cost of Living (KPDN) enforces strict measures against profiteering. Even in the absence of a minimum wage increase, the cost of living continues to rise, largely due to global inflationary pressures. Consequently, many wage earners find that their annual salary increments fail to keep pace with inflation, resulting in a gradual erosion of their purchasing power.

CAP is concerned that the Ministry of Health's allocation for 2027, at RM47.7 billion, reflects only a 2.5% increase from 2026. At a time when Malaysia faces mounting public health challenges, from non-communicable diseases and tobacco-related harm to haze and climate-linked illnesses, such limited growth risks undermining preventive programmes, straining hospital capacity, and weakening efforts to improve access and

equity. We urge the government to safeguard and strengthen health allocations, as investment in public health is vital to protecting lives and reducing long-term costs.

CAP stresses that agriculture and food security must remain central priorities in the 2027 Budget, as Malaysia grapples with escalating production costs, intensifying climate pressures, and over-reliance on imports. Budget allocations must be directed towards promoting agroecology, supporting community seed reserves, strengthening smallholders, and building resilience in local food systems to ensure affordable, safe, and sufficient food for all.

We welcome the RM65 million allocation for 2,500 community rangers drawn from Orang Asli communities, military veterans, and retired police officers to strengthen wildlife protection. Malaysia's protected forests span vast areas, and expanding the ranger force will enhance surveillance and improve the detection of poachers, illegal loggers, illegal miners, and forest encroachers. Early detection and swift intervention are critical to preventing wildlife crimes before irreversible and significant damage occurs.

The forthcoming e-commerce Bill, to be tabled at the next parliamentary sitting, is a welcome step to strengthen accountability among online platforms and sellers. It should provide greater protection for consumers, particularly against poor-quality, counterfeit, and unsafe products. These remain among the most common problems faced by consumers when shopping online.

While the proposal to build 15 motorcycle shelters along PLUS highways is commendable, we urge caution to ensure that these shelters are located in safe areas away from the main carriageway. Several fatal accidents have occurred when vehicles lost control during heavy rain and crashed into motorcyclists seeking shelter beneath bridges and flyovers. Proper siting of shelters is critical to prevent such tragedies.

The announcement that individuals aged 55 and below enrolled in the Medi-Asas medical insurance plan will be allowed to pay their premiums using funds from their Akaun Sejahtera savings is a matter of concern, given that only 64% of active formal [EPF](#) members have attained the basic savings level of RM240,000 by the age of 55. Even this amount is insufficient to support a comfortable retirement, and the situation is likely to be exacerbated if a portion of these savings is diverted to Akaun Sejahtera and used to pay insurance premiums.

The government should encourage [padi farmers](#) to adopt integrated duck farming, as successfully practised in Japan, Bangladesh, the Philippines and many other parts of Asia, to help control golden apple snails (siput gondang emas) and other pests in padi fields instead of relying primarily on chemical pesticides. At the same time, farmers who rear ducks can diversify their livelihoods and generate additional income through the sale of ducks and eggs.

CAP welcomes the government's decision to make telematics systems mandatory in heavy vehicles, as these vehicles are disproportionately involved in fatal and serious road crashes. This move is supported by research conducted by the Malaysian Institute of Road Safety Research (MIROS), which found that [fatal road accidents](#) involving heavy vehicles claimed at least 1,457 lives over a six-year period. The same study revealed that only 32% of public transport and commercial vehicle operators complied with the Industrial Code of Practice for Transport Safety (ICOP) in 2022, underscoring the urgent need for stronger enforcement.

We also commend the initiative to provide free public transport for schoolchildren, persons with disabilities, and children below the age of six. Beyond easing the financial

burden on parents, this policy will encourage greater use of public transport while improving mobility and access to education.

Finally, it is essential that there be continuous monitoring of expenditure under all budget allocations to prevent leakages, corruption, wasteful practices or unjustified overspending within the ministries and government agencies.

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