



MEDIA STATEMENT

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

44th LAKSANA REPORT

**IMPLEMENTATION OF
PAKEJ RANGSANGAN EKONOMI PRIHATIN RAKYAT (PRIHATIN),
PELAN JANA SEMULA EKONOMI NEGARA (PENJANA) &
PAKEJ RANGSANGAN EKONOMI KITA PRIHATIN (KITA PRIHATIN)**

11 Mar 2021



INTRODUCTION

1. We meet again for the 44th LAKSANA Report. As always, I hope everyone out there adheres to the SOPs to reduce the risk of COVID-19 infection.
2. The 44th LAKSANA Report will begin with my review on current issues and will touch on the implementation status of BUDGET 2021, PERMAI, PENJANA and KITA PRIHATIN. The status of the implementation of the PRIHATIN initiative can be found in Appendix 1, together with the achievements of the PENJANA package in Appendix 2.

REVIEW OF CURRENT ISSUES

A. SIX FOCUS OF THE MINISTRY OF FINANCE FOR 2021

3. I would like to once again bring your attention to #SetahunMalaysiaPrihatin, a year since the Perikatan Nasional Government was formed. For the Government, it has been a challenging one year dealing with the COVID-19 pandemic. However, this has never been an obstacle to ensure the welfare and well-being of the people.
4. The main challenge in managing this crisis is to balance between protecting lives and the need to sustain livelihoods. Towards this end, the Government has launched 4 economic stimulus packages worth RM305 billion and 1 assistance package valued at RM15 billion specifically to ensure the well-being of the people, businesses and the economy. That has not taken into account the implementation of Budget 2021, which is the largest budget in the history of the country with a total of RM322.5 billion.
5. However, a large allocation alone is not the be all and end all, and needs to be accompanied by monitoring to ensure that the measures achieve the set objectives.

Accordingly, LAKSANA was established to monitor the effectiveness of the implementation of the economic stimulus package as well as the Budget.

6. To date, among the achievements of the Government are:
 - a. Saving 2.7 million jobs through the Wage Subsidy Program worth RM14.4 billion. The government also managed to reduce the unemployment rate from 5.3% in May 2020 to 4.8% in December 2020.
 - b. Assist the people's cash flow through a 6-month automatic loan moratorium and Targeted Loan Repayment Assistance. Total for the moratorium was RM100 billion, while Targeted Loan Repayment Assistance currently stands at RM51.5 billion.
 - c. GDP improved by about 24% whereby the GDP recorded in the Q4 2020 was RM357.4 billion compared to RM289.4 billion in Q2 2020. According to the World Bank, Malaysia's GDP is expected to increase at a rate of 5.6 % - 6.7% for 2021.
7. Moving forward, the main focus throughout 2021 will be:
 - a. Creating 500,000 job opportunities through the National Employment Council (NEC);
 - b. Prioritising direct and indirect assistance to alleviate the burden faced by the people. The welfare of the people needs to be better protected, especially those in the informal economy. A study conducted in PPR areas found that there were still those who did not receive assistance because they were not registered with any Government agency involved in channelling assistance;
 - c. Driving the Malaysian Digitisation process to achieve the objectives of the Malaysian Digital Economy Blueprint and the MyDigital initiative;
 - d. Transforming Government-linked companies (GLCs) to redefine the direction of the vision and mission of the companies involved, especially after the country was hit by the COVID-19 pandemic;
 - e. Assisting in the business recovery for the small and medium enterprise (SMEs) sectors; and
 - f. Accelerating projects that will drive the recovery and development of the Malaysian economy.

B. 5G INFRASTRUCTURE SHARING TO ACHIEVE DIGITAL TRANSFORMATION

8. Next, I would like to comment on Malaysia's digital transformation, which requires the development of a 5G digital infrastructure. The concept of developing the 5G infrastructure will encourage service-based competition in the market, where telcos are less inclined to invest in capital-intensive 5G infrastructure and can focus more on increasing service innovation at an affordable cost.
9. With the strengthening of nationwide coverage, the Rakyat as well as businesses will be able to access next -generation digital applications as part of the new norm. Lower costs will increase demand which in turn will help enhance the country's digitalisation.

10. More and more countries are starting to use 5G, including in the ASEAN region. The government must act immediately to speed up the use of 5G so that we do not fall behind.
11. The total investment requirement for the 5G infrastructure project is estimated at RM 15 billion involving infrastructure costs as well as annual operation and maintenance over the project for a period of 10 years. A more accurate costing will be known after the open tender process, which will begin soon.
12. Digital Nasional Berhad (DNB) will evaluate innovative options to create a cost effective financing structure that can be used for such infrastructure projects. It is expected that this will be privately funded through a Public-Private Partnership agreement.

C. BOOSTING INDUSTRY & INFRASTRUCTURE DEVELOPMENT POST COVID-19

13. Thirdly, I would like to comment on a ceremony to sign a Land Purchase Agreement in the Special Border Economic Zone (SBEZ) Kota Perdana, Bukit Kayu Hitam, Kedah that took place on 10 March between Northern Gateway Free Zone Sdn Bhd, a company wholly owned by the Minister of Finance Incorporated and Hartalega NSM Sdn Bhd. This is for the construction of an Integrated Glove Manufacturing Factory Complex. It is an industrial development that can contribute to the country's economic recovery, besides being a catalyst for similar large investments, post-COVID-19.
14. With a large investment value approved of RM7 billion, I hope this investment by a subsidiary of Hartalega Holdings Berhad will be a catalyst for rapid economic growth for the border town of Bukit Kayu Hitam and its surroundings. The growth spill-over from this investment will also translate into generating fresh employment and business opportunities for the people, especially in the state of Kedah.
15. In line with the Ministry of Finance's main focus to create 500,000 jobs, this investment will also create 12,000 jobs as well as upskill domestic human resources and vendors.

JOB RETENTION AND GENERATION

Ladies & Gentlemen,

16. As it has been a year since I assumed my role at the Ministry of Finance, and this is the 44th LAKSANA Report, we have changed the report format to highlight 2 important themes to our economic recovery and growth for this year, namely Job Retention & Generation, and SME Empowerment.
17. I begin with the initiative of the National Economic Regeneration Plan or PENJANA. In terms of the **Wage Subsidy Program (PSU) 1.0**, as of 26 February 2021, the closing date of PSU 1.0, a total of **322,177 employers and 2.64 million employees** have received PSU benefits under PRIHATIN and PENJANA. As of 26 February, the approved wage subsidy applications have reached a value of **RM12.769 billion**.

18. The increase is not much compared to last week, but we also need to remember that many sectors of the economy have already reopened, with strict and disciplined SOP compliance.

PSU 1.0

Date As Of	Amount Approved* (RM billion)	No. of Employees* (million)	No. of Employers*
26 February	12.769**	2.640	322,177
19 February	12.764**	2.640	322,177
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

** 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.

19. Meanwhile, under KITA PRIHATIN, we have the **Wage Subsidy Program (PSU 2.0)**: As of 26 February, a total of **RM808.31 million** has been channeled to **66,591 employers** to enable them to continue operating and maintain jobs for **554,876 employees**.

PSU 2.0

Tarikh Laporan	Jumlah Disalurkan* (RM juta)	Jumlah Pekerja*	Jumlah Majikan*
26 February	808.31	554,876	66,591
19 February	808.31	554,876	66,591
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
20 November	164.26	273,767	34,479

*Cumulative Amount

20. The third item under Job Retention & Generation is the Recruitment Incentive Programme and Training Assistance: As of 26 February 26, a total of **131,568 workers** have successfully secured employment through this programme, compared to 130,328 last week. The creation of 1,240 jobs in a week may not sound a lot, but we are looking at cumulative numbers over time. Among the major industries and sectors that recruited employees include those in the manufacturing sector, as well as wholesale and retail trades. For more information, please visit (<https://www.perkeso.gov.my/186-penjana/803-program-insentif-pengambilan-pekerja-dan-bantuan-latihan.html>)

Date As Of	Category of People Who Secured Jobs				Amount*
	< 40 years	40 – 60 years	Apprentices	OKU	
26 February	105,871	17,671	7,530**	496	131,568
29 January	105,160	17,586	7,534	548	130,328
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

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

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 Retail Trade; Motor Vehicle and Motorcycle Repair	Manufacturing
2	Other Services	Manufacturing	Manufacturing	Other Services	Other Services
3	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair	Manufacturing	Wholesale and Retail Trade; Motor Vehicle and Motorcycle Repair
4	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services	Accommodation & Food Services
5	Education	Construction	Information & Communication	Education	Construction

21. Next, the Skills and Skills Upgrading Programme: As of 26 February, a total of **136,927 participants have been approved** (compared to 136,918 in the previous week) to participate in the programmes provided. The list of courses in demand can be viewed through the Ministry of Finance link. In addition, applicants can also visit the websites of Government agencies listed in the table below to obtain information on the courses offered. For those who are looking for jobs, especially from among the youths, you are all invited to participate in these courses.

No	Ministry/ Agency	Program / Scheme / Initiative
1.	Pembangunan Sumber Manusia Berhad (PSMB) (www.penjanahrdf.com.my)	<i>SME Development</i>
		Industrial Revolution 4.0 (IREV4.0)
		<i>Place & Train</i>
		Gerak Insan Gemilang (GIG)
		<i>B40 Development</i>
2.	Ministry of Entrepreneur Development and Cooperatives (MEDAC)	<i>INSKEN Business Training</i>
		<i>Program Micro Connector</i>
3.	Majlis Amanah Rakyat (MARA) (http://penjana.mara.gov.my/)	Modul Khas Penjagaan Kesihatan dan Keselamatan Kebiasaan Baharu
		<i>Building Internal Entrepreneur Capabilities by Engaging E-Commerce Bespoke Program (e-entrepreneur) -Training e-Commerce Platform</i>
		<i>Building Capabilities and Providing Jobs Through Competencies / Short Courses Program</i>
		<i>Building Capabilities and Providing Jobs Through Industry Boot Camp</i>
		<i>Building Internal Entrepreneur Capabilities by Engaging e-Commerce Bespoke Program (e-entrepreneur) -Bespoke</i>
4.	East Coast Economic Region Development Council (ECER) (https://www.ecerdc.com.my/penjana/Website/index.html)	<i>ETEP Enhanced Train& Place (PENJANA)</i>
5.	Northern Corridor Implementation Authority (NCIA) (https://www.ncer.com.my/jomkerja_jo_mniaga/)	JomNiaga@NCER
		JomKerja@NCER
6.	Ministry of Tourism, Arts and Culture Malaysia (MOTAC)	Community Skills Development
7.	Ministry of Higher Education (MOHE) (https://great.mohe.gov.my)	Gig Economy Programme
		Entrepreneurship Programme

SME EMPOWERMENT

Ladies & Gentlemen,

22. Next is SME Empowerment. Under **PENJANA**, several initiatives were launched.

23. First, PENJANA SME Financing: The Government's allocation of RM2 billion under this programme prioritises SMEs that have never obtained loans from banks before. As of 26 February, a total of **6,973 applications has been approved** with a **total loan value of RM1.315 billion, compared to RM1.258 billion last week.**

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
26 February	6,973	1314.6
19 February	6,731	1258.5
12 February	6,731	1258.5
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

24. Second, PENJANA Micro Credit Financing under Bank Simpanan Nasional (BSN):

As of **26 February**, a total of **RM391.9 million** has been channelled to benefit **11,708 Micro SMEs**, including in the retail and services sectors. This is an increase of **RM28.5 million**, while the benefiting micro SMEs have increased by **934**.

Date As Of	Micro SMEs*	Amount Disbursed* (RM million)
26 February	11,708	391.9
19 February	10,774	363.4
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
28 August	399	15.2

*Cumulative Amount

25. Third, Bumiputera Relief Financing (BRF) amounting to RM200 million by Perbadanan Usahawan Nasional Bhd (PUNB): This special fund is specifically for Bumiputera SMEs affected by COVID-19, with funding of **between RM100,000 and RM1 million** for the SMEs involved. As of 26 February, the fund had been channelled to **641**

SMEs involving a total of **RM182.8 million** (compared to 606 SMEs with a total of RM173.0 million in the previous week). For more information, please visit https://www.punb.com.my/images/photo/BRF/Soalan_Lazim_BRF_FINAL.pdf

CLOSING

26. That's all for now. Once again, I would like to remind everyone to continue following SOPs in carrying out your economic activities and daily life. Economic recovery is partly dependent on our ability to break the chain of transmission of the COVID-19 pandemic.
27. In the meantime, the Government will continue supporting public health capacity and ensure business continuity, as well as protect the people's livelihood through continued assistance. The government will continue to do its best to curb the COVID-19 pandemic and ensure that the economic recovery process can continue.
28. In this regard, I would like to recommend to all Malaysians to register for vaccination through the MySejahtera application. Remember that it is very important for us to ensure that our economy is able to recover and grow again, starting in the second half of 2021, Insyaallah.
29. In closing, I would like to share a verse of *pantun*:

**Daun nipah kajangnya rapat,
Hidangan tamu di Kuala Maran,
Usaha kerajaan untuk rakyat,
Jana ekonomi cipta pekerjaan**
30. *Stay safe*. Thank you.

YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz
Finance Minister
Ministry of Finance
11 Mar 2021

APPENDIX 1 – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As at 26 February 2021 , cumulative withdrawal stood at RM18.10 billion, involving 5.16 million recipients (no difference 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 26 February 2021, a total of RM560.12 million has been channelled based on 1,617,262 claims (compared to RM484.85 million involving 1,453,454 claims in the previous week) 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).

MATLAMAT 2: SOKONG PERNIAGAAN																																															
3.	SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)	As of 26 February 2021, the total number of applications approved by local banks and accepted by SMEs is RM11.63 bilion 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. <table border="1"> <thead> <tr> <th>SME Soft Loans Funds</th><th>Approved and Accepted Amount* (RM billion)</th><th>Number of SMEs*</th></tr> </thead> <tbody> <tr> <td>26 February</td><td>11.63</td><td>24,628</td></tr> <tr> <td>19 February</td><td>11.63</td><td>24,628</td></tr> <tr> <td>12 February</td><td>11.63</td><td>24,628</td></tr> <tr> <td>5 February</td><td>11.63</td><td>24,628</td></tr> <tr> <td>29 January</td><td>11.60</td><td>24,613</td></tr> <tr> <td>25 December</td><td>11.29</td><td>24,012</td></tr> <tr> <td>27 November</td><td>11.13</td><td>23,711</td></tr> <tr> <td>30 October</td><td>10.87</td><td>23,305</td></tr> <tr> <td>25 September</td><td>10.67</td><td>22,984</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> </tbody> </table> <i>*Cumulative Amount</i> 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.	SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*	26 February	11.63	24,628	19 February	11.63	24,628	12 February	11.63	24,628	5 February	11.63	24,628	29 January	11.60	24,613	25 December	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	July	9.6	21,410	June	8.4	19,539	May	6.9	16,833	April	1.5	3,636
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APPENDIX 2 – PENJANA ACHIEVEMENTS

OBJECTIVE 1: EMPOWER PEOPLE		
1.	MY30 Public Transport Subsidy	As of 26 February , a total of RM127.74 million has been channeled for the subscription of 751,414 unlimited monthly public transport passes worth RM30 , which is provided specifically for Malaysian citizens. As announced under the 2021 Budget, this initiative is extended to 2021 to further promote mobility and reduce the burden of public transport costs for the people.

OBJECTIVE 2: PROPEL BUSINESSES																																
2.	TEKUN Business Recovery Scheme (TBRS) for Micro SMEs	This RM100 million fund has achieved its objective by benefitting 14,946 Micro SMEs																														
3.	Technical and Digital Utilisation support for SMEs and Mid-Tier Companies (MTCs)	As of now, RM38.7 million has been channelled to 8,584 businesses in the form of grants and loans for subscription to digitalisation services. <table border="1"> <thead> <tr> <th>Date as of</th><th>Applications Approved</th><th>Amount Disbursed* (RM million)</th></tr> </thead> <tbody> <tr> <td>26 February</td><td>8,584</td><td>38.7</td></tr> <tr> <td>19 February</td><td>8,582</td><td>42.0</td></tr> <tr> <td>12 February</td><td>8,580</td><td>40.5</td></tr> <tr> <td>5 February</td><td>8,577</td><td>31.5</td></tr> <tr> <td>29 January</td><td>8,576</td><td>28.5</td></tr> <tr> <td>25 December</td><td>5,691</td><td>21.5</td></tr> <tr> <td>27 November</td><td>3,274</td><td>12.0</td></tr> <tr> <td>30 October</td><td>1,134</td><td>6.7</td></tr> <tr> <td>25 September</td><td>439</td><td>1.5</td></tr> </tbody> </table> <i>*Cumulative Amount</i>	Date as of	Applications Approved	Amount Disbursed* (RM million)	26 February	8,584	38.7	19 February	8,582	42.0	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
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4.	PENJANA Tourism Sector Financing	The Government has allocated RM1 billion for SMEs and Micro SMEs still affected by COVID-19. As of 26 February, there were 579 applications for this financing, and of this total 282 applications have been approved with a total financing of RM57.1 million. (no difference compared to the previous week). For further details, please visit https://www.bnm.gov.my/o/covid-19/FAQ%20PENJANA%20Tourism%20Financing_BM.pdf																														

OBJECTIVE 3: STIMULATING THE ECONOMY		
5.	Support for Agriculture and Food Industry	Funding worth RM400 million has been allocated for farmers and fishermen. Under this scheme, RM350 million is an allocation under the 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.
6.	100% exemption from export duty to commodity sector	Includes palm oil-based industries, to stimulate the growth of the country's commodity sector and export value. This initiative can help 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.
7.	Service tax exemption for hotels	Specifically to support the tourism sector until 30 June 2021. The value of tax exemptions that have been utilised by accommodation premises operators has reached a value of RM1.37 billion . 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.
8.	Sales tax exemption for passenger vehicles	This sales tax incentive includes 100% exemption for locally assembled cars (CKD) and a 50% reduction for fully imported models (CBU) . As of 26 February, the value of sales tax relief that has been utilized is RM232.96 million (no difference compared to the previous week). 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.