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SPEECH TEXT STRATEGIC PROGRAMS TO EMPOWER THE PEOPLE AND ADDITIONAL ECONOMY (PEMERKASA+)

BY:
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MINISTER OF MALAYSIA
31 MAY 2021 (MONDAY), EQUIVALENT TO 19 SYAWAL 1442H

INTRODUCTION

Bismillahirrahmanirrahim,
Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera,

Brothers and sisters, my dear Malaysians,

1. As already announced, the Government will implement a tighter Movement Control Order or total lockdown for a period of two weeks starting tomorrow 1 June to 14 June 2021. All social and economic sectors are closed except sectors categorized as essential economic and service sectors.
2. This action was taken after the increasing trend of COVID-19 cases showed a very sharp increase with high mortality cases each day. If drastic action is not taken at an immediate rate, the health system in our country will collapse and we will face a greater catastrophe.
3. As I have pointed out before, the closure of economy sectors will have a tremendous impact on the national economy and people's lives. I want to be frank that the government has very limited fiscal space to spend at the moment.
4. But on the basis of concern for the welfare of the people, the Government will produce every effort to ensure there is a balance between lives and livelihood which is the need to protect lives, and ensure the well-being of the people including the opportunity for brothers and sisters to earn a living for their loved ones throughout the period of this MCO.

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5. Since COVID-19 hit the country, the Government has already implemented various economic assistance and stimulus packages amounting to 340 billion ringgit. So far, it has benefited by more than 20 million household members as well as more than 2 million businesses with economic injections of more than 200 billion ringgit. Thus, there are more than 100 billion dollars from the value of the stimulus package to be channeled throughout the year. In addition, the package is complemented by the 2021 Budget initiative amounting to 322.5 billion ringgit

6. With the fiscal injections and measures that have been announced, we can see the economy is recovering, illustrating the positive results and impact to continue to increase economic growth, supporting businesses and providing assistance to the people and the affected economic sectors. GDP growth in March of this year has jumped by 6.0%, the highest value since the COVID-19 pandemic hit the country.

STRATEGIC PROGRAMS TO EMPOWER THE PEOPLE AND ADDITIONAL ECONOMY (PEMERKASA+)

My dear brothers and sisters,

7. So as promised, today I want to announce the assistance program of PEMERKASA Plus as the latest initiative of the Government to help alleviate the challenges faced, especially in the aftermath implementation of current MCO.

8. The total value of the PEMERKASA Plus program is 40 billion ringgit, of which the Government's direct fiscal injection is 5 billion ringgit. New steps of PEMERKASA Plus will be implemented based on 3 main goals such as the following:

First: Enhancing Public Health Capacity;

Second: Continuing the People's Prihatin Agenda; and

Third: Support Business Continuity

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FIRST GOAL: INCREASING PUBLIC HEALTH CAPACITY

Ladies and gentlemen,

9. The Government ensures that public health capacity is always given priority. As I said earlier, we will move to the phases of MCO in stages based on the risk assessment by the Ministry of Health Malaysia (MOH) taking into account, among others, the number of COVID cases as well as the use of hospital and ICU capacity.

10. Accordingly, the Government has agreed to increase the allocation of 1 billion ringgit to increase capacity and to strengthen public health. The increase in this allocation is the Government's commitment to ensure that the health system does not collapse and operate effectively. Therefore, the following steps will be noted:

First: To allocate 450 million ringgit to increase the capacity of ICU beds and equipment for COVID-19 treatment, not only in MOH supervised hospitals but also in Public University Teaching Hospitals such as UiTM, UPM and UKM as well as through ATM field hospitals such as in Sabah and Sarawak. In addition, outsourcing will also be implemented to private hospitals. This amount includes 200 million ringgit announced by the Honorable Minister of Finance on 22 May recently;

Second: To allocate 550 million ringgit to cover the expenses related to COVID-19 of various agencies, including increased operating and management costs in dealing with the COVID health crisis, including medicines, reagents for screening and appointment of officers on a contract basis. This also includes the cost of operating the COVID-19 Quarantine and Treatment Center or PKRC at MAEPS and at the state level; and

Third: To extend the service period of more than 14,000 existing contract medical officers and nurses until 2022. In addition, the government will also re-appoint more than 500 health workers who will retire compulsorily this year on a contract basis.

11. I have also instructed the Honorable Minister of MOSTI to expedite the administration of vaccines through the National COVID-19 Immunization Program or PICK. I was informed, the dose administration in May had already reached an average of 80,000 doses a day.

12. *Insha-Allah*, by the end of June, we will be able to achieve the target of 150,000 doses a day through the increase in receipt of vaccine from manufacturing companies, the addition of vaccination centers, the introduction of drive-by delivery methods and the addition of volunteers. Based on projections, the overall implementation of PICK is targeted to be completed by December 2021 with high population density states such as Selangor, Kuala Lumpur, Johor and Penang by October.

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13. I appeal, that the people who have obtained vaccination orders to attend any of the designated vaccination centers. It is our shared responsibility to ensure the country achieves cluster immunity by the end of this year.

14. I also hear the complaints from the people, especially the elderly and those who live far away who have difficulty attending PPV. Therefore, I have directed that Government assets such as buses, vans and pool vehicles be mobilized for this purpose. I very much welcome the cooperation of the private sector, NGOs and civil society organizations to also intensify this effort.

SECOND GOAL: CONTINUING THE PEOPLE'S CARING AGENDA

My dear brothers and sisters,

15. For the Second Goal, the Government will continue to prioritize the people's concern agenda. This is mainly to ensure the well-being and survival of the vulnerable and workers who depend on daily wages can continue to be assisted. Undoubtedly, they are among the most affected following the enforcement of the PKP.

16. Accordingly, the Government agrees to allocate 2.1 billion ringgit to increase the rate of the Bantuan Prihatin Rakyat or BPR program. For the category of households earning below 2,500 ringgit, they will receive an additional BPR rate of 500 ringgit and households earning between 2,501 to 5,000, will receive a rate of 300 ringgit. Singles will receive 100 ringgit.

17. This additional BPR will be credited to the recipient's account at the end of June. This payment is in addition to the last payment phase of the BPR in September of 2.4 billion ringgit.

18. Next, I also listened to the people's request for the Government to reconsider the granting of the moratorium.

19. Accordingly, as a result of discussions with Bank Negara Malaysia (BNM), the banking industry has given full assurance and commitment to continue to provide loan repayment assistance and moratorium. Therefore, for all B40 groups and people affected by job loss as well as micro-enterprises and SMEs that are not allowed to operate during the MCO period, you are given the option to obtain a moratorium approval automatically for 3 months or can choose to get a reduction in repayment in installments of 50% for a period of 6 months.

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20. This initiative will be implemented immediately in June which is expected to benefit more than 5 million borrowers with a value of up to 30 billion ringgit. *Insha-Allah*, the banking industry will provide more detailed information on this matter starting tomorrow. I hope, the announcement of this automatic moratorium can give some relief to borrowers of banking institutions. Borrowers only need to contact their respective banks to benefit from this assistance.

21. The Government will also launch the Bus and Taxi Hire Purchase Rehabilitation Scheme this week with an allocation of 1 billion ringgit. Through this scheme, eligible bus and taxi operators can get a loan moratorium of up to 12 months and extend the loan period of up to 36 months.

22. I recommend that Government agencies and companies offer deferred loan repayments as well as rental discounts for business premises. MARA will continue the MARA PRIHATIN Peace of Mind program which is open until 31 July 2021. Borrowers can apply online to reschedule student loan repayments or moratoriums. For MARA entrepreneurs affected by the economic downturn, a 30% discount on the rental of business premises will be given for the month of May to July 2021.

23. Next is job related matters. Undoubtedly, the implementation of MCO 3.0 will affect a large number of people, especially the risk of job loss and reduced income due to the closure of most sectors of the economy.

24. Therefore, the Government agreed to extend the Wage Subsidy Program under SOCSO(PERKESO) for 1 month for all affected economic sectors at a cost of 1.5 billion ringgit with a limit of 500 employees per application, borne by the Government. It is expected that 2.5 million employees and more than 200,000 employers will benefit.

25. In addition, employers registered with Pembangunan Sumber Manusia Berhad will be given a levy payment exemption for one month in June 2021. At the same time, employees can also improve their knowledge and skills through the free e-LATiH learning portal involving over 400 modules and skills courses.

THIRD GOAL: SUPPORTING BUSINESS SUSTAINABILITY

My dear brothers and sisters,

26. Further to the Third Goal, the Government will continue to assist to ensure the viability of business, especially to SMEs in managing their cash flow. One of the initiatives that has been introduced by the Government is through the provision of *Geran Khas Prihatin* or GKP. In this regard, we are pleased to announce that the GKP rate will be increased by 500 ringgit to 1,500 ringgit. This meaning, almost 1 million SMEs and micro -enterprises will receive 1,000 ringgit in mid -June and another 500 ringgit will be disbursed in July.

27. I would also like to emphasize that, based on the latest SOP announced, the Government still allows the sale and purchase operations of small traders, street hawkers and including micro enterprises. Therefore, if traders want to obtain micro credit financing as working capital, a total of 1.5 billion ringgit is provided for the whole year by BSN, TEKUN, MARA, SME Corp. and YAPEIM with a financing rate as low as 3%.

28. In addition, to assist the cash flow of companies and SMEs, banking institutions will continue to offer financing and loan facilities. Banking institution funds have been further strengthened through various BNM -financed SME soft loan facilities with the remaining RM5 billion. To further support SMEs, BNM will add 2 billion ringgit of Targeted Assistance and Rehabilitation Facilities for affected SMEs. Thus, the total loan funds for SMEs with loan rates as low as 3.5% still available is 7 billion ringgit.

29. Apart from that, it is undeniable that during this MCO period, it also affects taxi drivers, rental cars and school buses. To reduce their burden, the Government has agreed to provide one-off Special Assistance of 500 ringgit to 17,000 tourist guides, 40,000 taxi drivers, 11,000 school bus drivers, 4,000 sightseeing buses and 62,000 rental car and e-hailing drivers. This assistance amounting to RM68 million will be channeled to registered recipients in July.

30. In addition, as one of the efforts to reduce the business burden, the Inland Revenue Board will consider appeals for the imposition of penalties and defer payment of penalties to 2022 as well as provide rescheduling of outstanding tax payments for taxpayers and affected businesses.

31. The Companies Commission of Malaysia (SSM) also agreed to reintroduce extensions for the submission of financial statements, the implementation of annual meetings for public companies listed on Bursa Malaysia and a moratorium on fines for late submission of statutory documents. SSM will also waive late fees for renewing business licenses until 31 December 2021 for micro SMEs as well as sole proprietorship and partnership businesses.

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32. In addition, the Interim Measures to Reduce the Impact of Disease Act COVID-19 or Act 829 will be improved to assist affected individuals and businesses. Coverage related to inability to perform contractual obligations will be extended with effect from 31 December 2021. In this regard, the Government provides free mediation services through the COVID Mediation Center to all individuals or businesses regardless of background.

33. Next, the Government will extend electricity bill discounts to the affected sectors. Accordingly, hotel operators, travel and tourism agencies, shopping premises and complexes, convention centers, theme parks and local airline offices are eligible to receive a 10% electricity bill discount for an additional 3 months between July and September 2021.

34. The Government has also agreed to give a special deduction to owners of buildings and business spaces who offer a reduction in the rent of business premises to SMEs and non-SMEs for another 6 months until 31 December 2021 for a reduction in rent of at least 30% of the current rental rate.

In addition, the extension until 31 December 2021 for tourism tax and service tax exemption on accommodation provided by hotel operators is still ongoing.

35. During the presentation of the PENJANA package in June 2020, the Government announced the stamp duty exemption of the Home Ownership Campaign or HOC which will end today, 31 May. We are pleased to announce that the Government has agreed to extend the HOC stamp duty exemption until 31 December 2021.

36. The Government has also agreed to extend the sales tax exemption on imported CKD and CBU passenger vehicles previously announced under the PENJANA initiative from 1 July 2021 to 31 December 2021.

Dear brothers and sisters,

37. I would like to emphasize once again, apart from the initiatives announced tonight, there are still various stimulus package programs worth more than 100 billion ringgit that are still under implementation. In terms of direct expenditure from the Government, the COVID-19 Fund has been approved with a ceiling of 65 billion ringgit. A total of 38 billion ringgit has been spent in 2020 and until April 2021, another 10 billion ringgit has been channeled. The remaining 17 billion ringgit will be spent in the near future. Among these initiatives and programs include:

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First: BPR Phase 2 which was just implemented in early May last year with an allocation of 2.7 billion ringgit which has been channeled to 8.4 million recipients with Phase 3 payments worth 2.4 billion ringgit scheduled for September;

Second: Wage subsidy programs, employment incentives as well as training programs to help secure existing jobs as well as encourage the provision of new jobs with a target of 500,000 for this year;

Third: The implementation of small projects with an allocation of more than 2 billion ringgit to be spent utilizing class G1 to G4 contractors for the repair of infrastructure and public facilities;

Fourth: The Program Jaringan Prihatin worth 2 billion ringgit which was also launched in early May to help 8.4 million BPR recipients to subscribe to telecommunication services or obtain mobile phone devices; and

Fifth: The e-Belia Program (e-Youth Program) which will open for registration starting tomorrow, June 1, 2021 to enable 2 million youths and eligible IPT students to obtain credit worth 150 ringgit from e-cash service providers.

CLOSING

Dear brothers and sisters,

38. This is one of the Government's efforts to continue the people's concern agenda and the Government's commitment in managing the current crisis. I am very appreciative and thankful to all parties who have remained steadfast with the Government regardless of friends or opponents in facing this situation that we never expected.

39. In achieving this goal, the Government will continue to prioritize a whole-of-government and whole-of-society approach in combating the COVID-19 pandemic. This refers to efforts to optimize the entire health workforce and the role of front liners acting in the field as well as the role of all Malaysians who also help to break the COVID-19 chain.

40. In closing to this PEMERKASA+ initiative, as practiced during the first MCO last year, I would like to inform the support of the Minister and Deputy Ministers by not taking salaries for 3 months from June 2021. These unpaid salaries will be contributed to the *Akaun Amanah Bencana* /Disaster Trust Account as financing COVID-19 related expenses.

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My dear brothers and sisters,

41. The decision to implement this lockdown was a difficult one but had to be made. Whether this lockdown will be successful or not is all up to the brothers and sisters. The government has shut down almost all economic and social sectors to reduce the movement of people and break the chain of COVID-19 infection.

42. Brothers and sisters are required to sit at home - stay at home - I repeat stay at home - and always abide by the SOP. If you fail to obey this command, then we will all fail, *na'uzubillah*.

43. To the front liners, persevere. I know you are all tired of fighting this virus for over a year now. I would like to reiterate the infinite royal appreciation for all the services and sacrifices of our front liners across the country. I pray that you all continue to be given strength by Allah s.w.t. to weather these enormous challenges and trials.

44. I also pray that all patients who are fighting against COVID-19 are given immediate healing, *Amin ya rabbal alamin*. It is with great sadness that I extend my condolences to the entire family members of the COVID-19 victims who have passed away. I hope you all persevere in the face of this very difficult trial.

45. Let us together pray to Allah s.w.t. hopefully the epidemic that is plaguing our country and the rest of the world at this time will soon end.

Wabillahi al-taufik walhidayah wassalamu'alaikum wa rahmatullahi wa.

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