

THE INSTITUTION OF ENGINEERS, MALAYSIA

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PRESS RELEASE

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“IEM WELCOMES BUDGET 2027, CALLS FOR STRONGER ENGINEERING CAPABILITIES, QUALITY INFRASTRUCTURE AND TALENT DEVELOPMENT”

KUALA LUMPUR, 10 OCTOBER 2026 – The Institution of Engineers, Malaysia (IEM) welcomes Budget 2027 tabled by Prime Minister and Minister of Finance, YAB Dato’ Seri Anwar Ibrahim, particularly its commitment towards strengthening national infrastructure, energy security, industrial development, digital transformation and human capital development.

With RM83 billion allocated for federal development expenditure, alongside major investments in electricity infrastructure, transportation, digital connectivity and high-technology industries, IEM views Budget 2027 as an important opportunity to strengthen Malaysia’s engineering capabilities and long-term economic competitiveness.

However, IEM emphasises that the success of these investments must be measured not merely by the amount spent, but by the quality, safety, reliability and sustainability of the infrastructure and technologies delivered.

Engineering Talent: Investing in the People Who Build the Nation

IEM welcomes the Government’s initiatives to improve remuneration, including the proposed RM2,500 monthly wage floor for graduates and semi-skilled workers, as well as the commitment by government-linked companies to increase their living-wage benchmark to RM3,400.

Nevertheless, IEM believes that greater emphasis must be placed on attracting, developing and retaining engineering talent, particularly as Malaysia accelerates investments in semiconductors, data centres, advanced manufacturing and energy infrastructure.

IEM calls for stronger collaboration between the Government, industry, academia and professional institutions to establish competitive remuneration frameworks, structured professional development pathways and specialised engineering training programmes. Malaysia’s aspiration to become a high-income, high-technology nation must be supported by a competent, professionally developed and adequately rewarded engineering workforce.

Infrastructure Development: Quality and Safety Must Remain Paramount

IEM welcomes the Government's substantial investments in critical infrastructure, including the RM15 billion national electricity grid investment, RM5 billion for digital connectivity under JENDELA, and continued development of transportation, water supply, flood mitigation and rural infrastructure.

IEM stresses that infrastructure development must prioritise engineering quality, public safety, reliability, environmental sustainability and long-term operational performance. In this regard, IEM advocates stronger project governance, appropriate engineering supervision, independent technical reviews for critical infrastructure and the adoption of life-cycle value considerations in project planning and procurement.

The Institution also supports fair contractual arrangements, appropriate price adjustment provisions and procurement practices that recognise professional engineering competency and responsibility.

Strengthening Malaysian Engineering Capabilities

As Malaysia attracts substantial investments in high-technology industries and strategic infrastructure, IEM encourages greater participation of Malaysian engineers and local engineering consultancy firms in major national projects. Such participation should extend beyond project implementation to include engineering design, innovation, technology development, testing, commissioning and project management.

IEM believes that strategic investments should create opportunities for technology transfer, professional competency development and the growth of Malaysian engineering firms. Malaysia must not only attract world-class investments but also develop world-class Malaysian engineering capabilities.

Energy Security, Sustainability and Digital Transformation

IEM welcomes the Government's continued emphasis on electricity infrastructure, renewable energy, green technology and digital connectivity. The increasing demand for electricity from data centres, advanced manufacturing and other emerging industries underscores the importance of strengthening Malaysia's energy security and grid reliability.

IEM supports continued investment in energy-efficient technologies, renewable energy integration, energy storage systems and sustainable engineering solutions. At the same time, IEM encourages the accelerated adoption of Artificial Intelligence, Building Information Modelling, automation and other emerging technologies to improve engineering productivity, innovation and competitiveness.

IEM's Five Recommendations

- 1. Strengthen Engineering Talent Development and Retention.** Promote competitive engineering remuneration, structured professional development and specialised technical competency programmes to ensure Malaysia has sufficient qualified engineers for its growing infrastructure and industrial needs.
- 2. Prioritise Quality, Safety and Life-Cycle Value in Infrastructure Development.** Strengthen engineering governance, technical supervision and quality assurance while ensuring infrastructure investments deliver long-term reliability, sustainability and public benefits.
- 3. Enhance Malaysian Engineering Participation in Strategic National Projects.** Encourage greater involvement of local engineering professionals and consultancy firms, supported by technology transfer, knowledge sharing and capacity development.
- 4. Accelerate Energy Transition, Digitalisation and Engineering Innovation.** Strengthen engineering capabilities in electricity infrastructure, renewable energy, energy efficiency, AI, automation and advanced manufacturing.
- 5. Promote Fair and Competency-Based Engineering Procurement.** Encourage procurement practices that recognise professional competency, quality, fair remuneration and appropriate contractual risk allocation to safeguard project delivery and public interest.

IEM's Commitment

Aligned with IEM IMPACT 2030, the Institution remains committed to collaborating with the Government, industry and academia to advance engineering excellence, strengthen professional competencies and promote sustainable national development.

IEM stands ready to contribute its technical expertise, professional networks and engineering knowledge towards ensuring that Budget 2027 initiatives deliver meaningful and lasting benefits to the nation.

"Malaysia's future will be shaped not only by the investments we attract, but by the engineering capabilities we develop and the quality of infrastructure we deliver."

IEM's Response & Recommendations for Budget 2027

KEY INFRASTRUCTURE ALLOCATIONS (BUDGET 2027)



For Federal Development

Allocated to advance national infrastructure, transportation, and high-technology industry growth.

Electricity Grid Investment

Dedicated to boosting national energy security, grid reliability, and renewable integration.



For Digital Connectivity

Fund allocated under JENDELA to accelerate national digital transformation and connectivity.



IEM'S STRATEGIC RECOMMENDATIONS



Develop and Retain Engineering Talent

Establish competitive remuneration frameworks and structured professional development pathways for engineers.



Prioritise Quality and Local Participation

Mandate life-cycle value considerations and increase local consultancy involvement in major projects.



Adopt Competency-Based Procurement

Implement fair contractual arrangements and procurement practices that recognize professional engineering qualifications.

Gemini Notebook

*For further information on this Press Release or
The Institution of Engineers, Malaysia, kindly call the IEM Secretariat Office
at 03-78900130 or email to sec@iem.org.my.*



About the IEM

The Institution of Engineers, Malaysia (IEM) is a professional learned society organisation established to promote the science and profession of engineering in any of its disciplines and to facilitate the exchange of information and ideas related to engineering. Founded in 1959 and with a membership of over 45,000 today, IEM constitutes one of the largest professional organisations in the country. Amongst its many roles, the Institution plays an active part in supporting various sustainable socio-economic development of the country and in nation building. It represents the aspirations of its members, acts in the best interests of the public of whom its members serve whilst upholding the standing and image of the profession.

