



SPEECH

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MINISTER OF FINANCE**

**FOURTH LAKSANA REPORT
IMPLEMENTATION OF THE PRIHATIN ECONOMIC
STIMULUS PACKAGE (PRIHATIN)**

5 May 2020



1. Assalamualaikum WBT dan Salam Hormat. Thank you for joining me today for the 4th Laksana Report.
2. As of yesterday, 4th of May, we have entered the **Conditional Movement Control Order**, or **CMCO** phase and more economic sectors have been allowed to operate.
3. I can see many businesses have begun to operate, and many of you will return to the office for the first time since the MCO began on March 18, approximately 48 days ago. I hope that everything goes well.
4. To this end, I would like to request the support and cooperation of all employers and employees to comply with the SOPs issued by the National Security Council, as well as the health and safety guidelines issued by the Ministry of Health Malaysia.
5. I would also like to provide a gentle reminder that taking care of our health, family members, colleagues and our surrounding neighbours is of paramount importance. Our well-being in this new norm depends on

everyone's health. Your good health could guarantee the well-being of your family and the country's economy.

6. Let us make it a habit to remind each other to follow the SOPs and guidelines. If we see our friends, family and community members ignoring the guidelines and the SOPs when they are out in shops, supermarkets or any other public places, remind them gently and politely, on social distancing and adhering to the Government's recommended guidelines. Do not shy away from reminding others, as this is our collective responsibility borne out of the love for our people and our country.
7. Ladies and gentlemen, as mentioned by our YAB Prime Minister, the partial reopening of the economy through the Conditional MCO phase is part of the Government's strategy in addressing the Covid-19 crisis. The strategy consists of 6 approaches, otherwise known as "6R". Allow me to briefly share:
 - a. The first of which is our **resolve** in controlling Covid-19 through the implementation of the MCO;
 - b. Second, to develop **resilience** through the PRIHATIN economic stimulus package for the betterment of the people and the economy;
 - c. Third, to **restart** the economy in a systematic and controlled manner;
 - d. Fourth, to implement economic **recovery** strategies through short- and medium-term plans;
 - e. Fifth, to **revitalize** the economy as a whole; and
 - f. Sixth, to **reform** our economic structure to prepare us for the new norm.

8. In fact, all six approaches are for the well-being of the seventh “R” – which is the **Rakyat**. We are now in the third stage, which is to restart the economy. Nevertheless, there is a need for us to balance public health priorities with the need to restart the economy. After taking into account feedback from various parties including the Ministry of Health, the Government has decided to reopen the economy in a systematic and controlled manner. However, this does not mean that the Government will force you to reopen your business if you are not prepared to do so. The SOP is only intended to serve as a guide for those who would like to restart operations for the continuity of their respective businesses.

Ladies and gentlemen,

9. During the current phase of Conditional MCO, the PRIHATIN Package will continue to be implemented to achieve its goals of protecting the people, supporting businesses and strengthening the economy.
10. Allow me to share a few of our latest updates.
11. **First**, all 10 core initiatives under PRIHATIN have been initiated. Cumulatively, they represent 95% of PRIHATIN's total value of RM260 billion;
12. **Second**, last week, we opened the application for **Geran Khas PRIHATIN (GKP)** for Micro SMEs on 1 May. The Government has allocated RM2.1 billion of which RM3,000 will be given to every active micro SME registered with the Inland Revenue Board, Companies Commission of Malaysia and the Local Authorities as of 31 December 2019. Applications will remain open until 15 May 2020. The results will be announced in the first week of June and payments are expected to be disbursed by end-June. For more information, please visit gkp.hasil.gov.my.
13. In addition, application for the RM50 billion loan guarantee scheme by Danajamin, too, has opened since 1 May.

Ladies and gentlemen,

14. Next, I would like to share the progress on the measures under PRIHATIN's first goal, which is to Protect the People.
15. First, the **Bantuan Prihatin Nasional** or **BPN**.
 - a. For the first phase of BPN, a total of RM5.5 billion has been paid to 7.78 million recipients, an increase from 7.74 million recipients and total of RM5.47 billion last week. This includes those without a bank account that had received their BPN in cash through Bank Simpanan Nasional branches.
 - b. In addition, beginning 4 May, the second phase of BPN payment will be made in stages to the approved 8.3 million B40 and M40 recipients, with a cumulative total of RM3.7 billion.
 - c. As of 29 April 2020, almost 2 million new applications and appeals have been approved, entailing nearly RM1.5 billion. In line with the latest developments, it is expected that an additional allocation of at least RM1 billion will be required over the original allocation of RM10 billion. I am also pleased to announce that disbursement for new applications and successful appeals will be made beginning mid-May.
16. Second, the **EPF i-Lestari programme**. As of 3 May 2020, EPF had approved over 3.5 million applications totalling RM1.66 billion. The approved payment will be credited into the member's bank account from 4 May to 18 May.
17. Thirdly, also under EPF, is the reduction in **employee's contribution from 11% to 7%**. As at end-April 2020, the total contribution received by EPF members is estimated to be RM977 million a month. It is hoped that this amount can help improve the cashflow for EPF members in need.

18. Apart from that, **EPF will also resume some of their services at selected branches starting tomorrow, 6 May.** This is to facilitate members who need face-to-face transactions. Appointments can be made through the website www.kwsp.gov.my beginning today, 5 May.
19. Fourthly, on the **one-off payment of RM200 to IPT students** which began last week, payments have already been made to 1 million tertiary students. A total allocation of RM300 million is expected to be completely disbursed by 10 May 2020.

Ladies and gentlemen,

20. Next, I would like to share the implementation status of measures under PRIHATIN's second objective, which is "Support Business".
21. First, **SME Soft Loans Funds (*Dana Pinjaman Mudah PKS*)**.
 - a. Last week, as of 26 April 2020, a total of **RM1.5 billion** worth of facilities for 3,363 SMEs under the SME Soft Loan Funds had been approved by banks.
 - b. As of 3 May 2020, the total amount of loans received by 6,840 SMEs amounted to RM3 billion. Most of this amount is from the **Special Relief Facility (SRF)**, of which each SME can apply for up to RM1 million in financing at 3.5% profit rate, with 80% of the total funding guaranteed (by government). Alhamdulillah, the response to this facility has been very encouraging and I hope that it will be of great use to SMEs.
22. Second, **Micro-Credit Scheme**: As of 29 April 2020, out of the RM700 million micro-credit offered at 0% interest rate by BSN and TEKUN Nasional, **RM132 million** has already been approved. Of this, BSN approved RM90 million to 2,000 Micro SMEs while TEKUN approved RM42 million to 5,000 Micro SMEs. Alhamdulillah, I hope this financing scheme will continue to benefit the Micro SMEs.

23. Third, the **wage subsidy programmeme**. As of 3 May 2020, a total of RM1.9 billion of wage subsidy has been approved. This will benefit about 235,000 employers with over 1.7 million workers. This is an increase from 195,000 employers involving 1.5 million workers in last week's report.
24. Fourth, the EPF's **Employer Covid-19 Assistance Programmeme (e-CAP)**. Last week, I mentioned that applications for the e-CAP programmeme would begin on 24 April 2020. As of 1 May 2020, a total of 10,500 applications had been received by the EPF.
25. Fifth, the **Employee Retention Programme (ERP)** under **SOCSSO**. The programme aims to provide support of RM600 a month for 6 months to workers on unpaid leave. Earlier on 16 March 2020, the the Economic Action Council approved the ERP with an allocation of RM120 million. As at end April, more than 52,000 employees had applied and were subsequently approved. Accordingly, in line with the Government's aspiration to support business continuity and protect employment, and as we enter into the Conditional MCO phase, **the Government has agreed to increase the allocation of ERP by RM120 million** (making up a total of RM240 million).

Ladies and gentlemen,

26. During each sharing session of my update report, typically the focus is on figures related to the status of (the measures') implementation. However, I would like to remind all of us that the initiative goes beyond numbers; it is about the *rakyat's* lives and livelihood. It is about real people, real lives, real livelihoods.
27. Therefore, before I conclude this week's report, I want to share two short videos on how BPN has helped its recipients in their day-to-day lives:
 - a. Firstly, on a single mother, Ms Siti Hartika Shaari from Cheng, Melaka. She has utilised BPN as a capital to start a fresh food

packaging business to generate income, and now has three (3) employees.

b. The second video is on a fruit seller in Kepala Batas, Mr. Muhammad Azizi Azizan, who used BPN as additional business capital to sell and deliver fruits to his customers throughout the MCO.

28. To Ms Siti and Mr Muhammad Azizi, other BPN recipients as well as those who have re-started their businesses during the Conditional MCO, I wish you success and all the best.

29. Now, what is more important is for us to look forward. The Government has begun **drafting the short-, medium- and longer-term economic recovery plan**. To that end, I would like to take the opportunity to **invite the public and businesses to share their suggestions for the near-term measures via Kementerian Kewangan website** – www.treasury.gov.my.

30. *InshaAllah*, this economic recovery plan will be tabled by end of May. This plan is meant to ensure continuity of businesses and economic growth of the nation for the betterment of the people.

31. Before I end, allow me to share a *Malay pantun*:

*Indah sungguh jati di pahat,
Penyeri peti kamar nakhoda
Kalau negara mahu selamat
Patuhi SOP dengan setia*

32. Until we meet again next week, *wabillahitaufik walhidayyah*. *Assalamualaikum WBT*, stay safe, and best regards. Thank you.