



SPEECH

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**10th LAKSANA REPORT
IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC
STIMULUS PACKAGE (PRIHATIN) AND
National Economic Recovery Plan (PENJANA)**

23 JUNE 2020



INTRODUCTION

1. Assalamualaikum WBT dan Salam hormat. Alhamdulillah, welcome to the 10th Laksana progress report. Without a doubt, the Government is committed to ensuring that progress of all the economic stimulus packages amounting to RM295 billion in total, is reported in a timely and transparent manner. This Laksana report also enables us to share reminders and to respond to issues raised by the public.
2. Just last week, YAB Prime Minister made a working visit to the LAKSANA Unit at the Ministry of Finance, where he launched Laksana's Digital Dashboard and was given a briefing.
 - a. The Digital Dashboard is unique as it consolidates data from 53 related Ministries and government agencies responsible for implementing measures under the PRIHATIN and PENJANA packages. The Government hopes that this data-driven approach will ensure proper and effective monitoring while enabling timely interventions to ease the burden of the *Rakyat*, workers and businesses. This is also in line with the government's efforts on digitalising of services in moving towards Industrial Revolution 4.0.
 - b. The YAB Prime Minister also took the opportunity to interact with several PRIHATIN beneficiaries via video conferencing. Let me share these short videos with you.
 - c. Thank you YAB Prime Minister for the continuous support.

Ladies and gentlemen,

3. Today, I would like to cover 3 topics:
 - a. Firstly, achievements for the implementation measures for PRIHATIN;
 - b. Secondly, the status updates for PENJANA;
 - c. Thirdly, a commentary on the economy.

PRIHATIN OBJECTIVE 1: PROTECTING THE RAKYAT

4. We shall start with implementation status under the **First Objective of PRIHATIN, which is “Protecting the Rakyat”**.
5. **First, Bantuan Prihatin Nasional or BPN.**
 - a. Between 12 to 19 June, **RM40 million in cash had been disbursed to 40,000 BPN recipients through BSN branches nationwide.**
 - b. As at 19 June, a total of **10.19 million recipients had received the assistance**, which amounted to BPN payments of **RM10.88 billion i.e., 97% implementation rate.**
 - c. Last week, I shared that the 181,000 successful appellants will receive their assistance valued at RM162 million at the end of the month (of June). I am pleased to share that the payments will be disbursed from tomorrow, 24 June 2020 onwards. I hope the assistance will lighten the burden of these BPN recipients.
6. **Second, the EPF i-Lestari programme.** As at 19 June, 4.3 million applications had been approved with a value of **RM2 billion** a month. Alhamdulillah, the i-Lestari programme, which is withdrawal from Account 2, has helped ease cashflow issues faced by the Rakyat.

i-Lestari	Total Approved* (RM billion)	Applications Approved* (million)
19 June	2.01	4.30
12 June	1.98	4.22
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

7. Last week, the issue of high TNB electricity charges was raised.
- Following consumer feedback, the Government investigated to find the causes of the issue – which included increased power usage during MCO and the change of status/category for some customers, which made them ineligible for the discounts under PRIHATIN.
 - Alhamdulillah, upon consideration, the Prime Minister approved **Bantuan Prihatin Elektrik Tambahan** of **RM942 million**. As announced by the Energy and Natural Resources Minister, Datuk Dr Shamsul Anuar, approximately **7.66 million domestic consumers will benefit from this relief**. Meanwhile, **4 million or 52.2% domestic consumers with consumption of less than RM77 or 300 kWh per month would enjoy free electricity**.
 - This assistance will be jointly funded by *Kumpulan Wang Industri Elektrik*, TNB and the Ministry of Finance. It is hoped that the additional assistance will provide further relief to consumers.

Under PRIHATIN's Second Goal, which is SUPPORTING BUSINESSES:

8. First, Prihatin Special Grant (GKP) for micro SMEs:

- Payments for the Prihatin Special Grant amounting to RM3,000 for each micro SME commenced on 15 June, while for the micro SMEs under further review and found eligible, payments will be disbursed from 29 June 2020.
- The total GKP disbursed is roughly **RM1.57 billion, benefitting 524,446 micro SMEs**. The Government hopes that this grant will, to some extent, help the micro SMEs in restarting their businesses.

9. Second, the Wage Subsidy Programme, and the Improved Wage Subsidy:

- As of 19 June, **RM4.89 billion** had been approved for **303,596** employers benefiting more than **2.40 million employees**.

Wage Subsidy Allocation RM13.8 billion	Approved amount* (RM billion)	No of employers*	No of employees* (million)
19 June	4.89	303,596	2.40
12 June	4.08	295,265	2.31
5 June	4.00	293,033	2.30
31 May	3.22	286,338	2.20
17 May	2.24	267,752	2.00
10 May	2.10	258,165	1.90
3 May	1.90	235,000	1.70
26 April	1.35	195,000	1.50
19 April	1.20	159,000	1.00

*Cumulative Figure

- b. With the consolidation of the **Wage Subsidy Programme under PENJANA**, I would like to remind employers that **applications for the improved Wage Subsidy Programme were open from last week, i.e., 15 June.**
- c. Recently, the Government received information about errant employers which did not pass on the wage subsidy to its workers. This is a violation of the related law and terms of the programme, and I would like to remind employers that the Government will not hesitate to take serious action on these employers. I hope this particular stimulus package will not be abused and the onus is on the employers to be more responsible. Do not take advantage and mistreat your employees.
10. **Third, the EPF’s Covid-19 Assistance Program (e-CAP) for Employers.** Up to 19 June, **34,246 applications** had been received, and **8,489 applications were approved**, amounting to **RM56.8 million** in terms of employer’s contribution. This is an increase from RM47.9 million recorded last week. Nevertheless, with the gradual reopening of economic sectors since 4 May, this amount is expected to decrease in the coming months.

EPF’s Covid-19 Assistance Program (e-CAP) for Employers	No of applications received*	No of applications approved *	Amount approved* (RM million)
19 June	34,246	8,489	56.8
12 June	31,400	7,194	47.9
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

11. **Fourth, the SME Soft Loan Funds** administered by Bank Negara Malaysia. As at **19 June 2020**, total financing amounting to **RM8.2 billion** had been approved by local banks and officially accepted by **19,253 SMEs**. This amount includes funds from the *Special Relief Facility, Automation & Digitalisation Facility, All-Economic Sector Facility* and Agrofood facility.

SME Soft Loans Fund	Amount approved and accepted* (RM billion)	No of SMEs*
19 June	8.2	19,253
12 June	7.8	18,449
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

12. **Fifth, on the BSN and Tekun Nasional Micro Credit Schemes as at 19 June:**

- a. Under the BSN micro credit scheme, **6,742** applications were approved, valued at **RM236.4 million**
- b. For the Tekun programme, **22,843** applications were approved, amounting to **RM174.63 million**.

Micro Credit Scheme Allocation: RM700 million	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>
19 June	6,742	236.4	22,843	174.63
12 June	6,074	216.7	21,674	166.14
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

*Jumlah Kumulatif

Under PRIHATIN's Third Objective, which is STIMULATING THE ECONOMY

13. On the **Moratorium on Loan Repayment by financial institutions** which took effect on 1 April 2020, as at 19 June, the estimated value of the moratorium is **RM43.7 billion**. Out of this figure, a total of **RM15.3 billion** was utilised by the **business sector** while **RM28.4 billion** was utilised by the **Rakyat** via financing qualified for the moratorium.
14. I would like to take this opportunity to **remind borrowers that the moratorium period will end on 30 September 2020**. For borrowers who may need to restructure and reschedule their facilities beyond 30 September, **they are advised to consult their respective financial institutions**. Please do not wait until the last minute to discuss options with your respective financial institutions for the sake of your cash flow.

15. Additionally, allow me to share the latest data on the **Small-Scale Projects**, for which RM4 billion is allocated under the PRIHATIN Package. As at 19 June, **RM3.76 billion had been allocated to various Ministries and related agencies** specifically for projects to be implemented by G1-G2 contractors.

PENJANA - NATIONAL ECONOMIC RECOVERY PLAN

Ladies and gentlemen,

16. For the National Economic Recovery Plan (PENJANA), several initiatives have commenced in June while some are still in the preliminary stage of implementation: These include:
 - a. The **improved Wage Subsidy Programme** with an allocation of RM5.3 billion;
 - b. **Free additional 1GB of Internet data** with an allocation of RM3 billion meant for educational and productivity-related (internet) activities;
 - c. **My30 unlimited travel pass** with an allocation of RM200 million; and
 - d. **Agriculture and food industry support amounting to RM400 million** which will be allocated to various initiatives such as financing, workforce mobility and urban farming.
17. At the same time, the LAKSANA team together with the Ministries and implementing agencies are ensuring the FAQs, application process and initiatives' eligibility are well-communicated to effectively facilitate recipients' access to these measures.
18. God-willing, the status updates will be shared as soon as the implementation (of these measures) begins in the near future.

Finally, I would like to give a brief commentary on the current economic situation:

19. The unemployment rate in Malaysia increased to 5% in April. This was a result of the closure of various economic sectors during the MCO and CMCO period to contain the COVID-19 pandemic in March and April. For comparison purposes, the current unemployment rate in the Philippines is 17.7%, India 23.5%; USA 13.3%; China 5.9%. Many European countries are also experiencing double-digit unemployment rates.
20. While the unemployment rate is expected to go up in the coming months, measures under PRIHATIN and PENJANA Packages are aimed at containing the unemployment rate. The Wage Subsidy Programme alone has managed to save 2.4 million jobs thus far.

21. With the expanded Wage Subsidy Programme under PENJANA that took effect on 15 June 2020, employers can now apply for the wage subsidy for their workers who have been put on unpaid leave. The Government is targeting that this, coupled with the re-opening of almost all sectors of the economy, will result in an improvement especially in the third and fourth quarters of this year, God-willing.
22. Various upskilling programmes under PENJANA are also aimed at preserving the capacity of our workforce, so that the business sectors can restart and scale up quickly as the economy recovers. **Under PENJANA, there is a RM2 billion allocation for upskilling programmes for youths and the unemployed, particularly in priority sectors such as electrical and electronics and information and communications technology.** This initiative is expected to benefit more than **200,000 individuals.**
23. I would also like to touch on the **budget deficit and national debt.** Analysts, rating agencies and investors have accepted the fact that Malaysia, similar to many other countries, will record a higher deficit following the implementation of various economic stimulus measures. Yes, **the Malaysian budget deficit is projected to increase to 5.8 - 6%, and our debt level - currently at 52% - may reach the statutory limit of 55% later this year.** This is due to the **measures implemented under PRIHATIN and PENJANA** that are aimed at saving lives and livelihoods, as well as stimulating the economy.
24. Moving forward, **what is most important is what we can do to improve the situation. The Government is committed to fiscal discipline and to reduce the fiscal deficit to below 4.0% within the next 3 - 4 years.**
25. On our debt level, I have reiterated on many occasions that 97% to 98% of our debt is comprised of domestic borrowings - this is imperative as it means that our exposure to foreign currency fluctuations is limited. To this end, the Government's commitment to fiscal discipline remains.
26. For the measures under PRIHATIN and PENJANA, I would like **to express my appreciation to various private sectors and government agencies who have been instrumental in assisting the Government's economic recovery measures towards protecting the Rakyat, supporting businesses and stimulating the economy. Without the strong support from players in our financial and economic ecosystem, we could not have put together the PRIHATIN and PENJANA packages with a total value of RM295 billion to help save and regenerate the nation's economy for the sake of the Rakyat.**

CLOSING

27. Before I conclude, I would like to echo YAB Prime Minister's advice and recommendation during his official visit to Laksana last week. The Prime Minister mentioned that the execution of PRIHATIN and PENJANA should **focus on impact and outcomes to communities, and should not be solely about chasing numbers on disbursements and recipients**. He emphasised on the crucial need for any assistance to truly benefit the targeted *Rakyat*, workers and businesses, and not just in a superficial way. To this end, the Laksana team will ramp-up its on-ground efforts, to obtain public feedback on the impact of the various PRIHATIN and PENJANA measures.
28. A few weeks ago, I received a nice letter from a teacher based in Sri Aman, Sarawak. She shared a lovely *pantun* with me and one of the paragraphs is as follows:
- Lincak langkah si burung kedidi
Bila senja pulang ke sarang
Hidup kita biar berbudi
Ke mana pergi dikenang orang*
29. Before I end this week's report, allow me to respond to the teacher's *pantun*:
- Terbang tinggi si burung kedidi
Singgah sebentar di atas peti
Apabila tiba peluang berbudi
Bantulah negara seikhlas hati*
30. Until we meet again next week, God-willing. Thank you.