



MEDIA STATEMENT

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

46th LAKSANA REPORT

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

24 March 2021

INTRODUCTION

Assalamu'alaikum Warahmatullahi Wabarakaatuh,

1. We meet again for the 46th LAKSANA Report. As always, I hope everyone out there adheres to the SOPs to reduce the risk of COVID-19 infection.
2. The 46th LAKSANA Report will begin with my review on current issues and touch on the implementation status of BUDGET 2021, PERMAI, PENJANA and KITA PRIHATIN.

REVIEW OF CURRENT ISSUES

Ladies & Gentlemen,

STATUS OF GOVERNMENT DEBT

3. Many parties have raised the issue of our national debt. I will answer in three brief points.
 - a) **Government debt is still below the statutory limit as stipulated by law;**
 - i) The statutory limit mentioned is the collective limit for specific debt instruments issued by the Government, namely Malaysian Government Securities (MGS), Malaysian Government Investment Issues (MGII) and Malaysian Islamic Treasury Bills (MITB). The limits for these types of debts are stipulated in specific Acts and have been applied since 2009, and not my own personal interpretation. Simply stated, the definition of statutory debt has not changed since 2009.

- ii) The collective amount for these 3 Government-issued instruments at end-December 2020 was 58% of GDP. As at end-February 2021, this total debt was 54% of GDP and is expected to reach 58.5% by the end of this year. Hence, it will still not exceed the statutory debt limit of 60%.
- iii) Other debt instruments have their own statutory limits and they are still below the limits of the Act i.e.:
 - * RM35 billion for external debt; and
 - * RM10 billion for Malaysia Treasury Bills.

b) The Government's priority is to help the *rakyat* and businesses face the challenges of COVID-19;

- i) Under normal economic circumstances, the government needs to balance between spending for the *rakyat* and managing the national debt.
- ii) However, with the country in an economic crisis, the need to spend for the *rakyat* will be greater, naturally increasing our level of debt.
- iii) As a result, the Government has prioritized helping the people, including by injecting a total of RM340 billion into the economy through a series of stimulus packages. Although it has increased our debt, the total still does not exceed the statutory limit as mentioned above.
- iv) At the same time, the Ministry of Finance will continue to monitor the country's debt to ensure it is under control to maintain the confidence of international investors and agencies. Without their confidence, the people will be negatively impacted by lack of jobs and business opportunities.

c) We have raised the question on debt limits, the total debt, but what is the breakdown of these debts?

- i) There are good debts and bad debts. An example of a good debt is a loan we take to finance initiatives to help people and save jobs. Loans to develop infrastructure for the *rakyat* such as highways and other public facilities are also examples of good debts.
- ii) What is bad debt? Bad debt is debt that does not bring any economic benefit to the people.
- iii) Some of the debts that the Government has had to deal with today are legacy debts. While these are not debts incurred by the current Government, they are still debts that we need to manage. The impact is huge but we endeavour to manage it.

- iv) This is not an excuse for the Government not to spend for the *rakyat*. As I mentioned earlier, the Government still prioritises spending for the *rakyat* through the 6R Strategy.
- v) I hope my explanation will answer the questions from some parties. For the general public, do not despair. Our current vaccination program has raised fresh hopes that the challenges posed by COVID-19 will eventually be overcome. PEMERKASA, an initiative under the 6R National Economic Recovery Strategy, will prepare the *rakyat* and businesses to bounce back when this pandemic ends. InsyaAllah, we will be able to rise again with greater success.

GERAN KHAS PRIHATIN (GKP) TAMBAHAN (PERMAI)

Ladies & Gentlemen,

- 4. Under the *Pakej Bantuan Perlindungan Ekonomi dan Rakyat Malaysia* (PERMAI), the Government has committed to a **one-off financial assistance of RM1,000** through the Additional Geran Khas Prihatin (GKP) for micro SMEs in 12 MCO states, and **RM500** for micro SMEs in non-MCO states effective January and February 2021. This Additional GKP aims to alleviate businesses' cashflow following the outbreak of COVID-19 and to increase the micro SMEs' productivity in providing goods and services.
- 5. I am pleased to announce that all **micro SMEs** that have been approved under GKP 1.0 and GKP 2.0 will receive the Additional GKP payment from **25 March 2021**, involving a total financial implication of RM883 million. Payments will be credited directly into the bank accounts registered with the GKP system, and the approval status can be checked from 24 March 2021 on the GKP Portal. Taking into account the approved GKP 1.0, GKP 2.0 and the Additional GKP, the total number of GKP recipients is almost 900,000 micro SMEs with a total financial assistance of RM3.58 billion.

STRENGTHENING THE PUBLIC HEALTH SYSTEM & CONTAINING COVID-19

Ladies & Gentlemen,

- 6. The Government has repeatedly stated that there is no compromise in strengthening public health in the country.
- 7. To that end, as of **12 March 2021 a total of RM565.4 million has been channeled based on almost 1.65 million claims** (compared to RM560.16 million involving 1.62 million claims in the previous week.) under the **Frontliners Allowance** announced via the PRIHATIN Package. This amount was channeled to physicians, nurses and other medical personnel directly involved in the management and containment of the COVID-19 outbreak. This special allowance was also extended to members of the army, police, customs, immigration, fire department, the Civil Defense Force and RELA who have been directly involved in implementing the Movement Control Order (MCO).

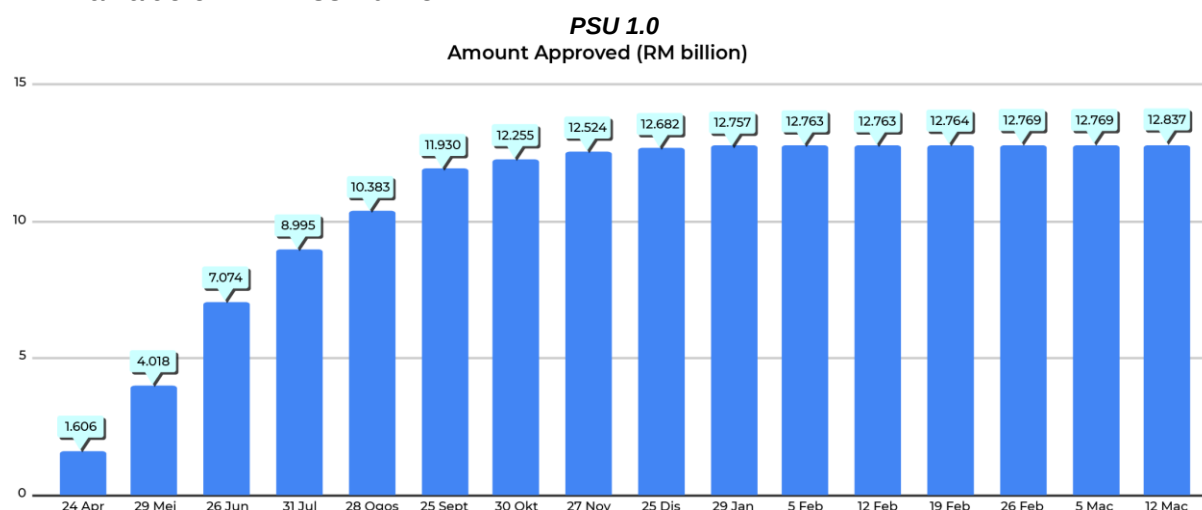
8. As of January 15, 2021, under PERMAI, a total of 3,591 contract health workers were approved to cover urgent personnel needs following the increase in COVID-19 cases. As of 15 March 2021, a total of 2,586 health workers including Scientific Officers, Diagnostic Radiologists, Medical Laboratory Technologists, Assistant Environmental Health Officers, Assistant Medical Officers and Nurses have been appointed. The remaining 1,005 contract health workers are still being screened and hiring is expected to be completed by the end-March 2021. The detailed hiring status is as follows:

Service Scheme	Approval	Appointment	Status
Nurse (U29)	2,244	1,239	Balance of 1,005 – in the process of being screened
Assistant Medical Officer (U29)	835	835	Completed
Assistant Environmental Health Officers (U29)	100	100	Completed
Medical Laboratory Technologists (U29)	273	273	Completed
Diagnostic Radiologists (U29)	133	133	Completed
Science Officers (U41)	6	6	Completed
TOTAL	3,591	2,586	1,005

JOB RETENTION AND CREATION

Ladies & Gentlemen,

9. I will now touch on job retention and creation, particularly 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 12 March, the approved wage subsidy applications have reached a value of **RM12.837 billion**.

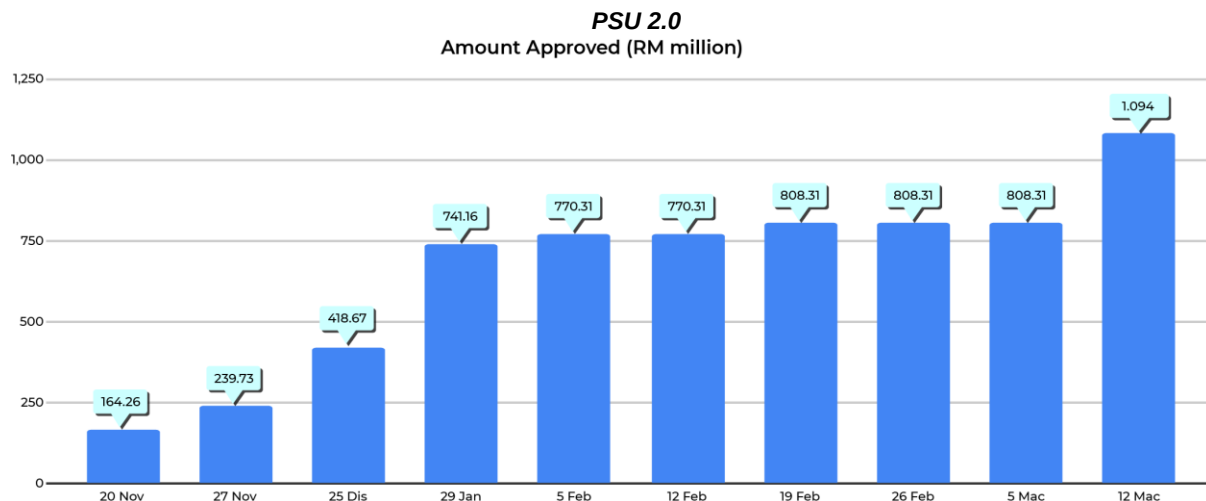


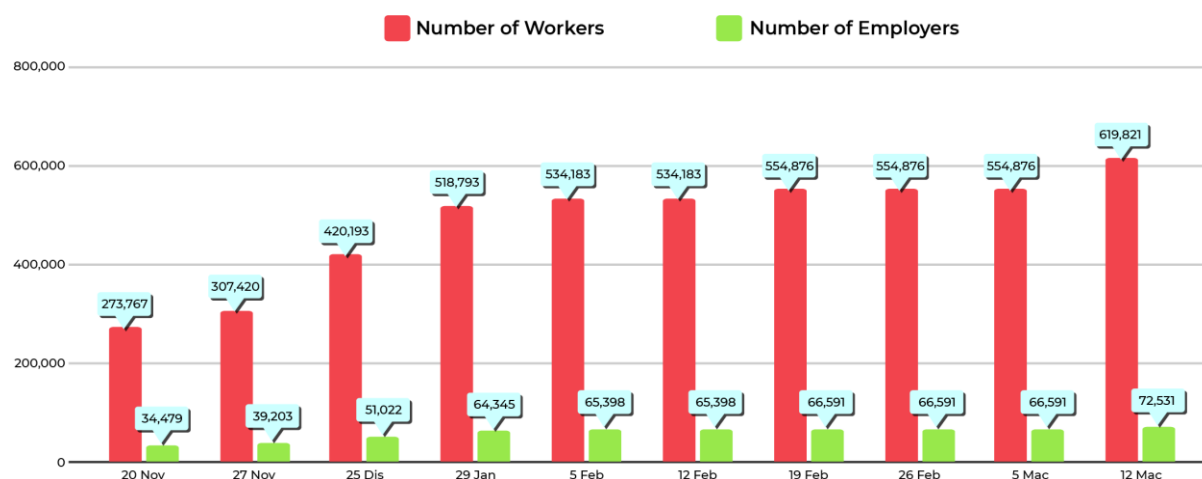


* cumulative amount

** 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.

10. Meanwhile, under KITA PRIHATIN, we have **Wage Subsidy Program (PSU 2.0)**. As of 12 March, a total of **RM1.094 billion** has been channeled to **72,531 employers** to enable them to continue operating and retain the jobs of **619,821 employees**.





*Cumulative Amount

- 11. Reskilling and Upskilling Programmes:** As of 12 March, a total of **137,075 participants had been approved** (compared to 137,028 in the previous week) to participate in the programmes provided. The list of courses in demand can be viewed through the Ministry of Finance website. 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 the youths, you are all invited to participate in these courses.

Ministry / Agency	Program / Scheme / Initiative
Pembangunan Sumber Manusia Berhad (PSMB) (www.penanahrd.com.my)	SME Development Industrial Revolution 4.0 (IREV4.0) Place & Train Gerak Insan Gemilang (GIG) B40 Development
Ministry of Entrepreneur Development and Cooperatives (MEDAC)	INSKEN Business Training Program Micro Connector
Majlis Amanah Rakyat (MARA) (http://penjana.mara.gov.my/)	Modul Khas Penjagaan Kesihatan & Keselamatan Kebiasaan Baharu Building Internal Entrepreneur Capabilities by Engaging E-Commerce Bespoke Program (e-entrepreneur) -Training e-Commerce Platform 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
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_jomniaga/)	JomNiaga@NCER JomKerja@NCER
Ministry of Tourism, Arts and Culture Malaysia (MOTAC)	Community Skills Development
Ministry of Higher Education (MOHE) (https://great.mohe.gov.my)	Gig Economy Programme Entrepreneurship Programme

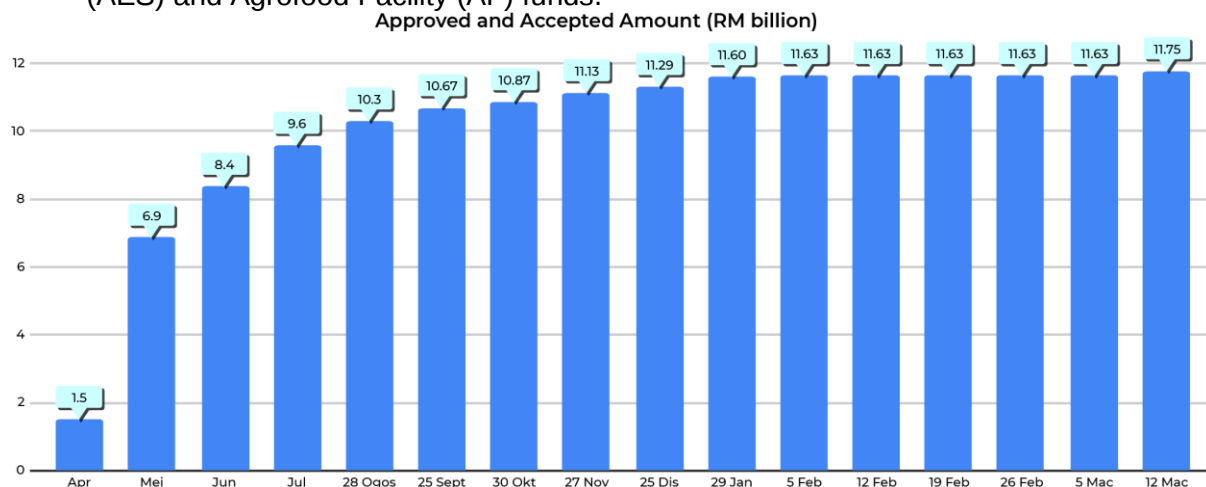
12. As a social safety net to help workers who lost their jobs through financial assistance and job placement, the **Employment Insurance System** under SOCSO has successfully channeled RM366.37 million to more than 107,000 individuals who lost their jobs in 2020. As of 14 March, 2021, SOCSO has **helped more than 18,000 workers** who lost their jobs by **channeling financial assistance amounting to RM85.96 million**. This amount is inclusive of the improved Job Seeker Allowance that was announced under the 2021 Budget.
13. As I have mentioned earlier, as of 15 March 2021, we have also hired a total of 2,586 health workers that include Science Officers, Diagnostic Radiologists, Medical Laboratory Technologists, Assistant Environmental Health Officers, Assistant Medical Officers and Nurses.
14. I would also like to share that according to the FMM-MIER survey announced in early March, there have been more jobs in the manufacturing sector recently, as shown in the employment index which increased from 82 in the first half of 2020 to 95 in the second half of 2020. Although the level of optimism is still low, sentiment has improved. 15% of employers have increased their employee headcount by end-2020, compared to 6% in the first half of 2020. The majority of new recruitment in 2021 have been for operations, as well as technical and sales/marketing roles.

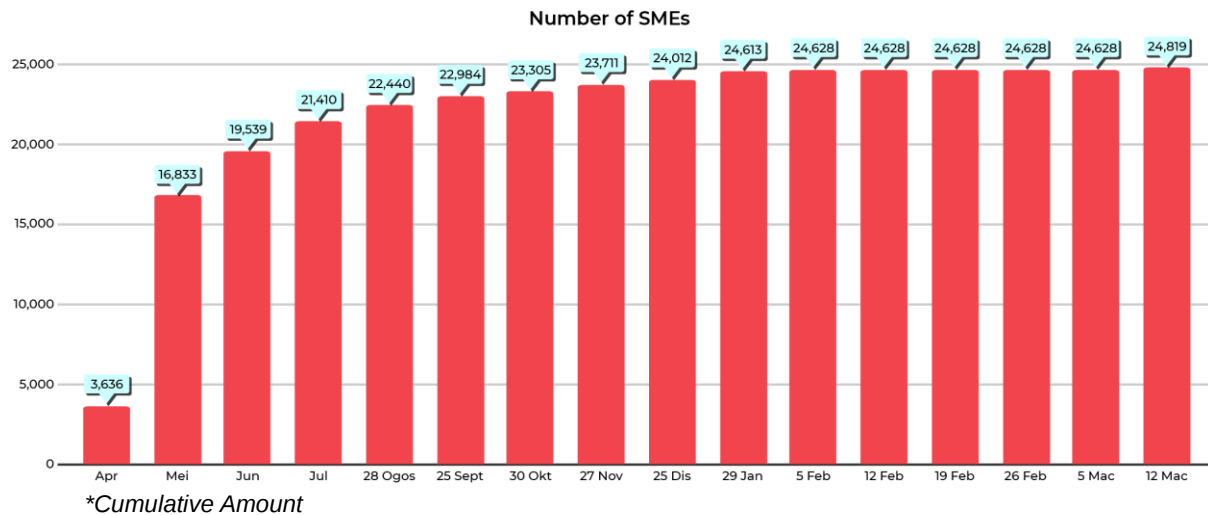
SME EMPOWERMENT

Ladies & Gentlemen,

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

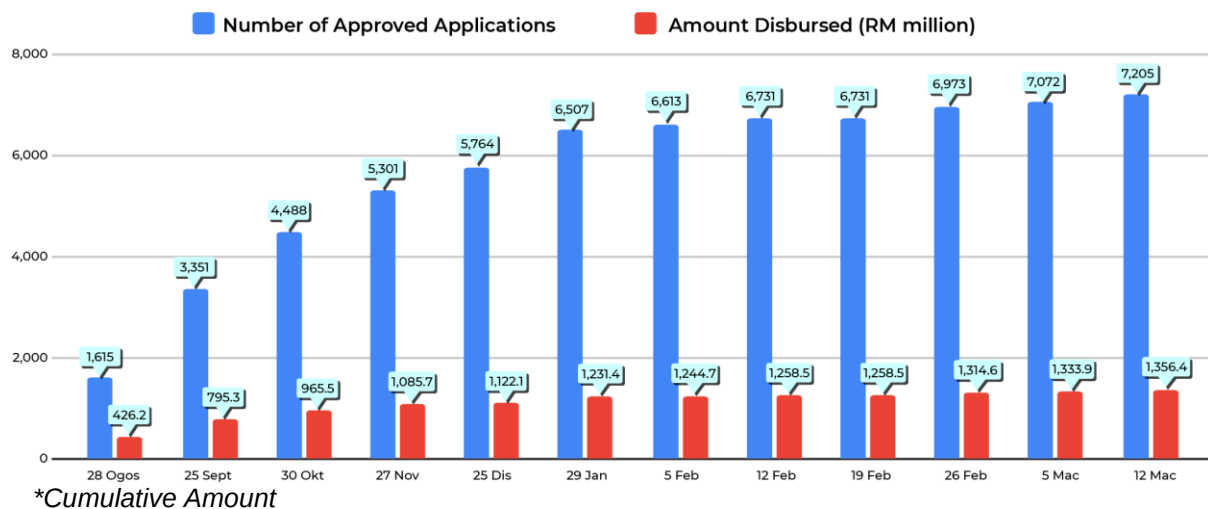
15. **SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)**. As of 12 March 2021, the total number of applications approved by local banks and accepted by SMEs is **RM11.75 billion**, benefitting **24,819 SMEs**. This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF) funds.





Although the SRF funds have been fully utilised, SMEs can still apply for other funding schemes under the BNM Funds such as **ADF**, **AES** and **AF**. SMEs can also apply for other funding through the **imSME platform** via the link <https://imsme.com.my/portal/en/> which helps match the required funding by SMEs with various financial institutions.

16. For the **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 13 March, a total of **7,205 applications had been approved with a total loan value of RM1.356 billion**.



17. The **Bumiputera Relief Financing (BRF) amounting to RM200 million by Perbadanan Usahawan Nasional Bhd (PUNB)** is specifically for Bumiputera SMEs affected by COVID-19, with funding of **between RM100,000 and RM1 million** for the SMEs involved. As of 12 March, the fund had been channeled to **670 SMEs** involving a total of **RM193.1 million** (compared to 662 SMEs with a total of RM191.1 million in the previous week). For more information, please visit https://www.punb.com.my/images/photo/BRF/Soalan_Lazim_BRF_FINAL.pdf

18. In terms of **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 **RM107.23 million** has been channeled under this scheme to benefit **9,400 Agricultural Micro SMEs** (compared to RM85.05 million for 7,723 Agricultural Micro SMEs in the previous week). Food security is a priority in PENJANA and Budget 2021.

EMPOWERING THE RAKYAT

Ladies & Gentlemen,

19. There are several initiatives outside the scope of Job Retention & Generation and SME Empowerment that I would like to report on.
20. **i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)**. As of **12 March 2021**, cumulative withdrawal stood at **RM19.45 billion**, involving **5.23 million members** (compared to RM18.58 billion, involving 5.18 million recipients in the previous week). Retirement planning is crucial, and members 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>
21. Next is the **i-Sinar Programme**. Beginning 8 March 2021, the conditions for applications has been improved to help the *rakyat's* cashflow. As of **14 March 2021**, **withdrawals totaling RM52.48 billion has been approved for 5.94 million applicants**. Of this total amount, **RM32.74 billion has been credited**.
22. As for the **special CENDANA initiative for the creative industry**, a total of **RM2.16 million** has been channeled to **393 recipients** (compared to RM2.08 million channelled to 379 recipients in the previous week). Recipients include artists and organisations actively involved in Malaysian arts and culture. Creative industry players are encouraged to use the opportunities provided under this initiative in producing their craft. All industry players involved can apply for assistance from the two agencies involved. Visit www.mycreative.com.my/penjana and www.cendana.com.my for further information.

CLOSING

23. In closing, I would like to once again remind everyone to continue following SOPs in carrying out their economic activities and daily life. Economic recovery is partly dependent on our ability to break the chain of the COVID-19 pandemic.
24. In the meantime, the Government will not stop its support towards improving public health capacity, ensuring business continuity and protectig 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.

25. In this regard, I would like to urge all Malaysians to register for vaccination through the MySejahtera application. Remember, this is very important for us to ensure that our economy can recover and grow again, beginning the second half of 2021, InsyaAllah.

26. I would like to end the 46th LAKSANA Report with a *pantun*:

*Berpuput angin berarak gemawan,
Cuaca terlihat tidaklah mendung;
Pakej Kerajaan terangkum bantuan,
Ekonomi dan Rakyat sama terlindung.*

27. Stay safe. Thank you.

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