MEDIA STATEMENT

YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
FINANCE MINISTER

21ST LAKSANA REPORT

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

15 September 2020

بسم الله الرحمن الرحيم

INTRODUCTION

1. This week, the **21ST** LAKSANA Report will focus on the progress of PENJANA initiatives, followed by commentary on current issues. The PRIHATIN initiatives will be shared as an appendix that is uploaded on the official website for the Ministry of Finance, https://www.treasury.gov.my/ as well as its official social media channels.

PENJANA (National Economic Recovery Plan)

2. 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

3. In executing the responsibility of supporting economic recovery, the Government also needs to ensure the *rakyat* achieves prosperity in life. As such, the Government has ensured that assistance is provided in various forms for the people.

4. **First, the PEKA B40 Health Support Scheme (PeKa B40) which is fully funded by the Government** and administered by the Ministry of Health (MoH). This prioritises **early detection of non-communicable diseases (NCD) for the B40 group,** particularly for those in the ageing category. From 1 July 2020 to 4 September 2020, a total of **73,592** claims worth **RM4.5 million** had been received. Those in the B40 bracket can register with PeKa B40 Scheme via official link https://www.pekab40.com.my/bm. A summary of the support provided as at 4 September is as follows:

From 1 July 2020 to	Number of Claims*	Value* (RM million)
4 September	73,592	4.50
31 August	66,380	3.70
21 August	57,456	2.56

**Cumulative figure*

5. Second, the **Social Assistance Support for Vulnerable Groups.** As at 4 September 2020, a total of **RM61.7 million** had been channeled to **205,578 beneficiaries** comprising:
   a. Registered ***differently abled people (OKU)*: RM55.7 million (185,713 recipients)**
   b. Single mothers: **RM5.4 million (18,050 recipients)**
   c. Home Help Services: **RM544,500 (1,815 recipients)**

6. Third, **the Hiring Incentive Programme and Training Assistance.** RM1.5 billion has been allocated for the programme to encourage the hiring of workers by employers. In total, **28,577 workers** have successfully secured jobs with the details as follows:

Date	Categories of People Who Found Jobs				Amount*
	< 40 years	40 – 60 years	OKU	Apprentice	
4 September	21,604	3,722	232	3,019	28,577
28 August	18,354	3,266	**178	2,818	24,616
21 August	15,113	2,856	220	2,385	20,574

**Cumulative figure*
***Week-on-week decline due to recalibration and further analysis. A number of applicants were found not to be in the OKU category.*

7. **Fourth, the PENJANA Wage Subsidy Programme.** The Programme, a government initiative to assist the *rakyat* impacted by COVID-19, has benefitted millions of employees since its implementation. As at 4 September 2020, as much as **RM10.41 billion** wage subsidy has been approved to benefit **2.62 million employees**.

Date of Report	Approved Amount* (RM billion)	Total Employees* (million)	Total Employers*
4 September	10.414	2.622	320,701
28 August	10.383	2.620	320,440
31 July	8.995	2.582	318,258
26 June	7.074	2.455	307,518
29 May	4.018	2.197	286,338
24 April	1.606	1.452	207,237

**Cumulative figure*

8. **Fifth, PENJANA GIG**. The Government has not forgotten the *rakyat* who have been working without a social security net, particularly those in the gig economy. Checks showed that among these workers, their **awareness level on the importance of social security is still low.** Since July 2020, only **0.8% or 2,533** economy gig workers have contributed via PENJANA GIG, from the targeted 300,000 workers. **Out of the premium payment of RM232.80 per annum, the Government covers 70% (RM163) while the other 30% (RM69.80) is contributed by the workers or platform providers.** As such, the Government hopes that more gig economy workers will take the opportunity to contribute to PERKESO and/or the EPF i-Saraan scheme to secure the subsidised protection under PENJANA GIG. **For the purpose of PENJANA GIG social protection under PERKESO, the benefits under the Self-Employment Social Security Scheme** not only covers benefits under **healthcare, education, and physical or vocational rehabilitation facilities,** but also includes:

No.	Benefits	Plan 2 (Penjana Gig)
1	Temporary Loss of Ability Benefit	80% of RM1,550 (eligible for RM41 for each sick day)
2	Permanent Loss of Ability Benefit	90% of RM1,550, subject to age factor and the permanent loss of ability percentage assessment
3	Depedents Benefit (Death) to spouse / parents / siblings / children	RM1,395 per month for life

4	Constant-Attendance Allowance for self-employed workers who suffers from work-related total permanent disablement and constantly require the personal attendance of another person.	RM500 per month
5	Funeral Benefit	RM2000

All parties must play their roles in increasing awareness on the importance of contributing for future social security, particularly for gig economy workers. Further information on this scheme under PERKESO can be obtained via the following link: https://gig.perkeso.gov.my/

9. Sixth, **the Global Online Workforce Program (GLOW)**. The gig economy is a segment that has become increasingly popular, especially among the younger generation. This program, led by the Malaysian Digital Economy Corporation (MDEC), was started in 2016. To date, almost 53,000 people have participated in this programme, registering a total revenue of more than RM168 million. **The GLOW program which has been extended under PENJANA** aims to introduce new career opportunities, by closely guiding Malaysians who are digital freelancers to offer their expertise and services globally through existing digital platforms. This GLOW-PENJANA initiative will benefit up to 10,000 gig economy workers and can provide new job opportunities. **Since registration opened on 20 August 2020, a total of 457 have registered, and the first phase training programme will begin in September 2020.** For further information, please browse https://erezeki.my/glow.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

10. SMEs play an important role to drive the nation's economic growth. PENJANA emphasises on specific strategies to support SMEs by increasing their access to funding, to boost their capabilities and capacity.

11. **First, TEKUN Business Recovery Scheme**. The scheme has helped support the cash flow of micro SMEs so they can sustain their business without letting staff go. As at 4 September 2020, a total of **RM62.7 million** had been channeled for the benefit of **9,313 micro SMEs**.

Date	Applications approved*	Amount disbured* (RM million)
4 September	9,313	62.7
28 August	6,908	47.7
31 July	909	6.8

**Cumulative figure*

12. **Second, PENJANA SME Financing** for SMEs affected by COVID-19. The Government has allocated RM2 billion, with priority given to SMEs that have never received any financing form banks. Until 4 September 2020, a total of **2,131 SME financing applications have been approved with total value of RM562.3 million.**

Date	Applications approved*	Amount disbursed* (RM million)
4 September	2,131	562.3
28 August	1,615	426.2
21 August	1,172	329.5

**Cumulative figure*

13. **Third, PENJANA Tourism Fund (PTF)**. The purpose of this facility is to support local micro, small and medium enterprises in the tourism sector impacted by COVID-19 to facilitate the continuity and industry competitiveness in the new norm. **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. Eligible tourism segments are as follows:

Core tourism	• Tourist accommodation (such as budget hotels, registered homestays, chalets and resorts) • Tourism agencies and tourism operators • Tourist transportation services (such as bus operators, boat operators, and car rental)
Tourism-related sectors	• Medical tourism • MICE ecosystem (*Meetings, Incentives, Conferences, Exhibitions)* • Money services business – currency exchange operators especially those dealing with tourists entering and leaving the country • Tourism-related retail, recreation and health business that can prove a high dependency on tourists for business

Further information on PTF can be obtained in the following links:

Bahasa Melayu:
https://penjana.treasury.gov.my/pdf/PENJANA-Tourism-Financing-eBooklet-BM.pdf
English:
https://penjana.treasury.gov.my/pdf/PENJANA-Tourism-Financing-eBooklet-EN.pdf

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

14. First, **Sukuk PRIHATIN.** Sukuk Prihatin is an initiative that provides an opportunity for Malaysians to contribute to nation building as part of post-COVID-19 recovery efforts. The funds collected will be channeled to initiatives such as enhancing connectivity to rural schools, supporting micro enterprises and supporting research on infectious diseases.

15. Sukuk PRIHATIN will not only help those affected by COVID-19, but **investors will also receive 2% profit per annum over 2 years, with profits paid quarterly.** At maturity, investors can choose to donate to the principal and enjoy a tax deduction. **Subscriptions can be made through JomPAY and DuitNow platforms online through the websites of 27 banking institutions. <u>The deadline for subscription is 17 September 2020.</u>**

16. **Second, ePENJANA.** Until 4 September 2020, 10.7 million *rakyat* have received RM50 in their e-Wallets with total value of RM535 million. **Recipients of ePENJANA are reminded that the credit in their e-wallets <u>must be used by 30 September 2020</u>.** After that deadline, the credit value will automatically expire from the account of the e-wallet user.

17. **Third, Support for Arts, Culture and Entertainment Sector.** The Government is aware of the challenges faced by those in the creative industry, including artistes, film directors, production crews and event managers. PENJANA plan for the creative industry is aimed at facilitating the recovery of the industry including arts and culture, will be governed and managed by MyCreative Ventures and CENDANA under the purview of the Ministry of Communications and Multimedia. It is specially designed to help the industry of arts, culture, entertainment and stage performance, whether they are practitioners or arts-based businesses which are affected by the COVID-19 pandemic, to restart and resume their creative activities. **Until 4 September 2020, 667 applications worth RM45 million had been received.**

REVIEW OF CURRENT ISSUES

18. Based on economic statistics reported by the **Department of Statistics Malaysia**, the economic environment is showing gradual signs of recovery:

    a. **Unemployment rate for July fell to 4.7%,** from 4.9% in June and 5.3% in May 2020. The reopening of economic activities and initiatives under the Wage Subsidy Programme, Reskilling and Upskilling Programme, Hiring Incentive Programme and Training Assistance have also contributed to the recovery of the labour market since June.

    b. **National retail and wholesale trade performance also recovered in July** after recording sales of RM108.7 billion (-3.5% compared to -8.4% in June 2020). **Motor vehicle sales recorded a high growth of 5.8% versus the same month last year to RM8.1 billion.** This encouraging growth number can be attributed to the sales tax exemption that was announced by the Government under PENJANA.

    c. **The industrial production index (IPI) has returned to positive growth at 1.2% in July 2020** against the same period last month. This marks the first positive growth since February.

19. **PRIHATIN Rakyat Survey** has received encouraging response with participation by over 10,000 respondents. This online survey will help the Government improve existing policies and formulate future initiatives for the benefit of all. **Now, the Government is opening the same opportunity for Businesses** to provide more comprehensive feedback on the effectiveness of the PRIHATIN Packages via the PRIHATIN Survey:

    English: https://www.laksanasurvey.org/index.php/322316?lang=en&LS=PB17
    Bahasa Melayu: https://www.laksanasurvey.org/index.php/322316?lang=ms&LS=PB17

20. **Targeted Repayment Assistance Survey:** As the blanket loan moratorium ends on 30 September 2020, the banking institutions will be ready to assist borrowers still affected by COVID-19 via targeted bank assistance beginning 1 October 2020. The banks have contacted over two million borrowers comprising individuals, SMEs and other companies including corporate and commercial businesses to provide repayment assistance. For those who still require assistance but have yet to approach their banks, please contact your bank immediately. B**ank Negara Malaysia is also undertaking an online survey to obtain public feedback** during this challenging period.

    - Individuals: https://forms.gle/DBjms9g9wyYK5QYT9
    - SMEs: https://forms.gle/WkpHjCqKAnyfa9L69

21. **The Budget 2021 Tour by the Ministry of Finance team continues with a meeting with the Ministry of Youth and Sports on 11 September 2020, and a visit to Perak on 12 September 2020.** Numerous ideas and recommendations were presented during the meetings with the Minister, Deputy Minister and the members of the Ministry of Youth and Sports to empower youths in Malaysia. For sessions in Perak, dialogues were organised with the Malaysian Palm Oil Board, the oil palm industry representatives, the Ministry of Energy and Natural Resources, related agencies, NGOs and the fishermen association, covering topics such as the commodity sector development and environmental sustainability in protecting and preserving the nation's treasures.

22. Together with the National Inter-Agency Economic Stimulus Coordination and Implementation Unit (Laksana), we also recently met with hawkers and residents in the B40 category at a low-cost housing community in Kuala Lumpur. One of the purposes of the visit is to obtain feedback on the assistance channeled via PRIHATIN and PENJANA. Generally, most residents appreciate the assistance but what they need is **continued support to ensure economic independence, such as through assistance in starting small businesses.** The Government will continue to monitor the situation and ensure those in need will always receive the required support from the Government.

YB Tengku Dato' Sri Zafrul Aziz
Minister of Finance
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APPENDIX – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE PEOPLE		
1	**i-Lestari Withdrawal Scheme under Employees Provident Fund (EPF)**	Until 4 September 2020, cumulative withdrawal totalled RM8.14 billion (up from RM7.54 billion last week) involving 4.6 million recipients (up from 4.59 million last week). Retirement plans is crucial and the people are encouraged to utilised the Retirement Advisory Service provided by the EPF for free for this purpose. Information about this free service is available in the following link:https://www.kwsp.gov.my/ms/member/retirement-advisory-service
2.	**Frontliners Allowance**	a. As of 4 September 2020, a total of **RM267.4 million has been channelled based on 827,974 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 Defense Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).
3.	**Taxi Drivers**	As of 4 September 2020, the Government has channelled one-off cash assistance to **33,377 taxi drivers**, totalling RM20 million.
4.	**Tourist Guides**	As of 4 September 2020, a total of **7,622 tourist guides** (an increase from 7,620 tourist guides) have received one-off cash assistance amounting to **RM4.6 million**.
5.	**Tour Bus Drivers**	One-off cash payments to **3,104** for tour bus drivers has been made, starting 22 July 2020. 4 September 2020, a total of **2,902 tour bus drivers** have received aid amounting to **RM1.74 million.**

OBJECTIVE 2: SUPPORTING BUSINESSES		
6.	**EPF's COVID-19 Assistance Programme (e-CAP) for Employers**	As of 4 September 2020, a total of **68,985 applications** (an increase from 68,532 last week) have been received and from that, **12,994 applications have been approved worth RM84.5 million** (an increase from RM84.2 million last week) for the employers' EPF contribution.

e-CAP EPF	No of applications received*	No of applications approved*	Amount approved* (RM million)
4 September	68,985	12,994	84.5
28 Ogos	68,532	12,904	84.2
21 Ogos	68,157	12,840	83.9
14 Ogos	67,413	12,706	83.2
7 Ogos	66,673	12,584	82.7
31 Julai	65,986	12,425	82.1
24 Julai	65,122	12,165	80.9
20 Julai	64,265	11,930	79.3
10 Julai	58,455	11,370	76.1
3 Julai	37,900	10,528	70.4
26 Jun	36,107	9,542	63.9
19 Jun	34,246	8,489	56.8
12 Jun	31,400	7,194	47.9
5 Jun	29,601	6,457	42.9
31 Mei	26,509	5,245	34.8
17 Mei	20,771	3,168	20.6
10 Mei	13,690	2,032	13.4

**cumulative figure*

7.	**BSN Micro Credit Scheme**	As of 4 September 2020, payment has been made to **10,695 SMEs** (an increase from 10,538 SMEs last week), involving a total of **RM361.3 million** (an increase from RM356.98 million last week).
8.	**TEKUN Programme**	As of 4 September 2020, payment has been made to **25,616 SMEs** (an increase from 25,218 SMEs last week), involving a total of **RM194.2 million** (an increase from RM190.3 million last week).

9.	**SME Soft Loans Funds under Bank Negara Malaysia (BNM)**	As at 4 September 2020, cumulative applications approved by local banks and accepted by SMEs totalled RM10.4 billion (up from RM10.3 billion last week) to benefit 22,688 SMEs (up from 22,440 SMEs last week). This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF).

SME Soft Loan Funds	Amount approved and accepted* (RM bilion)	No of SMEs*
September	10.4	22,688
28 Ogos	10.3	22,440
21 Ogos	10.2	22,322
14 Ogos	10.1	22,143
7 Ogos	9.9	21,759
Julai	9.6	21,410
Jun	8.4	19,539
Mei	6.9	16,833
April	1.5	3,636

**Cumulative figure*

Although SRF funds have been fully utilised, SMEs can still apply for available funding schemes under BNM Funds including AFG, AES and AF. SMEs can also acquire other funding via imSME platform in the link https://imsme.com.my/portal/bm/ that will help match the required funding by SMEs with multiple financial institutions.

OBJECTIVE 3: STRENGTHEN THE ECONOMY		
10.	**Moratorium by Financial Institutions**	As at 4 September 2020, the value of the blanket moratorium was **RM85.8 billion**. Of this amount, **RM30 billion benefitted businesses while RM55.8 billion was benefitted by individuals.**