

RI – WEEKLY NEWS

WEEK 18 | 26 April – 2 May 2025

ECONOMY

Expanded SST Delayed; Gazettement Now Set for 1st June 2025

The Edge - 28 April 2025

The enforcement of the expanded Sales and Service Tax (SST), initially expected on 1st May 2025, has been postponed, according to the Ministry of Finance. The delay is to allow for further refinement of guidelines and the scope of the tax to ensure smooth implementation. The gazettement of the new tax changes, originally planned for the first quarter of 2025, is now scheduled for 1st June 2025. As a result, enforcement will only take place after the gazettement date.

ECERDC Facilitates RM1 Billion in Committed Investments in Terengganu as of 1Q 2025The Edge – 28 April 2025

As of 1Q 2025, the East Coast Economic Region Development Council (ECERDC) has facilitated RM1 billion in committed investments in Terengganu, achieving 43% of the RM2.4 billion investment target for 2025. Driven largely by the tourism sector, the investments strengthen Terengganu's position as a strategic hub for high-value tourism. They also span key sectors such as agriculture, manufacturing, and services, reflecting strong investor confidence in the State's dynamic and diversified economy.

Headline Inflation Eases to 1.4%, Core Holds in March 2025 ☐ The Star – 30 April 2025

Malaysia's headline inflation eased to 1.4% in March 2025 from 1.5% in February, while core inflation remained steady at 1.9%. Bank Negara Malaysia (BNM) attributed the decline to the fading impact of previous policy adjustments on non-core consumer price index (CPI) components, including water and electricity tariffs, which had increased during the same period in 2024. BNM also noted that inflation in other non-core CPI components, such as fresh food and RON97 fuel, moderated in line with easing global commodity prices.

GOVERNMENT

Urban Renewal Act to Offer Better, More Spacious Homes

The Edge - 30 April 2025

The proposed Urban Renewal (PSB) Act will provide homeowners with the opportunity to obtain new, more comfortable, spacious, and liveable replacement units, in line with the "no less favourable" condition stipulated under the Act. Under the current Act 757, the threshold requirement for owner consent is 100%, meaning a single objection can halt a project. Proposed amendments to the PSB Act include lowering the consent threshold to 75% for buildings over 30 years old, while maintaining 80% for those under 30 years.

KPKT to Consider Using Home Ownership Campaign to Counter US Tariff Threat

The Edge – 30 April 2025

The Malaysian Government is considering measures to counter the United States (US) tariff threat, with the Ministry of Housing and Local Government (KPKT) proposing a potential Home Ownership Campaign (HOC) as part of an economic stimulus package. Minister Nga Kor Ming announced that in response to President Trump's move to raise tariffs on Malaysia, a large-scale HOC is being considered to help boost the nation's economic growth.

CONSTRUCTION

CIDB Aims to Establish One BIM Lab in Every State

The Edge – 28 April 2025

The Construction Industry Development Board (CIDB) plans to establish at least one Building Information Modelling (BIM) lab in every State to streamline construction, enhance efficiency and support industry practitioners. Currently, five labs are operational in Penang, Kuala Lumpur, Johor, Sarawak and Sabah, with seven more planned in Melaka, Perak, Perlis, Pahang, Terengganu, Kelantan and Kedah. These labs enable the use of 3D models to improve project planning, asset maintenance, and cost efficiency. BIM usage in Malaysia currently stands at 55%, with CIDB aiming to further increase adoption.

PROPERTY

Homebuyers Seeking High End Units in Penang

The Star – 2 May 2025

Penang's property market, particularly the high-end residential segment, has experienced strong growth in recent years, according to State Housing Committee Chairman Datuk Seri Sundarajoo Somu. In the 3Q 2024, high rise unit prices in prime areas such as Jelutong, Gelugor, Pulau Tikus, Bayan Baru, and Tanjung Bungah increased by 6% to 12% year-on-year. This upward trend is driven by robust local demand, international investor interest, favourable exchange rates and anticipation of major infrastructure projects like the Penang Light Rail Transit (LRT) and Penang Silicon Island development.

INFRASTRUCTURE

Work on Penang's LRT from Late 2026

The Star – 26 April 2025

Penang's Mutiara Line Light Rail Transit (LRT) project is set to commence in the fourth quarter of 2026, with preliminary works, including soil investigation along the alignment, required beforehand. Mass Rapid Transit (MRT) Corp Sdn Bhd noted that while soil investigations were last conducted in 2018, the contractor must repeat them to obtain updated data essential for finalising the design, which is dependent on current soil conditions. The project is expected to reach the peak of its 'S curve' by 2029 and continue into its final phase through to the end of 2031.

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