Bernama - Highlights of Prihatin Rakyat Economic Stimulus Package

Friday, Mar 27 2020

KUALA LUMPUR, 27 Mac -- The following are the highlights of the Prihatin Rakyat Economic Stimulus Package (PRIHATIN), which was announced by Prime Minister Tan Sri Muhyiddin Yasin at Bangunan Perdana Putra, Putrajaya today.

The RM250 billion package is set benefit all Malaysians.

Of the total, nearly RM128 billion will be allocated to safeguard the welfare of the people, RM100 billion to support businesses, including small and medium enterprises (SMEs), and RM2 billion to strengthen the country's economy.

The highligths :

1. All Malaysians to enjoy the benefits of PRIHATIN and no group is be left out.
2. Containing the spread of COVID-19.
3. An additional allocation of RM530 million to be set aside to provide a discount of between 15 per cent and 50 per cent for electricity usage up to a maximum limit of 600 kilowatt per month.
4. A 50 per cent discount for electricity usage below 200 kilowatts, 25 per cent for consumption of between 201 and 300 kilowatts and 15 per cent for consumption of 301-600 kilowatts.
5. The electricity discount will be effective for a period of six months beginning with the April 2020 bill.
6. Telecommunications and multimedia companies to offer special packages, including free internet worth RM600 million to all customers, starting April 1, 2020 until the end of the Movement Control Order (MCO) period.
7. An additional RM400 million fund to be invested to increase network coverage and capacity to maintain high quality and availability of telecommunications networks.
8. The Wage Subsidy Programme tol be introduced to help employers retain workers to avoid retrenchment and loss of income.
9. The government tol provide RM600 a month in wage for each worker for a period of three months, specifically for workers earning below RM4,000 and employers suffering a 50 per cent decline in revenue since Jan 1, 2020.

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10. The government tol pay the wages of workers employed by service contractors affected by the MCO even if they are absent from work. More than 80,000 employees will benefit from this initiative, which involves an allocation of RM110 million.
11. The duration of the service contract to be extended for another month as a trade-off with the MCO period.
12. The government and Bank Negara Malaysia to provide an additional RM4.5 billion to assist SMEs, including micro-entrepreneurs.
13. The Special Relief Facility Fund for SMEs to be increased by RM3 billion, while its interest rate to be reduced to 3.5 per cent from 3.75 per cent.
14. The size of funds of the all economic sectors to be increased by RM1 billion to RM6.8 billion to enhance financing access to SMEs.
15. An additional RM500 million allocation to be provided for the Micro-credit Scheme, raising the total amount to RM700 million, for easy financing, while the financing amount to be increased from a maximum of RM50,000 to RM75,000 per entrepreneur.
16. Credit Guarantee Corporation to offer RM5 billion worth of securities, as well as raising the guarantee rate to 80 per cent from 70 per cent for SMEs having trouble getting loans.
17. The EPF to introduce the Employment Consultation Service on April 15, 2020.
18. The government to allow SMEs to postpone payment of income tax installments for a period of three months beginning April 1, 2020.
19. Bank's income from interest or profit on loans or financing allowed to defer repayment is only taxable after such income is received after the moratorium period.

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20. The moratorium measure is also extended to loans taken from TEKUN Nasional, MARA and cooperatives, as well as financing given by any government agencies to SMEs beginning April 1, 2020.
21. The government to provide a RM50 billion guarantee scheme with a guarantee of up to 80 per cent of the loan amount for the purpose of financing working capital requirements. The minimum guarantee is RM20 million per business.
22. The government to focus on domestic investment activities that have high multiplier effects and the capacity to retain employment.
23. G1 to G4 classes of contractors to benefit from a number of small projects identified by the government when an allocation of RM2 billion will be provided.
24. All projects allocated in the 2020 Budget, including the ECRL, MRT2 and National Optical Fiber and Connectivity Plan to continue.
25. A direct fiscal injection of RM25 billion to be provided to ease the burden of the people and business owners tide over economic challenges.
26. Strategies and measures to be implemented are based on current fiscal capacity and adequate domestic financial market liquidity.

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