

Appendix 2

The Prime Minister had on 5 June 2020 announced that measures under PRIHATIN Rakyat Economic Stimulus Package have saved over 2.4 million jobs, while over 10 million people received assistance to ease their cash flow burden, and over 300,000 companies supported. Under PRIHATIN, RM7 billion in financing to help SMEs was provided through BNM and financial institutions. These include the following¹:-

- Special Relief Facility (SRF);
- Agrofood Facility (AF);
- Automation and Digitalisation Facility (ADF); as well as
- Micro credit schemes.

Below are some highlights of the Prime Minister's speech on 5 June 2020:-

- ❖ Up to June 2, the Statistics Department recorded that around 12.7 million or 83.5% of the workforce has started working as compared to only 10.2 million on May 17.
- ❖ Nearly RM9 billion allocated by government to address rising unemployment, it will benefit over 3 million workers nationwide.
- ❖ Wage Subsidy Programme which allocates RM600 per worker to be extended for another three months.
- ❖ Employers who are not allowed to operate during the conditional movement control order (MCO), are allowed to apply for the wage subsidy programme.
- ❖ The government has come up with "PENJANA" (Pelan Jana Semula Ekonomi Negara to empower people, propel businesses and stimulate the economy. It has 40 initiatives worth RM35 billion, of which RM10 billion is a direct fiscal injection by the government.
- ❖ An employment subsidy programme worth RM1.5bil. Companies will get financial subsidies for giving jobs to the unemployed. An expected 300,000 people will benefit.
- ❖ There are two incentives given to companies, whereby those that employ unemployed Malaysians under 40 will get RM800 per worker and firms that employ those 40 years and above or persons with disabilities (OKU) will get RM1,000. The incentives will be given for six months.
- ❖ RM10 million allocated to the Malaysian Global Innovation and Creativity Centre (MaGIC) to fund social enterprises for social projects to address issues faced by vulnerable groups.
- ❖ PENJANA Nasional fund worth RM600 million to drive the process of digitalisation of businesses and innovation. A matching fund will be matched by local and international investors.
- ❖ RM75 million allocated to draft policies related to the so-called gig economy.
- ❖ RM50 million matching grant for gig economy workers' EPF and Socso contribution.
- ❖ Additional RM50mil to the Malaysian Investment Development Authority (Mida) for promotional and marketing activities.
- ❖ Banking sector allocates RM2bil to assists SMEs, where applications begin mid-June, with a threshold of RM500,000 per SME.
- ❖ RM1 billion for the tourism industry under Penjana Tourism Funding to ensure that the country's tourism industry can still be competitive in the new normal.

Additionally, the Ministry of Tourism, Arts and Culture (MoTAC) had on 30 July 2020 announced the PENJANA Tourism Financing (PTF) Scheme to aid the tourism sector. According to the ABM's press release dated 6 August 2020, the PTF which is offered by 12 participating banks in Malaysia, is aimed at supporting Malaysian micro, small and medium enterprises (MSMEs) in the tourism sector by preserving their capacity and assisting them to adjust and remain viable post COVID-19, can be utilised for working capital and capital expenditure to enhance their business models and deploy new practices². Minister of

MOTAC, Datuk Seri Nancy Shukri has urged tourism players to apply for the PTF worth RM1 billion to remain competitive in the new normal during the COVID-19 pandemic³.

As of 3 November 2020, a total of RM9.86 million people have benefited from RM4.5 billion channelled under the Bantuan Prihatin Nasional (BPN) 2.0, which includes 7 million from the B40 group and 2.86 million recipients from the M40 group⁴.

On 9 December 2020, Finance Minister said that various government agencies will continue to provide soft loans and grants, including through Budget 2021, to ensure that small and medium enterprises (SMEs) receive support, operate smoothly and grow. The government hopes that all this support will enable the SMEs to compete in the medium and long terms. Tengku Zafrul highlighted that about 1.4 million SMEs and micro-SMEs have already benefitted from the various assistance amounting to over RM24 billion under the stimulus packages⁵.

For the SME Soft Loans Funds administered by BNM (35th LAKSANA report dated 25 December 2020), the total approved applications by local banks and accepted by SMEs is RM11.29 billion, which will benefit 24,012 SMEs; amount includes SRF (which has been fully utilized by 21,000 SMEs and has helped save over 400,000 jobs⁶), ADF, All-Economic Sector Facility and AF funds⁷.

¹ <https://www.thestar.com.my/news/nation/2020/06/05/pm-unveils-short-term-recovery-plan-to-boost-economy>

² <https://www.abm.org.my/media-room/press-releases/item/336-joint-press-release-by-abm-adfim-and-aibim-penjana-tourism-financing-for-smes-and-micro-enterprises-open-for-application-at-participating-banks>

³ <https://pre2020.treasury.gov.my/flipbook/laksana15/>

⁴ <https://pre2020.treasury.gov.my/pdf/Teks-Ucapan-Laporan-LAKSANA-PRIHATIN-28.pdf>

⁵ <https://themalaysianreserve.com/2020/12/10/tengku-zafrul-loans-grants-for-smes-to-continue/>

⁶ <https://pre2020.treasury.gov.my/pdf/Teks-Ucapan-Laporan-LAKSANA-PRIHATIN-19.pdf>

⁷ <https://pre2020.treasury.gov.my/>