



MEDIA STATEMENT

YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
FINANCE MINISTER

17TH LAKSANA REPORT

IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGE (PRIHATIN) AND NATIONAL ECONOMIC RECOVERY PLAN (PENJANA)

19 August 2020



INTRODUCTION

1. This week, the **17th LAKSANA Report** will cover 3 areas:
 - a. First, updates on the PRIHATIN achievements;
 - b. Second, progress updates on PENJANA; and
 - c. Third, review of the current affairs.

PRIHATIN OBJECTIVE 1: PROTECTING THE PEOPLE

2. For the **Frontliners' Special Allowance**, as of 7 August 2020, a total of **RM222.4 million** had been channelled based on **694,447 claims** comprising of **doctors, nurses and other medical personnel** who are directly involved in the management and containment of the COVID-19 pandemic. This special allowance is also extended to **members of the military, police, customs, immigration, fire brigade, members of the Civil Defense Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).**

PRIHATIN OBJECTIVE 2: SUPPORTING BUSINESSES

3. For **SME Soft Loans Funds** operated by Bank Negara Malaysia, as of 7 August 2020, the total number of approved applications by local banks and accepted by SMEs is amounted to **RM9.86 billion** (an increase from RM9.63 billion a week ago) which will benefit **21,759 SMEs** (an increase from 21,410 SMEs a week ago). This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility, All-Economic Sector Facility dan Agrofood Facility.
- The demand for SRF is very encouraging, and it has been fully utilised. The facility has also **benefitted over 21,000 SMEs**.
 - More than half of SRF recipients are in wholesale and retail trade, while over 70% of SRF recipients are from the smaller segment of SME.**
 - Following the gradual reopening of the economy, SMEs can also apply for financing schemes that are still available through BNM's Fund such as Automation & Digitalisation Facility, All-Economic Sector Facility dan Agrofood Facility. SME can also get other financing through the **imSME platform** via the link <https://imsme.com.my/portal/en/> that matches their demand with the necessary SME fund providers.

SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*
7 August	9.9	21,759
31 July	9.6	21,410
24 July	9.4	21,063
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 Amount*

PRIHATIN OBJECTIVE 3: STRENGTHENING THE ECONOMY

4. **Controlling the spread of COVID-19 pandemic** is a critical factor in economic recovery. A total of RM1 billion is allocated to finance the purchase of medical equipment such as ventilators and ICU equipment, personal protective equipment (PPE) for public medical service personnel as well as laboratory equipment for COVID-19 screening. As of 7 August 2020, a total of **RM512.5 million** has been channelled in an effort to further enable the Ministry of Health (MOH) in combating COVID-19.
5. Information related to the **achievement of other initiatives under PRIHATIN** are in the **appendix** of this report.

PENJANA (National Economic Recovery Plan)

6. Under PENJANA, the initiatives are focused on three objectives, namely:
 - a. Empowering the People;
 - b. Propelling Businesses; and
 - c. Stimulating the Economy.

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

7. **Firstly, under the My30 programme**, as of 7 August 2020, **a total of 240,140 passes have been sold** (an increase from 204,325 passes), **with the Government subsidy valued at RM40.8 million** (an increase from RM34.7 million). My30 passes can be used for MRT, LRT, Monorail, BRT, RapidKL and MRT Intermediate Buses.
8. **Secondly, Reskilling and Upskilling Programmes.** To increase the marketability of youths and the unemployed, the government in collaboration with several ministries and agencies will implement **training and skill-upgrading programmes for youths and the unemployed**. These soon-to-be-launched programmes are estimated to benefit almost 200,000 youths and the unemployed. Among the collaborators are Human Resources Development Fund (HRDF), Ministry of Higher Education, Majlis Amanah Rakyat (MARA), Northern Corridor Implementation Authority (NCIA), East Coast Economic Region Development Council (ECERDC) and Ministry of Development, Entrepreneurs and Cooperatives, Ministry of Tourism, Arts and Culture and Ministry of Youth and Sports. **Among the initiatives that have been launched:**
 - a. Under HRDF, five (5) initiatives under **PENJANA HDRF** which includes:
 - Placement and Training;
 - Reskilling and Upskilling

- Development of Small and Medium Enterprises (SMEs)
- B40 Development; and
- *Gerak Insan Cemerlang* (GIC).

For more information, please visit <https://penjanahrdf.com.my/>

- b. **NCIA** which provides programmes to help the unemployed or those who have lost their jobs:

- **empowerNCER:** skills and entrepreneurship training programmes;
- **entrepreneurNCER:** assisting micro-enterprises and SMEs in maintaining and restarting businesses as well as helping to improve product branding and marketing; and
- **NCER Talent Enhancement Program (NTEP):** provide high quality skills and training to increase the level of competitiveness to local graduates as well as those who have just lost their jobs

For more information, please visit <https://www.ncer.com.my/nciapostcovid-19/>

9. **Thirdly, from 24 to 28 August, Malaysia Digital Economy Corporation (MDEC)** will be organizing **#MyDigitalWorkforce Week** which aims to give people the opportunity to develop their careers and improve their skills. In line with the objective of empowering the people under PENJANA, the Government welcomes the efforts of public-private partnerships in improving skills and gaining employment opportunities in various fields of digitalization – such as animation, software development, big data, artificial intelligence (AI) and others. **More than 20 webinars, 50 speakers and 4,000 job opportunities are available for participants.** This 5-day program will be held virtually and those who are interested can register **for free** at <http://mydigitalworkforceweek.my>

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

10. **First, TEKUN Business Recovery Scheme (TBRs).** As at 7 August 2020, a total of **3,459 applications** were approved (an increase from 1,810) amounting to **RM24.9 million** (an increase from RM13.3 million). Of this amount, a total of **RM8.04 million** had been channelled to benefit **1,078 Micro SMEs**.
11. **Second, PENJANA SME Financing.** The banking sector is offering additional funding of RM2 billion to assist SMEs affected by COVID-19, and priority will be given to SMEs that had never received financing from the participating banks. As of 7 August 2020, **392 applications RM134.3 million had been approved.**

12. **Third, E-Commerce Campaign to Micro Enterprises and SMEs (Micro SMEs)**

The campaign aims to encourage the use of e-commerce by local businesses to further expand their market reach. This MDEC-led initiative facilitates the **transition of SMEs and micro SMEs onto e-commerce** platforms which, in turn, will expand their market access. This campaign involves 20 e-commerce partners including **Boost, Carousell, ConfirmPlusChop, DeliverEat, Elokal, eRomman, Fave, foodpanda, Grab, JOCOM, Kedai Matdespatch, Lazada, Lokein, MyGroser, OURSHOP, PG Mall, Maybank2u (Sama-Sama Lokal), Shopee, Touch 'n Go eWallet, and Zalora**. More than 145,000 Micro SMEs are expected to benefit from e-commerce training, seller subsidies and sales support. As of **7 August 2020, a total of 63,000 Micro SMEs have benefited from this initiative**. Micro SMEs and local businesses who wish to participate in the campaign can register through www.go-ecommerce.my/PENJANA.

13. **Fourth, Shop Online Malaysia** for online use. **MDEC** as the implementing agency has launched the **Shop Malaysia Online campaign from 1 August until the end of September 2020**.

- a. **As of 7 August 2020, 1.09 million users** have benefited from this campaign
- b. This campaign is a post-COVID-19 national economic recovery initiative which encourages people to shop online, and part of the government's commitment to support local businesses. Through this campaign, users will receive promotional codes and various discount vouchers on e-commerce platforms to encourage them to purchase more local products. Through this initiative, the government and MDEC will work together with more than **20 e-commerce partners** to promote various offers over two months. E-commerce partners consist of **Boost, Carousell, ConfirmPlusChop, DeliverEat, Elokal, eRomman, FashionValet, Fave, foodpanda, Grab, JOCOM, Kedai Matdespatch, Lazada, Lokein, Maybank2u (Sama Sama Lokal), MyGroser, OURSHOP, PG Mall, Shopee, Touch 'n Go eWallet, Youbeli and Zalora**.
- c. This initiative also encourages the public to make the digital leap in the face of the Industrial Revolution 4.0 (IR4.0). More information on Shop Malaysia Online can be found at www.go-ecommerce.my/PENJANA.

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

14. **First, ePENJANA:** Launched on 31 July 2020, **until 14 August, 9.03 million people have successfully received RM50 in their e-Wallets with a total value of RM451.5 million**. If there are any questions/ concerns about ePENJANA credit through e-Wallet of choice, the public can contact the three e-Wallet service providers, namely **Boost, GrabPay and Touch 'n Go e-Wallet**.

15. **Second, Sukuk Prihatin:** The Ministry of Finance on 18 August 2020 has announced the issuance of RM500 million under PENJANA.

- a. Well-timed with our *Bulan Kemerdekaan*, this sukuk, themed "**#KitaUntukKita**" provides opportunities for the Rakyat to work together with the Government in helping the economy recover after the COVID-19 pandemic.
- b. Among the objectives of this sukuk is to enhancing connectivity to rural schools, which will also act as a hub to connect nearby villages; support research grants for infectious diseases; and provide grant financing to micro enterprises especially for women entrepreneurs.
- c. This Syariah-compliant sukuk issued is an investment instrument for Malaysian citizens aged 18 and above with the following characteristics:
 - Offered only through digital platforms either through JomPAY and/or DuitNow operated by PayNet which is accessible only through internet and mobile banking
 - Maturity period of two (2) years with a return of 2 percent per annum. It is an investment suitable for portfolio diversification as well as for investors who are conservative and take short-term risks with minimal return on investment. The profit payments, which are tax-exempted, will be made on a quarterly basis.
- d. Sukukholders are also given the flexibility to donate the capital (principal), which will be eligible for a tax deduction.

REVIEW OF CURRENT ISSUES

16. From 1 September 2020, **the function of the Small Loan Settlement Scheme (SPPK) will be transferred from Bank Negara Malaysia (BNM) to the Credit Counselling and Management Agency (AKPK)**. With this transfer, AKPK will be a one-stop platform for individuals and SMEs to obtain debt restructuring services, education and financial advisory services, especially for those with multiple loans from several banks. If the borrower has more than one bank loan and needs a comprehensive solution, AKPK will assist individuals or SMEs in restructuring these loans.

17. BNM has also announced that the country's Gross Domestic Product (**GDP growth for the second quarter (2Q) of 2020 (2Q2020) is -17.1% year-on-year (Y-o-Y)**). It should be highlighted that the GDP contraction for this quarter is attributable to the Movement Control Order and the Conditional Movement Control Order implemented to curb the spread of COVID-19 in Malaysia.
18. **Based on the month-to-month analysis of the GDP growth, the improvement of growth can be seen from April (-28.6%), to May (-19.5%) and June (-3.2%).** The GDP figure for June 2020 is a clear indication that economic recovery is taking place and is in line with the reopening of the economy in May.
19. In addition, the latest numbers are clear indications that recovery is well underway since the economy reopened. These include the following:
 - a. **National exports in June increased 8.8% y-o-y**, rebounding from -25.5% in May;
 - b. **The Industrial Production Index rebounded by 26.2% m-o-m in June** (0.4% year-on-year as compared to May: -21.6% year-on-year);
 - c. **Sale of wholesale and retail trade grew 21.8% in June** as compared to the previous month;
 - d. **Malaysia's Manufacturing Purchasing Managers Index (PMI) has rebounded strongly from its low this year of 31.3 in April to 50.0 and above in June and July**, indicating that the manufacturing sector have moved past the MCO period of contraction;
 - e. Consumer spending has also improved. In fact, **passenger car sales** recorded a **6.3% y-o-y improvement in June 2020**. Measures such as **tax incentives for car purchases** clearly resulted in this increase, indicating positive developments in the sector;
 - f. **Consumer spending has clearly improved**, as evidenced by the **sharp improvement in credit card spending to RM10.7 billion in June**, as compared to RM6.5 billion in April 2020, with growth attributed to safe, contactless shopping;
 - g. **Net financing to the private sector continued to expand at 3.7% on an annual basis. Growth in outstanding business loans increased from 3.4% in 1Q 2020 to 3.9% in 2Q 2020.** BNM's decision to reduce the Overnight Policy Rate (OPR) to its current 1.75% has clearly contributed to an improved lending environment; and

- h. **Malaysia's unemployment rate in June 2020 improved to 4.9%, as compared to 5.3% in May 2020.** PRIHATIN and PENJANA measures, which saved over 2.8 million jobs (under the Wage Subsidy and Employment Retention programmes) have indeed contributed to the improved unemployment rate.

20. **For 2021, growth is projected by BNM to be at 5.5 to 8.0%. The International Monetary Fund (IMF) has projected the Malaysian economy to grow at an average of 6.3%, and the World Bank, 6.9% for next year.** The Government is confident that the PRIHATIN and PENJANA measures have contributed to the recovery of our nation's economy.

21. The **Jelajah Belanjawan 2021** is currently in full swing. Last week, the Ministry of Finance launched a **microsite** to receive feedback from the public. All parties are invited to **submit their views and suggestions on Budget 2021** to <http://belanjawan2021.treasury.gov.my>. The **portal will be open until 15 September 2020.** Thank you.

YB Tengku Dato' Sri Zafrul Aziz

Finance Minister

Ministry of Finance Malaysia

19 August 2020

APPENDIX - PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE PEOPLE		
1.	Bantuan Sara Hidup or BSH	a. A total of 4.13 million recipients have been successfully credited with a total payment of RM 2.7 billion into their respective bank accounts. BSH recipients who are approved but cannot be credited into their bank accounts can claim in cash at any Bank Simpanan Nasional (BSN) branch until 31 December 2020. b. The Appeal Application for BSH 2020 is open until 6 September 2020. There is no charge for receiving applications or appeals. The appeal process can be made through: • LHDNM Branch / Pusat Khidmat Hasil (PKH) / Urban Transformation Centre (UTC). • Online (on-line) for applicants with the Not Successful status Only. Please visit the following link for more information https://bsh.hasil.gov.my/
2.	Employees Provident Fund (EPF) iLestari Program	a. As of August 7, 2020, the cumulative withdrawal between April and August 2020 was RM6.5 billion (an increase from RM5.71 billion last week), involving 4.52 million recipients (an increase from 4.5 million recipients). b. The EPF provides free Retirement Advisory Service (RAS) for retirement planning. Information on this service can be found at https://www.kwsp.gov.my/en/member/retirement-advisory-service and it is open to the public, including non-EPF members.
3.	Taxi Drivers	As of 7 August 2020, the Government has channeled aid to 29,968 taxi drivers (an increase from 29,665) amounting to RM17.9 million (an increase from RM17.8 million) for first phase recipients. For the second phase recipients, payment was made on 22 July 2020 involving 4,814 drivers. A total of 1,376 drivers have received payments for the second phase amounting to RM825,000 (no change from last week)

4.	Tourist Guides	Up to 7 August 2020, a total of 7,582 tourist guides (an increase from 7,570 drivers) have received assistance amounting to RM4.55 million (an increase from RM4.54 million)
5.	Tour Bus Drivers	Payment to 3,104 for tour bus drivers was made on 22 July 2020. As of 7 August 2020, a total of 2,870 tour bus drivers have received assistance amounting to RM1.7 million .

OBJECTIVE 2: SUPPORTING BUSINESSES

6.	EPF's Covid-19 Assistance Program (e-CAP) for Employers	As of 7 August 2020, a total of 66,673 applications (an increase from 65,986 last week) have been received and of that number, 12,584 applications have been approved worth RM82.7 million (an increase from RM82.1 million last week) for EPF employers' contributions.																																																								
		<table><tr><th>EPF's Covid-19 Assistance (e-CAP) for Employers</th><th>Number of applications received</th><th>Number of applications approved</th><th>Amount approved * (RM million)</th></tr><tr><td>7 August</td><td>66,673</td><td>12,584</td><td>82.7</td></tr><tr><td>31 July</td><td>65,986</td><td>12,425</td><td>82.1</td></tr><tr><td>24 July</td><td>65,122</td><td>12,165</td><td>80.9</td></tr><tr><td>20 July</td><td>64,265</td><td>11,930</td><td>79.3</td></tr><tr><td>10 July</td><td>58,455</td><td>11,370</td><td>76.1</td></tr><tr><td>3 July</td><td>37,900</td><td>10,528</td><td>70.4</td></tr><tr><td>26 June</td><td>36,107</td><td>9,542</td><td>63.9</td></tr><tr><td>19 June</td><td>34,246</td><td>8,489</td><td>56.8</td></tr><tr><td>12 June</td><td>31,400</td><td>7,194</td><td>47.9</td></tr><tr><td>5 June</td><td>29,601</td><td>6,457</td><td>42.9</td></tr><tr><td>31 May</td><td>26,509</td><td>5,245</td><td>34.8</td></tr><tr><td>17 May</td><td>20,771</td><td>3,168</td><td>20.6</td></tr><tr><td>10 May</td><td>13,690</td><td>2,032</td><td>13.4</td></tr></table>	EPF's Covid-19 Assistance (e-CAP) for Employers	Number of applications received	Number of applications approved	Amount approved * (RM million)	7 August	66,673	12,584	82.7	31 July	65,986	12,425	82.1	24 July	65,122	12,165	80.9	20 July	64,265	11,930	79.3	10 July	58,455	11,370	76.1	3 July	37,900	10,528	70.4	26 June	36,107	9,542	63.9	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
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7.	Wage Subsidy Program	As of 7 August 2020, a total of RM9 billion in Wage Subsidies has been approved which benefits more than 2.6 million employees. Of this amount, a total of RM 8.7 billion has been channelled.																																																								
8.	BSN Micro Credit Scheme	As of 7 August 2020, funds have been disbursed to 9,375 SMEs (an increase from 8,738 last week) involving a total of RM322.9 million (an increase from RM302.2 million last week)																																																								

9.	TEKUN Programme	As of 7 August 2020, funds have been disbursed to 24,690 SMEs (an increase from 24,465 recipients last week) involving a total of RM185.58 million (an increase from RM183.55 million last week).
10.	The Moratorium on Loan Repayments by Financial Institutions	a. For the Financial Institutional Loan Repayment Moratorium since it came into effect on 1st April 2020, as of 7st August 2020, the value of the moratorium is estimated at RM70.5 billion. Of this figure, RM24.7 billion is the amount utilized by the business sector while the amount utilized by the people is worth RM45.8 billion. b. Towards the end of the general moratorium on 30th September 2020, banking institutions continue to be ready to assist borrowers affected by COVID-19 through extended moratoriums and targeted bank assistance. Those who are still affected can start contacting their banking institution from 8th August 2020 to discuss and apply for repayment flexibility. Please visit https://www.facebook.com/bnm.official/posts/10158571163499872 for more information.