**MEDIA STATEMENT**

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

# 19TH LAKSANA REPORT

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

**2 SEPTEMBER 2020**

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

## INTRODUCTION

1. Assalamualaikum Warahmatullahi Wabarakatuh and *Salam Merdeka*. How is everyone doing? I hope everyone is in good health. Alhamdulillah, last Monday we had the opportunity to celebrate the 63rd National Day together. Today, I have the opportunity to share the **19th LAKSANA Report.**

2. On this occasion, I would like to express my sincere appreciation to the Ministries and Agencies involved in the success of PRIHATIN and PENJANA. This is in line with this year's Merdeka theme, "Malaysia Prihatin" which is based on the cooperative spirit of all Malaysians in fighting the COVID-19 pandemic together.

3. As in previous weeks, the **19th LAKSANA Report** will cover 3 areas:
   a. First, updates on the PRIHATIN achievements;
   b. Second, progress updates on PENJANA; and
   c. Third, review of current issues.

**PRIHATIN (Prihatin Rakyat Economic Stimulus Package)**

4. For the PRIHATIN initiative, this week I will prioritise specific measures, and the rest will be shared in the appendix and uploaded onto the Ministry of Finance website at https://www.treasury.gov.my/ as well as on official social media platforms.

5. We start with the **First Objective which is Protecting the People.**

6. **First, Bantuan Sara Hidup (BSH) under the PRIHATIN. A total of 4.18 million recipients** have successfully received payments credited directly into their bank accounts, totalling **RM2.7 billion**. BSH recipients who qualified but whose payments could not be credited into their bank accounts can claim the aid in cash at any Bank Simpanan Nasional (BSN) branch **until 31 December 2020.**

7. I would like to remind the public that the **BSH 2020 Appeal Application** is open **until 6 September 2020.** No payment is needed when submitting applications or appeals. **The appeal process can be made at LHDNM Branches / LHDNM Service Centres, Urban Transformation Centres (UTC) or online (**only for specific applicants who were unsuccessful earlier). Please visit bsh.hasil.gov.my/ for more information.

8. **Second, the i-Lestari withdrawal scheme under the Employees Provident Fund (EPF)**. As of 21 August 2020, the total cumulative withdrawal between April to August 2020 is **RM7.48 billion** (an increase from RM7.4 billion a week ago), involving **4.57 million recipients** (an increase from RM4.55 million). **The Government hopes that this initiative will continue to alleviate the people's monthly cash flow burden.**

9. Next, the second objective of **PRIHATIN** is **Supporting Businesses.**

10. **First, the Wage Subsidy Programme.** As of 21 August 2020, a total of **RM10.3 billion of wage subsidies have been approved, benefitting more than 2.61 million employees.** Out of this amount, a total of **RM8.9 billion has been successfully disbursed.**

11. **Second, the SME Soft Loans Funds (SMEs)** administered by Bank Negara Malaysia (BNM). As of 21 August 2020, the total applications approved by local banks and accepted by SMEs is **RM10.2 billion** (an increase from RM10.1 billion a week ago) which will benefit **22,322 SMEs** (an increase from 22,143 SMEs a week ago). This amount includes the Special Relief Facility, Automation & Digitalisation Facility, All-Economic Sector Facility and Agrofood Facility funds.

    a. Alhamdulillah, the Special Relief Facility has been fully utilised and over **21,000 SMEs** utilised this facility which **has helped save over 400,000** jobs.

b. SMEs can still apply for various other financing such as funds from financial institutions and the BNM Fund such as Automation & Digitalisation Facility, All-Economic Sector Facility dan Agrofood Facility. For more information, please visit https://www.bnm.gov.my/covid19/ which also features other measures by BNM and the financial industry to address the effects of the COVID-19 pandemic.

| SME Soft Loans Funds | Approved and Accepted Amount* (RM billion) | Number of SMEs* |
|---|---|---|
| **21 August** | 10.2 | 22,322 |
| **14 August** | 10.1 | 22,143 |
| **7 August** | 9.9 | 21,759 |
| **July** | 9.6 | 21,410 |
| **June** | 8.4 | 19,539 |
| **May** | 6.9 | 16,833 |
| **April** | 1.5 | 3,636 |

**Cumulative Amount*

12. Next, the Third Objective of PRIHATIN which is **Strengthening the Economy.**

13. First, for the **Moratorium on Loan Repayment by financial institutions,** as of 21 August 2020, the value of the moratorium is estimated at **RM78.14 billion**. Out of this figure, **RM27.35 billion was utilised by the business sector while RM50.79 billion was utilised by the people.**

14. For those who still need an extension of the moratorium and targeted bank assistance after 30 September 2020, banking institutions are ready to assist borrowers. Those who are still affected can start contacting their banks to discuss and apply for flexible repayment options. Please visit https://www.facebook.com/bnm.official/posts/10158571163499872 for more infomation.

15. Second, a total of **RM1 billion has been allocated to finance the purchase of medical equipment**, personal protective equipment (PPE) as well as laboratory requirements for COVID-19 screening. As of **21 August 2020**, a total of **RM515 million** has been channelled to the Ministry of Health Malaysia (MOH) to enhance its capacity to tackle the COVID-19 pandemic.

**PENJANA (Economic Recovery Plan)**

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

17. Let us begin with PENJANA **objective one, which is "Empowering the People"**

18. **First, the PEKA B40 Health Support,** which was introduced by the MOH as a measure to enhance the early detection of non-communicable diseases in the B40 group. Eligibity of PEKA B40 is based on the following criteria:

    a. Recipients of *Bantuan Sara Hidup* (BSH), including their registered spouse.
    b. Aged 40 years and above

    Among the free screenings include checks for mental health, breast cancer, blood tests, diabetes, cholesterol, urine and kidney function. From 1 July to 21 August 2020, a total of **57,456 claims were made,** valued at **RM2.56 million.**

19. **Second, the Hiring Incentive Programme and Training Assistance**. RM1.5 bilion has been allocated for this programme to encourage hiring by employers. A total of **20,574 employees** (an increase from 17,400 a week ago) has been successful in finding jobs. This number includes **15,113 employees under the age of 40; 2,856 employees who are 40-60 years old; 220 differently abled persons (OKU) and 2,385 apprentices.**

20. **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 basis to differently abled people (OKU), single mothers, as well as volunteers in the Home Help Services programme. As of 21 August 2020, a total of **RM60.66 million** (an increase from RM59.14 million last week) has been disbursed, **benefitting 202,204 recipients:**

    a. Differently abled people (OKU): **RM55.7 million (185,713 recipients)**
    b. Single Mothers: **RM4.4 million (14,676 recipients)**
    c. Home Help Services: **RM544,500 (1,815 recipients)**

21. Next **is PENJANA OBJECTIVE 2 which is "Propelling Businesses"**.

22. As SMEs are an important source of growth in the domestic economy, PENJANA emphasises on specific strategies to support SMEs by increasing access to financing to enhance their capabilities and capacity.

23. **First, TEKUN Business Recovery Scheme (TBRS).** As at 21 August 2020, a total of total of **RM35.43 million** has been channelled and utilised by **5,025 Micro SMEs.**

24. **Second, PENJANA SME Financing.** The Government has allocated additional funding of RM2 billion to assist SMEs affected by COVID-19, with priority given to SMEs that have never received any financing from banks. As of 21 August 2020, a total of **1,172 applications** (an increase from 803 last week) **have been approved, valued at RM329.5 million** (increase from RM234.7 million last week).

25. **Third, PENJANA Tourism Fund (PTF).** The purpose of this fund is to support local micro, small and medium enterprises in the tourism sector impacted by COVID-19. Eligible SMEs can apply for financing up to RM300,000, while micro SMEs can apply for up to RM75,000 at a financing rate of **up to 3.5% per annum for a financing period of up to 7 years**. A total of 12 financial institutions are participating in this scheme. Details on this scheme can be found in the PENJANA website https://penjana.treasury.gov.my/.

26. **Fourth**, **Bumiputra Relief Financing (BRF).** Perbadanan Usahawan Nasional Bhd (PUNB) offers special financing initiatives with a total value of RM200 million. The initiative, which was launched on 25 August 2020, is to help support Bumiputera businesses with financing of between RM100,000 to RM1 million. This financing is open to all SME entrepreneurs involved in the retail and distribution sectors of trade, manufacturing and engineering, systems automation, health, hospitality, business, logistics, warehousing as well as services and the creative industries. The BRF application is open until 30 November and can be made online at the PUNB official portal via the link www.punb-online.com.my/

27. **Fifth, E-Commmerce Campaign for Micro SMEs and SMEs.** This E-Commerce Campaign is an intitiative to encourage the use of e-commerce by SMEs through the adoption of digitalisation. This is a jointly funded programme by the Government and 20-ecommerce platforms. The e-commerce platforms involved will provide e-commerce onboarding training facilities, sales subsidies and sales support services. As of 21 August 2020, a total **of 77,000 Micro SMEs** (an increase from 71,000 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.

28. **Sixth, the "Shop Malaysia Online" campaign.** This campaign is a collaboration between the Government and 22 e-commerce platform providers to jointly fund evoucher discounts to encourage the online purchase of local products. This initiative is aimed at incentivising online demand for local products. As of 21 August 2020, a total of **3.4 million users** (an increase from 2.8 million users last week) have benefitted from this campaign.

## PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

29. Next, on the objective of stimulating the economy under PENJANA**. First, Sukuk Prihatin:** Sukuk Prihatin is an initiative that provides an opportunity to Malaysians to contribute to efforts to rebuild the country after the COVID-19 pandemic crisis. Alhamdulillah, the launch was graced by **KDYMM Seri Paduka Baginda Yang di-Pertuan Agong, who is also the first investor for Sukuk Prihatin.**

30. Sukuk Prihatin is the first sukuk issuance by the Government that can be subscribed digitally via **JomPAY and DuitNow** platforms. **The minimum amount for investment is RM500 and the profit rate is two percent per annum, for two years.** Investors can choose to donate the subscription amount to the COVID-19 Fund and this amount will enjoy a tax deduction. InsyaAllah, with the issuance of this sukuk and also the support of patriotic and nationalistic Malaysians, the funds raised will be channeled directly into initiatives such as:

    - Enhancing connectivity to rural schools;
    - Supporting research grants for infectious diseases; and
    - Grants and financing to micro enterprises especially women entrepreneurs.

31. **Second, ePenjana.** Until 21 August, **9.1 million Malaysians** have successfully received RM50 in their e-Wallets, with a **total value of RM495.4 million**.

32. **Third, Dana Penjana.** Dana Penjana Nasional (DPN) launched on 27 August 2020 is established by the Government to enable the country's economic recovery through strategic investments that can catalyse innovation, boost service digitisation efforts and encourage the use of technology in businesses across various sectors. The total allocation of this fund is RM1.2 billion, whereby RM600 million will be invested in the form of capital by international investors who have entered into strategic joint ventures with domestic investors, and this amount will be matched to the value of RM600 million in the form of investment injection from the Government. This is expected to contribute to the Foreign Direct Investment (FDI) into the country.

## REVIEW OF CURRENT ISSUES

33. Next, I would like to comment on the economic data for June and July, reported by the Department of Statistics Malaysia (DOSM). Alhamdulillah, as a result of the initiatives implemented, we are beginning to see the early seeds of growth for the country. In July, we can see, among other things, the recovery in export volume figures, unemployment rate, the Industrial Production Index (IPI) and other economic indicators. Even the 2Q2020 GDP results, analysed from month to month, shows a sharp increase from April (-28.6%) to June (-3.2%). This indicates better growth in the coming months, InsyaAllah.

34. Many businesses have also expressed their cautious optimism for the second half of 2020, reflecting improved sentiments. However, the Government is sensitive to the the challenges of severely affected sectors, especially those involved in tourism due to the closure of international borders which will continue until 31 December 2020. The Government's focus and efforts will be enhanced and better coordinated to encourage demand in these sectors.

35. I would also like to share that on 24 August 2020, the **Members of Parliament in the *Dewan Rakyat,* rising above different ideologies and crossing party lines, unanimously agreed to approve a stimulus package involving a RM45 billion fiscal injection to combat the COVID-19 pandemic.**

36. What is clear is that support for this Bill proves that our Members of Parliament are able to rise above political differences to achieve a consensus on what is best for the people. There were many who requested for the RM45 billion allocation to be increased. I agree with this in principle; but increasing the fiscal package requires careful consideration. It is not only about the amount; what is more important are the finer points and implementation of the initiatives, stimulus targets, as well as fiscal discipline - all these play a role in the effectiveness of a stimulus package.

37. In the next two months, apart from ensuring the implementation of the PRIHATIN and PENJANA Packages, the Ministry's focus is on economic recovery through the planning of Budget 2021. **For Budget 2021, feedback from all levels of society is most welcome.** Malaysians can start submitting suggestions through http://belanjawan2021.treasury.gov.my. **The portal will be open until 15 September 2020.**

38. That is all for today. Before concluding, here is a *pantun* from me:

> *Berlayar Laksamana di kala pagi,*
> *Kelana jauh kemudi bahtera;*
> *Kerajaan cekal menyusun strategi,*
> *Beransur pulih Ekonomi Negara*

39. Stay safe, everyone; until we meet again. Thank you.

**YB Tengku Dato' Sri Zafrul Aziz**
Minister of Finance
Ministry of Finance Malaysia
2 September 2020

## APPENDIX – PRIHATIN ACHIEVEMENTS

| | | |
|---|---|---|
| **OBJECTIVE 1: PROTECTING THE PEOPLE** | | |
| 1. | **Frontliners Allowance** | a. As of 21 August 2020, a total of **RM222.4 million has been channelled based on 694,447 claims** comprising of doctos, nurses and other medical personnel who have been directly involved in the management and containment of the COVID-19 pandemic.<br><br>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. | **Taxi Drivers** | As of 21 August 2020, the Government has channelled one-off cash assistance to **33,343** taxi drivers (an increase from 33,189 taxi drivers) amounting to RM20 million (an increase from RM19.9 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 3,240 taxi drivers have received payments for the second phase amounting to RM1.94 million. |
| 3. | **Tourist Guides** | As of 21 August 2020, a total of **7,616** tourist guides (an increase from 7,610 tourist guides) have received one-off cash assistance amounting to **RM4.57 million**. |
| 4. | **Tour Bus Drivers** | One-off cash payments to **3,104** for tour bus drivers has been made, starting 22 July 2020. As of 21 August 2020, a total of **2,902 tour bus drivers** (an increase from 2,870 tour bus drivers) have received aid amounting to **RM1.74 million.** |
| **OBJECTIVE 2: SUPPORTING BUSINESSES** | | |
| 5. | **EPF's COVID-19 Assitance programme (e-CAP) for Employers** | As of 21 August 2020, a total of **68,157 applications** (an increase from 67,413 a week ago) have been received and from that, **12,840 applications have been approved worth RM83.9 million** (an increase from RM83.23 million a week ago) for the employers' EPF contribution. |

**Cumulative Amount*

| EPF's COVID-19 Assitance programme (e-CAP) for Employers | Number of Applications Received* | Number of Approved Applications* | Approved Amount* (RM million) |
|---|---|---|---|
| **21 August** | 68,157 | 12,840 | 83.9 |
| **14 August** | 67,413 | 12,706 | 83.2 |
| **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 |

| | | |
|---|---|---|
| 7. | **BSN Micro Credit Scheme** | As of 21 August 2020, payments have been made to **10,234 SMEs** (an increase from 9,899 SMEs a week ago), involving a total of **RM348.9 million** (an increase from RM340.12 million a week ago). |
| 8. | **TEKUN Programme** | As of 21 August 2020, payments have been made to **25,088 SMEs** (an increase from 24,957 SMEs a week ago), involving a total of **RM189.1 million** (an increase from RM187.92 million a week ago). |