



SPEECH TEXT

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MINISTER OF FINANCE

24TH LAKSANA REPORT

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

7 OCTOBER 2020



INTRODUCTION

1. Assalamualaikum WBT and greetings. Thank you for being with me in this 24th Laksana Report. The Laksana Report is the Government's ongoing commitment in ensuring the effective, transparent and open implementation of the PRIHATIN, PRIHATIN SME+, PENJANA and KITA PRIHATIN Packages. This Laksana Report also allows the Government to provide feedback on the arising issues to address the impact of the COVID-19 pandemic in Malaysia.
2. **The 24th Laksana Report** will focus on the implementation status of PENJANA and will be followed by a review of current issues. Meanwhile, for PRIHATIN initiatives, it will be shared as an attachment that will be uploaded on the Ministry of Finance's website, <https://www.treasury.gov.my/> as well as via official social media channels.

CURRENT OVERALL IMPLEMENTATION STATUS

3. The following is the current overall implementation status of PRIHATIN:
 - a. For one-off cash assistances – such as the assistance to IPT students, BPN, BSH, e-hailing and taxi drivers, government retirees, and others – involving an amount of RM14.7 billion, the level of implementation is at a high rate of 94%; and
 - b. For initiatives implemented over a period of between 3 to 6 months – such as the electricity bill discount, wage subsidies (first phase), moratorium, EPF's e-CAP, and others – involving RM108 billion, the implementation level is as scheduled at 85%.
4. The following is the current overall implementation status of PENJANA:
 - a. For one-off cash assistance – such as the e-Penjana, assistance to affected groups, one-off grants to registered nursery and kindergarten operators, and others – involving an amount of RM647 million, the level of implementation is at a high rate of 68%; and
 - b. For initiatives implemented over a period of between 3 to 6 months – such as the extended wage subsidies (first phase), My30, PEKA B40, Shop Malaysia Online, and others – involving an amount of RM4.27 billion, its implementation is as scheduled at 43%. This is encouraging progress because a number of PENJANA initiatives were rolled out in stages between June to September.
5. Through the LAKSANA unit, the Government will continue to monitor the implementation of all economic stimulus packages which have been announced, and will work closely with implementation agencies in order to ensure that the assistances reach the intended target groups in a timely and effective manner, this including the KITA PRIHATIN package that was recently announced.

PENJANA (National Economic Recovery Plan)

6. 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

7. **First, the PEKA B40 Health Care Scheme (PEKA B40)** which is managed by the Ministry of Health (MOH). Eligible recipients of the Bantuan Sara Hidup (BSH) and their registered spouse, aged 40 years and above, will be fully funded by the Government for health screenings at clinics registered with PEKA B40. Through this scheme, emphasis is given to meet health needs such as the **early detection for non-communicable diseases**. Between 1 July and 25 September 2020, a total of **99,694 claims** worth **RM6.64 million** were received.
8. Eligible applicants will receive other benefits from this scheme which consists of medical device assistance, incentives to complete cancer treatments and transportation fare incentives. 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)
25 September	99,694	6.64
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

9. **Second, to encourage childcare centres to adopt new norm Standard Operating Procedures (SOP) and Premise certification, one-off grants worth up to RM5,000 will be given to every nursery and kindergarten operator registered** under the Ministry of Women, Family and Community Development (KPWKM) and the Ministry of Education (MOE). In addition, incentives to train new caregivers are also provided for childcare and early education courses under KPWKM. **As of 25 September 2020, a total of RM19.86 million has been utilised by almost 12,000 nurseries and kindergartens** for this purpose.

10. Third, the **Wage Subsidy Programme**. The assistance of the **Wage Subsidy Programme** under PRIHATIN is given to employers for a period of 3 months from April to June. Under the PENJANA package, this assistance has been extended for an additional 3 months starting from July to September 2020, which makes it 6 months in total. Recently, the Wage Subsidy Programme has been extended for another 3 to 6 months again under the KITA PRIHATIN package. As of 25 September 2020, a total of **RM11.93 billion wage subsidies** have been approved which benefits more than **2.6 million workers**.

Report Date	Amount Approved* (RM billion)	Number of Employees* (million)	Number of Employers*
25 September	11.930	2.633	321,633
18 September	11.929	2.628	321,515
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

11. Fourth, the **Hiring Incentive Programme and Training Assistance** with an allocation of RM1.5 billion. A total of **43,998 employees** (an increase from **38,186** last week) have managed to get jobs through this programme. This number includes **34,476 people under the age of 40**; **5,456 people in the age group of 40-60 years old**, **284 OKU** and **3,782 apprentices**.

Date As Of	Category of People Who Get Jobs				Amount*
	< 40 years	40 – 60 years	OKU	Apprentices	
25 September	34,476	5,456	284	3,782	43,998
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-disables.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

12. As an important component in the country's economic growth, SMEs are given priority in ensuring the continuity of their businesses as one of the main contributors to the country's GDP. The PENJANA package continues to provide support through increased access to financing in recovering the SME short-term cash flow burden.
13. **First**, the Government's support in helping maintain employment as well as ease the burden of assisting SME cash flow through allocations under the Bank Negara Malaysia Fund, namely:
- a. **Automation and Digitalisation Facility (ADF)** with an allocation of RM300 million is to encourage SMEs to automate processes and digitise their operations to increase productivity and efficiency. Eligible SMEs can get financing up to RM3 million with a financing period of up to 10 years. The financing rate is at 4% per annum. Applications for ADF is open from 6 March 2020 to 31 December 2020. As of 25 September 2020, the total number of approved applications by local banks and SMEs is **RM71.4 million**, which will benefit **60 SMEs**.
 - b. **Agrofood Facility (AF)** with an allocation of RM1 billion is aimed at increasing the national food production and exports. Eligible SMEs can get financing up to RM5 million with a financing period of up to 8 years. The financing rate is set to not exceed 3.75% per annum. As of 25 September 2020, the total number of approved applications by local banks and SMEs is **RM535.8 million**, which will benefit **859 SMEs**.
14. **Second**, the Government provides assistance and encourages SMEs and Mid-Tier Companies (MTCs) towards the digitisation of operations and trade channels. This includes an allocation of **RM100 million** for the **SME Digitalisation Matching Grant** in collaboration with telecommunication companies; **RM500 million** financing through **SME Technology Transformation Fund (STFF)**; and Smart Automation Grant amounting to **RM100 million** with a maximum limit of RM1 million for each company. As of 25 September 2020, a total of 2,224 SMEs has applied for these three grants and **a total of RM18.3 million has been approved and will benefit 1,314 SMEs**. The breakdown of grants by type is as below:
- a. **SME Digitisation Matching Grant**. As of 25 September 2020, a total of **2,324 SMEs** has applied for this assistance and **a total of RM4.7 million has been approved and will benefit 1,470 SMEs**;
 - b. **SME Technology Transformation Fund**. As of 25 September 2020, a total of 20 SMEs has applied for this assistance and **a total of RM18.4 million has been approved and will benefit 9 SMEs**; and

- c. **Smart Automation Grant.** As of 25 September 2020, a total of 72 SMEs has applied for this assistance and **a total of RM599,153 has been approved and will benefit 5 SMEs.**

15. **Third, Tekun Business Recovery Scheme (TBRS).** As of 25 September 2020, a total of **RM75.5 million** has been channelled and utilised by **11,383 Micro SMEs.**

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
25 September	11,383	75.5
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

16. **Fourth, PENJANA Micro Credit Financing under Bank Simpanan Nasional (BSN).** As of 25 September 2020, a total of **RM73.7 million** has been channelled and utilised **2,007 SMEs and Micro SMEs.**

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
25 September	2,007	73.7
18 September	1,480	55.31
11 September	1,146	42.92
4 September	744	28.27
28 August	399	15.23

*Cumulative Amount

17. **Fifth, PENJANA SME Financing.** The Government has allocated RM2 billion, with a priority given to SMEs that have never received a loan from a bank before. As of 25 September 2020, **a total of 3,351 SME applications have been approved with a loan value of RM795.3 million.**

Date	Number of Approved Applications*	Value* (RM million)
25 September	3,351	795.3
18 September	3,064	744.5
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

18. To ensure the **survival of Bumiputera entrepreneurs**, the Government also **provides Bumiputera financing programs amounting to RM500 million** to be channelled through the following two agencies, namely:

- a. **First, Perbadanan Usahawan Nasional Berhad (PUNB).** The eligibility criteria focuses on the use of funds for working capital, operational expenses, system automation, as well as equipment and expenses for the implementation of physical distancing practices such as the 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 issue.** As of 25 September 2020, a total of **RM31.1 million** has been channelled and benefited **87 Bumiputera businesses.**
- b. **Second, through MARA** in the form of **working capital loans** to help affected Bumiputera entrepreneurs, including training colleges with **a maximum loan amount of RM1 million, with an interest rate of 3.5% per annum.** For more information, please visit www.mara.gov.my.

19. Through **PENJANA Tourism Financing**, the Government has allocated **RM1 billion** to assist SMEs in the tourism sector to ensure sustainability and competitiveness in the new norms. This fund offers **working capital loans of up to RM300,000** to eligible SMEs with **an interest rate of 3.5% per annum** and a repayment period of up to seven years. SMEs in the tourism sector are advised to refer to the 12 participating banks in obtaining this fund. As of 25 September 2020, a total of 303 SMEs have applied for this assistance and **a total of RM17.5 million has been approved, which will benefit 90 SMEs.**

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

20. Next is the implementation of **PENJANA Objective 3, Stimulating the Economy.**

21. **First**, the Government launched the **Penjana Nasional Fund** on 27 August 2020 with an allocation of RM1.2 billion, specifically for the venture and start-up capital sector in Malaysia. Penjana Nasional Fund aims to drive economic recovery through the process of digitising the country's businesses in the high-impact technology sector. From the total allocation of the fund, RM600 million is an investment injection from the Government, while the remaining RM600 million is a matching capital investment contribution from international investors who enter into strategic joint ventures with domestic investors to fund across the whole venture capital life cycle; including the stages of Seed/Co-Creation, Series A/B, Growth Stage and Venture Debt. **The submission deadline for Request For Proposed (RFP) was closed on 25 September 2020 where a total of 51 RFPs were received for the evaluation process.**

22. **Second**, to support the **Agriculture and Food Sector**, the Government has introduced the **Agrofood Fund (PENJANA)** under Agrobank, worth RM350 million with an interest rate of 3.5% whereby the maximum value of financing is RM50,000 for up to 5 years. This funding aims to provide financial assistance to microentrepreneurs, especially the Agro community within the B40 category who are involved in agricultural activities and food production and are affected by the COVID-19 pandemic. As of 25 September 2020, **a total of 5,932 applications have been approved and a total of RM46.1 million has been channelled, benefitting 2,355 entrepreneurs.**
23. **Thirdly**, the ePenjana application was closed on 24 September 2020 and the RM50 credit usage period in the e-wallets has expired on 30 September 2020. As of 24 September 2020, **11.15 million people have successfully received RM50 in their e-Wallets, amounting to RM557.46 million.**
24. **Fourth, Support for the Arts, Culture and Entertainment Sector.** Among the allocations provided are **a total of RM100 million in the form of loans with interest rates of 3.5% and RM30 million grants for the creative industry, events and exhibitions under MyCreative Ventures; and RM10 million under CENDANA.** As of 25 September 2020, **a total of 46 applications** have been received for **MyCreative Ventures worth RM34.2 million** and for CENDANA initiatives a total of **120 applications** have been approved worth **RM439,120.** **Creative industry players are encouraged to take advantage of the funds provided to produce their works. All industry players involved can apply for this assistance from relevant agencies by visiting www.mycreative.com.my/penjana and www.cendana.com.my for more information.**

COMMENTARY ON CURRENT ISSUES

25. A dialogue session with young Bumiputera professionals was also held at Permodalan Nasional Berhad (PNB) on 29 September 2020, to examine their perspectives in formulating Budget 2021. This session became a **platform for young people to voice their ideas and share their opinions on youth and education, food security and development of skills in the digital economy**. Also present were Tan Sri Zeti Akhtar Aziz, Chairman of PNB and Encik Ahmad Zulqarnain Onn, President & Chief Executive Officer of PNB.
26. The Budget 2021 Consultation Session continued with a session at Bank Negara Malaysia at Sasana Kijang, Kuala Lumpur on 1 October 2020. Also present was Datuk Nor Shamsiah, Governor of Bank Negara Malaysia; and the focus of the discussion was on the economic recovery of the country after the COVID-19 pandemic as well as the need to balance fiscal sustainability and the strategic steps that need to be taken in the tabling of Budget 2021. The Budget 2021 Team also had the opportunity to visit the Bank Negara Malaysia Museum and Art Gallery (BNM MAG) and learnt economic history and interesting facts about the Central Bank, which is open to the public via virtual or digital exhibitions. The public is encouraged to experience the virtual exhibition through the following links:
- a. **‘For the Nation: 60 Years of Central Banking’**:
<http://www.museum.bnm.gov.my/bnm60th/360vr>.
 - b. **‘Technology in Finance: Bricks to Clicks’**:
<http://www.museum.bnm.gov.my/Fintech/360vr/>.

CONTINUING THE ECONOMIC RECOVERY MOMENTUM

27. We are currently facing an uptick in new daily cases of COVID-19 which have reached the three-digit mark. As reported by the Ministry of Health Malaysia, the majority of cases are concentrated in several areas around Sabah and Kedah. Hence, the approach taken by the Government is to implement Targeted Enhanced Movement Control Order (TEMCO). This approach, among others, ensures a balance of efforts between curbing the spread of the COVID-19 pandemic and continuing economic activity. As advocated by the Prime Minister, our economy must continue to be opened as part of recovery efforts, as well as in ensuring the survival of the people and the nation’s economic stability.

28. In reviewing current economic issues in previous LAKSANA reports, I have commented that the national economy is seeing improvements from various perspectives and indicators. Such indicators include lower unemployment rates, rising retail and wholesale index, increased foreign direct investment, increased productivity in the manufacturing and construction sectors and many more. Among the factors that have contributed to the economic recovery is the implementation of assistance and measures under PRIHATIN and PENJANA, and not forgetting, the efforts by Malaysians and businesses who have complied with the set SOPs. I would like to thank the *rakyat* and businesses who have played this important role and hope that such efforts will continue.

29. The economic recovery is now on track, and I hope this momentum of economic recovery can be maintained in Budget 2021 which will be announced this November. During my meetings with stakeholders of various industries, the oft-raised issue is the Government's continued support for businesses, especially SMEs, in ensuring readiness to operate in new norms as well as in generating demand from consumers and investors, both domestic and foreign. The government has also received various proposals, all under consideration, to formulate a 2021 Budget that will prioritise the people, business and economy. This is to ensure the continuity of the approach in PRIHATIN and PENJANA Packages. Indeed, the Government is very serious in maintaining the momentum of economic recovery in 2020 and boosting it in 2021. I hope all of us will be able to work together on this journey.

YB Tengku Dato' Sri Zafrul Aziz
Minister of Finance
Ministry of Finance Malaysia
7 October 2020

APPENDIX 1 – PRIHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As of 25 September 2020, the cumulative withdrawal is RM9.33 billion (an increase from RM9.25 billion last week), involving 4.64 million recipients (an increase from 4.63 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 25 September 2020, a total of RM274.45 million has been channelled based on 863,424 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 Defence Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).
3.	Taxi Drivers	As of 25 September 2020, the Government has channelled one-off cash assistance to 33,835 taxi drivers , amounting to RM20.30 million .
4.	Tourist Guides	As of 25 September 2020, a total of 7,635 tourist guides (an increase from 7,629 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, starting 22 July 2020. As of 25 September 2020, a total of 2,902 tour bus drivers have received aid amounting to RM1.74 million .

OBJECTIVE 2: SUPPORTING BUSINESSES					
6.	EPF's COVID-19 Assistance Programme (e-CAP) for Employers	As of 25 September 2020, a total of 69,864 applications have been received and from that, 13,090 applications have been approved worth RM84.95 million for the employers' EPF contribution.			
		EPF's COVID-19 Assistance Programme (e-CAP) for Employers	Number of Applications Received*	Number of Approved Applications*	Approved Amount* (RM million)
		25 September	69,864	13,090	85.0
		18 September	69,864	13,090	85.0
		11 September	69,417	13,040	84.8
		4 September	68,985	12,994	84.5
		28 August	68,532	12,904	84.2
		31 July	65,986	12,425	82.1
		26 June	36,107	9,542	63.9
		31 May	26,509	5,245	34.8
		*Cumulative Amount			
7.	BSN Micro Credit Scheme	As of 25 September 2020, payments have been made to 11,344 SMEs , involving a total of RM377.8 million (an increase from RM374.3 million last week).			
8.	TEKUN Programme	As of 25 September 2020, payments have been made to 25,724 SMEs (an increase from 25,723 SMEs last week) involving a total of RM195.10 million .			

9.	SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)	As of 25 September 2020, the total approved applications by local banks and accepted by SMEs is RM10.67 billion (an increase from RM10.6 billion last week) which will benefit 22,984 SMEs (an increase from 22,925 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. <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>25 September</td><td>10.67</td><td>22,984</td></tr> <tr> <td>18 September</td><td>10.6</td><td>22,925</td></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> </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 in 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*	25 September	10.67	22,984	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
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OBJECTIVE 3: STRENGTHENING THE ECONOMY																																
10.	Moratorium on Loan Repayment by Financial Institutions	As of 25 September 2020, the value of the moratorium is estimated at RM97.26 billion. Out of this figure, a total of RM34.04 billion was utilised by the business sector while RM63.22 billion was utilised by the people.																														