



MINISTRY OF TRANSPORT
MALAYSIA

MEDIA RELEASE
MINISTRY OF TRANSPORT MALAYSIA
LAUNCH OF MATCHING GRANT PROGRAMME FOR REPLACEMENT OF OLD VEHICLES

PUTRAJAYA, 27 January 2026 – The MADANI Government, through the Ministry of Transport Malaysia (MOT), today launched the Matching Grant Programme for the Replacement of Old Vehicles, a strategic initiative aimed at encouraging ownership of safer, more efficient, and environmentally friendly vehicles, while stimulating the growth of the domestic automotive industry and easing the cost-of-living burden on the people.

The programme was officially launched by YB Loke Siew Fook, Minister of Transport and was attended by ministry officials and key leaders from Malaysia's automotive industry.

Through the Budget 2026, the Government has allocated RM10 million to assist approximately 5,000 vehicle owners to replace their old vehicles of more than 20 years with newer, more modern, safer, energy-efficient, and environmentally friendly vehicles.

Under this programme, eligible recipients will receive a matching grant of up to RM2,000, which will also be matched by participating local vehicle manufacturers. This approach not only reduces the cost of purchasing a new vehicle but also ensures that Government's assistance delivers a more meaningful and sustainable financial impact for the people.

REDUCING ACCIDENT RISKS & PROTECTING LIVES

This programme forms part of the Government's ongoing efforts to reduce the number of old vehicles that are no longer safe for use on the roads, thereby lowering accident risks and protecting the lives of road users.

Old vehicles are generally more prone to mechanical failures, lack modern safety features, and do not meet current safety standards. Therefore, replacing aging vehicles through this programme is seen as a high-impact road safety intervention.

The Government stresses that road safety is a matter of life and death, and every old vehicle removed from the road under this programme represents one less safety risk, contributing to the well-being of the rakyat.





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TRANSPARENT DISPOSAL VIA E-DEREG & AATF

The implementation of this programme is further strengthened through the use of the Online Vehicle Deregistration System (e-DeREG) by the Road Transport Department (JPJ), enabling a digital, fast, and transparent deregistration process without requiring physical visits to service counters.

Old vehicles surrendered under this programme will be disposed of legally through Authorised Automotive Treatment Facilities (AATF) — licensed disposal centres that ensure vehicles are scrapped in a controlled, professional manner and in compliance with environmental standards.

Through the AATF mechanism, vehicle disposal will:

- Prevent misuse of vehicle identities and registration numbers;
- Ensure old vehicles do not illegally return to the roads;
- Safely manage waste and recyclable components; and
- Support environmental sustainability and the circular economy.

This initiative also helps reduce abandoned vehicle issues, improve environmental cleanliness, and enhance the image of cities and communities.

BENEFITS TO THE PUBLIC & THE LOCAL AUTOMOTIVE INDUSTRY

In addition to providing direct benefits to the public through reduced vehicle purchase and maintenance costs, the programme will also:

- Support the growth of the local automotive industry;
- Stimulate domestic demand and economic activity;
- Create job opportunities in the automotive and recycling sectors; and
- Contribute to more sustainable and inclusive national economic growth.

Eligible members of the public are encouraged to seize this opportunity to own safer vehicles, reduce long-term costs, and jointly contribute to safer roads and a cleaner environment.

Further details on eligibility requirements and application mechanisms will be announced by the Ministry of Transport Malaysia in due course.

MINISTRY OF TRANSPORT MALAYSIA
27 JANUARY 2026

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About MOT:

The Ministry of Transport Malaysia has determined to be the leader of an integrated, efficient and secure transportation system by empowering technology-based transportation systems as the catalyst for national development.

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