



MEDIA STATEMENT
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MINISTER OF FINANCE

14th LAKSANA REPORT

**IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC
STIMULUS PACKAGE (PRIHATIN) AND
NATIONAL ECONOMIC RECOVERY PLAN (PENJANA)**
22 July 2020



INTRODUCTION

1. This week, the 14th LAKSANA Report will cover 3 areas:
 - a. First, updates on PRIHATIN achievements;
 - b. Second, progress updates on PENJANA; and
 - c. A commentary on selected current issues.

PRIHATIN OBJECTIVE 1: PROTECTING THE RAKYAT

2. First, Bantuan Prihatin Nasional or BPN.

- a. As of 20 July 2020, **the total number of disbursements for BPN was RM11.14 billion** (an increase from RM11.06 billion last week) including BPN appeal cases involving **10.416 million recipients** (an increase from 10.4 million recipients from last week).
- b. Meanwhile, for appeal cases involving a total group of 160,000 applicants (with an allocation of RM139 million), a total of **RM125 million (146,000 recipients)** has been successfully disbursed. The balance are credit failure recipients who are advised to go to BSN for the disbursement in cash.

3. **Second, *Bantuan Sara Hidup* or BSH.** As previously announced by the Government, payments for Phase 3 of ***Bantuan Sara Hidup* or BSH 2020** will be made starting **24 July 2020 (Friday)**. The allocation is **RM3.0 billion** and will benefit almost **4.28 million BSH recipients**, inclusive of **3.75 million households** and **0.53 million single individuals** (40-59 years old). The BSH figure also takes into account **3.8 million children of eligible BSH recipients aged 18 and below**.
4. To ensure that the BSH 2020 programme is targeted at those who are truly qualified, the appeal period will be open from 7 August 2020 to 6 September 2020. With this appeal process, those who are not eligible are still given the opportunity to submit an appeal along with relevant documents to be verified by LHDNM. Appeal applications can be made online via **BSH portal** <https://bsh.hasil.gov.my> or applicants can submit their appeals at any **LHDNM Branch / Revenue Service Center (PKH) and Urban Transformation Center (UTC)**.

PRIHATIN OBJECTIVE 2: SUPPORTING BUSINESSES

5. **First, Prihatin Special Grant (GKP) for micro SMEs:**
 - a. As at 20 July, the total GKP approved is worth about **RM1.64 billion** which benefited **545,000 Micro SMEs**. From this sum, **RM1.47 billion** has been disbursed and this reflects an achievement rate of **90%**; and
 - b. For recipients with **credit failure status and have updated their bank account number**, payment in stages have been made since 2 July 2020.
6. **Second, the Wage Subsidy Programme**
 - a. With the measures to break the Covid-19 circuit, many were worried about losing their job and wage cuts. The main purpose of this programme is to provide incentives to employers to retain their employees and at the same time, help manage the cash flow of the business.
 - b. As at 20 July, **RM7.82 billion** (an increase from **RM7.79 billion** last week) had been approved which benefitted more than **2.55 million employees** (an increase from 2.53 million employees) while the total disbursement was **RM7.39 billion** (an increase from **RM6.82 billion**) which benefited **2.54 million employees** (an increase from **2.49 million employees**)
 - c. **SOCSSO has uploaded the list of employers who received the subsidy under this programme.** This measure is in response to public complaints on employers who took the subsidies and still laid off or reduced their employees'

salaries. In this regard, **the public can lodge their complaints to SOCSO via aduansip@perkeso.gov.my or phone 1300228000 for further action.**

7. **Fourth, the SME Soft Loan Funds** administered by Bank Negara Malaysia. As at **20 July 2020**, total financing amount approved by local banks and officially accepted by SMEs is **RM9.23 billion** (an increase from 9.1 billion last week) and it will benefit **20,815 SMEs** (an increase from 20,545 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*
20 July	9.2	20,815
10 July	9.1	20,545
3 July	8.8	20,104
26 June	8.4	19,539
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

8. **Fifth, BSN Micro Credit Schemes.** As at 20 July 2020, **11,210 applications were approved** (an increase from 10,264 last week), valued at **RM370.81 million** (an increase from RM344.4 million).

Achievement of PRIHATIN

9. As of 20 July 2020, the accomplishments in the implementation are as follows:
- For one-off cash aid - such as BPN, assistance to tertiary students, e-hailing and taxi drivers, government retirees, and others – **amounting to RM14.3 billion, the implementation rate is at 91%;** and
 - For initiatives involving implementation within the next 3 to 6 months - such as electricity bill discount, wage subsidy (original scheme), moratorium, e-CAP EPF and others - involving the cost of **RM68 billion, the implementation rate**

is at **54%** (from 50% last week). This is an encouraging trend given that we are already halfway through the time frame for implementing these measures.

NATIONAL ECONOMIC RECOVERY PLAN (PENJANA)

10. Under PENJANA, the initiatives are divided into three goals:

- a. Empower People
- b. Propel Businesses; and
- c. Stimulate the Economy.

NATIONAL ECONOMIC RECOVERY PLAN (PENJANA)

PENJANA Objective 1 - Empower People

11. **First, the PEKA B40 Health Support**, an aid facility to B40 provided by the Government to fund 4 types of health facilities namely health screening, medical assistance, cancer treatment incentives and transportation fare incentives for health. A total of **7,695 claims** amounting to more than **RM588,000** were approved through the PEKA B40 scheme, as of 20 July 2020.
12. **Second, under the My30 programme**, as at 20 July 2020, a total of **119,844 passes** had been sold (an increase from 112,500 last week) and the Government's subsidy for My30 passes is valued at **RM20.4 million** (an increase from RM19.13 million last week). My30 pass can be used for MRT, LRT, monorail, BRT, RapidKL buses and MRT feeder buses.
13. **Third, the Hiring and Training Incentive Assistance programme**. Since registration opened on 15 June 2020, **a total of 5,055 employees have obtained employment through this initiative, namely 3,500 (below 40 years old), 800 (40 to 60 years old), 55 (OKU), 700 (Apprentices)**. In addition to the incentives offered, there are also training and upskilling benefits for youths and the unemployed to remain competitive when the country recovers from the COVID-19 crisis. Employers are encouraged to utilise these benefits to hire employees.
14. **Fourth, Social Assistance Support for Vulnerable Groups**, as at 20 July 2020 namely one-off assistance of RM300 has been disbursed to the following groups
 - a. Persons with disabilities (OKU): 184,538 recipients at a cost of RM55.36 million
 - b. Home Help Services: 1,800 recipients at a cost of RM540,000

The process of disbursing payments to the rest of the eligible recipients including registered single mothers will continue until end-July 2020.

OBJECTIVE 2 – SUPPORTING BUSINESSES

15. SMEs including micro business are the backbone of the national economy with almost 40% contribution to the country's GDP, generating more than 70% of jobs in the country. Therefore, under PENJANA, the government remains committed to providing assistance to SMEs through various initiatives.
16. **First, TEKUN Business Recovery Scheme (TBRs).** In total, TEKUN has been entrusted with RM300 million, which is RM200 million under PRIHATIN and the assistance to micro SMEs is continued under PENJANA through TBRs with an allocation of RM100 million. To date, as at 20 July 2020, a total of **259 applications have been approved (RM1.92 million).**
17. **Second, SME-Go Scheme to assist SME Cash Flow.** The new funding initiative launched this month is a financing facility provided by SME Bank to contractors awarded with small government projects under the Economic Stimulus Package (PRE) 2020 and PRIHATIN stimulus package. The scheme is expected to benefit 16,000 G2 and G3 contractors. The purpose of the financing is for the contractors' working capital requirements and the margin of financing is up to 100% of the contract cost. No collateral is required. The bank will take the assignment of payment from the contract award for the contract. The bank will also obtain a joint and several guarantee (or personal guarantee) from the contractor's director/ shareholder/ partner/ owner. Disbursement of financing will be made directly to the supplier or sub-contractor upon confirmation of the invoice or claim submitted to the Bank. Please visit <https://www.smebank.com.my/ms/smeggo> for more information or to apply. Please visit <https://www.smebank.com.my/ms/smeggo> for more information or to apply.
18. **Third, Smart Automation Grant (SAG)** totalling RM100 million, capped at up to RM1 million per company. Grants are offered by the Malaysian Digital Economy Corporation (MDEC) and interested SMEs who meet the criteria can apply directly to MDEC. Please visit <https://mdec.my/digital-economy-initiatives/for-the-industry/smart-automation-grant/> for more information or to apply.
19. **Fourth, on the RM500-million SME Technology Transformation Fund launched this month,** this is meant to help SMEs adopt digitalisation or automation to achieve higher productivity and cost-efficiency. As of 20 July 2020, applications from **20 companies** amounting to **RM46.14 million** have been received.
20. **Fifth, support for the arts, culture, entertainment, events and exhibitions sectors.** As reported last week, the newly launched initiatives are through MyCreative Ventures Sdn Bhd and the Cultural Economy Development Agency (CENDANA). This incentive reflects the government's recognition of the value and

potential of the creative and entertainment industries, and its intention to help industry players recover from the impact of Covid19. **The loan or grant application is now open. Please visit MyCreative (<http://www.mycreative.com.my/>) and CENDANA (<https://www.cendana.com.my/>) for more information or to apply.**

OBJECTIVE 3 – STIMULATING THE ECONOMY

21. **First, Dana Penjana Nasional (DPN)**, an RM1.2 billion allocation, comprising RM600 million of investment injection from the Government, with the balance RM600 million to be matched by international investors who entered into strategic joint ventures with domestic investors. DPN will be implemented under the supervision of the Ministry of Finance.
 - a. DPN is expected to contribute towards Foreign Direct Investment (FDI) as well boost foreign investors' confidence in the dynamic cycle start-ups ecosystem, venture capital and local business sectors in general. DPN covers the whole life cycle of venture capital including the following stages: Seed/Co-Creation, Early Stage - Series A/B, Growth Stage and Venture Debt.
 - b. DPN will also be responsible to monitor the implementation of the funds announced by the Government under PRIHATIN and PENJANA measures to further assist businesses affected by the Covid-19. This move will ensure the coordinated approach of the transparency and effectiveness of the funds.
 - c. Since its launch, the Government has received encouraging feedback from investors and international venture capital firms expressing interest to participate in this initiative. As of July 14, the Government has received strategic applications valued more than RM600 million. The applications are currently being reviewed and the outcome will be announced in August.
22. **Second, the public is reminded that they can take advantage of the tax incentive for car purchases**, enabling buyers to enjoy sales tax exemption for passenger cars, ie 100% for locally assembled (CKD) and 50% for imported (CBU) cars, from 15 June until end-December 2020. This initiative is aimed at revitalizing the automotive industry by encouraging car sales.
23. **Thirdly, the Buy Malaysian Campaign** launched by YAB Prime Minister, Tan Sri Muhyiddin Yassin. The campaign targets sales of more than RM500 million for the period of July to December this year. It is hoped that this move will benefit local companies and boost the purchase of local goods. As our Prime Minister suggested, "Spend for Malaysia".
24. Related to this, the Government would also like to suggest that landlords play a role in rebuilding our economy. Private sector landlords are requested to exercise

some give-and-take to provide their tenants an opportunity to rebuild their businesses. Remember, if your tenants suffer, landlords' potential to earn rental income is also affected.

CURRENT ISSUES REVIEW

25. Based on the forecast of various agencies, such as the World Bank and the International Monetary Fund, more than 150 countries around the world are expected to record economic contraction by 2020, including Malaysia. What is more important is what the Government has done and needs to do to ensure that the impact of Covid-19 on the economy is well-managed, if not completely, then at least in terms of cushioning the impact, so that our economy is able to rebound in tandem with the regional and global economic recovery.
26. Based on **Global Economic Prospect June 2020 (World Bank Group)**, other than Thailand, Malaysia has been recognized as one of the countries with exceptional economic stimulus packages focusing on public healthcare, financial aid and business incentives.
27. Based on the achievements so far, the response through the PRIHATIN and PENJANA initiatives to this crisis is timely and appropriate. This positive development is supported by the increase in economic activity which is gradually recovering and will likely increase further in the coming months. One proof point of economic recovery is the **Department of Statistic Malaysia's May 2020 data for wholesale and retail trade, at 84.4 billion. This is an increase of RM17.5 billion or 26.3% compared to April 2020.**
28. We also expected the **unemployment rate** to rise (5.3% for May 2020 compared to 5.0% in April 2020), **but what is more important is whether our economic recovery and job retention measures have a positive impact on the number of workers returning to work.** This is evidenced by the data of the **Department of Statistic Malaysia (DOSM)** which shows that **as of June 2, 2020, approximately 12.7 million or 83.5% of employees have started working compared to 10.2 million or 67.2% on May 17, 2020.**
29. However, it is important to recognise that we are not out of the woods yet, and we must be prepared for the possibility that the situation could get worse before it gets better. This is because, as an open economy, our recovery is also partly dependent on how well the global economy recovers. Within our shores, however, we have more control over certain outcomes. One effort we can undertake is to seek early assistance on repaying our financial obligations, if we feel that we may need more time to set our finances on a stronger footing. Assistance can be obtained from financial institutions, or Credit Counselling and Debt Management Agency (AKPK) for individuals, Small Debt Resolution

Scheme for SMEs and the Corporate Debt Restructuring Committee (CDRC) for bigger companies.

30. Finally, the public is reminded again that although we have registered low active and new cases, the pandemic still exists in the country. As such, Malaysians must continue adhering to stipulated SOPs to help curb any potential second outbreak of Covid-19.

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Ministry of Finance Malaysia

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