MEDIA STATEMENT

YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
MINISTER OF FINANCE

18TH LAKSANA REPORT

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

27 AUGUST 2020

بسم الله الرحمن الرحيم

INTRODUCTION

1. This week, the **18th LAKSANA Report** will cover 3 areas:

    a. Updates on the PRIHATIN achievements;
    b. Progress updates on PENJANA; and
    c. Review of current affairs.

PRIHATIN (Prihatin Rakyat Economic Stimulus Package)

2. Under PRIHATIN, its initiatives are divided into 3 main objectives, namely:

    a. Protecting the Rakyat;
    b. Supporting Businesses; and
    c. Strengthening the Economy.

PRIHATIN OBJECTIVE 1: PROTECTING THE RAKYAT

3. **The i-Lestari withdrawal scheme under the Employees Provident Fund (EPF) to reduce the burden and increase the cash flow of the Rakyat.** As of 14 August 2020, the total cumulative withdrawal between April and August 2020 is RM7.4 billion (an increase from RM6.53 billion a week ago), involving 4.55 million recipients (an increase from 4.52 million).

4. With the economy opening up in almost all sectors, it is hoped that this assistance will be utilised by those who really need it, namely individuals who have lost their jobs and have not yet found new jobs, as well as individuals who are still employed but their salaries are affected or reduced due to COVID-19.

5. EPF also provides a special platform involving Retirement Advisory Service (RAS) for free retirement planning. Information on this service can be found at https://www.kwsp.gov.my/en/member/retirement-advisory-service

PRIHATIN OBJECTIVE 2: SUPPORTING BUSINESSES

6. For the **SME Soft Loans Funds** administered by Bank Negara Malaysia (BNM); as of 14 August 2020, the total approved applications by local banks and accepted by SMEs is **RM10.1 billion** (an increase from RM9.86 billion a week ago) which will benefit **22,143 SMEs** (an increase from 21,759 SMEs a week ago). This amount includes the Special Relief Facility, Automation & Digitalisation Facility, All-Economic Sector Facility and Agrofood Facility funds.

    a. The Special Relief Facility fund has received a very encouraging response and has been fully utilised. **More than 21,000 SMEs** throughout Malaysia have received this fund which has helped **maintain over 400,000 jobs**.

    b. With the re-start of economic activities, SMEs can also apply for financing schemes that are still available through BNM such as the Automation & Digitalisation Facility, All-Economic Sector Facility and Agrofood Facility. SMEs can also get other financing through the **imSME platform** at the link https://imsme.com.my/portal/bm/ which can help match their funding needs to various SME fund providers.

SME Soft Loans Fund	Approved and Accepted Amount* (RM billion)	Number of SMEs*
14 August	10.1	22,143
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 Jun	8.4	19,539
19 Jun	8.2	19,253
12 Jun	7.8	18,449
5 Jun	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

7. For the **Moratorium on Loan Repayment by financial institutions**, which came into effect on 1 April 2020; as at 14 August 2020, the **value of the moratorium** is estimated at **RM74.3 billion**. Out of this figure, a total of RM26.0 billion was utilised by the business sector while RM48.3 billion was utilised by the rakyat.

    a. Towards the end of the blanket moratorium period on 30 September 2020, banking institutions will continue to assist borrowers affected by COVID-19 via the **targeted bank assistance**. For those who are still affected, please do not wait till the last minute to contact banking institutions to discuss and request for repayment options.

    b. With the gradual opening of the economy since May 2020, the implementation of the **targeted bank assistance** starting 1 October 2020 is appropriate for those who are still affected. This initiative is to also ensure that the country's banking system remains intact and strong.

    c. A strong banking system is essential to support economic recovery by continuing to provide financing to businesses and households, as well as always being prepared to face any possibilities and uncertainties in the future. In addition, the banking industry also has an obligation to pay a profit for its customers' or depositors' savings/funds.

8. Details on the achievement of other initiatives under PRIHATIN can be found in the Appendix of this report.

PENJANA (Economic Recovery Plan)

9. 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

10. **First, the Hiring Incentive Programme and Training Assistance**. Since the commencement of the registration on 15 June 2020, a total of **17,400 employees** (an increase from 12,998 employees) have been successful in finding jobs. This number includes **12,810 employees under the age of 40; 2,462 employees who are 40-60 years old; 149 disabled persons (OKU) and 1,979 apprentices**. RM1.5 billion has been allocated for this programme to encourage hiring by employers.

11. **Second, Reskilling and Upskilling Programmes**. To address the issue of unemployment, the Government is highly committed to enhancing the marketability of youths and the unemployed. The Government, in collaboration with several Ministries and agencies, will implement **training and upskilling programmes for youths and the unemployed**. These upcoming programmes are estimated to benefit nearly 200,000 youths and the unemployed. Among the agencies that have started this initiative are the Human Resources Development Fund (HRDF) and the Northern Corridor Implementation Authority (NCIA):

    a. HRDF has received a total of 9,239 recommendations from 2,525 training providers. Based on these recommendations, 2,548 employers will offer training placements that will benefit 244,207 trainees. As of 14 August 2020, a total of **15,250 trainees** have participated in programmes coordinated by HRDF, with **youths numbering 14,981**.

    b. NCIA recently launched the **JomKerja @ NCER** and **JomNiaga @ NCER** fast track programmes on **8 August 2020** to address the affected target groups and to boost the economy post COVID-19. As of 21 August 2020, a total of **11,690 people have benefited** through the existing programmes. Meanwhile, for the newly launched programmes, **370 out of 8,000 job placement opportunities** have been identified through **JomKerja @ NCER** and **JomNiaga @ NCER**.

12. **Third, Social Assistance Support for Vulnerable Groups**. The Government is aware of the vulnerable group's needs and has allocated RM300 on a one-off or one-time basis to people with disabilities (OKU), single mothers, as well as volunteers at the Home Help Services programme. As of 14 August 2020, a total of **RM59.14 million** has been disbursed, **benefitting 197,125 recipients**, namely:

    a. People with disabilities (OKU): **RM55.7 million (185,713 recipients)**
    b. Single Mothers: **RM2.9 million (9,597 recipients)**
    c. Home Help Services: **RM544,500 (1,815 recipients)**

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

13. **First, the Tekun Business Recovery Scheme (TBRS)**. As at 14 August 2020, a total of **5,838 applications have been approved** (an increase from 3,459 applications) **amounting to RM40.73 million** (an increase from RM24.9 million). From that amount, a total of **RM22.05 million** has been channelled and utilised by **3,053 Micro SMEs**.

14. **Second, PENJANA SME Financing.** The banking sector allocated additional funds of RM2 billion to assist SMEs affected by COVID-19, with the priority given to SMEs that have never received a loan from banks. As of 14 August 2020, a total of **803 applications have been approved, worth RM234.7 million**. The breakdown of approvals based on size of the enterprise is as follows:

SME Size	Number of SMEs	Loan Amount (RM million)
Micro	96	13.22
Small	553	152.56
Medium	154	68.95

15. **Third, E-Commerce Campaign for Micro SMEs and SMEs.** This **E-Commerce Campaign** is an initiative led by the **Malaysian Digital Economy Corporation (MDEC)** to encourage the use of e-commerce by micro SMEs and SMEs by facilitating the transition to business digitisation through a jointly funded programme between the Government and 20 e-commerce platforms. The e-commerce platforms involved will provide e-commerce onboarding training facilities, sales subsidies, and sales support services. As of 14 August 2020, a total of **71,000 Micro SMEs** (an increase from 63,000 Micro SMEs a week ago) have benefited from this initiative. Micro SMEs and

local businesses who would like to participate in the campaign can register through www.go-ecommerce.my/PENJANA.

16. **Fourth, the "Shop Malaysia Online" campaign**. This campaign is a collaboration between the Government and 22 e-commerce platform providers to jointly fund e-voucher discounts to encourage the purchase of local products through e-commerce platforms participating in this campaign. These e-voucher discounts are aimed at incentivising online usage and shopping by consumers, and consequently increase the demand for local products. As of 14 August 2020, a total of 2.8 million users (an increase from 1.09 million users a week ago) have benefited from this campaign. Consumers and local businesses interested in learning more about 'Shop Malaysia Online' can visit www.go-ecommerce.my/PENJANA.

17. **Both the E-Commerce Campaign to Micro Enterprises and SMEs (Micro SMEs) and the "Shop Malaysia Online" campaign for Online Users** are mutually supportive towards encouraging businesses to make a digital leap to further expand their market reach.

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

18. **National Technology and Innovation Sandbox**: The Ministry of Science, Technology and Innovation launched the National Technology and Innovation Sandbox on 19 August 2020 to accelerate the creation, acceptance and commercialisation of high-tech and innovation in the country; especially for entrepreneurs, start-ups and local SMEs.

19. As a start, this programme will be implemented through four financing schemes under the Malaysian Technology Development Corporation (MTDC) namely Single Site Sandbox, Multiple Sites Sandbox, Commercialisation Sandbox and Corporate Sandbox. The financing amount is between RM250,000 to RM4 million depending on the funding category. RM100 million has been allocated for this programme and applications have been opened since 15 July 2020.

REVIEW OF CURRENT ISSUES

20. On 24 August 2020, the Bill (RUU) for the **Temporary Measures for Government Financing (Coronavirus Disease 2019 (Covid-19)) Bill 2020** was passed after gaining unanimous support through a vote in the Dewan Rakyat. With this approval, the following measures can be implemented by the Government:

a. An additional fund of RM45 billion to be channelled to the COVID-19 Fund for purposes laid out in the Covid-19 Bill.

b. It also enables the Government to increase the statutory debt limit up to 60% of the Gross Domestic Product (GDP) and in accordance with the **Loan (Local) Act 1959** and the **Government Funding Act 1983**. This increase is a temporary measure and we aim to return to the 55% GDP limit by 2023.

21. The national economic stimulus package implemented by the Government is from domestic loans based on the sufficiency of liquidity of the country of around RM146 billion. This measure can also reduce the exposure of foreign exchange risk as well as refinancing risk. As a responsible Government, this Bill shows the Government's commitment to take immediate intervention measures to preserve the well-being of the Rakyat and to prevent the economy from worsening.

22. The effective date of this act will be from **27 February to 31 December 2022**. I would like to thank all the Members of Parliament in the Dewan Rakyat who unanimously agreed to the Bill. InsyaAllah, this consensus will bring blessings to the rakyat and to the country.

23. Furthermore, the Government is confident that the measures taken through PRIHATIN and PENJANA have demonstrated positive impact on recovery efforts and the Government has begun planning the next phase of economic empowerment which will be further elaborated in Budget 2021. The teams from the Ministry of Finance continued the **Jelajah Belanjawan 2021** to the state of Johor on 15 and 16 August 2020 and to the state of Pahang on 25 August, to seek feedback on the economic recovery package initiatives PRIHATIN and PENJANA. At the same time, this platform aims to seek views and proposals leading up to drafting of Budget 2021 through several engagement sessions with representatives of sectors such as education, pharmaceuticals, agro-based industries as well as female SME entrepreneurs.

24. **For Budget 2021, feedback from all levels of society is most welcome.** The rakyat can start submitting their suggestions through http://belanjawan2021.treasury.gov.my. **The portal will be open until 15 September 2020.** Thank you.

YB Tengku Dato' Sri Zafrul Aziz
Minister of Finance
Ministry of Finance Malaysia
27 August 2020

APPENDIX – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	**Frontliners Allowance**	a. As of 14 August 2020, a total of **RM222.4 million has been channelled based on 694,447 claims** comprising of doctors, nurses and other medical personnel who have been directly involved in the management and containment of the COVID-19 pandemic. b. This special allowance is also extended to members of the military, police, customs, immigration, fire brigade, members of the Malaysia Civil Defence Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).
2.	***Bantuan Sara Hidup* or BSH**	a. A total of **4.18 million recipients** have successfully received payment credited into their bank accounts, involving **RM2.7 billion**. BSH recipients who qualify but have yet to receive their payment, it will be credited into their bank accounts or they can claim the aid in cash at any Bank Simpanan Nasional (BSN) branch **until 31 December 2020.** b. **Applications to appeal for BSH 2020** is open **until 6 September 2020**. No payment is needed when submitting applications or appeals. **The appeal process can be made through:** • LHDNM Branches / Revenue Service Centres (PKH) / Urban Transformation Centres (UTC) • Online application for unsuccessful applicants Please visit the following link for more information https://bsh.hasil.gov.my/.
3.	**Taxi Drivers**	As of 14 August 2020, the Government has channelled one-off cash assistance to **30,089 taxi drivers** (an increase from 29,968 taxi drivers) amounting to **RM18.05 million** (an increase from RM17.9 million) for the first phase recipients. For the second phase recipients, payment was made starting 22 July 2020 involving 4,814 taxi drivers. A total of 3,100 taxi drivers have

		received payments for the second phase amounting to RM1.8 million.
4.	**Tourist Guides**	As of 14 August 2020, a total of **7,610** tourist guides (an increase from 7,582 tourist guides) have received one-off cash assistance amounting to **RM4.57 million** (an increase from RM4.55 million).
5.	**Tour Bus Drivers**	One-off cash payments to **3,104** for tour bus drivers has been made, starting 22 July 2020. As of 14 August 2020, a total of **2,870 tour bus drivers** have received aid amounting to **RM1.7 million**.
OBJECTIVE 2: SUPPORTING BUSINESSES		
6.	**EPF's COVID-19 Assistance Programme (e-CAP) for Employers**	As of 14 August 2020, a total of **67,413 applications** (an increase from 66,673 a week ago) have been received and from that, **12,706 applications have been approved worth RM83.23 million** (an increase from RM82.72 million a week ago) for the employers' EPF contribution.

EPF's COVID-19 Assistance Programme (e-CAP) for Employers	Number of Applications Received*	Number of Approved Applications*	Approved Amount* (RM million)
14 Aug	67,413	12,706	83.2
7 Aug	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

**Cumulative Amount*

7.	**Wage Subsidy Programme**	As of 14 August 2020, a total of **RM9 billion worth of Wage Subsidies** has been approved which benefits more than 2.6 million employees. Out of this amount, a total of RM8.75 billion has been successfully channelled.
8.	**BSN Micro Credit Scheme**	As of 14 August 2020, payments have been made to **9,899 SMEs** (an increase from 9,375 SMEs a week ago), involving a total of **RM340.12 million** (an increase from RM322.99 million a week ago).
9.	**TEKUN Programme**	As of 14 August 2020, payments have been made to **24,957 SMEs** (an increase from 24,690 SMEs a week ago), involving a total of **RM187.92 million** (an increase from RM185.58 million a week ago).
OBJECTIVE 3: STRENGTHENING THE ECONOMY		
10.	**Preventing the Transmission of COVID-19**	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 requirements for COVID-19 screening. **As of 14 August 2020**, a total of **RM512.5 million** has been channelled in an effort to further enhance the ability of the Ministry of Health Malaysia (MOH) to tackle the COVID-19 pandemic.