



SPEECH

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MINISTER OF FINANCE

FIFTH LAKSANA REPORT
IMPLEMENTATION OF THE PRIHATIN ECONOMIC STIMULUS PACKAGE
(PRIHATIN)

12 May 2020

1. Assalamualaikum WBT dan Salam Hormat. Thank you for joining me today for the fifth Laksana Report.
2. As was previously announced by YAB Prime Minister last Sunday, the Conditional Movement Control Order (CMCO) has been extended until 9 June. This is based on the advice of the Ministry of Health and National Security Council, as well as public opinion that support the Government's effort in taking the necessary steps to combat Covid-19. InsyaAllah, we hope for your continued cooperation, whether you are working from home or from your office. We have made great strides in the fight against Covid-19. Stay the course, to ensure our victory in time to come.
3. In reference to the cooperative spirit among us, I was deeply touched by a news report of a nine-year old student, Nur Afia Qistina Zamzuri. She has been spending her free time sewing Personal Protective Equipment (PPE) for frontliners. Hailing from Kuala Pilah, Nur Afia has been sewing since she was 5 years old. She now sews up to four sets of PPE per day to donate to local hospitals. Alhamdulillah, and thank you, Nur Afia. I am humbled by your efforts to support our frontliners. Thank you.
4. Last week, I visited the Royal Malaysian Customs Department at Port Klang. I had the opportunity to witness the efforts by the Customs and Immigration officials in ensuring the smooth operations at the port. They continue to secure national borders despite facing the risk of Covid-19. Thank you, frontliners at the Royal Malaysian Customs Department and the Malaysian Immigration Department.
5. According to the YAB Prime Minister, since the CMCO began, 6.64 million or 43.6 percent of employees have returned to work. Alhamdulillah, the gradual opening of the economy has been orderly.

6. During my working visit to Port Klang last week, I saw the efforts behind the reopening of the economy. Indeed, Covid-19 has had a significant impact on port activities as it disrupts the supply chain, not only domestically, but also globally. This unprecedented situation is a reminder of how interconnected the global economy is. This is also a reminder to all of us that Covid-19 has impacted the economy globally, and as such, economic recovery and development will take time.

Ladies and gentlemen,

7. Allow me to share the implementation status of the Prihatin Economic Stimulus Package, PRIHATIN, for this week.

8. We begin with the steps under the First **Objective of PRIHATIN** that is “**Protecting the people**”.

9. First, **Bantuan Prihatin National** or **BPN**.

- a. From 4 - 10 May, **Phase Two** payments had been made to **5.79 million recipients** totalling **RM2.63 billion**. These Phase Two payments will continue this week. For those who do not have a bank account or with a ‘Credit Failure’ status, they can receive their payments in cash from BSN from 14 May. This is estimated to benefit **800,000 recipients**, with an allocation of **RM300 million**.
- b. Out of 8.3 million approved recipients, the **First Phase** achieved a 96% rate of disbursement, while the **Second Phase** currently stands at 49%. I have reminded Ministry officials to ensure that disbursements are expedited. The balance of payments due are expected to be disbursed by the end of this week.

BPN First and Second Phase				
	First Phase Receiver (6 April-15 April)	Total amount	Second Phase Receiver (4 May-15 May)	Total amount (estimation)
M40 Single	0.43	RM0.11 bilion	Payment between 11-15 May	-
M40 Household	0.72	RM0.36 bilion		-
B40 Single	3.20	RM1.6 bilion	2.83	RM0.85 bilion
B40 Household	3.43	RM3.43 bilion	2.96	RM1.78
Overall	7.78	RM5.5 bilion	5.79	RM2.63

- c. Starting 9 May, the public who had submitted **new applications and appeals can review their eligibility** for the BPN. Alhamdulillah, 2.3 million applications had been approved upon cross-checking of data against 10 Government agencies including LHDN, CCM, NRD etc. This approval requires an additional allocation of **RM1.7 billion**. Disbursements for approved new applications and appeals will be made from 15 May 2020.
 - d. This sizable sum clearly reflects the Government's commitment to ensure the *Rakyat* are protected. However, there have been several issues raised. There were applicants who failed to qualify for the BPN due to various factors based on the cross-checking of data among the 10 agencies mentioned earlier.
 - e. The Ministry of Finance is open to the possibility that there may have been those who qualified but had been excluded from receiving the BPN. For instance, those who lost their jobs this year due to Covid-19, but their employment status has not been recorded in the database. In some cases, their spouse's data was not updated. There were also those who registered with CCM or are company directors but the company is currently inactive, has made no income, and so forth.
 - f. In this regard, the Ministry has decided to extend the BPN appeal period to 31 May. Applicants who did not qualify earlier can email their documents to rayuanbpn@hasil.gov.my or visit any IRB counter nationwide. We do not promise that all appeals will be approved. Any appeal that fulfils the criteria and is reasonable, with relevant documentary evidence will be approved, Insya-Allah.
 - g. As of 10 May, a total of 10.6 million Malaysians had received the BPN. With an allocation of RM11 billion, which is RM1 billion more than the original RM10 billion allocation, the Government is deeply committed to help the *Rakyat*.
 - h. Allow me to share a short video of a BPN recipient living in Wangsa Maju. He was involved in a road accident a few years ago and now has difficulty walking. He is currently being cared for by his son on a full-time basis. His BPN is used to meet his daily needs and ease his daily burden. The Government is aware of the challenges faced by the *Rakyat*, and will do its very best to ensure that the *Rakyat* are protected. This is our responsibility as a Government.
10. Next, the **EPF i-Lestari programme**. Last week, I announced that EPF had approved over 3.5 million applications totalling RM1.66 billion. This week, as at 10 May, **3.7 million applications** have been approved with an estimated value of **RM1.76 billion**.

i-Lestari	Amount Approved* (RM billion)	No of Applications* (million)
10 May	1.76	3.7
3 May	1.66	3.5
26 April	1.57	3.3
19 April	0.70	1.5
12 April	0.57	1.17

*Cumulative figure

11. Aside from the above, on **the reduction of EPF members' contribution from 11% to 7%**, the total estimated to be received by EPF members for the month of May is **RM954.7 million**.

12. Thirdly, the **electricity bill discount**. Based on Tenaga Nasional Berhad's last billing cycle dated 30 April 2020, discounts totalling **RM58.3 million** had been given, 84% of which had benefited households.

Ladies and Gentlemen,

13. Next, I would like to share the implementation status of the steps under PRIHATIN's Second Goal, "Supporting Businesses".

14. First, for the **Wage Subsidy Program**, as of 10 May, **RM2.1 billion** was approved for **258,165 employers**, representing **1.9 million workers**.

15. The Government hopes that this wage subsidy will help companies retain as many of their employees as possible at least until June. This will help maintain our existing capacity - at least at 50% - so that we are prepared to ride on the wave of economic recovery. If our capacity is too low, we will need to spend more later to increase that capacity

Provision on Wage Subsidy: RM13.8 billion	Approved Amount* (in RM billion)	Total No. of Employers*	Total No. of Employees* (in millions)
10 May	2.10	258,165	1.9
3 May	1.90	235,000	1.7
26 April	1.35	195,000	1.5
19 April	1.20	159,000	1.0

*Cumulative figure

13. Second, is the EPF'S Employee Covid-19 Assistance Program (e-CAP).

- a. As of May 10, 13,690 applications had been received, and 2,032 applications worth RM13.4 million employers' EPF contributions were approved.
- b. I would like to emphasize that it is not easy to process thousands of applications, and I would like to request a bit of patience from employers. The EPF and other Government agencies need to review each employer's application for deferment of contribution on a case-by-case basis. Just because we had never experienced this COVID-19 pandemic, it does not mean that we can simply approve any application. Yes, unprecedented times call for unprecedented measures, but it does not mean that we should throw caution to the wind in the process of approving applications.

14. **Third, on SME Soft Loans Funds.** As of **10 May**, applications approved by local banks and approved by SMEs are **RM4.7 billion**, which will benefit **11,975 SMEs**.

Provision for SMEs Soft Loan Funds: RM6.3 bilion	Total value of approved and accepted loans* (in RM bilion)	Total No. of SMEs*
10 May	4.7	11,975
3 May	3.0	6,840
26 April	1.5	3,636

**Cumulative figure*

15. **Fourth, the Prihatin Special Grant (GKP) for micro SMEs.** Last week, I announced that the GKP would be open for registration from 1 to 15 May, 2020. As of 10 May, almost **500,000 applications** had been received. Provided all applications were approved, it would cost approximately **RM1.5 billion**.

16. **Fifth,** allow me to share on the **RM700-million Micro Credit Scheme** with **0% interest or profit rate**:

- a. Under the BSN Micro Credit Scheme, 2,626 applications worth RM114 million were approved this week.
- b. Under the Tekun program, 8,562 of applications were approved, with a total value of RM72 million.
- c. I hope the micro SMEs will be able to utilise this financing scheme as best as possible.

Provision for Micro Credit Scheme: RM700 million with 0% interest and profit	BSN Micro Credit Scheme		Tekun	
	Total No. of Micro SMEs*	Value* (in RM million)	Total No. of Micro SMEs*	Value* (in RM million)
10 Mei	2,626	114	8,562	72
3 Mei	2,026	90	4,981	42
26 April	1,703	76	1,769	15

*Cumulative figure

17. Sixth, for Small Scale Government Projects:

- a. The list of initiated projects is worth RM2.4 billion
- b. The Ministry of Finance has issued a circular on procurement procedures in line with the CMCO requirements. For example, given the requirement for social distancing, the balloting process will no longer be held in a hall with hundreds of contractors physically present. Instead, it will be held in Government offices with live broadcasts via social media.
- c. The relevant Government agencies are encouraged to adopt new guidelines to speed up the procurement and implementation of projects.

18. Next, I would like to share about the allocation for healthcare services in our effort to address Covid-19. From the **RM1.5 billion allocated**:

- a. As of end-April 2020, the Ministry of Finance had approved **RM1.0 billion** for COVID-19-related expenditure by the Ministry of Health.
- b. Among the major expenditure items **were for PPE (RM230 million), screening and consumables (RM250 million), ventilator and thermal scanners (RM150 million) and contract staff emolument (RM100 million).**
- c. The balance will be channelled to the Ministry of Health as and when required to fight COVID-19 in the coming weeks.

Ladies and Gentlemen,

19. Alhamdulillah, thanks to the *Rakyat's* discipline in cooperating with the Government in containing COVID-19, as well as the Government's (financial) allocation for public healthcare, Malaysia's efforts have been recognized globally.
20. Nevertheless, we must always be cautious, and we must never ever let our guard down, especially since we have gradually reopened the economy. According to my brother, when he went shopping recently, his temperature was recorded 5 times, as he went to 5 shops. He was also asked to register each time to facilitate contact tracing, if necessary. I gently reminded him that this additional process is a small matter provided the outbreak can continue to be contained, and we are safe. This is the new norm that we must embrace.
21. Before I end, allow me to share a poem with you:
- Megah merpati, lambang keamanan,
Berkicau indah, di pinggir muara,
Mandat diberi, usaha dilaksanakan,
Moga Allah lindungi Rakyat dan Negara.*
22. Until we meet again next week, wabillahitaufik walhidayyah. Assalamualaikum wbt, stay safe and salam hormat. InsyaAllah, if we stand together, we will win this war!