



MEDIA STATEMENT

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

35TH LAKSANA REPORT

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

6 January 2021



INTRODUCTION

1. I trust everyone is safe and in good health, particularly for those in states that are experiencing floods during this monsoon season. I trust everyone is also in compliance with the stipulated SOPs to curb the spread of the COVID-19 pandemic.
2. **The 35th LAKSANA Report is also the first report for the new year 2021.** This report will begin with the implementation status of the PENJANA and KITA PRIHATIN initiatives, while the implementation status of the PRIHATIN initiatives can be found in Appendix 1.
3. Allow me to start by quoting some news report from an international media company¹, which ranks Malaysia in 5th place as a key investment and business destination among the world's developing economies for 2021, surpassing countries such as China, Philippines, India and Indonesia.
4. This is based, among others, on the potential for rapid economic recovery, as well as the country's stable fiscal and financial position. Furthermore, based on the effective lockdown index, an international consultant predicts that Malaysia is among the 3 countries with the most room to control and alleviate the COVID-19 pandemic in 2021, and once this is done successfully, our economy is expected to rebound faster.

¹ <https://www.bloomberg.com/graphics/2020-emerging-markets-recovery-ranking/>

5. I would also like to quote a report by an international consulting firm² which concludes that Kuala Lumpur remains attractive to the international business community. This considers factors such as integrated infrastructure facilities, diversity and quality of human resource, as well as our country's readiness to adopt digital technology.
6. I would like to add that the period for various tax and investment incentives through PENJANA has been extended through Budget 2021. **This includes special tax rates for selected manufacturing companies that relocate to Malaysia and make new investments** (incentives extended for another year until 31 December 2022) and **tax incentives to companies in selected services sector with a significant multiplier effect**, with an income tax rate of 0 - 10% only, for a period of 10 years.
7. While the Government is planning the nation's economic journey post COVID-19, certainly any decision must balance between existing resource management, as well as positive or multiplier impact in the short and long term. This approach will continue to be practised by the Ministry of Finance in the formulation of each policy.

PENJANA (National Economic Recovery Plan)

8. 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

9. **First, the PEKA B40 Health Care Scheme (PeKA B40)** to meet health needs such as **early detection for non-communicable diseases especially for the B40 group**. Eligible persons are recipients of *Bantuan Sara Hidup* (BSH) and registered couples aged 40 and above. Between the period of **1 July and 25 December 2020**, a total of **191,737 claims** were received, valued at **RM19.57 million** (compared with 186,312 claims with a total of RM18.35 million as of the previous week).
10. **Second, the Wage Subsidy Program (PSU) (first phase or PSU 1.0)**. As of September 30, 2020, the closing date of PSU 1.0, a total of **322,177 employers and 2.64 million employees** had received PSU benefits under PRIHATIN and PENJANA. **As of 25 December**, approved wage subsidy applications reached a value of **RM12.682 billion** (compared with RM12.608 billion as of the previous week).

² https://www.ey.com/en_my/consulting/why-kuala-lumpur-is-garnering-investments-from-next-gen-digital-mnncs

PSU 1.0

Report Date	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
25 December	12.682	2.640	322,177
18 December	12.608	2.640	322,177
11 December	12.608	2.640	322,177
4 December	12.549	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

11. **Third, Hiring Incentive Programme and Training Assistance.** As of **25 December**, a total of **128,778 employees** had secured employment through this programme (compared with 122,126 employees as of the previous week). This number includes **102,623 people under the age of 40; 17,394 people for the age group of 40 and 60, as well as 7,417 apprentices and 1,344 people with disabilities (OKU).** Among the key industries and sectors actively hiring include manufacturing as well as wholesale and retail trade.

Date As Of	Category of People Who Get Jobs				Amount*
	< 40 years	40 – 60 years	Apprentices	OKU	
25 December	102,623	17,394	7,417	1,344	128,778
18 December	97,354	16,348	7,132	1,292	122,126
11 December	85,242	13,513	6,420	1,268	106,443
4 December	79,428	12,465	6,122	1,267	99,282
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 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

12. **Fourth, Reskilling and Upskilling Programme.** As of 25 December, a total of **130,385 individuals had been approved** to participate in the programmes provided (compared with 129,667 individuals as of the previous week). The list of courses that are requested can be seen through the Ministry of Finance link. In addition, applicants can also visit the websites of Government agencies as listed below, to obtain information on the courses offered. Those who are looking for a job, especially youths, are invited to participate in these courses.

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
		Program Micro Connector
3.	Majlis Amanah Rakyat (MARA)	New Health Care and Safety Special Module
		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
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

13. **Fifth, public transport subsidy MY30. As at 25 December**, a total of **RM127.74 million** has been channelled for the subscription of **751,414 unlimited monthly public transport passes worth RM30**, which is provided specifically for Malaysian citizens (compared with RM123.8 million for 728,225 monthly passes as of 11 December 2020). As announced under the Budget 2021, this initiative is extended to 2021 to further promote mobility and reduce the burden of public transport costs for the People.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

14. **First, PENJANA SME Financing.** The Government's allocation of RM2 billion under this programme gives priority to SMEs that have never received a loan from a bank before. The amount and value of loans approved are as follows.

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
25 December	5,764	1,122.1
18 December	5,764	1,122.1
11 December	5,576	1,096.7
4 December	5,397	1,072.6**
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

** The decrease compared to the previous week was due to repetition applications identified due to further coordination and analysis.

15. **Second, PENJANA Tourism Financing** with a total allocation of **RM1 billion** specifically for SMEs and micro SMEs in this sector who are still affected by COVID-19. As of **25 December**, there are **550 applications** for this financing, and of this total **261 applications** had been approved with a total financing of **RM52.8 million** (compared with 245 applications with a value of RM49.9 million as of 11 December 2020).
16. **Third, TEKUN Business Recovery Scheme (TBRS)**, is also special for Micro SMEs. As of **25 December**, a total of **RM99.4 million** had been channelled under TBRS, benefitting **14,893 Micro SMEs**.

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
25 December	14,893	99.4
18 December	14,893	99.4
11 December	14,861	99.2
4 December	14,267	94.8
27 November	14,267	94.8
30 October	11,972	79.7
25 September	11,383	75.5
28 August	6,908	47.7
31 July	909	6.8

*Cumulative Amount

17. **The fourth is PENJANA Credit Micro Financing under Bank Simpanan Nasional (BSN)**. As of **25 December**, a total of **RM282.8 million** had been channelled to benefit **8,158 Micro SMEs** including in retail and services.

Date	Number of Approved Applications*	Amount Disbursed* (RM million)
25 December	8,158	282.8
18 December	8,158	282.8
11 December	7,252	253.1
4 December	7,252	253.1
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

18. **Fifth, Bumiputera Relief Financing (BRF)** which managed by Perbadanan Usahawan Nasional Bhd (PUNB). The RM200 million special fund assistance is meant for Bumiputera SMEs affected by COVID-19, with financing **between RM100,000 and RM1 million** for the SMEs. As of **25 December**, this fund had been channelled to **322 SMEs** involving a value of **RM82.8 million** (compared with 270 SMEs with a total of RM68.2 million as of 11 December 2020).

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

19. **First, support for the Agriculture and Food Industry** for farmers, ranchers and fishermen. Of the total **allocation of RM400 million, RM350 million** is an allocation under the **Agrobank Microcredit Financing Scheme**. As of **25 December**, a total of **RM64.7 million** had been channelled under this scheme to benefit **6,325 Micro Agricultural SMEs** (compared with RM60.9 million for 6,094 Micro Agricultural SMEs as of 11 December 2020).
20. **Second, 100% export duty exemption to the commodity sector** which also includes the palm oil-based industry, to stimulate the growth of the country's commodity sector and export value. This initiative facilitates smallholders' sale of their produce to factories. As at **25 December**, the value of export duty exemption successfully utilised by the country's commodities industry is **RM426.9 million** (compared to RM373 million as of 11 December 2020).
21. **Third, sales tax exemption for passenger vehicles.** These sales tax incentives include a 100% exemption for locally assembled cars (CKD - Complete Knocked Down) and a 50% reduction for full import (CBU - Completely Built Up) models. As of **25 December**, the value of sales tax relief that had been utilized is **RM197.57 million** (compared with RM192.7 million as of the previous week). **As announced last week, the Government has agreed to extend this tax incentive until 30 June 2021**, as a measure to further boost the automotive sector and the country's economic activity.

KITA PRIHATIN ECONOMIC STIMULUS PACKAGE

22. **First, for the Bantuan Prihatin Nasional 2.0 (BPN 2.0)**, the process of reviewing new applications and appeals is still underway. The government will announce the date of payment of the second phase in the near future, as well as new applications and approved appeals, which are expected to be channeled starting this month as well. The fulfillment of the first phase of BPN 2.0 through BSN for those whose accounts failed to be credited is still ongoing.
23. **Second, for the PRIHATIN Special Grant (GKP) 2.0.** The process of reviewing new applications and appeals is in the process of cross-checking between the LHDN and the Local Authority, and the results will be announced in the near future.
24. **Third, PSU 2.0 under the KITA PRIHATIN package.** As at **25 December**, a total of **RM418.67 million** had been channelled to **39,203 employers** to continue operating and maintain employment for **307,420 employees** (compared with RM239.73 million for 51,022 employers and 420,193 employees as of the previous week).

PSU 2.0

Report Date	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
25 December	418.67	420,193	51,022
18 December	239.73	307,420	39,203

11 December	239.73	307,420	39,203
4 December	239.73	307,420	39,203
27 November	239.73	307,420	39,203
20 November	164.26	273,767	34,479

*Cumulative Amount

REVIEW OF CURRENT ISSUES

25. Last week we were shocked by the severe flood situation that hit several states in Peninsular Malaysia due to the ongoing monsoon season. There have also been reports of landslides and roads being cut off, due to the unusual rainy season at the beginning of this new year.
26. We pray for the recovery of thousands of victims affected by this disaster, and I hope that all those in the states involved will take precautions in conducting any activities. Do abide by the authorities' instructions to ensure safe movements and evacuation.
27. The Government will continue to work with local authorities and non-governmental organizations to assist flood victims, and ensure that infrastructure in the affected areas are restored. InsyaAllah, the Government is ready to increase the allocation where necessary.

CLOSING

28. Finally, allow me to remind all of us to continue to follow the SOP in conducting economic activities and daily life, especially with school holidays, public holidays and cross-state activities. Although the COVID-19 vaccine will be supplied starting this February, take note that the staff of the Ministry of Health and the front-liners are still working hard to curb this epidemic for our safety. We must also see ourselves as frontliners, helping to curb COVID-19 in terms of SOP compliance and by reminding each other.
29. Stay safe, and continue our responsibility to curb this pandemic for the safety of ourselves and our loved ones. Thank you.

YB Tengku Dato' Sri Zafrul Tengku Abdul Aziz
Minister of Finance
Ministry of Finance Malaysia
6 January 2021

APPENDIX 1 – PRITHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As at 18 December 2020, the cumulative withdrawal is RM14.41 billion (compared with RM14.05 billion as of the previous week) and involving 4.88 million recipients (compared with 4.86 million as of 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 25 December 2020, a total of RM455.23 million has been channelled based on 1,361,424 claims (compared with RM44.94 million involving 1,334,569 claims as of the previous week) comprising 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, fire brigade, members of the Civil Defense Force as well as RELA members who are directly involved in implementing the Movement Control Order (MCO).
3.	Electricity Bill Discount	a. As of 25 December 2020, a total of RM2.10 billion in the form of electricity bill discounts (compared with RM2.08 billion as of the previous week) has been channelled to 8.6 million domestic consumers of electricity supplied by Tenaga Nasional Bhd. b. This electricity bill discount is an extension of the <i>Bantuan PRIHATIN Elektrik</i> introduced during the PRIHATIN package. The discount given is at a rate of between 2 percent to 50 percent based on the usage rate, and this initiative is available until 31 December 2020.

OBJECTIVE 2: SUPPORTING BUSINESSES																																									
4.	SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)	As of 25 December 2020, the total number of applications approved by local banks and approved by SMEs is RM11.29 billion which will benefit 24,012 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>25 December</td><td>11.29</td><td>24,012</td></tr> <tr> <td>18 December</td><td>11.29</td><td>24,012</td></tr> <tr> <td>11 December</td><td>11.24</td><td>23,875</td></tr> <tr> <td>4 December</td><td>11.17</td><td>23,759</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 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 December	11.29	24,012	18 December	11.29	24,012	11 December	11.24	23,875	4 December	11.17	23,759	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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