



SPEECH

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8th LAKSANA REPORT IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGE (PRIHATIN)

9 JUNE 2020



1. Assalamulaikum WBT dan Salam Hormat. Alhamdulillah, we meet again today for the tabling of the 8th Laksana progress report.
2. How is everyone? As we are aware, YAB Prime Minister, Tan Sri Muhyiddin Yassin, announced last Sunday that from 10 June, we will begin the **Recovery Movement Control Order** stage, or RMCO.
3. Alhamdulillah, the RMCO will see a further relaxation of restrictions to allow the public to go about their daily activities, and among the things they look forward to is interstate travel. I hope you will use this leniency in a responsible manner. Continue adhering to the SOP. If you *balik kampung* to see your Tok Wan, Tok Cik and beloved parents, do not forget your hygiene and health safety measures. COVID-19 is still our invisible enemy. So, let's not be complacent.
4. The RMCO which will commence tomorrow is inter-linked to the country's economic recovery efforts. Open markets such as *pasar tani* and *pasar malam* (morning and night markets) are allowed to operate soon.
5. InsyaAllah, with the ongoing assistance under PRIHATIN and the commencement of support under PENJANA, our National Economic Recovery Plan, the *Rakyat's* livelihood and economy will be improved.

6. My report today will touch on 2 key initiatives:
- Firstly, the achievements for implemented measures for Pakej Rangsangan Ekonomi Prihatin Rakyat (PRIHATIN); and
 - Secondly, an overview of our (short-term) National Economic Recovery Plan, PENJANA.

PROGRESS OF PRIHATIN IMPLEMENTATION

Ladies and gentlemen,

7. Allow me to share the implementation status of the PRIHATIN Package. We shall start with the measures under the **first goal of PRIHATIN, which is “Protecting the Rakyat”**.
8. **Firstly, Bantuan Prihatin Nasional or BPN:** Overall, out of the 10.6 million approved recipients, 10.4 million had received payments amounting to RM10.78 billion, or 96.7%. The rest of the recipients can claim their payment in cash at BSN branches until 31 December 2020. For appeal cases, the decision will be announced in mid-June. The actual date will be announced soon.

BPN Group One: 8.3 Million (Phase 1 and 2)				
	Phase 1 Recipients (6 -15 April)	Total Payment	Phase 2 Recipients (4 - 22 May)	Total Payment
M40 Individuals	0.44	RM0.11 billion	0.46	RM0.12 billion
M40 Households	0.76	RM0.39 billion	0.75	RM0.38 billion
B40 Individuals	3.27	RM1.63 billion	3.24	RM0.97 billion
B40 Households	3.49	RM3.49 billion	3.51	RM2.10 billion
Total	7.96	RM5.62 billion	7.96	RM3.57 billion

BPN Group Two : 2.3 million		
	Phase 1 Recipients (until 5 June)	Total Payment
M40 Individuals	1.09	0.55
M40 Households	0.48	0.48
B40 Individuals	0.38	0.29
B40 Households	0.17	0.27
Total	2.12	1.59

9. Second, the EPF i-Lestari programme. As at 5 June, **4.1 million applications had been approved**, an increase from the **4 million** reported previously. This amounted to **RM1.94 billion** in withdrawals per month.

i-Lestari	Total Approved* (RM billion)	Applications Approved* (million)
5 June	1.94	4.1
31 May	1.90	4.0
17 May	1.83	3.9
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

10. Third, for the **reduction in employees' EPF contribution rate from 11% to 7%**, as at 5 June, over 5.7 million employees opted to lower their contribution rate. Total reduction in contribution received by EPF members to-date is **RM1.87 billion**. Meanwhile, total number of contributors who have chosen to maintain their contribution at 11% is currently at 1.85 million (*cf.* 1.7 million previously).
11. Fourth, the **one-off special payment of RM600** allocated for tour guides, as of 5 June, payment to **1,868 out of 8,323** tour guides is still pendingg, due to incorrect bank account details. Those who are qualified for but have yet to receive the assistance can claim the cash payment at BSN counters, beginning 15 June 2020.
12. I would also to take this opportunity like to share an update on the **Hasanah Special Grant** programme launched on 14 April by the Ministry of Finance and the Yayasan Hasanah. The special grant supports social programmes aimed at improving the target groups' quality of life and socio-economic resiliency. These include the B40 and vulnerable communities, *Orang Asa*, the elderly, the homeless, at-risk children, women, youths and the differently abled from all over Malaysia. I am pleased to announce that **as of 6 June, 19 social projects have been approved with a total of RM3.6 million distributed**. Among the approved projects are:
- Firstly, sustainable vegetable cultivation and distribution to consumers from Padawan to Kuching, Sarawak;
 - Second, honeycomb production by FELDA residents in Jempol, Negeri Sembilan;
 - Thirdly, enhancing the proficiency in science and mathematics for B40 primary school children through online educational platforms; and

- d. Fourth, expanding counseling services for abused women and sexually abused children
- e. For more information, please visit: yayasanhasanah.org/
- f. Congratulations to all recipients and thank you for implementing these programmes to assist those in need. I hope the grant is utilised appropriately and I wish you all the best.

Ladies and gentlemen,

- 13. Next, I would like to share the status of implementation under the **second goal of PRIHATIN which is “Supporting Businesses”**.
- 14. Firstly, on **Wage Subsidy**, up to 5 June, **RM4 billion** had been approved for **293,033 employers** benefiting **2.3 million employees**. This represents an increase of RM780 million approved for 100,000 employees, compared to two weeks ago.

Wage Subsidy Allocation RM13.8 billion	Approved amount* (RM billion)	No of employees*	No of employees* (million)
5 June	4.00	293,033	2.3
31 May	3.22	286,338	2.2
17 May	2.24	267,752	2.0
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*

- 15. **Secondly**, on the **Employment Retention Program (ERP)** which is managed by SOCSO. I am pleased to announce that up to 5 June, the **value of RM121 million has been approved for 202,000 employees**.
- 16. **Third**, is the **EPF’s Covid-19 Assistance Program (e-CAP) for Employers**. As of 5 June, **29,601 applications had been received**, and **6,500 applications were approved**, representing **RM42.9 million** in terms of employer’s contribution, as compared to RM34.8 million recorded one week ago.

EPF's Covid-19 Assistance Program (e-CAP) for Employers	No of applications received *	No of applications approved *	Amount approved* (RM juta)
5 June	29,601	6,457	42.9
31 May	26,509	5,245	34.8
17 May	20,771	3,168	20.6
10 May	13,690	2,032	13.4

*Cumulative figure

17. Fourth, the **SME Soft Loan Funds under Bank Negara Malaysia's (BNM) supervision**. As at **5 June**, total financing amounting to **RM7.5 billion** had been approved by local banks and officially accepted by **18,227 SMEs**. This amount includes funds from the *Special Relief Facility* and *Agrofood facility*.

SME Soft Loans Fund	Amount approved and accepted* (RM billion)	No of SMEs*
5 June	7.5	18,227
31 May	6.9	16,833
17 May	5.8	14,075
10 May	4.7	11,975
3 May	3.0	6,840
26 April	1.5	3,636

*Cumulative figure

18. **Fifth, the Prihatin Special Grant (Geran Khas Prihatin) for micro SMEs:**
- Of the **81,260 applications** reviewed by the LHDN, **35,800 applications (or 44%)** have been approved. They can start checking the status from today onwards (9 June). **For the approved applications, payment will be made by end-June.**
 - The appeal period is still open until 15 June via the LHDN's official portal, gkp.hasil.gov.my.** LHDN has shared with us the reasons for rejection, such as incorrectly completed forms - for example, companies registered as 'private limited/sendirian berhad' were stated as a 'partnership'. In the appeals portal, appellants may submit the relevant company certificate for LHDN's consideration. I hope micro business owners will seize this opportunity (to appeal).
19. **Sixth, on the BSN and Tekun Nasional Micro Credit Scheme as of 5 June:**
- Under the BSN micro credit scheme, **5,222 applications** have been approved, valued at **RM190.9 million**.

- b. For the Tekun programme, **19,382** applications were approved, amounting to **RM151 million**.

Micro Credit Scheme Allocation: RM700 million at 0%	BSN Micro Credit		Tekun	
	<i>No of approved SMEs</i>	<i>Amount* (RM million)</i>	<i>No of approved SMEs</i>	<i>Amount* (RM million)</i>
5 June	5,222	191	19,382	151
31 May	4,587	175	15,949	128
17 May	3,537	145	12,104	101
10 May	2,626	114	8,562	72
3 May	2,026	90	4,981	42
26 April	1,703	76	1,769	15

*Cumulative figures

PENJANA (NATIONAL ECONOMIC RECOVERY PLAN)

Ladies and Gentlemen,

20. Alhamdulillah, last week our YAB Prime Minister announced the National Economic Recovery Plan or *Pelan Jana Semula Ekonomi Negara* (PENJANA), valued at RM35 billion. Out of that amount, RM10 billion represents the Government's direct fiscal injection.
21. PENJANA has 3 main thrusts, namely **Empower People, Propel Businesses and Stimulate the Economy**. Each of the 40 initiatives will fulfil either a few or all of the 4 following objectives:
 - a. **Enabling work and reducing unemployment;**
 - b. **Ensuring affordability and providing liquidity;**
 - c. **Digitalisation and operating in the new norm; and**
 - d. **Increasing consumer and investor confidence**

22. Some of you may be wondering, what would happen to the PRIHATIN Package? I would like to emphasise that **the PRIHATIN measures will be implemented concurrently with those under PENJANA.**
- a. There are various PRIHATIN measures that will run until June and also September. As announced by YAB Prime Minister last week, (measures under) PRIHATIN have saved over 2.4 million jobs; while over 11 million people received assistance to ease their cash flow burden, and over 300,000 companies supported. InsyaAllah, these efforts will continue.
 - b. PENJANA is a short-term economic recovery plan for the period June to December 2020. To empower the Rakyat, the focus is on employment and the Government has allocated almost RM9 billion to benefit 3 million workers. As for businesses, there are various initiatives to assist large companies, SMEs and micro enterprises.
23. I would like to take this opportunity to announce that there are several initiatives under PRIHATIN that will now be subsumed under PENJANA for more effective implementation to benefit the target groups.
24. The first one is the SOCSO Employment Retention Program (ERP). As of 5 June, more than 202,000 employees had received more than RM240 million under the ERP program (representing double the original allocation of RM120 million).
- a. During the Conditional MCO period ending June 9, the Government found that ERP applications had declined, from 15,000 per week in April to about 300 applications per week in early June. This decline is in line with the gradual opening of the economy in early May, which recently saw over 12.7 million or 83.5% of workers begin to return to work (according to the latest figures from the Department of Statistics Malaysia).
 - b. Related to that, the Government has decided to **consolidate the ERP into the Wage Subsidy programme, which has now been expanded under PENJANA.** From 15 June 2020 onwards, the Wage Subsidy programme will allow employers to apply for the wage subsidy for their workers who have been put on unpaid leave. Wage subsidies are also aimed at helping workers in the tourism and other sectors prohibited from operating during CMCO.
 - c. As this assistance is provided to those who are working and those put on unpaid leave, the Wage Subsidy Programme which has been extended for a further 3 months is expected to help employers retain more workers and save jobs, InsyaAllah.
25. Second, is the consolidation of facilities and financial assistance for businesses including SMEs.

- d. Under PRIHATIN, RM7 billion in financing to help SMEs was provided through Bank Negara Malaysia and financial institutions. These include the Special Relief Facility, Agrofood Facility and Automation and Digitalisation Fund, as well as micro credit schemes.

PRIHATIN	RM billion
SRF	5.0
ADF	0.3
Agrofood	1.0
Skim Kredit Mikro	0.7
Total	7.0

- e. Under PENJANA, the Government acknowledges SMEs' complaints about being unable to receive some assistance, such as the SRF, which was applied for (and utilised) pretty quickly. Therefore, PENJANA has allocated RM10.95 billion specially for SMEs and micro-businesses. These include financing initiatives for the tourism sector, SMEs, Bumiputera traders, small contractors, the creative industries and micro businesses. Programmes such as the SRF as well as financing SMEs under PENJANA will be channelled through Bank Negara Malaysia while programmes such as Micro Credit Schemes will be channelled through BSN and TEKUN.

PENJANA	RM' billion
SRF	5.0
Tourism PENJANA	1.0
PKS PENJANA	2.0
Industri Kreatif	0.1
Kontraktor Kecil	1.6
Skim Kredit Mikro	0.75
PKS Bumiputera	0.5
Total	10.95

26. To that end, given the many various agencies involved in disbursing different types of financing assistance, the Government has decided to coordinate all Government financing programmes for businesses under PENJANA.
27. PRIHATIN and PENJANA measures and initiatives will be implemented in tandem for the benefit of the *Rakyat*. The **LAKSANA unit** at the Ministry of Finance will continue to monitor and ensure the smooth, transparent and accurate implementation of both plans.
28. The private sector has contributed a lot to these initiatives and I am heartened by our healthy public-private partnerships. Malaysia is indeed unique in this regard. There is no other country where facilities for internet, purchase vouchers, loan moratorium, or

rental waivers are made available as per in Malaysia. I hope this collaboration sets a benchmark for public-private global best practices.

29. In total, both the PRIHATIN and PENJANA packages are worth RM295 billion, with RM45 billion in the form of direct fiscal injection.

30. I would like to take this opportunity to express my sincere appreciation to the employees of the Ministry of Finance, related Ministries, and the relevant agencies who worked tirelessly to prepare PENJANA. Thanks again.

CLOSING

Ladies and Gentlemen,

31. Before I end this week's report, I would like to share some Malay *pantun*:

*Belari-lari di atas bukit,
Sampai ke puncak indahnya pandangan,
Patuh SOP elak jatuh sakit,
Moga sihat dan selamat berpanjangan.*

*Sahabatku Rahman pergi ke pasar,
Membeli makanan untuk keluarga,
Bantuan Kerajaan haruslah bersasar,
Bersama menjana ekonomi negara.*

32. Until we meet again, that's it for this week's Laksana report.

33. Wabillahitaufig walhidayah. Assalamualaikum wbt, stay safe, dan salam hormat. Stay strong, stay united, InsyaAllah victory will be ours!

