



MEDIA STATEMENT

YB TENGKU DATO' SRI ZAFRUL TENGKU ABDUL AZIZ
MINISTER OF FINANCE

29TH LAKSANA REPORT

IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGE (PRIHATIN), NATIONAL ECONOMIC RECOVERY PLAN (PENJANA) & KITA PRIHATIN ECONOMIC STIMULUS PACKAGE (KITA PRIHATIN)

19 November 2020

INTRODUCTION

1. This **29th LAKSANA report** will begin with the implementation status of the PENJANA and KITA PRIHATIN initiatives, followed by a review of current issues. Meanwhile, the implementation status of the PRIHATIN initiatives can be found in Appendix 1.

PENJANA (National Economic Recovery Plan)

2. 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

3. **First, the PeKa B40 Health Care Scheme (PeKa B40)** which is managed by the Ministry of Health (MOH). Through this scheme, emphasis is given to meet health needs such as the **early detection for non-communicable diseases, especially for the B40 group**. Those eligible are recipients of Bantuan Sara Hidup (BSH) and their registered spouses, aged 40 years and above who will be fully funded by the

Government for health screening at registered clinics. Between 1 July and 6 November 2020, a total of **146,433** worth **RM12.76 million** were received.

4. **The next Initiative is the Wage Subsidy Programme (PSU).** As of 6 November 2020, a total of **RM12.255 billion of wage subsidy** has been approved **to benefit more than 322,177 employers** as well as more than 2.640 million employees. The next phase is PSU 2.0, which commenced on 1 October 2020. As a reminder, employers can still apply for PSU 2.0 under the KITA PRIHATIN Package which is open for application until 31 December 2020.

Report Date	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
6 November	12.255	2.640	322,177
30 October	12.159	2.639	322,175**
23 October	12.000	2.639	322,158
16 October	11.998	2.639	322,150
9 October	11.996	2.638	322,134
2 October	11.967	2.636	322,022
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 decline compared with 322,284 reported the previous week was after further coordination and analysis.

5. **Third, the Hiring Incentive Programme and Training Assistance.** As of 6 November 2020, a total of **74,141 employees** (an increase from 70,113 last week) have managed to secure jobs through this programme. This number includes **59,539 workers under the age of 40; 9,370 people for the age group of 40 and 60; as well as 336 people with disabilities (PWD) and 4,896 apprentices.**

Date As Of	Category of People Who Get Jobs				Amount*
	< 40 years	40 – 60 years	PWD	Apprentices	
6 November	59,539	9,370	336	4,896	74,141
30 October	56,315	8,743	331	4,724	70,113
23 October	51,896	7,803	322	4,473	64,494
16 October	46,838	7,168	302	4,514	58,822
9 October	41,808	6,530	309	4,204	52,851
2 October	38,189	5,966	293	4,169	48,617
25 September	34,476	5,456	284	3,782	43,998

28 August	18,354	3,266	178	2,818	24,616
21 August	15,113	2,856	220	2,385	20,574

*Cumulative Amount

6. **Fourth, Reskilling and Upskilling Programme.** As of 6 November 2020, a total of **115,876 individuals have been approved** (an increase from 106,047 individuals last week) to participate in the programmes provided. According to the data obtained, among the courses that are in high demand are as follows:

No.	Ministry/ Agency	Programme/ Scheme/ Initiative
1.	Human Resource Development Berhad	SME Development
		Industrial Revolution 4.0 (IREV4.0)
		Place & Train
		Gerak Insan Gemilang (GIG)
		B40 Development
2.	Ministry of Development, Entrepreneurs and Cooperatives (MEDAC)	INSKEN Business Training
		Micro Connector Programme
3.	Majlis Amanah Rakyat (MARA)	New Health Care and Safety Special Module
		Building Internal Entrepreneur Capabilities by Engaging E-Commerce Bespoke Programme (e-entrepreneur) - Training E-Commerce Platform
		Building Capabilities and Providing Jobs Through Competencies / Short Courses Programme
		Building Capabilities and Providing Jobs Through Industry Boot Camp
		Building Internal Entrepreneur Capabilities by Engaging E-Commerce Bespoke Programme (e-entrepreneur) - Bespoke
4.	East Coast Economic Region Development Council	ETEP Enhanced Train & Place (PENJANA)
5.	Northern Corridor Implementation Authority	JomNiaga@NCER
		JomKerja@NCER
6.	Ministry of Tourism, Arts and Culture Malaysia (MOTAC)	Community Skills Development
7.	Ministry of Higher Education (MOHE)	Gig Economy Programme
		Entrepreneurship Programme

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

7. **First, PENJANA SME Financing.** The Government has allocated RM2 billion, with priority given to SMEs which have never received any bank financing before. As of 6 November 2020, a total of **4,727 SME applications have been approved with a financing value of RM996.9 million.**

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
6 November	4,727	996.9
30 October	4,488	965.5
23 October	4,319	942.6
16 October	4,176	930.4
9 October	3,964	899.6
2 October	3,617	833.6
25 September	3,351	795.3
28 August	1,615	426.2
21 August	1,172	329.5

*Cumulative Amount

8. **Second, PENJANA Tourism Financing** with an allocation of **RM1 billion**. This initiative aims to support local micro, small and medium enterprises in the tourism sector affected by COVID-19. This financing rate of 3.5% can help tourism sector entrepreneurs in terms of working capital and capital expenditure up to 7 years for the financing period. As of 6 November 2020, **461 SMEs have submitted their applications**, out of which **196 applications with a total of RM39.8 million have been approved.**

9. **Third, TEKUN Business Recovery Scheme (TBRS)**, especially for Micro SMEs. As of 6 November 2020, a total of **RM82.61 million** has been channelled under TBRS to benefit **12,403 Micro SMEs**.

Date As Of	Numbers of Approved Applications*	Amount Disbursed* (RM million)
6 November	12,403	82.6
30 October	11,972	79.7
23 October	11,841	78.7
16 October	11,683	77.4
9 October	11,546	76.6
2 October	11,481	76.1
25 September	11,383	75.5
28 August	6,908	47.7
31 July	909	6.8

*Cumulative Amount

10. The fourth is PENJANA Credit Micro Financing under Bank Simpanan Nasional (BSN). As of 6 November 2020, a total of **RM184.6 million** has been channelled to benefit **5,181 Micro SMEs** in the retail and services sectors.

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
6 November	5,181	184.6
30 October	4,674	167.4
23 October	3,866	140.2
16 October	3,668	133.3
9 October	3,266	119.4
2 October	2,692	98.7
25 September	2,007	73.7
28 August	399	15.2

**Cumulative Amount*

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

11. First, Support for the Agriculture and Food Industry. This initiative was introduced to stimulate the growth of the agriculture and food sectors through **financing as well as revolving capital for farmers, ranchers and fishermen**. Out of the total **allocation of RM400 million**, **RM350 million** has been allocated under the **Agrobank Micro Credit Financing**. As of 6 November 2020, a total of **RM41.4 million** has been channelled, benefitting **4,677 Agricultural Micro SMEs**. In addition to the micro credit financing scheme, this initiative also includes incentives to facilitate the mobility of agricultural workers into start-ups, and in-kind contributions to support urban farming.

12. Second, service tax exemption for hotels to support the tourism sector. As a measure to ensure that the tourism and hospitality sector can survive and recover as usual, the Government has agreed to extend the service tax exemption on accommodation services operated by accommodation premise operators between **1 September 2020 to 30 June 2021**. As of 6 November 2020, the value of the tax exemption that has been utilised by the operators of the accommodation premises has reached a value of **RM727.4 million**. Among other initiatives to support the tourism sector include the individual income tax relief of up to RM1,000 on travel expenses as well as a full tourism tax exemption; whereby both initiatives have started and will end on 31 June 2021.

13. Third, 100% export duty exemption to the commodity sector. To stimulate the growth of the country's commodity sector and export value, the Government has also introduced an export duty exemption of up to 100% on palm oil-based industries. Among the benefits of this tax measure is that this will directly help

smallholders ease selling of their produce to factories. As of 6 November 2020, the value of export duty exemption successfully utilised by the national industry is **RM301.1 million**.

KITA PRIHATIN ECONOMIC STIMULUS PACKAGE

14. **First, the Bantuan Prihatin Nasional 2.0 (BPN 2.0)** which aims to ease the burden of 7.5 million B40 recipients and 3.1 million M40 recipients through a one-off cash assistance. To date, Phase One payments worth RM4.5 billion have been successfully channelled to over 9.86 million recipients, comprising 7 million B40 recipients and 2.86 million M40 recipients. For BPN 2.0 recipients who do not have a bank account, payment has been provided at the Bank Simpanan Nasional branches from 26 October 2020.
15. The new application or appeal period for BPN 2.0 has ended on 15 November 2020. As such, Phase Two payments along with payments for new applications and approved appeals will be made in January 2021.
16. **Second, for the PRIHATIN Special Grant (GKP)**, those who have applied by the 31 October 2020 deadline can check their application status from **27 November 2020** onwards, with payment scheduled from 30 November 2020 onwards. It is expected that 200,000 eligible SMEs will receive one-off assistance amounting to RM3,000 with a **total payment of RM600 million**.
17. **Third, the Wage Subsidy Programme 2.0 (PSU 2.0)** has started since October 2020. As of 6 November 2020, a total of RM122.19 million has been spent to assist 24,762 employers to continue operating and retain a total of 203,654 employees.

REVIEW OF CURRENT ISSUES

18. In relations with the Budget 2021 announcement as well as further comments at the 28th LAKSANA Report sharing session last week, it should be emphasised that the Government remains committed in restoring and revitalising economic growth in order to strengthen the country's resilience in the face of any crisis. Thus, the Government has outlined three main goals under Budget 2021 – to ensure the people's well-being, business continuity and economic resilience.
19. All the initiatives and programmes announced through Budget 2021 are expected to contribute 4 percentage points to the country's GDP next year, in ensuring more sustainable economic growth to improve the people's well-being. This is a continuation of the economic stimulus packages; namely PRIHATIN, PENJANA and KITA PRIHATIN which has contributed to the country's GDP this year by between 3.7 to 4 percentage points.

20. Details should also be provided regarding the Targeted Repayment Assistance announced during the last Budget 2021 Presentation. There may be misconceptions or questions about the implementation of the moratorium. Therefore, the following is a brief enlightenment on the targeted moratorium based on information from Bank Negara Malaysia:

No.	Misconception	Correction
1	"Without a comprehensive moratorium, it is difficult for borrowers to get assistance"	<ul style="list-style-type: none"> • The transition from an automatic moratorium to a targeted one does not mean that the aid is withdrawn. • Assistance continues to be provided to those in need. • Borrowers now have financial solution options that suit their needs.
2	"The targeted repayment assistance is only for B40"	<p>Assistance continues to be provided to all borrowers affected by the pandemic</p> <ul style="list-style-type: none"> • Moratorium • Reduce installment rates and extend loan periods • Switch to another facility (example: credit card to term borrower)
3	"The bank asks for too many documents"	<ul style="list-style-type: none"> • B40*, BSH or ACA recipients: not required • Micro Enterprise**: not required • M40*, BPN recipient: self-declaration • SME: simple documents <p>* the banks will refer to the BSH / BPR / BPN database ** for loans less than RM150,000</p>
4	"The application process is too long"	<p>Duration of application process:</p> <ul style="list-style-type: none"> • BSH recipients and micro enterprises within 24 hours • BPN recipients within 5 days • SMEs within 14 days
5	"I cannot apply because of the EMCO and CMCO"	<ul style="list-style-type: none"> • The bank is still operating • Apply through several channels such as the telephone, email or online
6	"The assistance is still not enough to cover debt"	<ul style="list-style-type: none"> • Speak to the bank for other assistance such as: <ul style="list-style-type: none"> i. Moratorium ii. Reduce the installment rate and extend the loan term iii. Switch to another facility (example: credit card to term borrower) • Contact AKPK for further assistance
7	"There is no additional costs to the targeted repayment assistance"	<ul style="list-style-type: none"> • Interest will continue to be charged on the installment amount • Carefully consider your options • Continue loan installments if you can afford it
8	"My CCRIS record will be affected"	All Targeted Repayment Assistance applications before 30 June 2021 will not be displayed in the CCRIS record

CLOSING

21. In an effort to ensure the people's well-being and the survival of the Malaysian economy, the Government will continue to ensure that issues that are close to hearts of the people will be managed promptly and inclusively.
22. Everyone is reminded to continue their self-discipline in ensuring the safety of themselves, their families and their surrounding community in facing the challenge of overcoming COVID-19.

YB Tengku Dato' Sri Zafrul Tengku Abdul Aziz
Minister of Finance
Ministry of Finance Malaysia
19 November 2020

APPENDIX 1 – PRITHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	<p>As of 6 November 2020, the cumulative withdrawal is RM11.69 billion (an increase from RM11.18 billion last week), involving 4.72 million recipients (an increase from 4.706 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:</p> <p>https://www.kwsp.gov.my/ms/member/retirement-advisory-service.</p>
2.	Frontliners Allowance	<p>a. As of 6 November 2020, a total of RM360.37 million (an increase from RM360.35 million last week) has been channelled based on 1,089,125 claims (an increase from 1,088,936 claims last week) comprising doctors, nurses and other medical personnel who have been directly involved in the management and containment of the COVID-19 pandemic. There is no change this week compared with last week as most claims are reported on a monthly basis.</p> <p>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).</p>

OBJECTIVE 2: SUPPORTING BUSINESSES

3.	BSN Micro Credit Scheme	As of 6 November 2020, payments have been made to 11,378 SMEs , involving a total of RM378.55 million (no increment).																																							
4.	TEKUN Programme	As of 6 November 2020, payments have been made to 26,236 SMEs (an increase from 26,233 SMEs last week) involving a total of RM199.41 million (an increase from RM199.38 million last week).																																							
5.	SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)	<p>As of 6 November 2020, the total approved applications by local banks and accepted by SMEs is RM11.02 billion (an increase from RM10.87 billion last week) which will benefit 23,560 SMEs (an increase from 23,305 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.</p> <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>6 November</td> <td>11.02</td> <td>23,560</td> </tr> <tr> <td>30 October</td> <td>10.87</td> <td>23,305</td> </tr> <tr> <td>23 October</td> <td>10.84</td> <td>23,264</td> </tr> <tr> <td>16 October</td> <td>10.81</td> <td>23,234</td> </tr> <tr> <td>9 October</td> <td>10.77</td> <td>23,196</td> </tr> <tr> <td>2 October</td> <td>10.73</td> <td>23,078</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> <p><i>*Cumulative Amount</i></p> <p>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.</p>	SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*	6 November	11.02	23,560	30 October	10.87	23,305	23 October	10.84	23,264	16 October	10.81	23,234	9 October	10.77	23,196	2 October	10.73	23,078	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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