SPEECH BY
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ADDITIONAL PRIHATIN SME ECONOMIC
STIMULUS PACKAGE (PRIHATIN SME+)
Bismillahirrahmanirrahim,
Assalamualaikum Warahmatullah and Salam Sejahtera,

My beloved fellow Malaysians.

How are all of you today?

I hope you are all in good health.

On 27 March 2020, I have announced an Economic Stimulus Package Prihatin Rakyat (PRIHATIN) worth RM250 billion. I know several days ago, Mak Cik Kiah, Pak Mail, Mr. Lee, Mr. Muthu, Mr. Johnny, and many others are checking their eligibility of Bantuan Prihatin Nasional on the LHDN website. For those who are eligible, payments are made starting today.

For those who are eligible to receive assistance but their names are not in LHDN records, you can apply. It is very simple. Just use your own handphone to apply online on LHDN website. Please fill in the required information honestly, press the send button and wait for payment to be credited into your account. For the elderly who are less familiar using smart phones, ask assistance from your child or grand child to fill up the needed information.

As soon as the PRIHATIN was announced, I received a lot of feedback from the public. Many agreed and supported the economic stimulus package announced by the Government.

However, I have also received feedback from associations and chambers of commerce representing the Small and Medium Enterprises (SMEs) who have requested the Government to review the assistance they have received in the economic stimulus package.
I have received letters, memorandums and views from many parties. These include SME Association of Malaysia, Dewan Periagaan Melayu Malaysia, Majlis Tindakan Ekonomi Melayu, the Associated Chinese Chambers of Commerce and Industry of Malaysia, USAHANITA and many more. Most of them provided their views that their businesses are affected and they need additional assistance from the Government.

I realise that SMEs are a key driver of the country's economy. The SME sector contributes to more than two thirds of total employment in our country and almost 40 percent to the economy. Therefore, it is important for the sector to remain resilient in the face of economic pressures that are affecting us all.

Among the challenges faced are business cash flow problems following the Movement Control Order (MCO). In addition, SME enterprises are facing issues of bureaucracies and administration which have hampered quick access of assistance provided by the Government in the PRIHATIN package.

Therefore, I have instructed the Ministry of Finance to engage with SME enterprises, the purpose of which was to find solutions to the problems that the latter are facing. On the Government side, we will assist as best as we can.

As a result of all these engagements, I am happy to announce additional measures for PRIHATIN or PRIHATIN PLUS. The additional package, valued at RM10 billion, hopes to ease the financial burden of SMEs and subsequently assure two thirds of the workforce will remain employed.

The additional measures are:

- First, the wage subsidy programme announced on 27 March will be expanded from RM5.9 billion to RM13.8 billion, an increase of RM7.9 billion. Under this additional initiative, all companies with local employees earning a monthly salary each of RM4,000 and below will receive wage subsidies as follows:
  - For companies with a workforce of more than 200 people, we will provide a wage subsidy of RM600 per month for every retained worker. However, the maximum number of workers that a company is eligible to claim for will be increased from 100 to 200 employees.
For companies with employees between 75 to 200 people, they will receive a wage subsidy of RM800 per month for every employee.

Finally, for companies with employees of less than 75 people, we will provide a wage subsidy of RM1,200 per month per employee. Through this improvement, companies will receive more benefits and assistance.

This assistance is for a 3-month period and is specifically for employers registered with the Companies Commission of Malaysia (SSM) or local authorities before 1 January 2020 and are registered with the Social Security Organisation (SOCSO). It is estimated that 4.8 million employees will benefit from this initiative.

For employers opting to accept this assistance, they are required to retain their employees at least for a period of 6 months, that is 3 months during the period receiving the subsidies and 3 months thereafter.

Secondly, a Special PRIHATIN Grant amounting to RM2.1 billion will be established for eligible micro enterprises. A grant of RM3,000 will be provided to each company, benefitting almost 700,000 micro enterprises. The micro SMEs will have to register with LHDN to enjoy this assistance. The local authorities and SSM will provide the list of eligible micro enterprises to Government.

In addition, the Government would like to urge the registered money lenders who offer credit facilities under the Money Lenders Act 1951, to provide moratoriums to SMEs for loan repayments for 6 months beginning April 2020, similar to those provided by banks. I hope that these money lending organisations are equally sympathetic to the hardship faced by their clients and together helping to ease their financial burden.

Furthermore, to ease the financial burden of SMEs, the Government has also undertaken a number of initiatives to facilitate SMEs in deriving the full benefits from all the assistances that have been announced. Among the improvements that will be introduced are as follows:

First: Abolish the 2% interest rate to 0% under the Micro Credit Scheme amounting to RM500 million under Bank Simpanan Nasional (BSN). The soft loan scheme for micro enterprises is also extended to TEKUN Nasional with a maximum loan limit of
RM10,000 at 0% for each enterprise. A total of RM200 million fund will be allocated for this purpose. Applicants are given an option to choose either scheme to ensure more beneficiaries of this facility.

- Second: Waive or provide discounts for rentals to SMEs in the retail sector which are operating on premises owned by Government-Linked Companies (GLCs). I would like to thank GLCs such as MARA, PETRONAS, PNB, PLUS and UDA as well as several State Governments who have agreed to give either discounts or rental waivers on their premises to SME tenants.

On the principle of burden sharing, I would also like to urge owners of private premises to provide similar assistance to their tenants to reduce their rental rates. Owners of buildings or business spaces that provide rental reduction or waiver to tenants that consist of SMEs are given a further tax deduction which is equivalent to the amount of rental reduction for the months of April until June 2020. This further tax deduction is subject to the condition that the rental reduction is at least 30% of the original rental rate for that particular period.

- Third: To reduce the levy on foreign workers by 25% to all companies with work permits that will expire in the period of 1 April to 31 December 2020. This reduction is not applicable to the domestic help sector.

I understand the difficulties faced by employers in retaining their employees in these trying times. In this regard, the Government encourages employers to actively engage with their employees on employment terms including the options of pay cuts and unpaid leave during the MCO period.

Employers and employees may refer to the Department of Labour to seek advice on solutions for issues raised. Any negotiations should be subjected to employment laws currently being enforced. What is important is that the rights and welfare of both sides are taken care of.

I also understand the difficulties faced by companies in submitting statutory documents as required by SSM during the MCO period. Thus, the Government has agreed to grant an automatic 30-day moratorium from the date of MCO ends for companies to lodge the statutory documents to SSM.
In addition, a 3-month extension will also be granted for the lodgement of financial statements for companies with financial year ended 30 September to 31 December 2019. Companies are required to apply to SSM for this extension with no fees imposed.

My dear brothers and sisters,

For SMEs to better understand the assistance provided, let me share some examples:

The first example is Lee Beauty Saloon, a micro enterprise operating a hair salon. This enterprise has 2 local employees who earn less than RM4,000 per month. The owner, Madam Lee, wishes to re-invigorate her business after the MCO period ends. With all the assistance announced by the Government, Madam Lee can enjoy benefits through a wage subsidy of RM7,200 for 3 months and a micro grant of RM3,000. The overall benefits that can be received by Madam Lee is RM10,200.

The second example is Mi Kolok Haji Salleh restaurant in Kuching, Sarawak. Say the restaurant employs 5 local workers earning RM4,000 and below, and 2 foreign workers. To ensure the company is able to maintain its cash flow requirements during the MCO period, the restaurant owner can apply for a micro credit loan from BSN amounting to RM50,000 and wage subsidies of RM18,000 for 5 workers. In addition, the company can also save from the deferment of EPF employer contribution¹ and exemption of HRDF contribution amounting to RM8,400, tax deferment of RM5,200, discount on levy for foreign employees of RM2,300 and discount on electricity bill of RM300. The overall benefits that can be received, excluding the micro credit loan, is RM34,200 for 3 months.

The last example is Surjit Kaur Sdn. Bhd. It is a medium-sized company involved in furniture manufacturing with 15 workers, of whom 5 are locals earning less than RM4,000 a month and 10 are foreign. To ensure the company is able to maintain its cash flow requirements during the MCO period, the company can apply for a loan up to RM500,000 from the Special Relief Facility (SRF) and enjoy the wage subsidy programme of RM18,000. In addition, the company can also save from the deferment of EPF employer contribution¹ and exemption of HRDF contribution amounting to RM8,400, discount on levy for foreign employees of RM4,600, tax deferment of

¹ Subject to negotiations with the Employment Advisory Services (EAS) of EPF
RM32,700 and discount on electricity bill of RM100. The overall benefits that can be received, excluding SRF, is RM63,800.

My beloved brothers and sisters,

To ensure that all PRIHATIN and PRIHATIN PLUS initiatives are implemented promptly and smoothly, the unit LAKSANA has been established under the Ministry of Finance. This unit will monitor and report the progress of implementation of all initiatives to the Minister of Finance and me.

The IMSME.COM.MY, which is a portal managed by Credit Guarantee Corporation (CGC) in collaboration with BNM, has been established to support the execution of the PRIHATIN initiatives. This portal is ready to accept applications from SMEs on all the initiatives announced.

So, other than applying for loans directly from the banking institution, all SMEs have an option to apply for loans through the IMSME portal. This portal provides myKNP services, that is financing advisory services for SMEs.

Among small and micro enterprises, the Government is also concerned about start-ups, where investors have retreated during this period. Startups are the enabling and push factors for the adoption of technology and advancements of human potential to prepare the nation towards IR 4.0. Realising the importance of startups, the Government is considering various initiatives to boost this sector during this challenging time.

I hope this PRIHATIN PLUS will protect your jobs besides ensuring business resilience. At the same time, the Government will continue a prudent financial practice and good fiscal discipline to ensure the nation’s financial position remains strong and manageable.

InsyaAllah, when the Parliament next convenes, the Government will table an Additional Supply Bill for all the economic stimulus packages that have been announced. I guarantee that the Government will continue to be transparent in its spending and all actions taken are based on the provisions of the law and the Federal Constitution.

Brothers and sisters,
I know all of you have been confined at home for 3 weeks, maybe some of you are feeling the hardship and burdensome of this trial from God. These past 3 weeks, we could not do all the things that we normally do. We had to leave our hobbies, our jobs, we missed our friends and families. In short, our life now is different and sometimes more burdensome.

I have seen in social media that some husbands are now beginning to wear their wives’ caftans. Some are cycling in their houses. Some have turned my speeches into songs. I hope this is not unusual behaviour or out of character. It is part of your creativity to relieve your boredom being too much at home.

I think what is important is that you have your own way in dealing with difficulties and trials. And I believe that God will not test or burden us with something that we cannot withstand.

As Allah has decreed in Surah Al-Baqarah verse 286:

لا يكيل له الله نفسه إلا وسعها لها ما كسبت وعِلَّمهَا ما أَكَتَبَت

Which means:

“Allah will not burden any soul beyond what it can handle. It gets every good that it earns, and it suffers every ills that it earns”

I'm confident that the trial brought by the Covid-19 pandemic is not something that we cannot handle by all of us. Do continue to be steadfast, strong and enthusiastic. Please believe that we can overcome this trial together.

To my fellow Malaysians, let us remember that we are inherently resilient, individually capable and collectively strong to face these uncertain times. Let us strengthen our resolve and stay committed to our fight against Covid-19. Let us stay the course and follow all orders made under the MCO. It is difficult, but certainly not impossible.

This is the sacrifice we are called to make in order to win this war against the deadly virus. Winning this war starts in our homes and with our families. We can stop the virus from spreading by staying at home and maintaining physical distance.
Stay strong, stay healthy, insyaAllah we will succeed. Remember, after the rain, comes the sun. And better days will be here again.

Finally, I wish to thank all the frontliners who continue to uphold the trust given with full dedication. Thank you to all doctors, nurses, police personnel, military personnel, immigration, RELA, firefighters, staff of the Welfare Department, NGO volunteers and all who are involved at the frontline. Also, my appreciation to all of you who have obeyed the Movement Control Order. Please continue to be patient, keep calm and remain steadfast. God willing, we will rise again.

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