

YB TENGKU DATUK SERI UTAMA ZAFRUL TENGKU ABDUL AZIZ MINISTER OF FINANCE

42nd LAKSANA REPORT

IMPLEMENTATION OF BUDGET 2021, PERMAI, KITA PRIHATIN, PENJANA AND PRIHATIN

24 February 2021

INTRODUCTION

- 1. We meet again for the 42nd LAKSANA Report. I hope everyone out there is safe at home, or at work for those who are still allowed to work in the office. In dealing with daily life amidst this pandemic, I advise you to continue to maintain self-discipline.
- 2. This report is preceded by a review on current issues, followed by the implementation status of key Government initiatives namely PERMAI Assistance Package, Budget 2021, PENJANA Economic Stimulus Package, and KITA PRIHATIN Assistance Package. The ongoing implementation status of the PRIHATIN Package initiative can be referred to in Appendix 1

A. NATIONAL COVID-19 IMMUNISATION PLAN

- 3. Last week saw several historic moments for our country. The most awaited moment was definitely the arrival of the first batch of COVID-19 vaccine supply. This arrival marks the beginning of Phase 1 of the National Covid-19 Immunisation Programme for the vaccination of 500,000 frontline workers by April this year. The government is also targeting 80% or 27 million Malaysians to be vaccinated by the first quarter of 2022 in order to achieve group immunity.
- 4. Economic recovery will also certainly follow public health recovery. The World Bank has announced Malaysia's economic growth forecast of 5.6 6.7% for 2021 following the launch of the COVID-19 vaccination programme globally. This is in line with the projected world economic growth at a rate of 4%.
- 5. Our economic recovery plan is on track with our own National COVID-19 Immunisation Programme, which started on 24 February 2021. Many economic sectors, such as



tourism and retail, await the opening of not only domestic but international borders. Those from the tourism sector are urged to take advantage of the RM1 billion **PENJANA Tourism Sector Financing** allocation for SMEs and micro SMEs still affected by COVID-19.

B. MYDIGITAL AND MALAYSIAN DIGITAL ECONOMY BLUEPRINT

- COVID-19 has had a huge impact on the world economy, and Malaysia is no exception.
 Our challenge now is to bounce back. As such, the MyDIGITAL initiative and the
 Malaysian Digital Economy Blueprint launched by YAB Tan Sri Muhyiddin Yassin are
 very timely.
- 7. MyDigital is a digital transformation plan that enables the business sector to compete on the global stage by strengthening operational competency and efficiency. The digital economy plays a big role in our effort to boost the country's economic status, and by 2025, the digital economy is expected to contribute 22.6 percent to the country's Gross Domestic Product (GDP). This initiative will also be the starting point for attracting new investments worth RM70 billion in the digital sector from within and outside the country. The plan also aims to open up 500,000 job opportunities in the digital economy.
- 8. The 2021 budget also promotes the digital industry through various initiatives including:
 - a. First, Technical and Digital Utilisation support for SMEs and Mid-Tier Companies (MTCs). To date, RM40.5 million has been channeled to 8,580 businesses in the form of grants and loans for digitalisation service subscriptions.
 - b. **Second,** the Government will allocate RM500 million for 2021 to implement the National Digital Networking, JENDELA initiative to secure the connectivity for 430 schools in all states throughout Malaysia.
 - c. **Third,** The Malaysian Communications and Multimedia Commission has allocated RM7.4 billion for 2021 and 2022 to expand broadband services nationwide.
 - d. **Fourth**, RM150 million for the SME and Micro SME e-Commerce Campaign, which includes training programs, sales and digital equipment assistance to 100,000 local entrepreneurs.
 - e. **Fifth,** RM150 million for Shop Malaysia Online initiative through joint ventures with major e-commerce platforms to encourage online spending, which will also benefit 500,000 local entrepreneurs including halal and handicraft product operators.
 - f. **Sixth**, the Government through BPMB will implement a RM1 billion Industrial Digitalisation Transformation Scheme aimed at boosting digitalisation activities with the availability of funds until 31 December 2023.
 - g. **Seventh**, to support automation and modernisation activities, an additional fund of RM150 million is provided under the SME Digitalisation Grant Scheme and Automation Grant. The eligibility requirements for this grant are also relaxed for Micro SMEs and start-up companies that have been operating for six months.
 - h. **Eighth,** the Government is also working to improve Government services through digitalisation. This includes expanding the use of the Road Transport Department's kiosks for several key services such as the renewal of motor vehicle licenses. The



kiosks will be located in 50 strategic locations nationwide to make it easier for people to obtain services even outside of working hours.

Looking ahead, with the launch of MyDigital, the Government will further strengthen efforts to help the people and SME operators through various digitalisation initiatives.

C. NATIONAL UNITY POLICY

- 9. Another major initiative launched by the Government is the National Unity Policy (DPN). The three main objectives of the DPN are to strengthen national unity and integration based on the Federal Constitution and Rukun Negara; forming a national identity with a spirit of identity, patriotism, caring, tolerance, mutual respect and responsibility; as well as producing Malaysians who appreciate and practice unity.
- 10. What caught my attention were the four Unity Enablers that have been identified, namely:
 - i. Efforts to increase equitable economic opportunities.
 - ii. Empowering minority and economically vulnerable groups.
 - iii. Strengthen social protection networks and empower social innovation.
 - iv. Bridging the development gap and accessibility between states and regions
 - 11. All aspects are also given priority in Budget 2021, especially in supporting the achievement of the Shared Prosperity Vision 2030. For example, through the First Objective: People's Welfare Strategy 2 of Budget 2021, namely Safeguarding the Welfare of Vulnerable Groups, the government has agreed to increase the monthly assistance rate for Person With Disabilities (OKU) who are Incapable of Work, the Elderly, Carers of Bed-ridden OKU and Chronically III Patient, OKU Workers and the Assistance for Children of Poor Families. This involves an allocation of RM2.2 billion, which is an additional RM700 million allocation compared to the 2020 Budget, and will benefit more than 400,000 recipients.

D. <u>BUDGET 2021 & PERMAI: NATIONAL ECONOMIC RECOVERY PLAN</u>

OBJECTIVE 1: Safeguarding the Welfare of the People PERMAI One-Off Assistance for Drivers of Taxis and Buses

12. This week also brings good news for 110,000 e-hailing, taxi, school bus and tour bus drivers where they have started receiving PERMAI assistance worth RM500 per person with a total allocation of RM55 million. This assistance was first paid on 23 February.



Bantuan PRIHATIN Rakyat (BPR)

The YAB Prime Minister during his presentation of the PERMAI Assistance Package committed to make the payment for Phase 1 of the BPR at the end of February 2021.
 8.45 million recipients have started receiving Phase 1 BPR payments on 24 February, involving an allocation of RM1.93 billion.

PenjanaKerjaya Kebangsaan

- 14. In terms of generating jobs, for those of you who are looking for work, the Ministry of Human Resources (KSM) has launched the virtual National PenjanaKerjaya Carnival 2021 through the Cisco Webex application. This virtual carnival takes place from 23 to 26 Feb 2021, from 9am to 5pm. Apart from interview sessions by employers of various sectors, this carnival provides career webinar sessions to assist your job search. This is part of the Government's initiative to create 500,000 job opportunities for Malaysians. Interested participants can register via the link https://careerfair.perkeso.gov.my.
- 15. Don't forget to also visit the MyFutureJobs portal https://www.myfuturejobs.gov.my which is a one-stop centre and a major reference point for employment-related initiatives.

PENJANA (National Economic Recovery Plan)

Ladies & Gentlemen,

16. I will now review the PENJANA Package as of 12 February, 2021. This package is based on three goals, namely Empowering the People, Propelling Businesses, and Stimulating the Economy

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

17. **First,** touching on the Objective of Empowering the People, **the Phase One Wage Subsidy Program (PSU 1.0)** is still ongoing. The program has achieved a distribution value of **RM12.** 763 billion for 322,177 employers and 2.64 million registered employees.

PSU 1.0

Date As Of	Amount Approved* (RM billion)	No. of Employees* (million)	No. of Employers*
12 February	12.763**	2.640	322,177
5 February	12.763**	2.640	322,177
29 January	12.757**	2.640	322,177
25 December	12.682**	2.640	322,177
27 November	12.524**	2.640	322,177
30 October	12.255	2.639	322,175
25 September	11.930	2.633	321,633
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

18. Second, the Hiring Incentive and Training Assistance Programme. A total of 130,871 employees have secured employment through this programme. Manufacturing as well as wholesale and retail trade are among the key industries and sectors that employ workers. The details are as follows:

Date As Of	Category of People Who Secured Jobs				Amount*
Date AS Of	< 40 years	40 - 60 years	Apprentices	OKU	Amount
12 February	105,250	17,591	7,536	494	130,871
5 February	105,250	17,591	7,536	494**	130,871
29 January	105,160	17,586	7,534	548	130,828
25 December	102,623	17,394	7,417	1,344	128,778
27 November	72,505	11,370	5,808	1,247	90,930
30 October	56,315	8,743	4,724	331	70,113
25 September	34,476	5,456	3,782	284	43,998
28 August	18,354	3,266	2,818	178	24,616

^{*} cumulative amount

List of top 5 recruitment industries / sectors by category

No.	< 40 years	40 - 60 years	Apprentices	OKU	Overall
1	Manufacturing	Other Services	Other Services	Wholesale and	Manufacturing
				Retail Trade;	
				Motor Vehicle	
				and Motorcycle	
				Repair	
2	Other Services	Manufacturing	Manufacturing	Other Services	Other Services
3	Wholesale and	Wholesale and	Wholesale and	Manufacturing	Wholesale and
	Retail Trade;	Retail Trade;	Retail Trade;		Retail Trade;
	Motor Vehicle	Motor Vehicle	Motor Vehicle		Motor Vehicle
	and Motorcycle	and Motorcycle	and Motorcycle		and Motorcycle
	Repair	Repair	Repair		Repair
4	Accommodation	Accommodation	Accommodation	Accommodation	Accommodation
	& Food Services				
5	Education	Construction	Information &	Education	Construction
			Communication		

19. **Third, Reskilling and Upskilling Programme.** There was an increase in terms of individuals participating in the programmes to **135,751 participants** (an increase of



^{**} The number of employers and employees has reached its maximum. However, since payments are made in phases, amount approved will continue to rise. Payments in phases is done to ensure that only eligible enterprises receive the subsidy.

^{**} The decrease compared with the previous week is due to certain employers who wrongly selected the category of employees prior to the actual applications.

2,450 from 133,301 individuals in the previous week). The Ministry of Finance link lists the courses that are requested, while those who are interested can visit the websites of the respective Government agencies involved to obtain the relevant information.

Bil.	Kementerian/Agensi	Program / Skim / Inisiatif
		SME Development
	Pembangunan Sumber Manusia Berhad (PSMB) (www.penjanahrdf.com.my)	Industrial Revolution 4.0 (IREV4.0)
1.		Place & Train
		Gerak Insan Gemilang (GIG)
		B40 Development
2.	Ministry of Entrepreneur Development and Cooperatives	INSKEN Business Training
۷.	(MEDAC)	Program Micro Connector
		Modul Khas Penjagaan Kesihatan dan Keselamatan Kebiasaan Baharu
		Building Internal Entrepreneur Capabilities by Engaging E-Commerce Bespoke Program (e- entrepreneur) -Training e-Commerce Platform
3.	Majlis Amanah Rakyat (MARA) (http://penjana.mara.gov.my/)	Building Capabilities and Providing Jobs Through Competencies / Short Courses Program
		Building Capabilities and Providing Jobs Through Industry Boot Camp
		Building Internal Entrepreneur Capabilities by Engaging e-Commerce Bespoke Program (e- entrepreneur) -Bespoke
4.	East Coast Economic Region Development Council (ECER) (https://www.ecerdc.com.my/penjana/ Website/index.html)	ETEP Enhanced Train& Place (PENJANA)
_	Northern Corridor Implementation Authority (NCIA) (https://www.ncer.com.my/jomkerja_jo	JomNiaga@NCER
5.	mniaga/)	JomKerja@NCER
6.	Ministry of Tourism, Arts and Culture Malaysia (MOTAC)	Community Skills Development
7.	Ministry of Higher Education	Gig Economy Programme
/·	(MOHE) (https://great.mohe.gov.my)	Entrepreneurship Programme



20. Fourth, MY30 public transport subsidy which has been extended to 2021. A total of 751,414 of this monthly unlimited travel pass have been sold, involving a subsidy of RM127.74 million (no increase over the previous week). I was informed that the Government is promoting this My30 pass with the initiative to "buy one free one" until this March. I hope these improvements will continue to help in terms of public transport costs for Malaysians.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

Ladies & Gentlemen,

- 21. Now we move on to the Second Objective of Propelling Businesses.
- 22. **First, the PENJANA SME Financing**. The Government's allocation of RM2 billion under this program prioritises SMEs that have never obtained any bank loans before. A total of **6,731 applications were approved with a total loan value of RM1.259 billion**.

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
12 February	6,731	1,258.5
5 February	6,613	1,244.7
29 January	6,507	1,231.4
25 December	5,764	1,122.1
27 November	5,301	1,085.7
30 October	4,488	965.5
25 September	3,351	795.3
28 August	1,615	426.2

^{*}Cumulative Amount

- 23. **Second, PENJANA Tourism Sector Financing**. The Government has allocated RM1 billion for SMEs and Micro SMEs still affected by COVID-19. There are **579 applications** for this financing, and of this total **282 applications have been approved** with a total financing of **RM57.1 million**.
- 24. **Third**, PENJANA Credit Micro Financing under Bank Simpanan Nasional (BSN). A total of **RM363.4 million** has been channeled to benefit **10,774 Micro SMEs including those from the retail and services sectors.**

Date As Of	Micro SMEs*	Amount Disbursed* (RM million)
12 February	10,774	363.4
5 February	10,774	363.4
29 January	10,037	340.0
25 December	8,158	282.8
27 November	6,492	227.5



	30 October	4,674	167.4
	25 September	2,007	73.7
Ī	28 August	399	15.2

^{*}Cumulative Amount

25. **Fourth, Bumiputera Relief Financing (BRF)** which was introduced by Perbadanan Usahawan Nasional Bhd (PUNB) with a fund of RM200 million, of which **572 SMEs** received a fund of **RM161.7 million** (compared to 548 SMEs having received a total fund of RM153.0 million in the previous week).

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

Ladies & Gentlemen,

- 26. We now review PENJANA's third objective of **Stimulating the Economy**.
- 27. For Support for the Arts, Culture and Entertainment Sector, among the allocations provided are funds worth RM100 million in the form of loans with interest rates of 3.5% and RM30 million grants for the creative industry, events and exhibitions organisation under MyCreative Ventures; while RM10 million is under CENDANA. A total of 221 applications were received for MyCreative Ventures worth RM104.5 million, of which 35 applications were approved with a value of RM13.6 million (no increase compared to the previous week).
- 28. As for the CENDANA initiative, a total of RM1.6 million was channeled to 317 recipients (compared to RM1.1 million for 246 recipients in the previous week). The recipients consist of artists, collectives and organisations that are actively involved in the Malaysian arts and culture sector. Creative industry players are encouraged to take advantage of the facilities provided in producing their works. All industry players involved can apply for assistance from both agencies involved. Please do visit www.mycreative.com.my/penjana dan www.cendana.com.my for further information.

KITA PRIHATIN (Kerangka Inisiatif Tambahan Khas PRIHATIN)

Ladies & Gentlemen,

29. Under the KITA PRIHATIN package, for the Phase Two Wage Subsidy Program (PSU2.0), a total of RM770.31 million has been channeled to 65,398 employers to continue to operate and maintain employment for 534,183 employees. As stated during the Budget 2021, targeted PSUs were also introduced to assist the tourism and retail sectors, while all sectors affected by the implementation of the MCO this year are eligible to receive PSU 3.0 support under the PERMAI Assistance Package.



PSU 2.0

Date As Of	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
12 February	770.31	534,183	65,398
5 February	770.31	534,183	65,398
29 January	741.16	518,793	64,345
25 December	418.67	420,193	51,022
27 November	239.73	307,420	39,203

^{*}Cumulative Amount

CLOSING

30. To end, once again I remind everyone to continue to follow the SOP in carrying out economic activities and daily life. The economic recovery is partly based on our ability to break the chain of transmission of the COVID-19 pandemic.

In the meantime, the Government will not stop providing support to public health, and ensure the continuity of business as well as protect the people's livelihood through continuous assistance. I end with a verse of pantun:

Disimpan cermat tidak tersayat, Tenunan puteri selembar pua; Vaksin selamat diguna Rakyat, Lindung diri lindung semua.

31. Take of yourself and family and stay safe. Terima kasih.

YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz Minister of Finance Ministry of Finance Malaysia 24 February 2021



APPENDIX 1 - PRIHATIN ACHIEVEMENTS

OBJ	ECTIVE 1: PROTECTION	NG THE RAKYAT
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As at 12 February 2021, cumulative withdrawal stood at RM17.67 billion and involved 5.15 million recipients (compared to RM16.96 bilion and involving 5.12 million recipients from the previous 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 12 February 2021, a total of RM484.85 million has been channelled based on 1,453,454 from doctors, nurses and other medical personnel 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, firemen, members of the Civil Defense Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).

OBJECTIVE 2: SUPPORTING BUSINESSES

3. SME Soft Loans
Funds
Administered by
Bank Negara
Malaysia (BNM)

As of **12 February 2021**, the total number of applications approved by local banks and accepted by SMEs is **RM11.63 billion** which will benefit **24,628 SMEs.** This amount includes 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*
12 February 2021	11.63	24,628
5 February	11.63	24,628
29 January	11.60	24,613
22 January	11.60	24,590
15 January	11.58	24,564
8 January	11.58	24,564
1 January	11.54	24,519
25 December 2020	11.29	24,012
27 November	11.13	23,711
30 October	10.87	23,305
25 September	10.67	22,984
28 August	10.3	22,440



Ju	ly 9.6	21,410
Jur	ne 8.4	19,539
Ma	ny 6.9	16,833
Ар	ril 1.5	3,636

^{*}Cumulative Amount

Although the SRF funds have 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** via the link https://imsme.com.my/portal/en/ that will help match the required funding by SMEs with multiple financial institutions.

APPENDIX 2 - PENJANA ACHIEVEMENTS

OBJECTIVE 2: PROPEL BUSINESSES					
2.	TEKUN Business	This RM100 million f	fund has achieved its	objective by benefitting	
	Recovery Scheme	14,946 Micro SMEs			
	(TBRS) for Micro				
	SMEs				
3.	Technical and	As of now, RM40.5 mi	illion has been channell	ed to 8,580 businesses in	
	Digital Utilisation	the form of grants and	l loans for subscription to	o digitalisation services.	
	support for SMEs				
	and Mid-Tier	Date as of	Applications	Amount Disbursed*	
	Companies (MTCs)	Date as of	Approved	(RM million)	
		12 February	8,580	40.5	
		5 February	8,577	31.5	
		29 January	8,576	28.5	
		25 December	5,691	21.5	
		27 November	3,274	12.0	
		30 October	1,134	6.7	
		25 September	439	1.5	
		*Cumulative Amount			

OBJ	OBJECTIVE 3: STIMULATING THE ECONOMY					
	Support for	Funding worth RM400 million has been allocated for farmers and				
4.	Agriculture and	fishermen. Under this scheme, RM350 million is an allocation under the				
	Food Industry	Agrobank Microcredit Financing Scheme. A total of RM85.1 million has				
		been channeled under this scheme to benefit 7,723 Agricultural Micro				
		SMEs. Food security is very much emphasised in the PENJANA Plan				
		and Budget 2021.				



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5.	100% exemption	Includes palm oil-based industries, to stimulate the growth of the		
0.	from export duty to			
		country's commodity sector and export value. This initiative can help		
	commodity sector	make it more convenient for smallholders to sell their produce to		
		factories. The value of export duty exemption successfully utilised by the		
		country's industry is RM593.9 million .		
6.	Service tax	Specifically to support the tourism sector until 30 June 2021. The value		
	exemption for	of tax exemptions that have been utilised by accommodation premises		
	hotels	operators has reached a value of RM1.37 billion (no increase compared		
		to the previous week). Other initiatives to support the tourism sector		
		include individual income tax relief of up to RM1,000 on travel expenses,		
		as well as full tourism tax exemption.		
7.	Sales tax relief for	This sales tax incentives include 100% exemption for locally assembled		
	passenger vehicles	cars (CKD) and a 50% reduction for fully imported models (CBUs). The		
		value of sales tax relief that has been utilised is RM233.0 million (no		
		increase compared to the previous week). As informed, the Government		
		has agreed to extend this tax incentive until 30 June 2021, as a measure		
		to further boost the automotive sector and economic activities of the		
		country.		

