MEDIA STATEMENT

YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
FINANCE MINISTER

22nd LAKSANA REPORT

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

22 September 2020

بسم الله الرحمن الرحيم

INTRODUCTION

1. Assalamualaikum WBT and regards. Thank you for joining me for the 22nd Laksana Report. This Laksana Report is the Government's ongoing commitment in ensuring that the PRIHATIN and PENJANA Packages are implemented with transparency and openness. Transparency is necessary to ensure the effectiveness and cost-efficiency of public funds. Additionally, this Laksana Report also enables the Government to deliver reminders and provide feedback on issues that arise.

2. This week, the 22nd Laksana Report will focus on the implementation status of PENJANA, followed by a review of current affairs. Meanwhile, for the PRIHATIN initiative, it is shared as an attachment and uploaded on the Ministry of Finance website which is https://www.treasury.gov.my/ as well as official social media channels.

PENJANA (National Economic Recovery Plan)

3. Under PENJANA, the initiatives are focuses on three main objectives, namely:
   a. Empowering the People;
   b. Propelling Businesses; and
   c. Stimulating the Economy.

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

4. **First, the PEKA B40 Health Care Scheme (PeKa B40)** managed by the Ministry of Health (MOH) which emphasizes the **early detection of non-communicable diseases to the B40 group, especially as they age**. Since 1 July until 11 September 2020, a total of **82,935** claims were received worth **RM5.16 million.**

   a. Eligibility to participate in PEKA B40 is based on the following criteria:
      - Bantuan Sara Hidup (BSH) recipients and their registered partners; and
      - Aged 40 years old and above

   b. The B40 group can register with the PEKA B40 Scheme through the official link regulated by the MOH which is https://www.pekab40.com.my/eng. It is fully Government funded and provides four benefits covering health screening services (examples: mental and breast health, blood tests, diabetes detection, cholesterol, urine and kidney function); medical device assistance; cancer treatment incentives; and transport fare incentives for health matters.

   The summary of claims and value of assistance is as follows:

Period 1 July 2020 up to…	Number of Claims*	Value of Assistance* (RM million)
11 September	82,935	5.16
4 September	73,592	4.50
31 August	66,380	3.70
21 August	57,456	2.56

**Cumulative Amount*

5. **Second, incentives to encourage childcare centres to adopt new norm Standard Operating Procedures (SOP) and premise certification.** One-off grant worth up to RM5,000 is channelled to every nursery and kindergarten operator registered under the Ministry of Women, Family and Community Development (KPWKM) and the Ministry of Education (MOE). As of **11 September 2020,** a total of **11,067 nurseries have been reviewed and approved** with a total allocation of **RM16.42 million.**

6. **Third, PENJANA GIG.** In the 21st Laksana Report last week, I touched on PENJANA GIG which prioritises workers without social security network; especially gig economic workers. Through this initiative, the Government will cover **70% (RM163)** of the contribution to the Social Security Organisation (SOCSO), **while the remaining 30% (RM69.80) will be covered by gig workers or platform providers, making up a total payment of RM232.80 per year. This will provide coverage of up to RM6,000 to gig economic workers** in the event of an accident during working hours. However, based on information from SOCSO, **awareness among gig workers is still low.** As at 11 September 2020, only **0.95% or 2,847** gig economy workers had registered with SOCSO, out of the target of 300,000 workers. Eligibility for the **Self-Employed Social Security Scheme** not only covers **medical, educational and physical or vocational rehabilitation facilities** subject to **Plan 2**, but also includes the following benefits:

No.	Benefits	Plan 2 (PENJANA GIG)
1	Temporary Disability Benefit (HUS)	80% of RM1,550 (each qualified sick leave receives RM41 per day)
2	Permanent Disability Benefits (HUK)	90% of RM1,550 subject to age factor and percentage of permanent disability.
3	Benefits of Dependents (Death) to Spouse/ Parents/ Siblings/ Children.	RM1,395 per month for life
4	Elaun Layanan Sentiasa (ELS) to OBS who are helpless due to occupational disasters and they need treatment from others.	RM500 per month
5	Corpse Management Benefits	RM2000

In this regard, I would like to urge **all parties to play a role in raising awareness on the importance of gig economy workers contributing to SOCSO for future security.** For more information, please visit https://gig.perkeso.gov.my/

7. When the Movement Control Order (MCO) was first implemented on **18 March 2020,** many people lost their jobs and livelihoods due to lack of planning and preparation in the face of pandemic that hit the whole world for the first time. Therefore, apart from the decision to reopen the country's economic sectors in phases, subject to the current public health situation, the Government has also devised a comprehensive initiative in ensuring that unemployment does not increase sharply due to the COVID-19 pandemic. These include:

   a. **First, Wage Subsidy Programme under PENJANA.** This programme is one of the government's initiatives in helping the *rakyat* affected by COVID-19 and has proven successful in saving millions of jobs since it was first implemented. Assistance for the **Wage Subsidy Programme to employers, which was originally for a period of 3 months, has been extended for an additional 3 months under PENJANA, making it 6 months in total.** This is to help affected companies and employees in line with the gradual opening of the economy. As of 11 September 2020, a total of **RM10.44 billion wage subsidies** have been approved, benefitting more than **2.6 million workers.**

Report Date	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
11 September	10.440	2.626	321,145
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 Amount*

b. **Second, the Hiring Incentive Programme and Training Assistance.** A total of RM1.5 billion has been allocated for this programme to encourage hiring by employers. **A total of 33,688 employees** (an increase from 28,577 last week) have managed to get jobs. This number includes **25,752 people under the age of 40; 4,324 people for the age group 40-60 years old, 256 OKU and 3,356 apprentices.**

Date As Of	Category of People Who Get Jobs				Amount*
	< 40 years	40 – 60 years	OKU	Apprentices	
11 September	25,752	4,324	256	3,356	33,688
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 Amount*

***The decrease compared to the previous week was because after further coordination and analysis, a number of applicants were found to be non-disables.*

c. **Third, Reskilling and Upskilling Programme** Several Ministries and agencies have coordinated the "reskilling & upskilling" programme across the relevant ministries and agencies to meet the needs of the industry. In addition, this programme has the potential to train new skills for the purpose of job retention as well as incorporate entrepreneurial elements for the purpose of starting a business. Ministries and agencies that have launched this initiative are as follows:

i. **Ministry of Entrepreneur Development and Cooperatives (MEDAC)**
ii. **Pembangunan Sumber Manusia Berhad (PSMB)**
iii. **Nothern Corridor Implementation Authority (NCIA)**
iv. **Majlis Amanah Rakyat (MARA)**
v. **East Coast Economic Region Development Council (ECERDC)**

Please visit the website of these ministries and agencies for more information.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

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

9. **First, TEKUN Business Recovery Scheme (TBRS)**. The scheme has helped support the cash flow of micro SMEs so they can sustain their business without letting staff go. As at 11 September 2020, a total of **RM71.2 million** had been channeled for the benefit of **10,649 micro SMEs.**

Date	Application Approved*	Amount Disbursed* (RM million)
11 September	10,649	71.2
4 September	9,313	62.7
28 August	6,908	47.7
31 July	909	6.8

**Cumulative Amount*

10. **Second, PENJANA Credit Financing under Bank Simpanan Nasional (BSN)** with an allocation of RM500 million which aims to support SMEs and Micro SMEs through a new financing programme, with an interest rate of 3.5% and a maximum loan of up to RM50,000. As of 11 September 2020, a total of **RM42.92 million** has been channeled and utilised **1,146 SMEs and Micro SMEs.**

Date	No of Applications Approved*	Amount Disbursed* (RM million)
11 September	1,146	42.92
4 September	744	28.27
28 August	399	15.23

**Cumulative Amount*

11. **Third, 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 from banks. Up to 11 September 2020, a total of **2,556 SME financing applications have been approved with total value of RM639.57 million.**

Date	Application Approved*	Total Loan Value* (RM million)
11 September	2,566	639.57
4 September	2,131	562.3
28 August	1,615	426.2
21 August	1,172	329.5

**Cumulative Amount*

12. To ensure the survival of Bumiputera entrepreneurs in facing difficulties arising from the COVID-19 pandemic, the Government also provides a simple financing programme for Bumiputeras amounting to RM500 million which includes:

    a. **First, Pembiayaan Mudah Bumiputera by Perbadanan Usahawan Nasional Berhad (PUNB)** amounting to RM200 million to Bumiputera-owned businesses specifically for assistance in terms of:

        i. Working capital;
        ii. Operational expenses;
        iii. System automation;
        iv. Equipment and expenses for implementing social distancing practices such as personal protective equipment; and
        v. Financing facility of RM100,000 up to RM1 million for a period of up to five years at an interest rate of 3.5% per annum with a moratorium of up to six months from the date of issue.

    As of 11 September 2020, a total of **RM1.85 million** had been channelled, benefitting **8 Bumiputera-owned businesses.**

    b. **Second, Skim Pembiayaan Mudah Jaya (SPiM) by MARA** with an allocation of RM300 million in the form of **working capital loans** to help affected Bumiputera entrepreneurs including at training colleges with **a maximum total loan limit of RM1 million with an interest rate of 3.5% per annum.** For more information, please visit www.mara.gov.my.

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

13. **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**. I am pleased to inform that this Sukuk has been oversubscribed, with a total subscription of more than RM666 million, exceeding the original issuance target of RM500 million.** Given the overwhelming response from eligible applicants, the Government decided to issue an additional subscription of RM166 million. The

funds raised will be channeled to initiatives such as connectivity improvement in rural schools, support for micro-entrepreneurs, and infectious disease research.

14. **Second, ePENJANA.** As of 11 September 2020, **10.98 million people have successfully received RM50 in their e-Wallets with a total value of RM548.8 million.** ePENJANA recipients are reminded that **the credit in this e-wallet must be used before 30 September 2020.** After that date the credit value will expire from the e-wallet user's account.

15. **Third, Support for the Arts, Culture and Entertainment Sector.** The PENJANA plan for the creative industry has been created to revive the creative industry including arts and culture streams administered by Government subsidiaries namely **MyCreative Ventures and Cultural Economy Development Agency (CENDANA)** under the supervision of the Ministry of Communications and Multimedia. It has been specially designed to support the arts, culture, entertainment and performing arts industries – whether they are artistes or involved in the arts-based businesses affected by the COVID-19 pandemic – to revive and continue their creative pursuits**. Industry players can apply for assistance from the relevant agencies. Please visit www.cendana.com.my for more information.**

REVIEW OF CURRENT ISSUES

16. I am confident that the early proactive measures through PRIHATIN and PENJANA, channeling assistance to the people and businesses, have helped Malaysia rise from the decline due to COVID-19. Based on the country's economic indicators, we have gradually come out of the economic fallout. Although the world is still facing challenges due to the COVID-19 pandemic; market confidence in Malaysia remains strong, particularly from foreign investors based on **investments of RM23.1 billion in the bond market up till August**. In fact, the Ringgit has also emerged as one of the strongest currencies in Southeast Asia, driven by the government's ongoing initiatives in managing COVID-19.

17. Investor confidence can also be seen through the recent launch of Bandar Malaysia, which has the potential to have a multiplier effect on various sectors of the country's economy, as well as attract talent from within and outside the country. **Bandar Malaysia is the largest single urban development project in Southeast Asia with a gross development value of RM140 billion. In addition, initiatives by the Northern Corridor Implementation Authority (NCIA) are also targeting to increase the economy of the Northern Corridor Economic Region (NCER) by RM300 billion** through the initiatives outlined in the newly launched NCER Strategic Development Plan (SDP) 2021-2025. SDP is a robust and strategic framework to capitalise on the current combined potential in NCER states, namely Perlis, Kedah, Penang and Perak; including strategic projects, high impact investments and human capital programmes designed to fulfill the current needs of the people, businesses and industries, in an effort to reduce the rural-urban development gap.

18. Economic recovery efforts affected by the spread of COVID-19 will be enhanced through a series of Budget 2021 engagements that have been and are being actively carried out by the Ministry of Finance’s team to obtain feedback and input from all walks of life. The feedback will then be used to draft Budget 2021 which will be tabled in Parliament in early November. The recent Jelajah Belanjawan 2021 in Sabah and Sarawak also emphasized on the Government’s service delivery including ensuring faster and more effective implementation and assistance channels to the people, as well as improving physical infrastructure between urban and rural areas in both states.

19. During Jelajah Belanjawan 2021, YB Tuan Mohd Shahar Abdullah, the Deputy Minister of Finance and I attended a briefing on the delivery of Bantuan Sara Hidup (BSH) and Bantuan Prihatin Nasional (BPN) to rural areas, and the *Sekolah Daif Sabah* project by the Sabah Public Works Department in Tanjung Aru, Kota Kinabalu. I then travelled to Kuching, Sarawak, where I held dialogue sessions with industry representatives, including the oil and gas industry, agro-commodity, tourism and businesses to obtain feedback for the Budget 2021.

20. To benefit the people of Sabah and Sarawak, the team at the Perbendaharaan Malaysia Sabah (PMSabah) and Perbendaharaan Sarawak (PMSarawak) have travelled to various locations in the rural area to facilitate recipients at the area. They boarded boats, traversed forests and climbed hills in carrying out their duties. In relation to the PRIHATIN and PENJANA packages, a total of **1.93 million people in Sabah and Sarawak have received the benefits of Bantuan Prihatin Nasional, which is worth more than RM2.1 billion**. Meanwhile, **almost 100,000 businesses in Sabah and Sarawak, including micro, small and medium businesses have received benefits worth RM1.4 billion through the Wage Subsidy Programme for employees, Prihatin Special Grants, as well as TEKUN and BSN micro loans for micro SMEs**.

21. During *Jelajah Belanjawan* to several states and with various industrial sectors in the past two months, the Government has acknowledged requests to add, extend or improve some measures for the benefit of the people and businesses. The Government will study and consider the suggestions and feedback received. No matter what, the Government continues to care and is always ready to help those who really need support.

22. Recently there has been a sharp increase in COVID-19 cases in our country, especially in Sabah and several states in the north of the Peninsula. I hope that we always abide by the SOPs introduced by the Government and always practise physical distancing, wear face masks and ensure that we are always in good health. Thank you.

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

APPENDIX – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE PEOPLE		
1.	**i-Lestari Withdrawal Scheme under Employees Provident Fund (EPF)**	Until 11 September 2020, **cumulative withdrawal between April and August 2020 totalled RM9.03 billion** (up from RM8.14 billion last week) involving **4.62 million** recipients (up from 4.6 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 via the following link: https://www.kwsp.gov.my/ms/member/retirement-advisory-service
2.	**Frontliners Allowance**	a. As of 11 September 2020, a total of **RM268.2 million has been channelled based on 831,924 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 11 September 2020, the Government has channelled one-off cash assistance to **33,377 taxi drivers**, totalling **RM20 million.**
4.	**Tourist Guides**	As of 11 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.**

<table>
<tr><th colspan="3">OBJECTIVE 2: SUPPORTING BUSINESSES</th></tr>
<tr><td>6.</td><td>EPF's COVID-19 Assistance Programme (e-CAP) for Employers</td><td>As of 11 September 2020, a total of 69,417 applications (an increase from 68,985 last week) have been received and from that, 13,040 applications have been approved worth RM84.8 million (an increase from RM84.5 million last week) for the employers' EPF contribution.

<table>
<tr><th>e-CAP EPF</th><th>No of Applications Received*</th><th>No of Applications Approved*</th><th>Amount Approved* (RM million)</th></tr>
<tr><td>11 September</td><td>69,417</td><td>13,040</td><td>84.8</td></tr>
<tr><td>4 September</td><td>68,985</td><td>12,994</td><td>84.5</td></tr>
<tr><td>28 August</td><td>68,532</td><td>12,904</td><td>84.2</td></tr>
<tr><td>31 July</td><td>65,986</td><td>12,425</td><td>82.1</td></tr>
<tr><td>26 June</td><td>36,107</td><td>9,542</td><td>63.9</td></tr>
<tr><td>31 May</td><td>26,509</td><td>5,245</td><td>34.8</td></tr>
</table>

*cumulative figure</td></tr>
<tr><td>7.</td><td>BSN Micro Credit Scheme</td><td>As of 11 September 2020, payment has been made to 11,006 SMEs (an increase from 10,695 SMEs last week), involving a total of RM369.1 million (an increase from RM361.3 million last week).</td></tr>
<tr><td>8.</td><td>TEKUN Programme</td><td>As of 11 September 2020, payment has been made to 25,716 SMEs (an increase from 25,616 SMEs last week), involving a total of RM195.0 million (an increase from RM194.02 million last week).</td></tr>
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<tr><td>9.</td><td>SME Soft Loans Funds under Bank Negara Malaysia (BNM)</td><td>As at 11 September 2020, cumulative applications approved by local banks and accepted by SMEs totalled RM10.5 billion (up from RM10.4 billion last week) to benefit 22,822 SMEs (up from 22,688 SMEs last week). This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF).

<table>
<tr><th>SME Soft Loan Funds</th><th>Amount approved and accepted* (RM bilion)</th><th>No of SMEs*</th></tr>
<tr><td>11 September</td><td>10.5</td><td>22,822</td></tr>
<tr><td>4 September</td><td>10.4</td><td>22,688</td></tr>
<tr><td>28 August</td><td>10.3</td><td>22,440</td></tr>
<tr><td>July</td><td>9.6</td><td>21,410</td></tr>
<tr><td>June</td><td>8.4</td><td>19,539</td></tr>
<tr><td>May</td><td>6.9</td><td>16,833</td></tr>
<tr><td>April</td><td>1.5</td><td>3,636</td></tr>
</table>
*Cumulative figure

Although SRF funds have been fully utilised, SMEs can still apply for available funding schemes under BNM Funds including ADF, AES and AF. SMEs can also acquire other funding via imSME platform in the link https://imsme.com.my/portal/en/ that will help match the required funding by SMEs with multiple financial institutions.</td></tr>
<tr><td colspan="3">OBJECTIVE 3: STRENGTHEN THE ECONOMY</td></tr>
<tr><td>10.</td><td>Moratorium by Financial Institutions</td><td>As at 11 September 2020, the value of the blanket moratorium was RM89.6 billion. Of this amount, RM31.4 billion benefitted businesses while RM58.2 billion was benefitted by individuals.</td></tr>
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