

ECONOMY

Rentals Service Tax Reduced for Malaysian Micro, Small and Medium Enterprises (MSMEs)

The Edge – 6 January 2026

The service tax on rentals for MSMEs has been reduced from 8% to 6%, as announced by Prime Minister, Datuk Seri Anwar Ibrahim. The 8% rate, which took effect on July 1, 2025, applied to the rental of non-residential premises including offices, warehouses and other commercial assets.

Bank Negara Malaysia (BNM) Adds RM2.5 billion financing for MSMEs

The Edge – 6 January 2026

BNM will provide an additional RM2.5 billion through banks and financial institutions to support financing for MSMEs with a focus on first-time borrowers, bringing the total fund size to RM34.9 billion. As of January 6, 2025, BNM has channelled RM32.4 billion in concessional financing to enhance MSMEs' access to funding through participating financial institutions.

Informal Sector the Primary Focus of Economic Census 2026 (BE 2026)

The Edge – 6 January 2026

BE 2026 places primary emphasis on the informal sector, including hawkers, petty traders, food entrepreneurs and farmers' market traders. Chief Statistician, Datuk Seri Dr Mohd Uzir Mahidin explained that this focus aims to ensure that economic activities previously difficult to track are fully captured and not omitted from the country's official statistics.

International Reserves Rise US\$1.2 billion To US\$125.5 billion As at End-2025

The Edge – 8 January 2026

Bank Negara Malaysia's international reserves increased by US\$1.2 billion to US\$125.5 billion as of December 31, 2025, surpassing the previous peak of US\$124.3 billion recorded on December 15, 2025 and marking the Country's strongest reserves position since 2014.

GOVERNMENT

Service Tax Exemption on Pre-July 2025 Construction Contracts Until June 2027

The Edge – 5 January 2026

The Government has extended the service tax exemption on construction contracts signed before July 1, 2025, by an additional year, until June 30, 2027. The Ministry of Finance announced that this decision was made by Prime Minister, Datuk Seri Anwar Ibrahim as part of the sales and service tax policy updates and confirmed that the construction of religious buildings will continue to be exempt from service tax.

[Five People-Oriented Key Tenets to Drive Rural Development Goals](#)

The Star – 7 January 2026

The Rural and Regional Development Ministry has outlined five key focus areas to guide the planning and implementation of rural development programmes, with the objective of promoting sustainable, values-based and people-centric development. According to Deputy Prime Minister, Datuk Seri Dr Ahmad Zahid Hamidi, these five pillars — People, Place, Productivity, Prosperity and Prophetic — form the core framework of this approach.

PROPERTY

[REHDA Institute CEO Series 2026: Policy Signals Shaping Malaysia's Business Environment](#)

Bernama – 6 January 2026

The **Real Estate and Housing Developers' Association Malaysia (REHDA) Institute** CEO Series 2026 will be held on January 15, 2026, at Le Méridien Petaling Jaya and will focus on economic conditions and policy signals shaping Malaysia's business and investment environment. Marking its 10th edition, the series will be officiated by Finance Minister II, Datuk Seri Amir Hamzah Azizan and will explore key implications for industry strategy, policy alignment, long-term workforce preparedness and national initiatives including Visit Malaysia 2026. **REHDA Institute chairman, Datuk Jeffrey Ng Tiong Lip** said the series also serves as a platform for constructive dialogue, allowing participants to voice concerns and suggest possible policy improvements.

[REHDA Institute to Launch Youth Mentorship Programme in CEO Series 2026](#)

The Edge – 6 January 2026

The **REHDA Institute CEO Series 2026** edition will feature the launch of the REHDA Institute Youth Initiative (RIYI), a structured mentorship programme designed to enhance graduate readiness for the built environment industry. The launch is expected to be officiated by Transport Minister, Anthony Loke Siew Fook, with participation from leading property developers and financial institutions.

CONSTRUCTION

[Worker Shortage Hits Johor](#)

The Star – 7 January 2026

The Johor Master Builders Association indicated that the construction sector is set to face a sharp rise in manpower demand in 2026 as Johor's economy continues to expand rapidly. Its president, Dr Kong Weng Keong, remarked that although the State's strong development momentum is positive, it has exacerbated the manpower shortages the sector has been experiencing since early 2025.

RI - Weekly News is published by REHDA Institute

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