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SMEs benefit from wage subsidy, thank PN govt for the initiatives

PRESS CITATIONS | 01 MARCH 2021



KUALA LUMPUR, Feb 28 – For the past one year since Prime Minister Muhyiddin Yassin spearheaded the Cabinet under Perikatan Nasional (PN), much has been done to take care of the rakyat, especially those affected badly during the COVID-19 pandemic.

The government made various efforts to ensure the welfare of those affected; small and medium enterprises (SME) were particularly given utmost priority to help them sustain when the Movement Control Order (MCO) was enforced on March 18, 2020.

Among the initiatives introduced by the PN government was the Wage Subsidy Programme (WSP), which brought a ray of hope for the SME entrepreneurs and their workers.

Under the WSP, employers were rendered financial assistance as subsidy for the salaries of staff earning RM4,000 and below, thus preventing the enterprises from collapsing and workers from losing their jobs and source of income.

A total of RM13.53 billion had been channelled through the WSP 1.0, 2.0 and 3.0 as of Feb 15, 2021 to 327,908

employers, thereby helping to maintain 2.695 million jobs.

Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz had described the initiative as among the factors in reducing the unemployment rate to 4.8 per cent in November 2020 and December 2020, as compared to 5.3 per cent in May 2020.

As at Sept 30, 2020, the closing date for WSP 1.0, a total of 322,177 employers and 2.64 million employees had received benefits under the Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and the National Economic Recovery Plan (PENJANA).

As for WSP 2.0 under KITA PRIHATIN, a total of RM770.31 million has been channelled to 65,398 employers to enable them to continue operating and maintain 534,183 employees.

Taska Oren Enterprise owner Norafizah Md Hassan was among those who benefited from WSP introduced under the 'Prihatin Rakyat' Economic Stimulus Package.

She said she has received WSP benefit for all her 42 staffs operating at six branches both in Kuala Lumpur and Selangor since the implementation of the programme on April 1, 2020.

"Since MCO started in March last year, our turnover dropped 50 per cent because some parents opted not to send their children to our child care centre as they were working from home due to the pandemic," she told Bernama.

Norafizah said her company received wage subsidies under WSP 1.0 until WSP 3.0 as she had met the requirement under the Social Security Organisation (SOCSO) for 30 per cent or more decline in sales or income since the RMCO.

"Thus, the wage subsidy programme helped us a lot in terms of sustaining cashflow, prevent salary cuts as well as laying off some workers," she said.

Meanwhile, delivery service platform, Onbaza.com chief executive officer, Muhammad Hazwani Ahmad said WSP was helpful in reducing the company's operating costs because sales did plummet during the pandemic.

"Our sales dropped by 90 per cent during the pandemic and MCO. The programme enabled the company to persevere and look for other financial sources as well, to increase income," he said.

He said he received financial assistance for five employees under WSP for 1.0 and 2.0, while the company is still waiting for feedback for WSP 3.0.

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