MEDIA STATEMENT

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MINISTER OF FINANCE

37TH LAKSANA REPORT

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

20 January 2021

بِسْمِ ٱللَّٰهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

INTRODUCTION

This 37th LAKSANA report will begin with the implementation status of the initiatives under BUDGET 2021, PERMAI, PENJANA and KITA PRIHATIN, followed with a review of current issues. The implementation status of the PRIHATIN initiatives can be found in Appendix 1.

BUDGET 2021 and *Perlindungan Ekonomi dan Rakyat Malaysia* Assistance Package (PERMAI)

1. On 18 January 2021, YAB Prime Minister has announced the ***Perlindungan Ekonomi dan Rakyat Malaysia*** **(PERMAI)** Assistance Package with Government allocation totalling RM15 billion. There are **22 initiatives under PERMAI, which among others, comprise the improvement of several measures under the economic stimulus packages and Budget 2021, following the implementation of several forms of Movement Control Order (MCO), as well as the flood situation** that has impacted several states across Malaysia.

2. PERMAI has 3 main objectives, with the following allocation:

Objectives	Total Fiscal Allocation (RM million)
Combatting the COVID-19 Outbreak	4,250
Safeguarding the Welfare of the People	6,381
Supporting Business Continuity	4,727
TOTAL	**15,358**

3. The refinement of existing initiatives through PERMAI are in the form of:
   a. **Additional allocation**; or
   b. **Faster delivery of existing initiatives**; or
   c. **Expansion of the scope of delivery, including relaxation of conditions**; or
   d. **Introduction of several new initiatives**.

4. **The rationale of the PERMAI Assistance Package is to bridge some gaps, as the flood disaster and the implementation of the MCO in almost the whole nation** certainly were certainly not foreseen in the planning of Budget 2021 when it was tabled in Parliament on 6 November 2020.

5. The Government would also like to remind the public that the **measures under Budget 2021, with a total value of RM322.5 billion, have just commenced**. As such, PERMAI is proof of a committed Government which always listens, and which does not compromise in terms of saving lives and ensuring the livelihoods of the *rakyat* and businesses, especially SMEs, are protected.

6. The protection of the *rakyat's* lives is the Government's priority, particularly in light of the elevated daily infection rates. As such, the strategy for improvements under PERMAI were formulated from multiple angles, namely:

   a. **Implementation of the National Immunisation Programme,** valued at RM3 billion,
   b. **Strengthening of the nation's healthcare system** through:
      i. Recruitment of an additional 3,500 medical personnel in January. The Government will recruit more if needed;
      ii. The utilisation of private hospitals with an allocation of RM100 million;
   c. **Improvement in infection prevention programme** in the form of tighter SOP involving employee accommodation and movement control, as well as screening tests for foreign workers which will be funded by SOCSO;
   d. **The scope of tax relief** for full medical check-up, including that which was announced on 19 January which is **the double tax deduction provided for the cost of COVID-19 screening tests borne by employers from 1 January to 31 December 2021.**

7. On the **EPF i-Sinar** applications**, as of 20 January 2021, EPF has received 4.8 million applications under Category 1, of which 3.18 million applications totalling RM25.3 billion have been approved. Members whose applications were approved will receive a total of RM13 billion in January.** Other applications are being processed by EPF.

8. As announced by the YAB Prime Minister on 18 January, the i-Sinar facility has been improved especially for those who are facing challenges arising from the MCO and the floods, **EPF will provide an advance of up to RM1,000 for i-Sinar Category 2 applicants.** The payment process for the i-Sinar Category 2 advance will also be simplified. **Members only need to provide a self-declaration that they meet the necessary criteria and supporting documents can be submitted online and**

processed later on. The Government has also requested EPF to facilitate the advance payment process, which will commence on 26 January.

9. There are also **many other measures involving Government agencies which does not involve the Government's fiscal injection**, such as:

    a. PTPTN loan repayment moratorium;
    b. MARA loan repayment moratorium or rescheduling;
    c. 30% reduction in the rental of MARA premises;
    d. Special electricity bill discount of 10% for six affected sectors nationwide;
    e. Electricity rebate for all TNB customers, domestic and non-domestic, who will all benefit from a reduction of electricity bill of up to 9%;
    f. Expediting microcredit schemes under BSN, Agrobank, and TEKUN, and
    g. Multiple tax relief incentives.

10. Examples of the benefit from the four Economic Stimulus Packages, Budget 2021 and PERMAI are as follows:

    a. **Mr Kumar from Pulau Pinang owns a tourism business and hires 3 employees**. His business is affected by the COVID-19 outbreak. Mr Kumar is eligible for assistance including targeted loan repayment assistance and targeted wage subsidy programme for his business. He is also eligible for the Indian Community Entrepreneur Development Scheme by TEKUN. In total, the amount received by Mr Kumar directly, including the assistance to retain his 3 employees, is estimated to reach RM14,400.

    b. **Kak Zu from Machang is a single mother to four children**. She is also a recipient of assistance from the Department of Social Welfare (JKM), and is listed on e-Kasih. Her house is located within the MCO red zone. Aside from existing JKM assistance, in order to assist Kak Zu's family in weathering this challenging period, her family will receive a Food Basket worth RM100 and the Bantuan Prihatin Rakyat whose implementation has been brought forward. In total, Kak Zu will receive assistance of up to RM10,400 in 2021.

    c. **Mr Chua is a young graduate from Tawau who just secured a job**. He secured employment under the Hiring Incentive Programme which makes him eligible for a RM1,000 allowance for a period of 3 months. He was also sent to undertake a professional course by his employer. He is also eligible for the PTPTN loan repayment moratorium for 3 months and the reduction in EPF contribution that helps to increase his monthly disposable income. In total, Mr Chua can receive up to RM6,500 including BPN 2.0 assistance and BPR.

11. The Government has also launched **the Budget 2021 interactive portal to make it easier for *rakyat* and businesses to check on multiple direct assistance and incentives that they can apply for.** Individuals and businesses are invited to visit http://belanjawan2021.treasury.gov.my/manfaat/ for further information about these incentives and how to apply. The website also contains initiatives under PERMAI.

PENJANA (National Economic Recovery Plan)

12. Under the National Economic Recovery Plan or PENJANA, the initiatives are focused on three main objectives, namely **Empowering the People; Propelling Businesses;** and **Stimulating the Economy.**

PENJANA OBJECTIVE 1: EMPOWERING THE PEOPLE

13. **Wage Subsidy Programme (PSU) 1.0:**. As of 30 September 2020 which is the closing date for PSU 1.0, some **322,177 employers and 2.64 million employees** have received PSU under PRIHATIN and PENJANA. As of 8 January**,** a total of **RM12.686 billion** of wage subsidies have been approved.

Date As Of	Amount Approved* (RM billion)	No. of Employees* (juta)	No. of Employers*
8 January	**12.686**	**2.640**	**322,177**
1 January	12.682	2.640	322,177
25 Disember	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

14. **Hiring Incentive and Training Assistance Programmes:** As of 8 January, a total of **129,004 employees** had secured employment through this programme. Among the key industries and sectors actively hiring include manufacturing as well as wholesale and retail trade. Details below:

Date As Of	Category of People Who Get Jobs				Amount*
	< 40 years	40 – 60 years	Apprentices	OKU	
8 January	**102,972**	**17,403**	**7,325*** **	**1,304*** **	**129,004**
1 January	102,657	17,395	7,382**	1,345	128,779
25 Disember	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 to the previous week is due to time lag between Penjana 1.0 which ended on 21 Dicember 2020, and Penjana 2.0 which was launched on 4 January 2021.*

****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

15. **Reskilling and Upskilling Programme:** As of 8 January, a total of **134,137 individuals had been approved** to participate in the programmes (compared with 133,936 individuals as of the previous week). The list of courses which have received good response can be viewed on the Ministry of Finance's website. Apart from that, applicants can also visit the website of agencies as listed below to obtain information about the courses offered. Those who are looking for a job, especially youths, are invited to participate in these programmes.

No.	Ministry / Agency	Programme / Scheme / InitiativePautan
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 Porgramme
		Entrepreneurship Programme

16. **Public transport subsidy MY30:** As of 8 Januari, a total of **RM127.74 million** had been channelled for the subscription of **751,414 unlimited monthly public transport passes** worth RM30, which is provided specifically for Malaysian citizens (no increase from the previous week). As announced under the Budget 2021, **this initiative is extended into 2021 to** further promote mobility and reduce the burden of public transport costs for the *rakyat*.

PENJANA OBJECTIVE 2: PROPELLING BUSINESSES

17. **PENJANA SME Financing:** The Government's allocation of RM2 billion under this programme prioritises SMEs that had never received any bank financing before. As of 8 January, the application status is as follows:

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
8 January	**6,139**	**1,180.3**
1 January	5,976	1,149.1
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*

18. **PENJANA Tourism Financing (RM1 billion allocation for SMEs and micro SMEs still affected by COVID-19):** As of 8 January, there were **567 applications** for this financing, and of this total **271 applications had been approved** with a total financing of **RM54.9 million** (compared with 272 applications with a value of RM54.8 million as of the previous week – the reduction is due to cancellation of several applications).

19. **PENJANA Credit Micro Financing under Bank Simpanan Nasional (BSN):** As of 8 January, a total of **RM320 million** had been channelled to benefit **9,358 Micro SMEs including in retail and services sectors.**

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
8 January	9,358	320.0
1 January	8,936	307.2
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*

20. **Bumiputera Relief Financing (BRF) totaling RM200 million under Perbadanan Usahawan Nasional Bhd (PUNB):** The fund is meant for Bumiputera SMEs affected by COVID-19, with financing **between RM100,000 and RM1 million**. As of 8 January**,** this fund had been channelled to **389 SMEs** involving a value of **RM105.6 million** (compared with 356 SMEs with a total of RM94.2 million as of the previous week).

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY

21. **Support for the Agriculture and Food Industry 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 8 January, a total of **RM71.3 million** has been channelled, benefitting **6,748 Agricultural Micro SMEs** (compared with 6,325 Agricultural Micro SMEs with a value of RM64.7 million as of the previous week).

KITA PRIHATIN ECONOMIC STIMULUS PACKAGE

22. **Bantuan Prihatin Nasional 2.0 (BPN 2.0):** As announced, Phase Two of BPN 2.0 will be distributed as early as 21 January for B40 recipients and 25 January for M40 recipients. This includes those whose appeals had been approved. For those without a bank account or whose account failed the crediting process, they can claim the cash at Bank Simpanan Nasional (BSN) as early as 25 January. In total, phase two of BPN 2.0 will place RM2.38 billion into the hands of over 11.06 million recipients, comprising 5.82 million individuals and 5.24 million households.

23. **PRIHATIN Special Grant 2.0 (GKP 2.0):** New applications and appeals are undergoing the process of cross-checking with the Inland Revenue Board (LHDNM) and the Local Authorities, and the results will be announced in the near future.

24. **Wage Subsidy programe 2.0 (PSU 2.0):** As of 8 January, a total of **RM590.35 million** had been channelled to **57,146 employers** to continue operating and maintaining the employment for **475,510 employees**. Details below:

PSU 2.0

Date As Of	Amount Approved* (RM billion)	Number of Workers* (million)	Number of Employers*
8 January	**590.35**	**475,510**	**57,146**
1 January	457.14	445,255	52,998
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*

REVIEW OF CURRENT ISSUES – The Right Formula for the Recovery of Public Health and the Economy

25. On 20 January, Bank Negara Malaysia's (BNM) Monetary Policy Committee (MPC) has decided to maintain the Overnight Policy Rate at 1.75 percent. This decision is seen as appropriate considering multiple Government measures through PENJANA and KITA PRIHATIN packages, as well as Budget 2021 are still continuing or will commence. Measures that have been and continue to be implemented include loan moratorium, special grants, Wage Subsidy Programme and soft loans for SMEs.

26. Further, BNM has also announced the extension of flexibility for banking institutions to utilise Malaysian Government Securities (MGS) and Malaysian Government Investment Issues (MGII) to fulfil the Statutory Reserve Requirement (SRR) until 31 December 2022. In simple terms, this step ensures ample liquidity to support financial and economic activities.

27. **The combination of the decisions involving the OPR and the SRR, as well as Budget 2021 initiatives and PERMAI** – including the expediting of vaccine procurement and encouraging screening of employees **– are seen as the right formula**

to position Malaysia on the recovery path, be it from the public health perspective, or the economy, *InsyaAllah.*

28. **Most importantly, all the measures must be seen in totality, not in isolation.** For example, under the Wage Subsidy Programme:
    a. Almost **RM13 billion has been channelled in 2020 under PSU 1.0 and PSU 2.0,** with balance allocation of RM2 billion to be channelled in 2021;
    b. Further, **targeted PSU amounting to RM1.5 billion** was announced for the tourism and retail sectors through **Budget 2021**;
    c. The Government will add **RM1 billion for PSU 3.0 under PERMAI**, which covers all sectors affected by the MCO. After PERMAI was announced, MCO has been announced for all states in Malaysia except for Sarawak.

29. Apart from that, under PERMAI, new measures were also introduced including special electricity discounts and blanket discounts, as well as initiatives to reduce premise rental rates.

30. Please visit http://belanjawan2021.treasury.gov.my/manfaat/ as mentioned previously to get more information on the measures provided.

CLOSING

31. The Government will commit to do its very best in order to contain the COVID-19 pandemic, and to ensure the economic recovery process can be continued.

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Minister of Finance
Ministry of Finance Malaysia
21 January 2021

APPENDIX 1 – PRITHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	**i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)**	As at 8 January 2021, **the cumulative withdrawal is RM14.77 billion** and involving **4.93 million recipients** (no increase 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 8 January 2021**, a total of RM480.26 million has been channelled based on 1,422,684 claims** (compared with RM480.26 million involving 1,420,509 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).

OBJECTIVE 2: SUPPORTING BUSINESSES		
4.	**SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)**	As of 8 January 2021**,** the total number of applications approved by local banks and approved by SMEs is **RM11.58 billion** which will benefit **24,564 SMEs.** This amount includes Special Relief Facility (SRF), Automation & Digitalisation Facility (ADF), All-Economic Sector Facility (AES) and Agrofood Facility (AF) funds.

SME Soft Loans Funds	Approved and Accepted Amount* (RM billion)	Number of SMEs*
8 January	**11.58**	**24,564**
1 January	11.54	24,519
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

**Cumulative Amount*

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.