



MEDIA STATEMENT

**YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
MINISTER OF FINANCE**

40th LAKSANA REPORT

**IMPLEMENTATION OF
BUDGET 2021, PERMAI,
KITA PRIHATIN, PENJANA AND PRIHATIN**

10 February 2021



INTRODUCTION

1. We meet again for the 40th LAKSANA Report. I hope everyone out there is safe at home, or at the office for those who are still allowed to work in the office. Amidst this pandemic, do continue to our maintain our discipline in self-care in your daily life.
2. This report will start off with a review on current issues, followed by the status of implementation of key Government initiatives namely PERMAI Assistance Package, Budget 2021, PENJANA Economic Stimulus Package, and KITA PRIHATIN Assistance Package. The ongoing implementation status of the PRIHATIN Package initiative can be referred to in Appendix 1.
3. Before I begin this 40th LAKSANA Report, allow me to recap that the Ministry of Finance's initiatives, including the 2021 Budget, revolve around three main themes i.e., **People's Welfare, Business Continuity and Economic Resilience**. Recently, this approach was further expanded through the PERMAI Assistance Package designed to expedite and expand the scope of delivery, as well as increase allocations, where necessary.

4. This is the Government's role - to ensure that all financial and material needs are available. The good news is that the 2021 Budget and PERMAI initiatives have already begun, and I would like to share the benefits of these initiatives that touch on various aspects of our community.

BUDGET 2021 & PERMAI ASSISTANCE PACKAGE

A. Managing the COVID-19 Pandemic

5. The priority for us now is our effort to alleviate the impact of COVID-19. In this regard, I urge all parties to not compromise on violations of, or non-adherence to SOPs. The Ministry of Health's COVID-19 screening capability has also been enhanced. As of February 5, nearly 1.2 million tests have been conducted with a cumulative total of over 6.4 million tests.
6. **The 2021 budget also allocated RM1 billion additional funding and allocation focused on supplies such as additional reagents and screening kits, as well as PPEs especially for health workers. We hope that with the increase in screenings, following instructions to employers to conduct screening tests on their employees, we can identify those with symptoms faster, enabling speedier isolation to curb the spread of the pandemic.**
7. **Although employers have to bear the cost of the COVID-19 screening, the PERMAI Assistance Package allows them a double tax deduction for that cost, while SOCSO will cover the cost of screening foreign workers in red zones.** This tax exemption incentive is also enjoyed by individuals for COVID-19 screening expenses.
8. **Through the PERMAI Assistance Package's additional allocation of RM3.25 billion for 2021 to address the COVID-19 pandemic, the Ministry of Health has also applied to the Public Service Department to increase their number of health workers by 11,280 to address the COVID-19 pandemic and maintain their service quality. Equally important is to safeguard the frontliners' well-being. To this end, the PERMAI Assistance Package has also approved the recruitment of 3,500 health workers beginning end-January 2021.**

B. National Employment Council: 500,000 New Job Opportunities

9. The Government acknowledges the 4.8% unemployment rate for December, which is the same for November 2020. However, what is more important is the **Government's efforts in generating economic growth and 500,000 job opportunities in 2021, despite the highly challenging environment.** This increase in the number of health workers can also be considered as one of the Government's initiatives to create new employment opportunities in the 'critical employment' category.
10. In this regard, the **National Employment Council**, which met for the second time on February 9, has estimated that more than 160,000 new jobs will be created in 2021

through committed investments, InsyaAllah. It is hoped that through the joint efforts of all parties involved, the unemployment rate of 4.8% recorded at end-December 2020 can be reduced in the coming months, especially with the Government's ongoing efforts such as the MyFutureJobs portal (<https://www.myfuturejobs.gov.my/>) and the Ministry of Human Resources' e-LATiH platform (<https://latih.hrdf.com.my/>).

C. Social Security

11. We are also pleased to announce that the PRIHATIN MySalam initiative (<http://mysalam.com.my/>) has approved 67,000 COVID-19 related claims, with a total value of RM35 million as at end-January 2021. As announced in the PRIHATIN Package, mySalam hospitalisation benefits – for coverage of RM50 per day for a maximum period of 14 days – have been extended to those admitted into hospitals due to COVID-19, or instructed to quarantine either at MOH quarantine centres or at home.
12. The Government notes the encouraging response to the MySalam scheme, as a form of social security net for about 8 million low-income and differently abled people. The scheme covers the treatment for 45 critical illnesses, and reflects the Government's commitment to the people's well-being, especially in dealing with COVID-19 infections at present.

PENJANA (National Economic Recovery Plan)

Ladies and Gentlemen,

13. I will now review the PENJANA Package as of 29 January, 2021. This package is based on three objectives, namely **Empowering the People, Propelling Businesses, and Stimulating the Economy.**

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

14. **First**, touching on the Objective of Empowering the People, **the Phase One Wage Subsidy Program (PSU 1.0) is still ongoing.** The program has achieved a distribution value of **RM12.757 billion** for **322,177 employers** and **2.64 million registered employees.**

PSU 1.0

Date As Of	Amount Approved* (RM billion)	No. of Employees* (million)	No. of Employers*
29 January	12.757**	2.640	322,177
25 December	12.682**	2.640	322,177
27 November	12.524**	2.640	322,177
30 October	12.255	2.639	322,175
25 September	11.930	2.633	321,633
28 August	10.383	2.620	320,440
31 July	8.995	2.582	318,258

26 June	7.074	2.455	307,518
29 May	4.018	2.197	286,338
24 April	1.606	1.452	207,237

* cumulative amount

** The number of employers and employees has reached its maximum. However, since payments are made in phases, amount approved will continue to rise. Payments in phases is done to ensure that only eligible enterprises receive the subsidy.

15. **Second, the Hiring Incentive and Training Assistance Programme. A total of 130,828 employees** have secured employment through this program (compared to 129,901 employees in the previous week). Manufacturing as well as wholesale and retail trade are among the key industries and sectors that employ workers. For more information, do visit <https://www.perkeso.gov.my/186-penjana/803-program-insentif-pengambilan-pekerja-dan-bantuan-latihan.html>.

Date As Of	Category of People Who Secured Jobs				Amount*
	< 40 years	40 – 60 years	Apprentices	OKU	
29 January	105,160	17,586	7,534	548***	130,828
25 December	102,623	17,394	7,417	1,344	128,778
27 November	72,505	11,370	5,808	1,247	90,930
30 October	56,315	8,743	4,724	331	70,113
25 September	34,476	5,456	3,782	284	43,998
28 August	18,354	3,266	2,818	178	24,616

*Cumulative Amount

** The decrease compared to the previous week is due to time lag between Penjana 1.0 which ended on 21 December 2020, and Penjana 2.0, which was launched on 4 January 2021

*** The decrease compared with the previous week is due to certain employers who mistakenly selected the category of employees prior to the actual applications.

List of top 5 recruitment industries / sectors by category

No.	< 40 years	40 – 60 years	Apprentices	OKU	Overall
1	Manufacturing	Other Services	Other Services	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Manufacturing
2	Other Services	Manufacturing	Manufacturing	Other Services	Other Services
3	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Manufacturing	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair
4	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services
5	Education	Construction	Information & Communication	Education	Construction

16. **Third, Reskilling and Upskilling Programme.** There was an increase to **133,301 participants** in the programmes provided (an increase of 348 from 132,953 individuals in the previous week). The Ministry of Finance site lists the courses in demand, and those who are interested can visit the websites of the respective Government agencies involved to obtain the relevant information.

No.	Ministry/ Agency	Programme / Scheme / Initiative
1.	Human Resource Development Berhad (PSMB) www.penjanahrdf.com.my	<i>SME Development</i>
		Industrial Revolution 4.0 (IREV4.0)
		<i>Place & Train</i>
		Gerak Insan Gemilang (GIG)
		<i>B40 Development</i>
2.	Ministry of Entrepreneur Development and Cooperatives (MEDAC)	<i>INSKEN Business Training</i>
		Micro Connector Programme
3.	Majlis Amanah Rakyat (MARA) http://penjana.mara.gov.my/	Safety Special Module and Health Care In The New Normal Environment
		<i>Building Internal Entrepreneur Capabilities by Engaging e-Commerce Bespoke Program (e-entrepreneur) -Training e-Commerce Platform</i>
		<i>Building Capabilities and Providing Jobs Through Competencies / Short Courses Program</i>
		<i>Building Capabilities and Providing Jobs Through Industry Boot Camp</i>
		<i>Building Internal Entrepreneur Capabilities by Engaging e-Commerce Bespoke Program (e-entrepreneur) -Bespoke</i>
4.	East Coast Economic Region Development Council (ECER) https://www.ecerdc.com.my/penjana/Website/index.html	<i>ETEP Enhanced Train& Place (PENJANA)</i>
5.	Northern Corridor Implementation Authority (NCIA) https://www.ncer.com.my/jomkerja_jomniaga/	JomNiaga@NCER
		JomKerja@NCER
6.	Ministry of Tourism, Arts and Culture Malaysia (MOTAC)	Community Skills Development
7.	Kementerian Pengajian Tinggi (KPT) https://great.mohe.gov.my	Gig Economy Programme
		Entrepreneurship Programme

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

17. PENJANA's Second Objective is Propelling Business.
18. **First, the TEKUN Business Recovery Scheme (TBRS)** specifically for Micro SMEs with a fund of RM100 million **has achieved its objective** by benefitting **14,946 Micro SMEs**. At the same time, there are still financing initiatives available under this Objective such as the **PENJANA SME Financing** and **PENJANA Tourism Sector Financing**, which caters to SMEs as well as micro SMEs.
19. **Second, PENJANA SME Financing.** The Government's allocation of RM2 billion under this program prioritises SMEs that have never obtained bank loans. A total of **6,507 applications were approved** with a **total loan value of RM1.231 billion**.

Date As Of	Number of Approved Applications*	Financing Amount* (RM million)
29 January	6,507	1,231.4
25 December	5,764	1,122.1
27 November	5,301	1,085.7
30 October	4,488	965.5
25 September	3,351	795.3
28 August	1,615	426.2

*Cumulative Amount

20. **Third, PENJANA Tourism Sector Financing.** Government allocation of RM1 billion is for SMEs and Micro SMEs still impacted by COVID-19. **As of 29 January**, there were **573 applications** for this financing and of this total, **277 applications have been approved** with a total financing of **RM55.4 million**. For more information: https://www.bnm.gov.my/o/covid-19/FAQ%20PENJANA%20Tourism%20Financing_BM.pdf.
21. **Fourth, Bumiputera Relief Financing (BRF)**, which was introduced by Perbadanan Usahawan Nasional Bhd (PUNB) with a fund of RM200 million, from which **519 SMEs** have received funding of **RM143.8 million** (compared to 494 SMEs receiving a total of RM135.5 million in the previous week). For more information: https://www.punb.com.my/images/photo/BRF/Soalan_Lazim_BRF_FINAL.pdf.

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

Ladies and Gentlemen,

22. For PENJANA's third objective of **Stimulating the Economy**, this week's report focuses on **service tax exemption for hotels** up to 30 June 2021, to support the tourism sector. The value of tax exemption utilised by hotel and accommodation operators has touched **RM1.37 billion** (an increase of RM533.42 million compared to RM836.56 million in the previous week). Among the initiatives to support the tourism sector are individual tax relief up to RM1,000 on travel expenses, as well as full exemption on tourism tax for foreign tourists.

23. In this regard, a few days ago, the **Governments of Malaysia and Indonesia had agreed to create a travel bubble to boost the tourism industry** in both countries. The Ministry of Finance welcomes this initiative, and when combined with the funding allocation for the tourism industry, I hope that those from the industry will be able to recover, InsyaAllah.

KITA PRIHATIN (Kerangka Inisiatif Tambahan Khas PRIHATIN)

Ladies and Gentlemen,

24. **Under KITA PRIHATIN, for the Phase Two Wage Subsidy Programme (PSU2.0)**, a total of **RM741.16 million** has been channeled to **64,345 employers** to enable them to continue operating and maintain **518,793 employees**. As stated during the 2021 Budget, targeted wage subsidy programmes were also introduced to assist the tourism and retail sectors, while all sectors affected by the implementation of MCO this year are eligible to receive PSU 3.0 support under the PERMAI Assistance Package.

PSU 2.0

Date As Of	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
29 Januari	741.16	518,793	64,345
25 Disember	418.67	420,193	51,022
18 Disember	239.73	307,420	39,203
11 Disember	239.73	307,420	39,203
4 Disember	239.73	307,420	39,203
27 November	239.73	307,420	39,203
20 November	164.26	273,767	34,479

*Cumulative Amount

CLOSING

25. In closing, once again I remind everyone to continue following SOPs in their economic activities and daily life. The economic recovery is largely based on our ability to break the COVID-19 chain of transmission.
26. At the same time, the Government will continue to support our public health capacity, ensure the continuity of businesses and protect the livelihood of the people through continued assistance.
27. Before we end this report, I would like to share my experience during a Ministry of Finance Misi Prihatin to Pahang to visit flood victims and observe the execution of disaster recovery plans. *[video]*

28. Since that visit to Pahang, I have been on two more visits to see for myself the degree of our People's Welfare, Business Continuity and Economic Resilience on the ground. The observations during these trips will be shared on my social media handles.
29. Before I end this session of LAKSANA reporting, I would like to share a Malay pantun:
- Di pagi nian berarak gemawan,
Mentari menjelma di hujung muara;
Pandemik dilawan disuntik bantuan,
Pulihkan semula industri Negara.*
30. That's it for this week's LAKSANA report. Take care and *stay safe*. Thank you.

YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz
Minister of Finance
Ministry of Finance, Malaysia
10 February 2021

APPENDIX 1 – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As at 29 January 2021 , cumulative withdrawal stood at RM16.24 (compared to RM16.16 from the previous week) and involving 5.11 million recipients (compared to 5.08 million from the previous week) Retirement planning is crucial, and the people are encouraged to utilise the free Retirement Advisory Service (RAS) provided by EPF. Information on this free service can be found at: https://www.kwsp.gov.my/ms/member/retirement-advisory-service
2.	Frontliners Allowance	<p>a. As of 29 January 2021, a total of RM482.98 million has been channelled based on 1,445,596 claims (compared to RM484.85 million involving 1,449,100 claims in the previous week) comprising doctors, nurses and other medical personnel directly involved in the management and containment of the COVID-19 pandemic.</p> <p>b. This special allowance e is also extended to members of the military, police, customs, immigration, firemen, members of the Civil Defense Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).</p>

OBJECTIVE 2: SUPPORTING BUSINESSES

3.	<p>SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)</p>	<p>As of 29 January 2021, the total number of applications approved by local banks and approved by SMEs is RM11.60 billion which will benefit 24,613 SMEs. This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF) funds.</p> <table border="1" data-bbox="528 506 1406 1144"> <thead> <tr> <th>SME Soft Loans Funds</th> <th>Approved and Accepted Amount* (RM billion)</th> <th>Number of SMEs*</th> </tr> </thead> <tbody> <tr> <td>29 January</td> <td>11.60</td> <td>24,613</td> </tr> <tr> <td>22 January</td> <td>11.60</td> <td>24,590</td> </tr> <tr> <td>15 January</td> <td>11.58</td> <td>24,564</td> </tr> <tr> <td>8 January</td> <td>11.58</td> <td>24,564</td> </tr> <tr> <td>1 January</td> <td>11.54</td> <td>24,519</td> </tr> <tr> <td>25 December</td> <td>11.29</td> <td>24,012</td> </tr> <tr> <td>27 November</td> <td>11.13</td> <td>23,711</td> </tr> <tr> <td>30 October</td> <td>10.87</td> <td>23,305</td> </tr> <tr> <td>25 September</td> <td>10.67</td> <td>22,984</td> </tr> <tr> <td>28 August</td> <td>10.3</td> <td>22,440</td> </tr> <tr> <td>July</td> <td>9.6</td> <td>21,410</td> </tr> <tr> <td>June</td> <td>8.4</td> <td>19,539</td> </tr> <tr> <td>May</td> <td>6.9</td> <td>16,833</td> </tr> <tr> <td>April</td> <td>1.5</td> <td>3,636</td> </tr> </tbody> </table> <p><i>*Cumulative Amount</i></p> <p>Although the SRF funds have been fully utilised, SMEs can still apply for available funding schemes under the BNM Funds such as ADF, AES and AF. SMEs can also acquire other funding via the imSME platform via the link https://imsme.com.my/portal/en/ that will help match the required funding by SMEs with multiple financial institutions.</p>	SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*	29 January	11.60	24,613	22 January	11.60	24,590	15 January	11.58	24,564	8 January	11.58	24,564	1 January	11.54	24,519	25 December	11.29	24,012	27 November	11.13	23,711	30 October	10.87	23,305	25 September	10.67	22,984	28 August	10.3	22,440	July	9.6	21,410	June	8.4	19,539	May	6.9	16,833	April	1.5	3,636
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