



MEDIA STATEMENT

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

39th LAKSANA REPORT

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

4 February 2021



PENGENALAN

1. **This 39th 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.

REVIEW OF CURRENT ISSUES

A. MCO and Economic Continuity

2. The current focus of the people and businesses is, of course, on the Movement Control Order (MCO). For the Government, determining the true definition of MCO that needs to be implemented is not an easy task. There are various views on the MCO. Some want the MCO to be as strict as in early March last year in order to break the current chain of infection. There are also those who want the MCO to be less stringent because for them, the economic impact will be worse following the stricter restrictions, far outweighing the benefits that may be achieved by curbing the spread of the virus.
3. Balancing the need to protect the lives and livelihoods of the people is not an easy task. The country's economy does not operate at the flick of a switch. It cannot be "turned off" and "turned on" as we wish. Lives and livelihood depend on the continuity of economic operations. Yes, with a strict MCO the chain of infection may be broken. But for the common *rakyat* - stall operators, tailors, barbers - a more stringent MCO means one more day of their kitchens running on empty, another day to endure without food for the family. We may not be able to satisfy all parties but we need to look at this issue

comprehensively. Taking into account all views, the Government has extended the period of the MCO, while allowing more economic sectors to be opened with strict SOPs.

4. In its latest move, the Ministry of Finance will channel payments to almost 52,000 small and medium enterprise (SMEs) owners who had filed their appeals for the Geran Prihatin Nasional (GKP) 2.0 starting tomorrow, Friday 5 February 2021, involving an allocation of RM155 million. The total number of GKP recipients including GKP 1.0 is almost 900,000 micro SMEs with a financial assistance value of RM2.7 billion.

B. Prioritizing Public Health & the *Rakyat's* Wellbeing

5. The Ministry of Health (MOH) is the main player in the war against Covid 19. Under the PERMAI assistance package, the Government is committed to providing additional funding of RM3.25 billion with allocations focused on supplies such as additional reagents, screening kits, as well as PPE especially for health workers. More than 3,500 health personnel have also been recruited and the provision of additional staff will be prioritised if the need arises. InsyaAllah, additional hiring will be sped up.
6. To alleviate the burden of the people, we have expanded or accelerated direct assistance initiatives under #Budget2021. For example, under PERMAI, the Bantuan Prihatin Nasional 2.0 Phase 2 (BPN 2.0) was accelerated beginning from 21 January. Bantuan Prihatin Rakyat (BPR) Phase 1 has also been accelerated, and assistance will be channelled at the end of this month compared to the initial distribution target date in May. Vulnerable groups including the disabled are also very affected due to Covid 19. To help them, the monthly welfare assistance rate under the Social Welfare Department (JKM) has been increased with effect from January 2021.
7. I had also witnessed the hardship of the people during a visit to Pahang to review the assistance program for the victims of the Northeast Monsoon floods. Concerned for the *rakyat's* suffering, the Government has channelled RM200 million to repair small infrastructure and homes of affected people, with an additional RM50 million via the PERMAI assistance program, for disaster relief operations under the National Disaster Management Agency (NADMA). Relevant government agencies have also been instructed to expedite all forms of assistance to repair minor infrastructure, flood victims' homes to help ease the people's burden.





8. These various forms of donations and assistance need to be seen as a whole to assess its impact on society. While I was visiting the Kerinchi PPR dwellers recently, I had the opportunity to meet Nyarom Othman, a 73-year-old senior citizen and her disabled child. Among the assistance presented by JKM is the *Bantuan Orang Tua* or assistance for the elderly, which had been increased from RM350 to RM500 per month, while her disabled child received a monthly RM150 *Elaun PDK* or community-based rehabilitation program for the disabled allowance. She also received BPN assistance amounting to RM150 and was eligible to receive RM1,200 BPR assistance apart from Baitulmal assistance of RM300 per month. They also received a food basket worth RM100 under Pakej Bantuan PERMAI. If seen on its own, we may be quick to comment that a PDK allowance of RM150 per month is hardly sufficient. However, if we take into account the increase in the allocation for elderly assistance, which was raised from RM350 to RM500, together with all the other assistance received, then we see that overall the assistance given to the mother and child is fairly substantial.

C. Our Economy is on the Right Track

9. Another good news that needs to be shared is the reaffirmation of Malaysia's debt rating at A3 by Moody's, which reflects confidence in the efficiency of the country's economic management in the face of crisis. It also shows confidence in the fiscal discipline controls and sustainable prospects for medium-term growth. For the *rakyat*, this translates into confidence in the Government's capability of implementing economic recovery programmes based on the planned timeline. God willing, the economic recovery will also create new jobs, with the Government targeting 500,000 new jobs for this year.
10. Although we are experiencing a fiscal deficit, additional spending through economic stimulus packages in 2020 is proof that the Government has always prioritized the well-being of the people. To date, these economic stimulus packages have benefited 20 million individuals and 2.4 million businesses, with more than 50% of the initiatives already allocated. Most of these initiatives include immediate cash assistance such as Bantuan Prihatin Nasional, Geran Khas Prihatin, Program Subsidi Upah and various other measures to protect the *rakyat* and ensure business continuity. This is expected to contribute to the country's economic growth by up to four percentage points in 2020.

PENJANA (National Economic Recovery Plan)

11. 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

12. **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** had received PSU under PRIHATIN and PENJANA. As of 22 January, a total of **RM12.719 billion** of wage subsidies were approved.

PSU 1.0

Date As Of	Amount Approved* (RM billion)	No. of Employees* (million)	No. of Employers*
22 January	12.719**	2.640	322,177
15 January	12.702**	2.640	322,177
8 January	12.686**	2.640	322,177
1 January	12.682**	2.640	322,177
25 December	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

* 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.

13. **Hiring Incentive and Training Assistance Programmes:** As of 22 January, a total of **129,901 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 as follows:

Date As Of	Category of People Who Secured Jobs				Amount*
	< 40 years	40 – 60 years	Apprentices	OKU	
22 January	104,465	17,533	7,227***	676***	129,901
15 January	102,972	17,403	7,325	1,304	129,004
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 December	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 December 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

14. **Reskilling and Upskilling Programme:** As of 22 January, a total of **132,935 individuals had been approved** to participate in the programmes (compared with 133,936 individuals in 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 / 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 Cooperative (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 (ECER)	<i>ETEP Enhanced Train& Place (PENJANA)</i>
5.	Northern Corridor Implementation Authority (NCIA)	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

15. **TEKUN Business Recovery Scheme (TBRS)**: This special scheme for Micro SMEs with an allocation of RM100 million has **achieved its objective** last week by benefitting **14,946 Micro SMEs**. At the same time, there are still financing initiatives available under this Objective such as PENJANA SME Financing and PENJANA Tourism Financing.
16. **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)
22 January	6,404	1,216.1
15 January	6,139	1,180.3
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

17. **PENJANA Tourism Financing**: The Government's allocation of RM1 billion for SMEs and micro SMEs still affected by COVID-19. As of 22 January, there were **573 applications** for this financing, and of this total **277 applications had been approved** with a total financing of **RM55.4 million** (compared to 271 applications with a value of RM54.9 million as of the previous week).
18. **PENJANA Credit Micro Financing under Bank Simpanan Nasional (BSN)**: As of 22 January, a total of **RM340.0 million** had been channelled to benefit **10,037 Micro SMEs including in retail and services sectors**.

Date As Of	Number of Approved Applications*	Amount Disbursed* (RM million)
22 January	10,037	340.0
15 January	9,652	328.1
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

19. Bumiputera Relief Financing (BRF) totalling 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 **22 January**, this fund had been channelled to **494 SMEs** involving a value of **RM135.5 million** (compared with 356 SMEs with a total of RM94.2 million in the previous week).

PENJANA OBJECTIVE 3: STIMULATING THE ECONOMY**20. 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 **22 January**, a total of **RM74.5 million** had been channelled, benefitting **7,012 Agricultural Micro SMEs** (no difference compared to the previous week)

KITA PRIHATIN ECONOMIC STIMULUS PACKAGE

21. **Geran Khas PRIHATIN (GKP) 2.0:** Fresh appeals had been cross-checked by the Inland Revenue Board (LHDNM) and the Local Authorities. Disbursement will be credited on 5 February 2021 directly into bank accounts registered during the appeals application for GKP 2.0. Status of approval of appeals can be made from 4 February 2021 through the GKP portal, <https://gkp.hasil.gov.my>. The total number of GKP 1.0 and GKP 2.0 recipients including appeals is almost 900,000 micro SMEs, with a total assistance of RM2.7 billion. Applicants who were not approved are due to reasons such as death, bankruptcy or accounts identified as a mule accounts.

22. **Wage Subsidy Programme 2.0 (PSU 2.0):** As of 22 January, a total of **RM729.12 million** had been channelled to **63,718 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*
22 January	729.12	511,566	63,718
15 January	590.35	475,510	57,146
8 January	590.35	475,510	57,146
1 January	457.14	445,255	52,998
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

CLOSING

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

YB Tengku Dato' Sri Zafrul Tengku Abdul Aziz
Minister of Finance
Ministry of Finance Malaysia
4 February 2021

APPENDIX 1 – PRITHATIN ACHIEVEMENTS

OBJECTIVE 1: PROTECTING THE RAKYAT		
1.	i-Lestari Withdrawal Scheme under the Employees Provident Fund (EPF)	As at 22 January 2021, the cumulative withdrawal is RM16.16 billion (compared to RM16.06 from the previous week) and involving 5.08 million recipients (compared to 5.05 million 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 22 January 2021, a total of RM484.86 million has been channelled based on 1,449,100 claims (no increase compared to 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 1: PROTECTING THE RAKYAT																																												
3.	SME Soft Loans Funds Administered by Bank Negara Malaysia (BNM)	As of 22 January 2021, the total number of applications approved by local banks and approved by SMEs is RM11.60 billion which will benefit 24,590 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>22 January</td><td>11.60</td><td>24,590</td></tr> <tr> <td>15 January</td><td>11.58</td><td>24,564</td></tr> <tr> <td>8 January</td><td>11.58</td><td>24,564</td></tr> <tr> <td>1 January</td><td>11.54</td><td>24,519</td></tr> <tr> <td>25 December</td><td>11.29</td><td>24,012</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*	22 January	11.60	24,590	15 January	11.58	24,564	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
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