

MALAYSIA BUDGET 2026

A COMPREHENSIVE
ANALYSIS OF THE IMPACT
ON THE SPORTS INDUSTRY



Malaysia Budget 2026: A Comprehensive Analysis of the Impact on the Sports Industry

Published by Sportswork Group Sdn Bhd

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Sportswork Group Sdn Bhd
Sports Advisory | Venue Management | Project Management | Sports Marketing
Breathing life into sport, Bringing sport to life

Website: www.sportswork.net

Email: info@sportswork.net

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This report has been prepared by Sportswork Group Sdn Bhd (“**Sportswork**” or “**sportswork**”) as an independent analysis of Malaysia's Budget 2026 and its implications for the sports industry. The information contained herein is based on publicly available government documents, official budget announcements, and verified industry sources available as of October 2025.

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The analysis, opinions, and recommendations contained in this report represent the professional assessment of Sportswork and are intended to contribute to public understanding of Malaysia's sports industry and its development.

Data Sources and Methodology

This analysis is based on primary sources including:

- Official Malaysian Government budget documents (belanjawan.mof.gov.my)
- The 13th Malaysia Plan (RMK-13) strategic framework
- Verified reports from established Malaysian media organisations
- Official statements from government ministries and sports organisations

All financial figures are presented in Malaysian Ringgit (RM) unless otherwise specified. Data accuracy has been cross-verified against multiple official sources where available.

Contact Information

For inquiries regarding this report or Sportswork's sports advisory services:

Sportswork Group Sdn Bhd

B1-2-9, Block B1,
No. 1 Jalan Dutamas 1, Solaris Dutamas,
50480 Kuala Lumpur, Malaysia

Website: www.sportswork.net

Email: info@sportswork.net

Foreword from Sportswork's Founder

A Community Budget for Sport

Budget 2026 is Malaysia's community budget for sport. It is framed in the opening year of the Thirteenth Malaysia Plan (2026–2030) ("RMK-13"), a plan that explicitly calls for greater rakyat participation in sport and the elevation of sporting excellence as a nation-building priority. In other words, RMK-13 sets the policy compass; this Budget is the first decisive step along that route.

Malaysia enters this cycle with a sports economy that is already substantial and diversifying. According to the Department of Statistics Malaysia's (DOSM) Sports Satellite Account, the sports industry generated RM49.5 billion in economic activity in 2022, of which RM19.6 billion was gross value added, supporting around 194,400 jobs. These data reaffirm sport as both a social good and a productive sector that spans services, events, goods, facilities and media.

On the demand side, the latest Household Expenditure Survey (HES) 2024 shows Malaysian households now spend an average of RM5,566 per month. Within that budget, sport-related purchases sit inside the broader Recreation, Sport & Culture basket tracked by DOSM, totalling RM179 monthly. While the published top line does not isolate a single "sport" figure, the direction is clear: as household spending has recovered and lifestyles normalise post-COVID-19, discretionary leisure and recreation are rising, creating fertile ground for community clubs, local event organisers, coaching microenterprises and municipal facilities to thrive. This is a much needed long term policy led by the Ministry of Youth and Sport to grow and broaden the active lifestyle base; which then enhances the talent pool for elite sport.

Budget 2026 responds to this opportunity with a focused allocation for sport to strengthen performance pathways and community access, covering programmes like Road to Gold and preparations for the 2027 SEA Games and ASEAN Para Games, while maintaining fiscal discipline and encouraging private participation where it delivers better value. This is consistent with the Government's recent stance that mega-events or premium properties should proceed only when commercial partners shoulder the cost, protecting public funds for grassroots needs.

The policy intent is straightforward: liberalise and open up Malaysian sport so that communities, civil society and the private sector can co-create access, quality and scale. In practice, that means lowering barriers for community clubs and academies; simplifying permits for local events and leagues; enabling facility sharing and off-peak pricing at public venues; improving governance so sponsors have confidence; and using data from DOSM's sport accounts and HES to target support where participation is lowest and social returns are highest.

As RMK-13 unfolds, we will measure success not only by medals or marquee events but by how

many Malaysians move more, play more, and belong to local sporting communities, from futsal courts and badminton halls to running groups, senior aerobics, para-sport clubs and school-to-club pathways. Budget 2026 is therefore written with the community at its centre: empowering neighbourhood organisers, unlocking private initiative, and giving every family more reasons, and more places, to be active together. This is how we build a broader base of participation today, a stronger pipeline of talent tomorrow, and a more resilient, values-driven sport industry for the decade ahead.

Nur Jasni Mohamed

Founder, Group Managing Director

sportswork

Preface: Analysis on Malaysia's 2026 Budget's Impact on the Sports Industry

This report provides an analysis of the Malaysia Budget 2026 and its implications for the national sports industry. The analysis synthesises stakeholder perspectives to provide a holistic strategic outlook, looks into the impact of the budget across various sectors, and assesses the opportunities and challenges for key industry players.

Earlier in the year, the 13th Malaysia Plan (2026-2030) ("**RMK-13**"), themed "*Melakar Semula Pembangunan*" (Reshaping Development), established sports as a critical component of Malaysia's comprehensive development strategy. The plan operates under three MADANI economic pillars:

- Raising the ceiling of national growth,
- Raising the floor for inclusive development, and
- Strengthening the foundation for sustainable progress.

Sports as Economic Driver: RMK-13 recognises sports equipment manufacturing as a key component of Malaysia's "**Made by Malaysia**" initiative, emphasising high-value production capabilities. The plan specifically mentions **sports equipment** alongside chemical products, pharmaceuticals, and electric vehicles as priority manufacturing sectors expected to drive 5.8% annual growth in the manufacturing sector.

Unity and Social Cohesion: The plan explicitly identifies **sports activities as a vehicle for fostering unity and solidarity** among Malaysia's diverse population.

"Participation of the rakyat in voluntary and sports activities will be intensified to inculcate the spirit of unity and solidarity,"

RMK-13

Excellence and National Pride: The plan emphasises that "**the excellence of national athletes at the international level will continue to be enhanced to uplift the image of the country and foster a sense of pride among the rakyat,**" aligned with the **Road to Gold** programme's objectives.

Malaysia's 2026 Budget represents the government's first steps towards driving the nation's sports industry towards the goals of RMK-13. With an allocation of **RM584.9 million** marking a **161% increase** from 2024 levels, it is clear the government is invested in the industry's success.

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Budget 2026 Sports Allocation Overview

Total Allocation Breakdown

Budget 2026 allocates **RM584.9 million** specifically for sports development, representing the most comprehensive sports allocation since 2020.

Year	Allocation
2024	RM224 million
2025	RM389.9 million (+74%)
2026	RM584.9 million (+50%)

Core Sports Development Programmes

High-Performance Sports Development:

Year	Allocation
2025	RM120 million
2026	RM150 million (+25%)

The allocation for "*Pemeriksaan sukan berprestasi tinggi yang turut meliputi Program Podium dan Program Road to Gold*" represents a consolidated approach to elite athlete development. This RM150 million envelope encompasses both the established Podium Programme and the Road to Gold initiative, demonstrating a streamlined strategy for Olympic preparation and international competitive excellence.

2027 SEA Games Preparation:

Year	Allocation
2025	NA
2026	RM120 million

The substantial allocation for "*Persediaan bagi Temasya Sukan SEA dan Para ASEAN 2027*" reflects Malaysia's commitment to hosting excellence and regional sports leadership. This investment supports comprehensive preparation for both the SEA Games and Para ASEAN Games, positioning Malaysia as a premier destination for major sporting events.

Para-Athletes and Deaf Sports:

Year	Allocation
2025	RM20 million
2026	RM10 million (-50%)

Although funding has been reduced for "*Pemeriksaan atlet para dan sukan orang pekak*", continued allocation demonstrates the government's continued commitment to athlete support across all categories of competition.

Infrastructure and Facilities: RM304.9 million

Year	Allocation
2025	RM136 million
2026	RM304.9 million (+124%)

The largest single allocation encompasses two critical components:

- **Nationwide Facility Maintenance:** RM280.9 million for "*Penyelenggaraan dan pembaikan kemudahan belia dan sukan seluruh negara*"
- **School Sports Fields:** RM24 million for "*Menaik taraf padang-padang sekolah KPM seluruh negara*"

This infrastructure focus represents 52% of the total sports allocation, indicating a strategic emphasis on building long-term capacity for sports development across Malaysia.

Additional Sports Ecosystem Support

Beyond the core RM584.9 million allocation, Budget 2026 includes supplementary sports-related funding:

National Athletes Welfare Foundation ("YAKEB"):

Year	Allocation
2025	RM2 million
2026	RM1 million (-50%)

A reduced budget was allocated to supporting medical needs and equipment for former national athletes. However we note the government demonstrates continued commitment to athlete welfare beyond active competition.

Community Sports Fund:

Year	Allocation
2025	NA
2026	RM20 million

Designed to stimulate active participation from NGOs, sports clubs, and youth organizations in grassroots sports development.

National Sports Day (*Hari Sukan Negara*):

Year	Allocation
2025	NA
2026	RM3 million

Maintaining the annual celebration of sports participation and national unity through sporting activities.

Community Sports Integration:

Year	Allocation
2025	NA
2026	RM10 million

Supporting unity-building initiatives through sports, including swimming training and martial arts programmes.

Sports Broadcasting:

Year	Allocation
2025	NA
2026	RM66.9 million

Ensuring public access to major sporting events through RTM broadcasting, supporting fan engagement and sports culture development.

Sports Matching Grant:

Year	Allocation
2025	RM30 million
2026	RM30 million (-%)

Dedicated to registered sports associations and NGOs organizing community sports activities with multi-racial participation.

Sports Industry Stakeholder Reactions to Malaysia Budget 2026

Youth and Sports Ministry

Youth and Sports Minister Hannah Yeoh expressed satisfaction with the overall **RM584.9 million** allocation for the sports sector. The Youth and Sports Minister also highlighted the budget demonstrates “continued government support” for the sports sector. She continued by underlining several key aspects:

Rakan Muda Programme Enhancement

- **Increased allocation:** RM40 million for Rakan Muda (60% increase from RM25 million in 2025)
- **Youth unemployment focus:** Programme will target youth unemployment, particularly those struggling with English proficiency
- **Expanded reach:** Additional funding will enable more impactful youth empowerment programmes nationwide
- **District-level impact:** Previous RM25 million was insufficient for special projects at district level

Sports Development Programmes

- **Sports Matching Grant:** Allocation maintained, described as "very important"
- **High-Performance Sport enhancement:** Increased from RM134 million (2025) to RM150 million (2026)
- **SEA Games preparation:** RM120 million allocated for 2027 SEA Games and ASEAN Para Games preparations
- **Government commitment:** Overall allocation demonstrates continued government commitment to sports development

Olympic Council of Malaysia (“OCM”)

OCM President Tan Sri Norza Zakaria has welcomed the 2026 national budget, describing the government's increased allocation for sports as "timely and crucial to Malaysia's sporting ambitions." Key points from OCM's response:

- **Positive reception:** OCM expressed "highest appreciation" for the substantial increase in the 2026 sports budget

- **Programme support:** The additional funding will help strengthen existing high-performance programmes such as Road to Gold, Podium and Pelapis
- **SEA Games preparation:** Funding provided to support Malaysia's preparations to host the 34th SEA Games and 15th ASEAN Para Games in 2027
- **Infrastructure development:** Commended the government's decision to refurbish and maintain sports facilities nationwide
- **Grassroots development:** Lauded plans to upgrade school sports fields under the Ministry of Education as "vital step in nurturing future champions from a young age"

Corporate participation: Welcomed the government's initiative to allow LHDN-approved organisations to channel part of their income towards supporting sporting activities

National Sports Council (“NSC”)

Institutional Perspective

NSC Director-General Jefri Ngadirin characterised the increased allocation as "a timely boost to strengthen athlete development at all levels – from grassroots to elite and para sports," emphasising the comprehensive nature of the investment.

- **Programme Enhancement:** The expanded funding would allow strengthening of training and preparation programmes nationwide, while providing greater support for para athletes and state-level talent development.
- **Strategic Timing:** 2026 represents a crucial year with athletes competing in major events including the ASEAN Para Games in Thailand, Asian Games and Asian Para Games in Aichi-Nagoya, Japan, and Commonwealth Games in Glasgow, Scotland.
- **Government Confidence:** The NSC leadership interprets the allocation as reflecting "the government's confidence in NSC's role in building a stronger sporting ecosystem and producing more world-class athletes."
- **Commitment to Results:** The NSC pledged to "repay the government's trust through stronger performances and wider participation among athletes nationwide," demonstrating accountability for the increased investment.

Badminton Association of Malaysia (“BAM”)

Leadership Response

BAM President Tengku Datuk Seri Zafrul Abdul Aziz expressed strong appreciation for the allocation, describing Budget 2026 as "a boost to sports in the country" and thanking the MADANI government for its commitment to the sports sector.

- **Strategic Impact Assessment:** Multiple beneficiaries of the increased funding, including the Road to Gold Olympic programme, 2027 SEA Games preparations, para sports, deaf sports, sports facilities, and school fields. He specifically praised the RM30 million matching grant for NGOs and national sports associations as a mechanism to "widen the talent base through community sports activities."
- **Sustainability Focus:** The strategic importance of allowing LHDN-approved sports organisations to utilise part of their income for sports activities, viewing this as a pathway to "attract private funding and make our ecosystem more sustainable."
- **Performance Validation:** The success of world champions Chen Tang Jie-Toh Ee Wei and silver medallists Pearly Tan-M. Thinaah is evidence that "investment in sports at the elite level was worthwhile," providing justification for continued high-performance funding.

Industry Analysis Context

Funding Increase Significance

- **Dramatic growth:** RM584.9 million represents a 50% increase from previous year's RM390 million
- **Strategic timing:** Increase comes ahead of hosting the 2027 SEA & ASEAN Para Games
- **Multi-level impact:** Funding covers high-performance sports, grassroots development, and infrastructure

Programme Priorities

1. **High-performance sports:** Road to Gold, Podium, and Pelapis programmes
2. **Major event hosting:** Visit Malaysia 2026 events, 2027 SEA Games and ASEAN Para Games preparation
3. **Infrastructure development:** Sports facilities refurbishment and maintenance
4. **Grassroots development:** School sports field upgrades
5. **Youth empowerment:** Rakan Muda programme expansion
6. **Private Sector engagement:** Sports Matching Grant continuation

Industry-Wide Sports Sector Analysis

High-Performance Sports Sector

The increased allocation towards **high-performance sports**, from RM134 million to **RM150 million** demonstrates the government's commitment to athletes' competitive edge at Olympic and

international competition. This funding boost directly benefits National Sports Associations (“NSAs”), elite athlete development programmes, and performance support services.

The allocation specifically targets strengthening existing programmes including **Road to Gold, Podium, and Pelapis** initiatives among others. These programmes form the backbone of Malaysia's elite sports development, supporting athletes from identification through to international competition. The increased funding enables expanded athlete scholarships, enhanced coaching development, improved sports science support, and upgraded training facilities. NSAs can expect increased government support for their high-performance athletes, creating opportunities for enhanced athlete development pathways.

Major Event Hosting and Infrastructure

Malaysia's preparation to host the **34th SEA Games and 15th ASEAN Para Games in 2027** receives substantial support through the **RM120 million** allocation specifically designated for these events. This represents a significant investment in event management capabilities, venue development, and operational readiness. The hosting of these major regional sporting events creates extensive opportunities across multiple industry sectors.

The infrastructure development component extends beyond major event venues to encompass **nationwide sports facility refurbishment and maintenance**; reflected by an allocation of **RM280.9 million**, a major increase from RM136 million the previous year. This creates opportunities for construction companies, sports equipment suppliers, facility management services, and technology providers.

A further **RM24 million** has been allocated under the Education Ministry, specifically for upgrading school sports fields. This allocation further expands the infrastructure development scope, creating a pipeline of projects across educational institutions nationwide.

Grassroots and Community Sports Development

The government's focus on promoting sports as a way of life among Malaysians aligns with growing health consciousness and lifestyle trends. As such, the **RM50 million allocation for community fitness programmes and wellness initiatives** represents a significant expansion of grassroots sports development. This funding creates opportunities for community sports organisations, local sports clubs, and recreational facility operators.

Furthermore, the expansion of the Rakan Muda programme, with a **60% increase to RM40 million**, specifically targets youth engagement and empowerment through sports and recreational activities. The programme's focus on addressing youth unemployment through sports-related skills development creates new market segments for sports training and education services.

Sports Technology and Innovation Sector

The broader Budget 2026 emphasis on digitalisation and technology innovation creates significant opportunities for the sports technology sector. **The 50% additional tax deduction for AI and cybersecurity training enables sports organisations to invest in technological capabilities.** Sports analytics, performance monitoring systems, and digital fan engagement platforms benefit from the government's technology adoption incentives.

The allocation of RM53 million under the **Malaysia Digital Accelerator Grant provides opportunities for sports technology startups and innovation companies.** Sports-related applications of blockchain, artificial intelligence, and quantum technologies can access this funding to develop cutting-edge solutions for athlete performance, fan engagement, and sports administration.

Sports Tourism and Events Industry

The government's support for domestic tourism through the **RM1,000 tax relief for entrance fees to local tourism centres and cultural programmes** creates opportunities for sports tourism development. This is a strategic move in view of Visit Malaysia Year 2026. Sports events, recreational activities, and adventure sports can benefit from increased domestic travel and recreational spending.

The RM10 million allocation for organising concerts to attract foreign tourists indicates broader government support for the events industry. Sports event organisers, venue operators, and tourism service providers can leverage these incentives to develop comprehensive sports tourism packages.

The combination of increased sports funding and tourism incentives creates synergies for **developing Malaysia as a regional sports tourism destination**, particularly in the lead-up to hosting the 2027 SEA Games.

Private Sector Sports Involvement

The maintenance of the Sports Matching Grant programme provides continued support for private sector involvement in sports development. This programme enables corporations to contribute to sports development whilst receiving government matching funds, creating public-private partnerships in sports investment. The initiative allowing LHDN-approved organisations to channel part of their income towards sporting activities further encourages corporate sports sponsorship and investment.

Private sports clubs, fitness centres, and recreational facilities stand to benefit marginally from the increased consumer spending power resulting from the RM100 Sara Aid programme and various tax relief measures. The stable economic environment, with stable inflation projected at 1.3% to 2.0%, supports discretionary spending on sports and recreational activities.

Sports Education and Training Sector

The emphasis on upgrading school sports fields and facilities creates opportunities for sports education providers, coaching development programmes, and youth sports training organisations. The integration of sports development with educational infrastructure ensures a pipeline of young athletes and sports enthusiasts. Sports education providers can develop programmes that align with the enhanced school sports infrastructure.

The focus on **English proficiency within the Rakan Muda programme creates opportunities for sports education providers to develop bilingual sports training programmes.** This addresses the identified need for English language skills among youth whilst promoting sports participation and skill development.

Equipment and Retail Sector

The substantial increase in sports funding creates downstream demand for sports equipment, apparel, and related products. **NSAs and training programmes require enhanced equipment and facilities, creating opportunities for sports equipment suppliers and retailers.** The infrastructure development projects generate demand for facility equipment, safety systems, and maintenance services.

The consumer spending incentives, including cash aid and tax relief measures, support sustained retail spending on sports and recreational products. Sports retailers should **develop marketing strategies that help consumers maximise the benefits of the new tax relief measures** whilst promoting active lifestyles and sports participation.

Sports Industry Opportunities and Challenges Analysis

National Sports Associations

Opportunities

NSAs are provided with ample opportunities with the 40% increase in sports development funding. The increased funding for the **High-Performance Sports** programmes provides expanded resources for athlete development, coaching enhancement, and international competition preparation. **Associations can access increased government support for high-performance programmes whilst leveraging the Sports Matching Grant to attract private sector partnerships.** The preparation for the 2027 SEA Games creates additional funding streams for sports development and facility enhancement.

The government's initiative allowing LHDN-approved organisations to channel income towards sporting activities opens new revenue streams for associations. This mechanism enables corporate partners to contribute more effectively to sports development whilst receiving tax benefits. **Associations should develop comprehensive partnership packages that combine government funding, corporate contributions, and private sector expertise.**

Challenges

The dramatic funding increase should reflect increased expectations for performance and accountability for NSAs. NSAs must demonstrate effective utilisation of increased resources through measurable improvements in athlete performance and programme outcomes. **Additionally, development of specific reporting mechanisms to demonstrate transparency and accountability are highly recommended.** The competitive environment for accessing enhanced funding requires associations to develop sophisticated proposal writing capabilities and strategic planning expertise.

The preparation timeline for the 2027 SEA Games creates pressure to deliver results within a very compressed timeframe, relative to 2017. Associations and MASOC must rapidly scale their operations and demonstrate readiness to demonstrate their capabilities at the highest regional level.

Private Sports Facilities and Clubs

Opportunities

The marginal increase in consumer spending power resulting from the **RM100 Sara Aid programme and tax relief measures** creates opportunities for private sports facilities to expand their membership base and service offerings. The government's emphasis on promoting sports as a way of life aligns with growing health consciousness and lifestyle trends. These factors drive demand for private fitness and recreational services.

The Sports Matching Grant programme enables private clubs to access government co-funding for community sports programmes and facility development. Clubs can develop partnerships with government agencies and corporate sponsors to enhance their facilities and expand their programme offerings. The stable economic environment supports discretionary spending on sports and recreational activities.

Challenges

The substantial increase in government sports funding may create competitive pressure from enhanced public facilities and programmes. Private facilities must differentiate their offerings through superior service quality, specialised programmes, and premium amenities. The need to compete with government-subsidised programmes requires private operators to demonstrate clear value propositions and unique benefits.

The mandatory e-invoicing implementation creates operational adjustments and compliance requirements for private sports businesses. Facilities must invest in appropriate systems and training to ensure compliance whilst maintaining operational efficiency.

Sports Equipment and Retail Sector

Opportunities

The increased funding and grants for sports-related activities, creates indirect **downstream demand for equipment, apparel, and facility supplies** across national sports programmes and infrastructure development projects. Retailers can develop specialised product lines and services targeting the enhanced government sports programmes and facility upgrades. The consumer spending incentives support retail sales of sports and recreational products.

The **school sports field upgrades** create opportunities for equipment suppliers to develop educational sector partnerships and bulk supply arrangements. Retailers can leverage the new tax

relief measures to develop marketing campaigns that help consumers maximise benefits whilst promoting sports participation.

Challenges

The increased government procurement may favour established suppliers with proven track records and competitive pricing capabilities. **Smaller retailers may face challenges competing for large-scale government contracts without significant investment in capacity and capability development.** The government should take required measures to ensure the smaller retailers are adequately considered, in line with RMK-13's focus on supporting SME growth.

The need to support both government and consumer retail demands may strain inventory management and supply chain capabilities. Retailers must balance the opportunities of increased demand with the operational challenges of serving diverse market segments simultaneously.

Sports Technology and Innovation Companies

Opportunities

The **RM53 million Malaysia Digital Accelerator Grant** creates funding opportunities for sports technology startups and innovation companies. The **50% additional tax deduction for AI and cybersecurity training** enables sports organisations, **including NSAs** to invest in technological solutions, creating market demand for innovative products and services.

The preparation for major international events such as the SEA and ASEAN Para Games in 2027, as well as Sports Tourism events, creates demand for advanced sports analytics, performance monitoring systems, and digital fan engagement platforms. This space is in its infancy in Malaysia, and technology companies have the opportunity to develop specialised solutions for these needs.

Challenges

The competitive landscape for technology grants requires companies to demonstrate clear commercial viability and scalability potential. The need to align with government priorities and demonstrate measurable impact creates pressure for rapid product development and market validation.

The sports industry's traditionally conservative approach to technology adoption may create challenges in achieving widespread market penetration. Technology companies must invest in education and demonstration programmes to build market acceptance and adoption.

Event Management and Sports Tourism Operators

Opportunities

The **RM120 million allocation for SEA Games preparation** creates extensive opportunities for event management companies to secure contracts for venue operations, logistics coordination, and spectator services. The government's **support for domestic tourism through its RM1,000 tax relief measures** creates opportunities for sports tourism package development.

The **RM10 million allocation for concert organisation** indicates broader government support for the events industry, creating synergies for sports event operators. Companies can develop **integrated entertainment and sports event offerings that leverage multiple funding streams and market opportunities.**

Challenges

The high-profile nature of international sporting events creates significant reputational risks and performance pressures. Event management companies must demonstrate exceptional capabilities and risk management expertise to secure major contracts. **The compressed preparation timeline requires rapid capability scaling and resource mobilisation.**

The need to coordinate with multiple government agencies, international sporting bodies, and commercial partners creates complex stakeholder management challenges. Event operators must develop project management and communication capabilities to navigate the complex requirements of major international events.

Community Sports Organisations

Opportunities

The **RM50 million allocation for community fitness programmes** creates **direct funding opportunities for grassroots sports organisations.** The **expanded Rakan Muda programme provides resources for youth engagement and empowerment through sports activities.**

Community organisations can access government support for facility development, programme delivery, and equipment procurement.

The emphasis on sports as a unifying force and community development tool aligns with the core mission of community sports organisations. These groups can position themselves as key partners in delivering government sports and wellness initiatives at the local level.

Challenges

The increased funding creates heightened expectations for programme delivery and community impact. **Community organisations must develop enhanced administrative capabilities and reporting systems to manage funding effectively.** The need to demonstrate measurable outcomes and community benefits requires investment in monitoring and evaluation capabilities.

The competitive environment for community funding requires organisations to develop sophisticated proposal writing and partnership development skills. Smaller community groups may face challenges competing with larger, more established organisations for available funding.

Conclusion

Budget 2026's sports allocation represents a strategic alignment between immediate sports development needs and long-term national development objectives outlined in RMK-13. The dramatic 40% increase year-on-year in sports development funding to RM584.9 million signals the government's commitment to sporting excellence as well as overall socio-economic wellbeing.

The industry's positive reception, led by key stakeholders like OCM, NSC, and BAM underscores the transformative potential of this budget. However, the significant funding increase also brings heightened expectations for performance, accountability, and effective resource management. It also demonstrates a recognition that this investment transcends traditional sports funding to encompass economic development, social cohesion, and regional leadership positioning.

The substantial investment creates a wave of opportunities across the entire sports ecosystem, from elite athlete development and major event hosting to grassroots programmes and infrastructure enhancement. The budget's dual focus on sports development and broader economic support, including substantial SME grants and consumer spending incentives, provides a powerful catalyst for growth and innovation.

The ball is now squarely in the court of the industry players. In order to capitalise on the opportunities presented, all parties must adopt a strategic game plan, enhance their operational capabilities, and foster collaborative partnerships across the industry. There will also be increased competition and the pressure to deliver measurable outcomes across all metrics, from athletes, to venues, and fan engagement. These will require an innovative and proactive approach from all stakeholders.

By aligning with the government's strategic priorities, embracing innovative thinking, and demonstrating a commitment to strategic development, **sportswork** believes the sports industry is well-positioned to achieve growth in 2026.

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Contact Us

Nur Jasni Mohamed

Founder, Group Managing Director

jasni@sportswork.net

Azlan Zabidi

Chief of Strategy & Innovation

azlan@sportswork.net

Address:

B1-2-9, Block B1,
No. 1 Jalan Dutamas 1, Solaris Dutamas,
50480 Kuala Lumpur, Malaysia

Website:

sportswork.net

Contact No.:

+603 6411 6411

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