



SPEECH BY
YAB TAN SRI DATO' HAJI MUHYIDDIN BIN HAJI MOHD YASSIN
PRIME MINISTER OF MALAYSIA

PRIHATIN RAKYAT ECONOMIC STIMULUS PACKAGE
(PRIHATIN)

Bismillahirrahmannirrahim,

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera,

My beloved fellow Malaysians,

How are you all today?

As promised, I will announce the PRIHATIN Rakyat Economic Stimulus Package worth RM250 billion which will benefit everyone.

Of this, almost RM128 billion will be channelled to preserve rakyat's welfare, RM100 billion to support businesses, including SMEs and RM2 billion to strengthen the economy. Meanwhile, RM20 billion has been announced in the earlier stimulus package.

The PRIHATIN package will provide immediate assistance to ease the burden faced by all of you. Whether you are a fisherman in Kukup, Johor or small farmer in Jeli, Kelantan. A chalet operator in Cherating or a trishaw operator in Malacca, a night market trader in Kuala Lumpur or market trader in Pasar Tamu, Kundasang, all of you will enjoy the benefit from this stimulus package which cares for the rakyat. As I have mentioned earlier, no one will be left behind.

The Government's immediate priority now is to curb the spread of the COVID-19 outbreak. For this, I have announced an allocation of RM500 million to the Ministry of Health (MOH). To further enhance MOH's capabilities, the Government will allocate an additional RM1 billion to purchase equipment and services to contain COVID-19, which include obtaining medical expertise from private healthcare services.

In addition, in support of MOH's efforts to conduct more COVID-19 tests, the insurance and takaful industry will create a special fund of RM8 million to cover the costs incurred for screening of up to RM300 per policy holder and takaful medical certificate to undergo the test at private hospitals or laboratories, as instructed by MOH. Meanwhile,

family takaful and insurance companies will offer a 3-month suspension on premiums by contributors whose source of income is affected by the pandemic.

In the previous package, the Government provided special allowances to doctors, nurses and medical staffs involved directly in curbing and preventing the outbreak. I am aware that in this difficult situation, our healthcare staff are working tirelessly under stress and enormous pressure. Nevertheless, they continue to battle against this great challenge.

Recognising their sacrifices, the Government will increase the special allowance from RM400 to RM600 per month effective 1 April 2020 until the outbreak ends. At the same time, the Government also agrees to extend a special allowance of RM200 a month to military, police, customs, civil defence and RELA members who are directly involved in enforcing the MCO. This allowance will also be paid beginning 1 April 2020 until the COVID-19 outbreak ends. About 169,000 additional front liners are expected to benefit from this initiative.

I understand during this calamity that we are experiencing now, most of you are financially affected. To ease your burden, the Government will provide the Bantuan Prihatin Nasional, a one-off cash assistance with an allocation of RM10 billion and for the first time will also be channelled to the M40 group. This includes the employees in the private sector, FELDA settlers, farmers, fishermen, small traders and those categorised in the M40 group and below.

The payments include:

- **First:** RM1,600 to nearly 4 million households earning less than RM4,000 a month. Payment of RM1,000 will be made in April 2020 and the remaining in May 2020.
- **Second:** RM1,000 to nearly 1.1 million households earning between RM4,000 and RM8,000 a month with RM500 paid in April 2020 while the balance in May 2020.

- **Third:** RM800 to 3 million single individuals aged 21 and above, earning less than RM2,000 a month. Payment of RM500 will be made in April 2020 and the remaining RM300 in May 2020.
- **Fourth:** RM500 to 400,000 single individuals aged 21 years and above, earning between RM2,000 and RM4,000 per month. The payment of RM250 will be made in April 2020 while the balance in May 2020.

In the meantime, the remaining cash transfer under the current Bantuan Sara Hidup (BSH) programme totalling RM3.2 billion will be paid out in July 2020.

I am also mindful of students at the institutions of higher learning. You will also receive a one-off cash assistance of RM200 per person which will be disbursed in May 2020. The assistance involves an allocation of RM270 million to students at various levels of tertiary education, including matriculation and community colleges, polytechnics as well as public and private higher learning institutions.

It is the same for the vulnerable groups such as the elderly and children in shelters, the disabled, the homeless and *orang asal*. The Government will work together with NGOs and relevant social entrepreneurs to provide food assistance, healthcare and shelter with a total allocation of RM25 million.

The Government has previously agreed to defer the PTPTN loan repayment for all borrowers for 6 months. This initiative involves a sum of RM750 million. Similarly, the Government agrees to defer loan repayment of Skills Development Fund Corporation (PTPK) borrowers for the same period beginning 1 April 2020 to 30 September 2020. With an estimated collection amounting to RM149.2 million, this initiative will benefit 174,500 borrowers.

Currently, under *mySalam* hospitalised patients, including those infected with COVID-19 can claim income replacement fee of RM50 per day for a maximum of 14 days. I am pleased to inform that the Government agrees to extend this benefit to the quarantined B40 patients under investigation (PUI).

I am aware that there are some of you who invest in the Private Retirement Scheme (PRS). In this challenging time, you would definitely need cash regardless of the source of savings for daily expenses. Accordingly, the Government allows pre-retirement withdrawals from account B up to RM1,500 per member without any tax penalties between April and December 2020.

I am also concerned about the hardships faced by the urban B40 group, especially those who are living in the Projek Perumahan Rakyat (PPR) and Perumahan Awam. In this regard, the Government previously announced a one-month rental exemption for the PPR which is now extended to 6 months with a cost of RM3 million borne by the Government.

This initiative involves 3,636 units of PPR homes for rental or transit under the Ministry of Housing and Local Government (KPKT). Meanwhile, for the rent-to-own (RTO) units, a 6-month moratorium is provided effective April 2020, totalling RM5.7 million, involving 4,649 RTO units.

As for Public Housing, the Kuala Lumpur City Hall will provide similar exemption which will benefit more than 40,000 tenants. Towards this end, I urge other state governments and local authorities to provide the same exemption to ease the burden of their urban populace.

The Government has also approved a 6-month lease exemption on all premises owned by the Federal Government such as school canteens, nurseries, cafeterias, convenience stores and others. This includes all premises owned by agencies and statutory bodies of the Federal Government. Again, I urge all the state governments, local authorities and the GLCs to grant similar exemptions.

In the previous announcement, the Government allocated RM500 million to provide a 15% discount on electricity bill in the tourism sector as well as 2% for commercial, industrial, agricultural and household sectors in Peninsular Malaysia beginning 1 April 2020. In addition, the Government together with Tenaga Nasional Berhad will increase the allocation to RM530 million to introduce a tiered-discount with rates ranging

between 15% and 50% according to electricity usage with a maximum limit of 600 kilowatt per month. The 50% discount will be given to electricity consumption below 200 kilowatts; 25% for electricity consumption between 201 – 300 kilowatts; and 15% for 301 – 600 kilowatts. This discount will be valid for 6 months beginning with bills charged for the month of April 2020. Meanwhile, the 2% discount announced previously will be still applicable to all households.

For the telecommunications and multimedia industries, several special packages will be offered in collaboration with the telecommunication companies. Among others include free internet to all customers with a value of RM600 million starting 1 April 2020 until the MCO ends. Furthermore, an additional sum of RM400 million will be invested to widen the network coverage and capacity, maintaining stable, high quality and availability of telecommunication services.

The welfare of all civil servants who remain loyal to the nation in carrying out their responsibilities are also not being neglected. Recognising their contribution, the Government will provide a one-off cash assistance of RM500 to more than 1.5 million civil servants of grade 56 and below, including contract workers. The payment will be made in April 2020. Meanwhile, more than 850,000 government pensioners will be given a one-off RM500 assistance in April 2020.

During this critical period, it is important to ensure food supply remains sufficient. In this regard, the Government will allocate RM1 billion for Food Security Fund. Apart from that, the Government will continue to channel various assistance to farmers and fishermen, including agricultural inputs to increase domestic production.

The Government will also provide RM100 million for the development of infrastructure for food storage and distribution as well as crop integration programme. In addition, the Government will provide special funds of between RM100,000 and RM200,000 to each viable Pertubuhan Peladang Kawasan (PPK) and Pertubuhan Nelayan Kawasan (PNK) to develop short-term agrofood projects that can generate income within 3 to 6 months, ensuring sufficient food supply. The measure involves an allocation of RM64.4 million.

The Government will also introduce the Wage Subsidy Programme to assist employers in retaining their workers. In this difficult situation, I do not wish to see workers being retrenched and lose their income. Through this programme, the Government will provide salary of RM600 per month to every employee for 3 months. This programme is dedicated to workers earning less than RM4,000 and employers experiencing more than 50% decrease in their income since 1 January 2020. Employers must ensure that there is no retrenchment or imposing unpaid leave or forcing a wage cut for the next 3 months after the implementation of the programme. This measure is estimated to benefit 3.3 million workers with an allocation of RM5.9 billion.

I am aware that the daily income of the full-time e-hailing drivers is also affected with the implementation of MCO. To ease their burden, the Government will provide a one-off cash assistance of RM500 to 120,000 e-hailing drivers with a total allocation of RM60 million. Previously, the Government announced that the taxi drivers will receive a one-off assistance of RM600 which will be paid on 1 April 2020.

To ensure the welfare of workers involved in contract services such as cleaning and food supply in schools, public higher learning and training institutions as well as other government agencies, including statutory bodies, the Government has agreed to pay salaries to workers of service contractors despite their absence during the MCO period. More than 80,000 employees will benefit from this initiative involving RM110 million. In addition, the Government has also agreed to extend the contract period by one month as a trade-off with the MCO period.

Ladies and gentlemen,

To assist SMEs, including micro-entrepreneurs, the Government and Bank Negara Malaysia will provide additional funds worth RM4.5 billion which covers 5 key initiatives:

First: Increasing funds to the Special Relief Facility (SRF) for SMEs by RM3 billion bringing the total to RM5 billion. In addition, the interest rate for the entire fund will be reduced from 3.75% to 3.5%.

Second: Increasing the size of the All Economic Sector Facility fund by RM1 billion to RM6.8 billion to enhance access to financing for SMEs.

Third: Providing additional funds of RM500 million under the Micro Credit Scheme, to a total of RM700 million for soft loans. The scheme will be administered by Bank Simpanan Nasional at 2% interest rate with no collateral. Loan eligibility requirements are also relaxed to a minimum of 6 months of operation compared to 1 year of operation. Maximum financing amount is also increased from RM50,000 to RM75,000 for each entrepreneur. The initiative is open to all micro-entrepreneurs in all business sectors including child-care centres, taxi and bus operators as well as the creative industry and online traders.

Fourth: SMEs with business records of less than 4 years can also leverage the BizMula-i and BizWanita-i schemes for financing up to RM300,000 under the Credit Guarantee Malaysia Berhad (CGC).

Fifth: Syarikat Jaminan Pembiayaan Perniagaan (SJPP) will provide RM5 billion worth of guarantees and increase the guarantee coverage from 70% to 80% for SMEs that face difficulties in obtaining loans.

Through these initiatives, I believe financial institutions will be able to provide the needed support to viable SMEs especially in weathering the current economic challenges.

I am also concerned of the owners of companies facing cashflow constraints. To assist those affected, the Government will implement following measures:

First: The EPF will introduce the Employer Advisory Services (EAS) programme on 15 April 2020. This service includes options for deferral of payments, restructuring and rescheduling of employer contributions. The measure is expected to provide cashflow

to employers which is estimated at RM10 billion, benefitting over 480,000 SMEs and affected companies while securing more than 8 million jobs.

Second: Exempt payment for Human Resources Development Fund (HRDF) levy for all sectors for a period of six months beginning April 2020. This measure is expected to assist the company's cashflow with a total savings of RM440 million;

Third: Empathising problems faced by some 750,000 SMEs, the Government also allows the postponement of income tax instalment payments to all SMEs for a period of 3 months beginning 1 April 2020. This is in addition to the previously announced measures where the Government has postponed tax instalment payments to affected businesses in the tourism sector for 6 months beginning 1 April 2020. For other affected sectors, they are also allowed to revise the amount of income tax imposed in the third, sixth and ninth instalments during the basic accounting period.

As previously announced, to assist SMEs and individuals, the Government welcomes the willingness of banking institutions to offer a 6-month moratorium, conversion of credit card balance to term loans and restructuring of corporate loans. This measure is important to enable the companies to continue to be able to retain employment and immediately resume its business activities. This initiative is worth at least RM100 billion. I am confident this initiative will provide relief to borrowers.

On behalf of the Government, I would like to extend my appreciation to BNM and the banking industry for providing this flexibility. In return, the Government has agreed that the bank's income from interest or profit from loans or financing involved with the moratorium will only be taxable when the income is received after the moratorium period.

In addition, the moratorium will be extended to loans from TEKUN, MARA and cooperatives as well as other government agencies providing financing to SMEs beginning 1 April 2020.

To assist B40 entrepreneurs and people who lose their jobs, a social financing programme will be introduced in collaboration with Islamic banking institutions, the

state Islamic religious council and key implementing partners. Social donations will be channelled in the form of initial capital for micro-entrepreneurs using zakat funds and matched with microfinancing at affordable rates.

The first phase of the collaboration between Bank Islam Malaysia Berhad and the Federal Territory Islamic Religious Council will commence in May 2020. Eligible entrepreneurs will be given training in entrepreneurship and financial management as well as support to develop their businesses.

I understand that the corporate sector is also affected with the current situation. This sector will not be neglected. As such, the Government welcomes the efforts of banking institutions which are willing to restructure repayments of the corporate sector in line with their business performance.

In addition, the Government will also provide a RM50 billion guarantee scheme with a guarantee of up to 80% of the loan amount for the purpose of financing working capital requirements. The scheme will be managed and subject to credit evaluation by Danajamin. The facility is targeted at viable businesses in all sectors facing difficulties due to the COVID-19 outbreak.

The minimum guaranteed loan size is RM20 million per business. This facility will be available for application from 1 May to 31 December 2020 or until the fund is fully utilised.

From all of these assistances, I would like to give a simple example. For instance, Makcik Kiah is a banana fritter hawker who resides in Desa Tun Razak PPR who's spouse is a government pensioner and currently a Grab driver. Makcik Kiah's daughter is a PTPTN borrower. The household income of Makcik Kiah is below RM4,000 a month. Please listen carefully, I would like to calculate the benefit that Makcik Kiah's family will derive.

Makcik Kiah's family will receive Bantuan Prihatin Nasional of RM1,600; the remaining BSH of RM600; pensioners assistance of RM500; e-hailing cash assistance of RM500; and single individual cash assistance of RM800. If Makcik Kiah's spouse volunteers

as a RELA member, he will receive RM200 per month until the pandemic ends. The overall cash assistance that Makcik Kiah's family will receive is at least RM4,200.

In addition, Makcik Kiah's family will enjoy PPR rental savings of RM744 for 6 months; savings of RM1,800 from hire purchase moratorium for 6 months; and electricity bills savings of RM120 for 6 months.

Makcik Kiah's daughter will also enjoy savings from PTPTN repayment for 6 months of RM1,200.

If Makcik Kiah has a microcredit loan for her banana fritter business with a repayment of RM100 per month, Makcik Kiah will enjoy a savings of RM600.

The overall savings is RM4,464.

Therefore, the overall benefit that will be received by Makcik Kiah's family which includes cash assistance and savings is RM8,664. Hence, Makcik Kiah will be delighted to hear this.

Ladies and gentlemen,

The measures announced in this Package are aimed at ensuring the continuity of economic activities especially with the cash disbursement of Bantuan Prihatin Nasional. In addition, the Government will focus on domestic investment activities that have high multiplier effects and preserving jobs.

For this purpose, the Government has identified a number of small projects such as improving roads, upgrading dilapidated schools in Sabah and Sarawak, cleaning houses of worship and police stations as well as upgrading tourism facilities that will benefit contractors from G1 to G4 class with an allocation of RM2 billion.

At the same time, the RM2 billion for small projects announced in the previous package will be implemented in April 2020. These projects include infrastructure projects in FELDA and other areas valued at RM600 million, upgrading dilapidated schools in

Sabah and Sarawak (RM350 million) and upgrading the Perumahan Rakyat Termiskin (RM150 million).

The Government will also continue the implementation of all projects allocated in the 2020 Budget including ECRL, MRT2 and the National Fiberisation and Connectivity Plan. This is in line with the Government's focus to ensure the sustainability of economic growth.

My beloved Malaysians,

The PRIHATIN package manifests the Government's concern for the welfare and well-being of the rakyat. The Government will provide direct fiscal injection of RM25 billion to ease the burden of rakyat and businesses in this difficult economic situation. The strategies and measures that will be implemented are based on current fiscal capability and availability of liquidity in the domestic financial market.

The Government will ensure surplus in the fiscal current account and will not borrow to finance operating expenditure. Almost all of these measures are one-off to ease Federal Government's financial burden in the medium-term. This is important to ensure our fiscal sustainability and debt position. Thus, the Government will need to reimplement fiscal consolidation measures in the medium-term to create fiscal space in the long-term.

As announced yesterday, to express our concern and care for the plight of the people in facing this difficult situation, my friends and I in the Cabinet and Deputy Ministers have agreed to a 2-month salary deduction and this will be channelled to the COVID-19 Fund. This fund will be used to help the affected people following the outbreak of COVID-19.

In addition, I have also instructed all Ministries to review their budgets to look for savings so that it can be used to meet the medium-term measures to curb the outbreak.

I have also instructed the Ministry of Finance through the Unit LAKSANA to ensure that this PRIHATIN package worth RM250 billion will reach the rakyat swiftly.

I am aware that those residing in the longhouses in Sarawak, in orang asal settlements, in rural areas throughout the nation may worry that these assistances will take some time to reach them. For this, the Federal Government will work with the state governments, particularly in Sabah and Sarawak, to ensure all assistances provided by the Government will reach you quickly.

Ladies and gentlemen,

We are a nation at war with invisible forces. The situation we are now facing is unprecedented in history. And, this Government may not be the Government that you voted for. But I want all of you to know that this Government cares for you. I accepted the fact that I came in as your Prime Minister not at the best moment. I face political, economic and health crisis all at the same time.

This unprecedented situation of course requires unprecedented measures. So, my dear brothers and sisters, and the children of this beloved country, whether you are a Malay, Chinese, Indian, Sikh, Iban, Kadazan, Dusun, orang asal, please bear with me and my friends in the Cabinet and the Government. We are not perfect but we are doing the best we can to pull through this crisis together, as one nation. God willing, we will come out stronger when this crisis ends and the dust settles. InsyaAllah.

I seek the support from all of you, let us join forces together to overcome this crisis.

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