

RM113M DEAL

PEKAT UNIT BAGS TNB CONTRACT

Work involves the supply of 11 kilovolt motorised ring main units

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PEKAT Group Bhd's unit, EPE Switchgear (M) Sdn Bhd, has bagged a RM113.31 million contract

from Tenaga Nasional Bhd to supply a specialised electrical equipment.

The contract involves the supply of 11 kilovolt motorised ring main units with interconnectors and remote control boxes in various configurations, according to

a bourse filing.

The two-year contract beginning Dec 29, 2025, includes a performance security of RM5.67 million, a five per cent of the contract value, within 28 days from the date of the contract.



The two-year contract beginning Dec 29, 2025, includes a performance security of RM5.67 million. PIC FROM EPE SWITCHGEAR (M) SDN BHD WEBSITE

"The contract secured is expected to contribute positively towards the future earnings, earnings per share and net assets

per share of Pekat for the financial year ending Dec 31, 2026, until the expiry of the contract," Pekat said.

SUSTAINED GROWTH

Lessons from 2025, choices for 2026

SERVING in government for close to six years has been a deeply rewarding and humbling journey.

Holding responsibility across both the finance and trade portfolios has offered me a rare vantage point into the realities of economic policymaking — where ambition must constantly be balanced against constraint, and long-term reform often competes with short-term pressures.

My baptism of fire during the Covid-19 crisis reinforced a simple truth: economic management is never conducted under ideal conditions.

Policymakers operate within fiscal limits, social realities and external shocks beyond their control. Decisions are rarely about perfect outcomes. More often, they involve trade-offs, sequencing and sustaining confidence during uncertainty.

Crises, I learned, do not reward noise. They reward delivery.

A Consequential Asean Year

In 2025, these realities became clear. Malaysia's Asean chairmanship unfolded amid rising geopolitical tensions, renewed protectionism, and a fragmented trading system shaped by unilateral reciprocal tariffs from the United States.

I witnessed first-hand how Prime Minister Datuk Seri Anwar Ibrahim steered Asean through this difficult period with steadiness and clarity, balancing diplomacy, economic priorities, and regional cohesion at a time when multilateralism was under strain.

His leadership helped safeguard Asean's relevance.

I also led Asean's economic pillar during this turbulent period.



TENGKU ZAFRUL
ABDUL AZIZ

The introduction of reciprocal tariffs carried real consequences for trade flows, investor confidence, and export-oriented economies such as Malaysia.

Navigating this required pragmatism, regional coordination, and constant awareness of domestic impact.

Against this backdrop, Malaysia moved decisively to conclude the Agreement on Reciprocal Trade, restoring predictability for businesses, securing better tariff treatment, and giving investors confidence in an increasingly fragmented global economy.

For these reasons, 2025 was a consequential year for Asean and for Malaysia's role within it. But positioning is not the final objective. The real test is how these gains translate into tangible benefits for Malaysians.

Macroeconomic Strength, Everyday Pressures

From a macroeconomic perspective, Malaysia performed steadily in 2025. Growth is estimated at the upper end of the four to five per cent range, inflation moderated to around 2.5 per cent, and unemployment re-

mained contained at roughly three per cent.

Trade exceeded RM2.8 trillion, driven by electrical and electronics, advanced manufacturing, logistics, and services. Approved investments reached a record RM285.2 billion in the first nine months of the year, bucking global trends.

These figures reflect confidence in Malaysia's fundamentals and in our positioning within Asean. But numbers alone do not tell the full story.

For many Malaysians, especially in urban areas, macroeconomic stability coexists with rising day-to-day pressure.

Middle-income households, particularly young families, are facing higher housing costs, childcare expenses and transport burdens. While inflation has moderated, prices have not fallen. Wage growth has lagged behind the cost of living.

When the middle class feels squeezed, consumption weakens, entrepreneurship declines, and long-term growth potential erodes.

Underemployment, especially among graduates, further compounds the issue. A strong middle class is therefore not merely a social aspiration, it is an economic building block, and a necessity.

Making Openness Work for Malaysians

This is why, in my current role as Malaysian Investment Development Authority chairman, the emphasis remains on attracting quality investments with real domestic spillovers.

Approvals alone are not enough. They must translate into real pro-

jects, real jobs, skills transfer, stronger local supply chains, and ultimately, wage growth.

As economist Dani Rodrik argues, the real challenge for countries is not choosing between markets and governments, but combining them in ways that reflect domestic realities and sustain social consent.

Supporting the middle class is not about huge subsidies.

It is about expanding opportunity, from lowering barriers to entrepreneurship, aligning skills with industry needs, to ensuring that wage growth becomes a policy outcome rather than an assumption.

Reform, Discipline, and Trust

Fiscal discipline remains essential. Malaysia's deficit has narrowed from pandemic levels to 3.8 per cent of GDP, but remains elevated, making continued prudence unavoidable.

Structural reforms, including subsidy rationalisation, must continue. But reform succeeds only when it is properly executed.

For households already under pressure, reform cannot feel like a steady erosion of purchasing power without credible pathways to better incomes.

Trust also depends on strong institutions. Recent court judgments in high-profile cases have reaffirmed the independence of Malaysia's judiciary.

While not every decision will satisfy all quarters, respect for due process and the rule of law is fundamental.

From Positioning to Performance

If 2025 was about positioning

Malaysia in a shifting global landscape, then 2026 must be about conversion, i.e. turning capital inflows into exports, investment approvals into productive capacity and growth into sustained income gains for the rakyat.

The Madani government enters this phase with clarity of purpose. The 2026 Budget and 13th Malaysia Plan provide a coherent framework for strengthening household resilience, improving competitiveness and raising investment quality. What matters now is execution.

Most Malaysians that bear existential challenges daily expect honesty, empathy and practical solutions.

So, what is our way forward? Malaysia enters 2026 from a position of relative strength: a diversified economy, improving macroeconomic stability and stronger regional standing.

With discipline, policy consistency and focus, growth can be sustained and made more meaningful. At the same time, it must be recognised that recent gains were made possible by political stability under the unity government.

If Malaysia succeeds in converting stability into sustained performance and reform into real results, then 2026 can mark a genuine turning point: a year when progress is measured not just by numbers, but by tangible improvements in opportunity, security, and enhanced prosperity for all Malaysians.

The writer is Malaysian Investment Development Authority chairman and former investment, trade and industry minister