



SPEECH

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

**LAKSANA REPORT
IMPLEMENTATION OF THE PEOPLE-CENTRIC PRIHATIN
ECONOMIC STIMULUS PACKAGE (PRIHATIN)**

14 APRIL 2020

(ENGLISH TRANSLATION)



INTRODUCTION

1. *Assalamualaikum WBT* dan greetings, thank you for joining me today. I hope all of you, whether at home or on duty at the frontlines, are in good health and continue to be patient in observing the MCO during these testing times.
2. On 16 March, the Ministry of Finance (MOF) had announced the setting up of a new special unit known as the Inter-Agencies Economic Stimulus Implementation and Coordination Unit, or LAKSANA for short.
3. LAKSANA's establishment is aimed at tracking, monitoring, and ensuring that the economic stimulus packages introduced by the Government are delivered to and benefit all levels of society.
4. Allow me to briefly reiterate that on 27 March 2020, YAB Prime Minister Tan Sri Muhyiddin Yassin had announced the first people-centric Economic Stimulus Package, also known as the PRIHATIN Package, which was followed up by the announcement of the PRIHATIN SME PLUS package on 6 April 2020.
5. Both PRIHATIN Packages, including the 2020 Economic Stimulus Package announced earlier, are worth a total of **RM260 billion**.

6. This RM260 billion package represents 18% of the nation's GDP and is one of the largest economic stimulus packages amongst developing nations. This huge amount (has been allocated) to ensure that no group or member of society is excluded from benefitting from the Government's efforts to stimulate the nation's economy.
7. Behind the scenes, as soon as the PRIHATIN and PRIHATIN SME+ packages were announced, the LAKSANA team immediately began to monitor, coordinate and communicate among the relevant national agencies to ensure the smooth implementation of all initiatives and measures.
8. Alhamdulillah, the synergy between LAKSANA and the implementing institutions and agencies such as Bank Negara Malaysia, LHDN, EPF, PERKESO dan BSN, resulted in the targeted implementation of key initiatives such as:
 - a. PRIHATIN assistance for taxi drivers, tour guides and trishaw pullers.
 - b. Assistance for B40 and M40 households and unmarried individuals.
 - c. Assistance for students of Higher Learning Institutions (HLI).
 - d. Measures under PRIHATIN SME+ such as wage subsidy and
 - e. Special Relief Facility and others.

All these PRIHATIN measures are being duly delivered as seamlessly as possible to the target groups and individuals.

9. Starting today, my colleagues and I at the Ministry of Finance will be holding weekly briefings to share the delivery status of the PRIHATIN measures.

IMPLEMENTATION STATUS REPORT - MACRO

10. To start with, I am pleased to share that as of 12 April 2020, the implementation of all PRIHATIN Package initiatives have been smooth.
11. Out of the 10 overall key measures in PRIHATIN, six (6) measures totalling RM180 billion or 69% of the total PRIHATIN value have been initiated, namely:
 - a. Moratorium on payment of financing to financial institutions (RM100 billion).
 - b. EPF's i-Lestari facility which allows withdrawals from members' Account 2 (totalling RM40 billion).
 - c. Wage subsidy programme implemented by PERKESO (RM13.8 billion).
 - d. Reducing of minimum EPF contribution for employees (RM10 billion).
 - e. Bantuan PRIHATIN Nasional or BPN (RM10 billion) and
 - f. Special Relief Fund (SRF) provided by Bank Negara Malaysia (RM5 billion).

12. The rollout of the other four (4) key measures, totalling RM66 billion or 25% of the PRIHATIN Package, will commence on 1 May 2020, in line with the planned implementation schedule. These measures are:

- a. Danajamin facility guarantee scheme (RM50 billion).
- b. Employer Advisory Service (EAS) by EPF to help employers with cash flow management (RM10 billion).
- c. Small-scale Government projects to benefit small contractors (RM4 billion) and
- d. PRIHATIN Special Grant for micro SMEs (RM2.1 billion).

THE GOVERNMENT LISTENS

13. Before I share details of PRIHATIN's deliverables, I would like to state that the Government is mindful of and empathetic to the challenges faced by the *Rakyat* in accessing assistance under the PRIHATIN Package. The Government monitors feedback through social and mainstream media, as well as via calls to our Hotline to better understand the public's pain points.

14. Last week, one of the main issues was the **BPN qualification status**. To this end, the Ministry of Finance will do a cross-check with 2020 LHDN data for those who lost their source of income this year, who are not categorised as students, etc. For **HLI students**, the Ministry has added an additional RM30 million in funds – raising the total from RM270 to RM300 million – and widened the scope to enable Form 6, SKM4 and their equivalent levels to receive the assistance.

15. For **qualification criteria of frontliners**, the Ministry has expanded the scope to include firemen, welfare officers and more. Other issues such as the recipient **criteria for e-hailing** drivers was also addressed.

IMPLEMENTATION STATUS REPORT – MICRO: PROTECT THE RAKYAT

16. Next, allow me to share implementation status of selected PRIHATIN measures under its first objective, namely, "Protect the Rakyat".

17. **First – National PRIHATIN Assistance or *Bantuan PRIHATIN Nasional* (BPN):**
The Government has allocated between RM500 to RM1600 for the *Rakyat* in the B40 and M40 groups in order to lighten their burden during these challenging times.

- a. As at 12 April 2020, based on the BPN status checks and applications, we had:

- i. 8.3 million approved recipients.
 - ii. of which 6.6 million had received the BPN assistance amounting to RM4.9 billion ringgit to date and
 - iii. there were 2.77 new applications and 274,000 appeals.
- b. For new applications and appeals, the outcome and payment will be made in May after LHDN performs the necessary checks and verification.
- c. For those already approved and qualified to receive BPN, the Ministry of Finance had expedited payment for phase one from end-April to 6 April 2020. **I am pleased to share that as at 12 April 2020, a total of 3.2 million (96.6%) of B40 households and 3.4 million (92.3%) of single individuals had received their BPN payments worth RM3.2 billion and RM1.7 billion respectively, totalling RM4.9 billion.**
- d. This week, from 13 to 15 April 2020, a total of RM750 million will be channeled to approximately 1.5 million recipients.

18. Second – the Government also prepared a one-off payment of RM600 to taxi drivers, tour guides and trishaw pullers. As of 12 April 2020:

- a. **Taxi Drivers:** 25,000 (86%) taxi drivers had received the cash aid.
- b. **Tour Guides:** 7,500 (63%) tour guides had received the cash aid.
- c. **Trishaw pullers:** 100% had received the cash aid.

19. Third – Special Monthly Allowance Payments to Civil Servants at the Frontline: This monthly claimable allowance of RM600 for healthcare personnel and RM200 for other frontliners will begin in April, benefitting some 200,000 personnel.

20. Fourth – RM500 one-off incentive payment for e-hailing drivers: As previously announced, the Government has reduced the qualifying minimum salary requirement for full-time e-hailing drivers from RM2,000 to RM1,200 to ensure the eligibility of a larger number of drivers,, especially those based outside city centres. Over 40 e-hailing operators gave their feedback and assisted the Government in identifying qualified e-hailing drivers. **I would like to announce that this payment will be made on 20 April 2020 to over 90,000 e-hailing drivers.**

21. Fifth – One-off Assistance Payment of RM200 to HLI Students: On 11 April 2020, I had announced that this assistance will be extended to Form 6 and equivalent students as well as those at SKM4 level equivalent to diplomas, involving a RM300million allocation. God Willing, approximately 1.5 million full-time

students under the supervision of the Ministry of Higher Education, Ministry of Education, Ministry of Human Resources, Ministry of Agriculture and Food Industries, Ministry of Youth and Sports, as well as Ministry of Rural Development, will benefit from this assistance.

- 22. Sixth – Appointment of Healthcare Personnel in containing the spread of COVID-19:** The Government remains committed to and focused on supporting our nation's frontliners in the war against COVID-19. This includes ensuring adequate human capital and expertise in order to support efforts in labs, hospitals, and quarantine centres around the country. The Government had targeted the appointment of 2,000 healthcare officers for these purposes. **In this regard, I would like to share that as of 12 April 2020, a total of 1,972 healthcare personnel of various grades have been appointed.**

IMPLEMENTATION STATUS REPORT: SUPPORT BUSINESSES

23. Next, I would like to share the implementation status of measures under the second objective of the PRIHATIN Package, namely, **“Support Businesses”**.
24. **Firstly, Special Relief Fund (SRF):** under Bank Negara Malaysia, a number of financial assistance facilities for businesses have been put in place. This includes the SRF, with a total of RM5 billion allocated. As of 12 April 2020, almost 3,000 businesses have been approved to receive the SRF totalling approximately RM1.46 billion, representing 30% of the value of the fund.
25. **Secondly, the EPF i-Lestari programme:** Under this programme which is estimated to be worth RM40 billion, Malaysians can withdraw RM500 a month from their EPF Account 2 over a period of 12 months, in order to alleviate their (financial) burdens. As of 12 April 2020:
- a. 1.28 million applications were received.
 - b. 1.17 million applications were approved, involving withdrawals totalling **RM572** million for May 2020. This shows that a significant number of Malaysians will be able to alleviate their (financial) burdens with this money. This amount is expected to rise in the months to come.
26. **Third, wage subsidy initiative:** The Government has allocated RM13.8 billion to support SMEs. As of 12 April 2020:

- a. A total of 31,000 employers representing 299,000 employees have applied for the wage subsidy.
- b. From that amount, 98% are SMEs with up to 75 workers.
- c. The total allocation is expected to be **RM307 million**.

27. Fourth, Employee Retention Programme: The Government has allocated RM120 million to pay RM600 per month per employee who is on unpaid leave. As of 12 April 2020:

- a. A total of 6,900 employers, representing 47,000 workers, had applied for the assistance.
- b. The total expected allocation is RM28.6 million.

CLOSING

28. From the Government's total additional expenditure under the PRIHATIN Package, as of 12 April 2020, the Ministry of Finance had channeled RM8.6 billion or 25% of the total allocation to various ministries and implementation agencies. There is still a lot to do in terms of implementation.

29. Despite having to observe the Movement Restriction Order (MCO), the Government will ensure that its machinery will continue to operate in order to ensure the seamless delivery of the measures under the PRIHATIN Package, especially measures that contribute to the welfare of the *Rakyat* and the stimulating the nation's economic activities.

30. Looking ahead, I urge the *Rakyat* as well as SMEs which have yet to receive the benefits provided, to apply for them as soon as possible. God willing, we will do our best to consider all applications.

Wabillahitaufiq walhidayah, Wassalamualaikum wbt.

Terima Kasih.

END

Endnote: Kindly cross-refer with the Official Bahasa Malaysia version for accuracy and guidance. Some references and structuring in this English version may be different or varied to ensure contextual accuracy.