SPEECH TEXT

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FINANCE MINISTER

23RD LAKSANA REPORT

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

29 September 2020

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

INTRODUCTION

1. Assalamualaikum WBT and *Salam Sejahtera*. Thank you for joining me for this 23rd Laksana Report. Indeed, the Laksana Report is part of the Government's ongoing commitment in ensuring that the PRIHATIN and PENJANA economic stimulus packages are carried out transparently and openly. This is important as it promotes efficiency in the allocation of public resources. Tracking using real-time data is also vital to ensure better and more targeted policy-formulation for the greater good.

2. **Today's 23rd Laksana Report** will focus on the implementation status of PENJANA and will be followed by a review of current issues. Meanwhile, for PRIHATIN, details will be shared as an attachment and uploaded on the Ministry of Finance website, https://www.treasury.gov.my/ as well as on official social media channels.

PENJANA (National Economic Recovery Plan)

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

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

4. I begin with the implementation of PENJANA's first objective, Empowering the People; comprising assistance in the form of one-off payments, discounts and initiatives that focus on ensuring job continuity and increasing competitiveness.

5. **First, the PEKA B40 Health Care Scheme (PeKA B40)** which is managed by the Ministry of Health (MOH). PEKA B40 emphasises the **early detection of non-communicable diseases to the B40 group.** Since 1 July until 18 September 2020, a total of **90,694 claims** were received worth **RM5.92 million.**

6. Through PeKA B40, those who are eligible [i.e. Bantuan Sara Hidup (BSH) recipients and their registered spouses; and those aged 40 years and above] will be fully funded by the Government when undergoing health screenings at clinics registered with PEKA B40.

7. Eligible applicants will receive four benefits from this scheme, comprising health screening services. Registration is still open and I would like to encourage those who are eligible to take this opportunity and register through MOH's official link, www.pekab40.com.my.

Period 1 July 2020 up to…	Number of Claims*	Value of Assistance* (RM million)
18 September	90,694	5.92
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*

8. **Second,** in line with the reopening of the economy, working parents are now more confident to send their children to childcare centres. In order **to encourage childcare centres to adopt new norm Standard Operating Procedures (SOP) and premise certification, one-off grants worth up to RM5,000 are channelled to every registered nursery and kindergarten operator** under the Ministry of Women, Family and Community Development (KPWKM) and the Ministry of

Education (MOE). Incentives to train new caregivers are also provided via childcare and early education courses under KPWKM. **As of 18 September 2020, a total of RM18.91 million had been utilised by almost 12,000 nurseries and kindergartens** for this purpose.

9. Since the Movement Control Order (MCO) was first implemented on **18 March 2020,** the Government has prioritised one of the toughest challenges, which is to ensure that employers can retain their employees. To this end, the we have devised various comprehensive initiatives to ensure that unemployment would not increase dramatically. Among the relevant initiatives are:

   a. **First, the Wage Subsidy Programme (WSP).** The WSP assistance **to employers was originally for a period of only 3 months (April, May and June) and was extended for an additional 3 months (July, August and September) under PENJANA, making it 6 months in total. Soon, it will be further extended between 3 to 6 months (for existing or new applicants) under the KITA PRIHATIN package.** As of 18 September 2020, a total of **RM11.93 billion in wage subsidies** had been approved, benefitting more than **2.6 million workers.**

Report Date	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
18 September	11.930	2.627	323,583
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*

I would like to take this opportunity to mention that while the Government is trying to help businesses and employees to survive, it saddens me that irresponsible **companies are taking advantage of the WSP. The Government has received a report that a sum of about RM500,000 of wage subsidies, which should have been paid to employees, had been taken by employers**. I would like to emphasise that the **Government will not hesitate to act against employers who contravene the terms and conditions of the WSP.**

b. **Second, the Hiring Incentive Programme and Training Assistance** with an allocation of RM1.5 billion. **A total of 38,186 employees** (an increase from **33,688** last week) have managed to get jobs. This number includes **29,575 people under the age of 40; 4,829 people for the age group 40-60 years old, 270 OKU and 3,512 apprentices.**

Date As Of	Category of People Employed				Amount*
	< 40 years	40 – 60 years	OKU	Apprentices	
18 September	29,575	4,829	270	3,512	38,186
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-disabled.*

c. **Third, Reskilling and Upskilling Programme**. Several ministries and agencies have coordinated the reskilling and upskilling programme to meet the needs of the industry. These programmes aim to introduce new skills and provide training to participants. Ministries and agencies that have launched these initiatives are:

No.	Ministry/ Agency	Link
1.	Ministry of Youth and Sport (KBS)	**http://ebelia.iyres.gov.my/**
2.	Ministry of Entrepreneur Development and Cooperation (MEDAC)	**https://www.insken.gov.my/pendaftaran/**
3.	Ministry of Higher Education (MOHE)	**great.mohe.gov.my**
4.	Majlis Amanah Rakyat (MARA)	**penjana.mara.gov.my**
5.	East Coast Economic Region Development Council (ECERDC)	**https:// www.ecerdc. com.my/penjana/Website/index.html**
6.	Pembangunan Sumber Manusia Berhad (PSMB)	**penjanahrdf.com.my**
7.	Northern Corridor Implementation Authority (NCIA)	**https://www.ncer.com.my/jomkerja_jomniaga/**

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

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

Ladies and Gentlemen,

10. Next is the implementation of the steps under **PENJANA Objective 2 which is Propelling Businesses.**

11. SMEs, as an important component in the country's economic growth, are also prioritised to ensure business continuity. The PENJANA package enables this by providing access to financing in order to alleviate SMEs' short-term cash flow burdens.

12. **First, TEKUN Business Recovery Scheme – TBRS.** As of 18 September 2020, a total of **RM73.6 million** had been disbursed, benefitting **11,059 Micro SMEs.**

Date	Application Approved*	Amount Disbursed* (RM million)
18 September	11,059	73.6
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*

13. **Second, PENJANA Micro Credit Financing under Bank Simpanan Nasional (BSN).** As of 18 September 2020, a total of **RM55.31 million** had been disbursed, benefitting **1,480 SMEs and Micro SMEs.**

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
18 September	1,480	55.31
11 September	1,146	42.92
4 September	744	28.27
28 August	399	15.23

**Cumulative Amount*

14. **Third, PENJANA SME Financing.** The Government has allocated RM2 billion, with priority given to SMEs that have never received any financing from banks. As of 18 September 2020, a total of **3,058 SME applications had been approved with a loan value of RM742.8 million.**

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
18 September	3,058	742.8
11 September	2,566	639.6
4 September	2,131	562.3
28 August	1,615	426.2
21 August	1,172	329.5

**Cumulative Amount*

15. To ensure the **sustainability of Bumiputera entrepreneurs, the Government has also allocated financing amounting to RM500 million** to be disbursed through the following two agencies, namely:

   a. **First, Perbadanan Usahawan Nasional Berhad (PUNB).** The eligibility criteria for the financing focuses on utilisingfunds for working capital, operating expenses, system automation, as well as equipment and expenses related to implement SOPs such as physical distancing measures and use of personal protective equipment. Financing facilities range from **RM100,000 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 disbursement.** As of 18 September 2020, a total of **RM16.22 million** had been channelled, benefitting **41 Bumiputera businesses.**

   b. **Second, through MARA** in the form of **working capital financing** to help impacted Bumiputera entrepreneurs, including those in the private education sector with a **maximum loan amount of RM1 million,** with a **financing rate of 3.5%** per annum. For more information, please visit www.mara.gov.my.

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

Ladies and Gentlemen,

16. **Next, the Third Objective of PENJANA which is Stimulating the Economy.**

17. First, the ePENJANA application was closed on 24 September 2020. As of 18 September 2020, **11.15 million people had successfully received RM50 in their e-Wallets with a total value of RM557.46 million.** ePENJANA recipients are reminded that **the credit in their e-wallets must be used by 30 September 2020**. After that date, the credit value will expire from the user's e-wallet account.

18. **Second, Support for the Arts, Culture and Entertainment Sector**. Among the allocations provided are a total of **RM100 million in the form of loans with financing rates of 3.5% and RM30 million grants for the creative industry, events and exhibitions under MyCreative Venture; while RM10 million is under CENDANA**. As of 18 September 2020, **a total of 46 applications** had been received **by MyCreative Venture worth RM34.2 million.** As for initiatives under CENDANA, a total of **120 applications** had been approved worth **RM439,120**. **Creative industry players are encouraged to take advantage of the facilities provided in producing their craft. All industry players can apply for assistance from the relevant agencies. Please visit www.mycreative.com.my/penjana and www.cendana.com.my for more information.**

KITA PRIHATIN PACKAGE

19. On 23 September 2020, YAB Tan Sri Muhyiddin Yassin, our Prime Minister, announced the *Kerangka Inisiatif Tambahan Khas* or **KITA PRIHATIN worth RM10 billion aimed at easing the burden of the people, saving employment, and assisting businesses especially SMEs**. Under KITA PRIHATIN, the three (3) key assistance measures are:

20. **First, the Wage Subsidy Programme 2.0 (WSP 2.0) with an allocation of RM2.4 billion:** The Government is aware that there are still companies with cash flow constraints. To help companies that experience a reduction in revenue of at least 30 percent compared to last year**, they can apply for WSP2.0 at the rate of RM600 per month per employee for up to a maximum of 200 employees.** Applications will be open from **1 October to 31 December 2020.** The move is expected to benefit **1.3 million employees.**

21. **Second**, the reopening of the **PRIHATIN Special Grant (GKP)** application. The Government has taken note of and is especially concerned for the survival of micro SMEs. For those who are eligible but did not have the opportunity to benefit from

GKP previously**, applications for the reopened GKP can be made from 1 October to 31 October 2020. Payment is targeted to be made from 25 November 2020.**

22. **Third, *Bantuan Prihatin Nasional* (BPN) 2.0 with an allocation of RM7 billion**. The Government is cognisant of the difficulties still faced by the members of the public in the B40 and M40 income groups. **Payments for BPN 2.0 will be made in two instalments; the first, at end-October 2020 and the second in January 2021**. No re-application is required for BSH recipients. Only recipients who had never received the BSH or BPN assistance need to apply.

23. **Frequently Asked Questions for these three measures** can be found at www.treasury.gov.my/index.php/KitaPrihatin2020. InsyaAllah, these three measures, with an additional fiscal injection of RM10 billion are expected to contribute 3.7 - 4.0 percentage points to the country's GDP in 2020.

24. The Government is confident that KITA PRIHATIN will maintain the recovery momentum for economic indicators such as the declining unemployment rates, increasing Industrial Production Index, increasing Leading Index, as well as the retail and recreation sectors.

REVIEW OF CURRENT ISSUES

25. On **21 September**, I delivered the winding-up speech during the tabling of the **Bill on Temporary Measures for Government Financing (COVID-19) 2020 (the Bill) on behalf of the Ministry of Finance in the Dewan Negara (Senate)**. The Bill aims to support the economic stimulus and recovery initiatives announced by the Government through PRIHATIN and PENJANA. Alhamdulillah, **the Bill was approved by the Senate**. I thank all the Senators, from both sides of the aisle, who were committed during the debates and the voting process in ensuring that the objectives of the Bill can be achieved.

26. On **27 September**, I went to the Shah Alam Convention Center (SACC) to witness the efforts of Bank Negara Malaysia and the banking sector in assisting borrowers who wish to apply for loan moratorium extension or other targeted bank assistance. **I would like to convey my gratitude to the banks that have been actively contacting their borrowers since July. So far, for the applicants who needed a moratorium extension or targeted bank assistance, the approval rate is at 98%.** The Government greatly appreciates the banks' commitment to continue assisting individuals and businessmen who are still affected.

27. The Economic Stimulus Implementation and Coordination Unit Between National Agencies (LAKSANA) has also conducted a **PRIHATIN Survey** involving **more than 11,000 respondents recently**. LAKSANA went down to the ground at several locations to gather feedback from the B40, M40 and T20 income groups. All

suggestions and feedback received will be considered for improvements to some of the initiatives. As I have said before, we need to be dynamic and not static. The Government should be prepared to improve measures in line with any current changes. **Further details on the results of the PRIHATIN Survey will be announced soon.**

28. Following the sharp increase in COVID-19 cases, especially in Sabah; I would like to remind all of us to always take care of our health and comply with the SOPs. In this regard, I am pleased to inform that on 18 September, the **Ministry of Finance has also approved a one-off contract extension for a period of six (6) months for 2,070 Medical Officers, Dental Officers and Pharmacists**. This involves an amount of RM81 million, already allocated under the COVID19 Fund. I also pray that all of us are protected from any calamity and blessed with safety and good health.

29. Before I end this report, please allow me to share a *pantun*, especially for the people of Sabah:

Sekawan pekaka berbulu jingga,
Di pagi cerah di dahan berangan;
Kesihatan bersama harus dijaga,
Semoga Sabah dalam lindungan.

30. Wabillahitaufik walhidayyah. Assalamualaikum wbt. Thank you.

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

APPENDIX 1 – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	**i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)**	As of 18 September 2020, **the cumulative withdrawal between April to August is RM9.25 billion** (an increase from RM9.03 billion last week), involving **4.63 million recipients** (an increase from 4.62 million recipients last week). Retirement planning is crucial, and the people are encouraged to utilise the free **Retirement Advisory Service (RAS)** provided by EPF. Information on this free service can be found at: https://www.kwsp.gov.my/ms/member/retirement-advisory-service
2.	**Frontliners Allowance**	a. As of 18 September 2020, a total of **RM270.42 million has been channelled for 844,810 claims** from 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 enforcing the Movement Control Order (MCO).
3.	**Taxi Drivers**	As of 18 September 2020, the Government has channelled one-off cash assistance to **33,822 taxi drivers**, amounting to **RM20.29 million**.
4.	**Tourist Guides**	As of 18 September 2020, a total of **7,629 tourist guides** (an increase from 7,622 tourist guides) have received one-off cash assistance amounting to **RM4.6 million.**
5.	**Tour Bus Drivers**	One-off cash assistance to tour bus drivers has been made, beginning 22 July 2020. As of 18 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 18 September 2020, a total of 69,864 applications (an increase from 69,417 last week) had been received and from that, 13,090 applications had been approved worth RM84.95 million (an increase from RM84.8 million last week) for the employers’ EPF contribution.

<table>
<tr><th>EPF’s COVID-19 Assistance Programme (e-CAP) for Employers</th><th>Number of Applications Received*</th><th>Number of Approved Applications *</th><th>Approved Amount* (RM million)</th></tr>
<tr><td>18 September</td><td>69,864</td><td>13,090</td><td>85.0</td></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 Amount</td></tr>
<tr><td>7.</td><td>BSN Micro Credit Scheme</td><td>As of 18 September 2020, payments had been made to 11,211 SMEs (an increase from 11,006 SMEs last week), involving a total of RM374.3 million (an increase from RM369.1 million last week).</td></tr>
<tr><td>8.</td><td>TEKUN Programme</td><td>As of 18 September 2020, payments had been made to 25,723 SMEs (an increase from 25,716 SMEs last week) involving a total of RM195.1 million (an increase from RM195.0 million last week).</td></tr>
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9. **SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)**

As of 18 September 2020, the total approved applications by local banks and accepted by SMEs is **RM10.6 billion** (an increase from RM10.5 billion last week) which will benefit **22,925 SMEs** (an increase from 22,822 SMEs last week). This amount includes the Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF) funds.

SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*
18 September	10.6	22,925
11 September	10.5	22,822
4 September	10.4	22,688
28 August	10.3	22,440
July	9.6	21,410
June	8.4	19,539
May	6.9	16,833
April	1.5	3,636

**Cumulative Amount*

Although the SRF funds had been fully utilised, SMEs can still apply for available funding schemes under the BNM Funds such as **ADF, AES** and **AF**. SMEs can also acquire other funding via the **imSME platform** https://imsme.com.my/portal/en/ that will help match the required funding by SMEs with various financial institutions.

OBJECTIVE 3: STRENGTHENING THE ECONOMY

10. **Moratorium on Loan Repayment by Financial Institutions**

As of 18 September 2020, the value of the moratorium is estimated at **RM93.44 billion.** Out of this figure, a total of **RM32.7 billion was utilised by the business sector** while **RM60.74 billion was utilised by individuals.**