



SPEECH

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

6th LAKSANA REPORT IMPLEMENTATION OF THE PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGE (PRIHATIN)

19 May 2020

1. Assalamualaikum WBT dan Salam Hormat. Welcome everyone and thank you for joining me today for the 6th Laksana Report.
2. The video featured earlier was about Jasa Fitri Zulkefli, a 25-year-old BPN recipient from Ampang. Due to the MCO, he lost his job as an event organiser. As one of the recipients of BPN under the single adult category, he used the cash assistance to cover his siblings' and his expenses. I am heartened to note how BPN has helped Fitri and his family; this is what the assistance is all about – to help the people and ease their burdens.
3. Over the last 6 weeks, I have shared the PRIHATIN Economic Stimulus Package's implementation progress. I hope this approach -- and the Government's openness -- has instilled confidence in the public on our undivided commitment to protect the Rakyat, support businesses, and strengthen the economy.
4. I am aware that there have been implementation challenges along the way and I humbly acknowledge feedback from the public on any shortcomings. The Government prioritises the implementation of all measures under the PRIHATIN Package as they directly impact people's lives and livelihoods, as well as the viability of businesses. All efforts to restart and regenerate the economy are closely linked to the success of the PRIHATIN Package, and ensuring its success is a continuous endeavour.

Ladies and gentlemen,

5. Allow me to share the implementation status of the PRIHATIN Package this week.
6. We start with the measures under the first goal of PRIHATIN, which is “Protecting the Rakyat”.
7. **First, Bantuan Prihatin Nasional or BPN.**
 - a. Up to 17 May, for BPN Phase 1, a total of 7.84 million recipients have received their BPN payments amounting to RM5.54 billion – these include payments to recipients without bank accounts or those with “credit failure” status (i.e., the aid could not be credited into their bank accounts for various reasons). As previously informed, BPN cash payments for these recipients can be claimed at BSN branches until 31 December 2020. The overall implementation status for Phase 1 is still at 96%, similar to the last week.
 - b. As for Phase 2, a total of 7.61 million recipients have received their BPN payment amounting to RM3.41 billion. This is a 93% disbursement rate of the allocation under Phase 2. Initially, we had planned to complete all Phase 2 payments by the end of this week but due some technical issues, the disbursements will continue until 22 May.

BPN Phase 1 and Phase 2				
	Phase 1 Recipients (6 -15 April)	Total payment	Phase 2 Recipients (4 - 22 May)	Total Recipients
M40 Individuals	0.43	RM0.11 billion	0.43	RM0.11 billion
M40 Households	0.72	RM0.36 billion	0.72	RM0.36 billion
B40 Individuals	3.24	RM1.624 billion	3.09	RM0.93 billion
B40 Households	3.45	RM3.446 billion	3.34	RM2.01 billion
Total	7.84	RM5.54 billion	7.61	RM3.41 billion

- c. From 15 May 2020, the BPN was disbursed to 2.3 million recipients deemed eligible from new applications and appeals. To date, 830,000 recipients have received the BPN assistance amounting to RM620 million.
- d. As per last week’s announcement, with the appeal period extended, LHDN is currently processing and evaluating these applications. Applicants are reminded to submit their application as soon as possible by the closing date of 31 May 2020.
- e. I would like to take this opportunity to express my gratitude to the officers at the Ministry of Finance, LHDN, and BSN for fulfilling their duty to the Rakyat with

utmost dedication. For almost 2 consecutive months, these officers have been working tirelessly to ensure that the BPN is executed as best as possible.

- f. Last week, I came across a news item on a couple who had to close their restaurant during MCO. Due to their cashflow constraint, they used their BPN aid as capital to start a new business: packed marinated lamb. From initial orders of 5kgs per day, they are currently processing around 55kgs of orders per day. Intrigued by their entrepreneurship, I had the opportunity to video-call Encik Rosnizam Ishak who is based in Bertam, Penang, to learn more about his experience.
 - g. Congratulations to Rosnizam and wife, Roazian Md Noor. May you be blessed with more success in the future.
7. Second, **EPF i-Lestari**. As of 17 May, **4.4 million applications** had been received, and **3.9 million approved**, which is an increase from 3.7 million from last week. This amounts to **RM1.83 billion** in payments per month.

i-Lestari	Total approved* (RM billion)	Applications Approved* (million)
17 May	1.83	3.9
10 May	1.76	3.7
3 May	1.66	3.5
26 April	1.57	3.3
19 April	0.70	1.5
12 April	0.57	1.17

*Cumulative figure

8. Third, on the **reduction of employees EPF contribution from 11% to 7%**, the estimated reduction amount that will be received by EPF contributors for May is approximately **RM923.5 million**. The Government notes that there an increased number of employees that have chosen to maintain their contribution at 11%. This amounts to 1.5 million or 20% of EPF contributors up to 17 May, in comparison to 1.2 million contributors last April.
9. Fourth, **electricity bill discount**. As of 17 May, Tenaga Nasional Berhad customers had benefited from discounts amounting to **RM288 million**, with over 67% (of the discount) benefitting households, and the rest by industries. A large amount of the discounts has indeed benefited the *Rakyat* by reducing their monthly electricity bill, especially during the MCO and CMCO.
10. Fifth, on the **special allowance for the Frontliners**, the Government has made the first month's payment totalling **RM62 million** out of the allocated amount of **RM500 million**. On this note, I have received feedback on difficulties faced by frontliners in applying for the special allowance due to documentation and bureaucratic hurdles. The Ministry of

Finance is working with related agencies to facilitate the process. Rest assured, the Government will ensure that the allowance will be received by eligible frontliners.

11. Sixth, under the Economic Stimulus Package 2020 (PRE2020), a **one-off payment of RM600** was announced for tour guides to ease their burden. The process to identify and verify tour guides took a bit of time and I thank the Ministry of Tourism, Arts and Culture (MOTAC) for their efforts. Thank you to the tour guides for their patience. I am glad to share that the said **payment will be made to 8,000 tour guides starting 20 May 2020.**

Dear ladies and gentlemen,

12. Next, I would like to share the status of implementation under the **second goal of PRIHATIN, “Supporting Businesses”**.
13. First, on **Wage Subsidy**, up to 17 May, **RM2.24 billion** had been approved for **267,752 employers** benefiting **2 million employees**. This represents an increased number of approvals which amounted to RM140 million for 100,000 employees, in comparison to last week.

Wage Subsidy Allocation: RM13.8 billion	Approved amount* (RM billion)	No of Employers*	No of Employees* (million)
17 May	2.24	267,752	2.0
10 May	2.10	258,165	1.9
3 May	1.90	235,000	1.7
26 April	1.35	195,000	1.5
19 April	1.20	159,000	1.0

*Cumulative figure

14. The Government is delighted that the Wage Subsidy program has helped many employers as well as retain jobs. Additionally, with the CMCO, hopefully the reopening of more sectors will allow businesses to focus on efforts to increase their revenue.
15. However, the Government realised that many of the Rakyat are still very cautious to spend during the CMCO. The Government would like to encourage the Rakyat to continue supporting the economy. We must ensure a balance between protecting public health and restarting the economy. Based on what we have seen during the CMCO, the Rakyat and businesses have dutifully followed SOPs at shopping malls and other commercial establishments. Well done, Malaysians – do continue to cooperate. The power to win this war is in our hands.
16. Here’s another important reminder: the pandemic will not end soon, and no country can afford to have an economic lockdown forever. This is why the Malaysian Government has chosen to empower businesses and individuals to also play their part in restarting the economy. However, businesses and the Rakyat must continue to exercise their

discretion and good judgment in doing what is right for their health, and in turn, for the country's economy.

17. **Second**, the **Employee Retention Program (ERP)** that aims to retain jobs and support businesses. Two weeks ago, I announced that the Government had approved an additional allocation of RM120 million, making up a cumulative allocation of RM240 million. As such, I am happy to announce that up to 17 May, (the ERP) for 128,000 employees had been approved, an increase from 52,000 from end-April.
18. **Third**, EPF's Covid-19 Assistance Program (e-CAP) for Employers. Up to 17 May, 20,771 applications had been received and 3,168 approved, which amounts to RM20.6 million in terms of employer's contribution, in comparison to RM13.4 million last week. I would like to stress that this programme is a postponement and restructuring of contributions to facilitate businesses' cashflow. From a legal standpoint, these contributions must still be paid when the economy has stabilised.

EPF's Covid-19 Assistance Programme (e-CAP)	No of applications received*	No of applications approved*	Amount approved* (RM million)
17 May	20,771	3,168	20.6
10 May	13,690	2,032	13.4

*Cumulative figure

19. **Fourth**, the SME Soft Loan Funds under Bank Negara Malaysia (BNM)'s supervision. Up to 17 May, total financing amounting to RM5.8 billion had been approved by local banks and officially accepted by 14,075 SMEs. This amount includes funds from the Special Relief Facility, Agrofund, and Takaful Insurance for COVID-19 testing.

SME Soft Loans Fund: RM6.3 billion	Amount approved and accepted* (RM billion)	No of SMEs*
17 May	5.8	14,075
10 May	4.7	11,975
3 May	3.0	6,840
26 April	1.5	3,636

*Cumulative value

20. At this juncture, I would like to clarify on the status of SRF: its initial allocation was RM5 billion. Demand for the SRF was highly encouraging and the initial allocation of RM5 billion was quickly utilized. In fact, as announced by BNM last week, more than 20,000 applications amounting to approximately RM10 billion had been approved by financial institutions offering the SRF.

Translation

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21. Given this overwhelming response, **BNM had increased the allocation by a further RM5 billion** to accommodate the number of approved applications. Out of this approved amount, **RM5.75 billion had been approved for and officially accepted by 13,908 SMEs**, while the remaining applications, amounting to RM4.25 billion are still in the post-approval process, which includes requests for (loan) guarantee and official acceptance by applicants.
22. **Fifth, the Prihatin Special Grant (Geran Khas Prihatin) for micro SMEs. The closing date for this was 15 May i.e., last Friday.** The Government is currently processing **642,979 applications**. Assuming all applications were approved, this would cost about **RM1.93 billion**.
23. **Sixth, on the Micro Credit Scheme with 0% interest or profit, with a total allocation of RM700 million:**
- a. This week, under the BSN micro credit scheme, 3,537 applications have been approved, worth RM145 million.
 - b. For the Tekun programme, 12,104 SMEs' applications had been approved, totalling RM101 million.
 - c. I hope this credit scheme will be properly utilised by the Micro SMEs.

Micro Credit Scheme Allocation: RM700 million at 0%	BSN Micro Credit		Tekun	
	No of approved SMEs*	Amount* (RM million)	No of approved SMEs*	Amount* (RM million)
17 May	3,537	145	12,104	101
10 May	2,626	114	8,562	72
3 May	2,026	90	4,981	42
26 April	1,703	76	1,769	15

*Cumulative figure

24. The seventh item is the **Small Scale Government Project**: the list of projects finalised this week amounted to RM3.2 billion, compared to RM2.4 billion last week.

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Ladies and gentlemen,

25. The Government will continue to monitor developments and feedback from various stakeholders. Rest assured, we are doing our best to support the people and businesses. For the time being, the Government is in the process of obtaining feedback to craft short- and medium- term economic recovery plans which will be presented soon.
26. To all Muslims, this year's *Hari Raya* celebration will certainly be different, due to the unprecedented situation we are facing. Some of us might feel that the Raya spirit is less festive because we are unable to meet or *salam* our parents or families. Come to think about it, many of us took for granted that 1 Syawal will always be celebrated in a peaceful and festive manner.
27. Nevertheless, amid this year's festive preparations in moderation, there might be hidden blessings and some deeper message to reflect on. More importantly, let us be grateful that the Covid-19 pandemic is under control in Malaysia, and be thankful for all that we have and can appreciate at present.
28. Before I conclude this week's speech, allow me to share the following *pantun*:

*Anak Pak Nazri berlari-lari,
Sambil berlari memakan roti
WhatsApp dikirim pengganti diri
Memohon maaf seikhlas hati.*

*Cantik sungguh si rama-rama,
Hinggap seekor atas bendera,
Satu syawal menjelang tiba,
Jangan berziarah, video call aje!*

29. To all Muslims, *Selamat Hari Raya*, Maaf Zahir Batin and to our non-Muslim friends, happy holidays.
30. Until we meet again, wabillahitaufik walhidayyah, Assalamualaikum WBT, stay safe, and *salam hormat*. Stay strong, stay united, InsyaAllah, *kita pasti menang!*