



SPEECH TEXT
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PRIME MINISTER OF MALAYSIA

SPECIAL ANNOUNCEMENT ON

KITA PRIHATIN

23 SEPTEMBER 2020

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Sejahtera.

1. Ladies and gentlemen, my fellow Malaysians. I trust everyone is safe and in good health. As we go about our day-to-day lives and business, I would like to remind all of you to continue to faithfully comply with the existing Standard Operating Procedures (SOPs) and practise the prescribed COVID-19 preventive measures — we must not be careless or complacent. Believe me if we are not careful, the freedom that we currently enjoy can change in the blink of an eye. As such, please practise all the measures recommended by the Ministry of Health for the sake of our health and safety.

2. I stand before you today, to provide updates on important developments related to our economy. As we are all aware, our battle against the COVID-19 pandemic are on two fronts: one is the health front which sees our frontliners working tirelessly to save the lives of the people whereas the other is the country's economy -- whereby the Government and related agencies are hard at work to stimulate its recovery after having been affected by the spread of COVID-19.

3. Through the various national economic stimulus packages such as PRIHATIN, PRIHATIN SME PLUS and PENJANA – totalling more than RM295 billion - the Government is actively pursuing economic recovery efforts for the well-being of the rakyat. In this regard, my cabinet colleagues and I are always open to receiving feedback from the public in order to ensure the effectiveness of the measures implemented by the Perikatan Nasional Government thus far.

4. I have also encouraged my fellow ministers to meet and engage directly with the rakyat of all generations and from all walks of life: be it the youths or retirees from Lahad Datu to Kuala Terengganu, from Arau to Johor Bahru – the PN Government has met with employers, employees, petty traders, and medium-sized businessowners to groups of farmers, livestock breeders, fishermen as well as the general public for feedback.

5. Recently, I had the opportunity to meet with Mr. Rosali Md Nasid, Madam Chan Kam and Madam Danaletchimi during my visit to the Desa Rajang Setapak People Housing Project or PPR. We take heed of all the feedback provided by them, and also not forgetting comments from the rakyat and netizens who have responded through official channels as well as the social media.

6. From the very beginning, when faced with health and economic challenges due to COVID-19, the Government adopted a strategic 6R approach, i.e. Resolve, Resilience, Restart, Recovery, Revitalize and Reform. We are now in Phase 4, which is Recovery.

7. On the whole, the PRIHATIN economic stimulus packages, PRIHATIN SME PLUS and PENJANA have totalled RM295 billion or about 20 percent of the National GDP. From the amount, additional fiscal injection by the Government stood at RM45 billion.

8. Alhamdulillah, the expenditures were approved by Dewan Rakyat and Dewan Negara. Our national's elected representatives and senators rose to the call of duty and voted beyond party lines for the Bill to be passed for the sake of our nation. This, I believe, is something that we need to learn from — our future and our destiny in facing the challenges and impact of Covid-19 are incumbent on our unity, cooperation between the Federal and State Governments and the solidarity among Malaysians. If we do not work together, if we are divided during these challenging times, then it would be unlikely for the Government to achieve the critical objective of safeguarding the well-being of the people and the interests of our nation. Sticks in a bundle are unbreakable – united we stand, divided we fall.

9. Currently, the latest figures from the Department of Statistics Malaysia, show encouraging developments on economic indicators such as the unemployment rate, manufacturing index, consumption index and others. We are starting to see early signs that our economy is gradually recovering.

10. The Malaysian economy recorded a large GDP contraction in the second quarter of 2020 which was -17.1 percent due to the implementation of the MCO which had required almost all economic sectors to close. However, when looked at in terms of month-to-month, the country's GDP recorded a contraction of 28.6 percent in April to -19.5 per cent in May and -3.2 per cent in June. This represents a growth of 25.4 per cent in just 3 months.

11. Furthermore, several key indicators have shown an improvement because of the Government's swift action through the PRIHATIN and PENJANA packages. The Industrial Production Index (IPI) recorded an increase over four consecutive months on a year-on-year basis from a low of -32.0 per cent in April 2020 to positive 1.2 per cent in July 2020. Sales of passenger cars also recorded a 12.8 per cent year-on-year increase for July 2020 supported by sales tax exemptions introduced in PENJANA for the purchase of cars.

12. The Leading Index (LI), which predicts the movement of the overall economic direction over the next few months, grew at a faster pace of 4.5 per cent in June 2020 compared to 0.6 per cent in May 2020, as the economic sectors were allowed to resume operations whilst observing the Standard Operating Procedures (SOP) with the implementation of the Recovery Movement Control Order (RMCO) which commenced on 10 June 2020.

13. According to Bank Negara Malaysia, the Malaysian economy is expected to record a contraction of between -5.5 per cent and -3.5 per cent in 2020. This means that the second half of 2020 will see a gradual recovery and economic growth. For the year 2021, growth is projected to be between 5.5 percent and 8 percent. InsyaAllah.

14. The Ministry of Finance will closely monitor measures to empower the people, support businesses and strengthen the economy to ensure the country's economic recovery continues. For this purpose, the Implementation and Coordination Agency for Economic Stimulus Between National Agencies (or LAKSANA) was established 6 months ago. LAKSANA is tasked with tracking every initiative towards ensuring the funds and assistance are channelled to the people and implemented accurately and quickly. LAKSANA also provides weekly reports to me and to the public on the status of the economic stimulus packages and acts immediately to resolve any problems that arise in the implementation of these initiatives for the people.

15. After the announcement of each economic stimulus package, the Government continuously monitored implementation for areas that can be further strengthened. Continuous improvements are made in ensuring that no citizen is left out from receiving assistance. Among these improvements are the Wage Subsidy Program, Micro Financing Assistance, Prihatin Electricity Assistance, as well as the extension of the Moratorium and targeted assistance by banks.

16. Last July, I announced the extension of Moratorium and Targeted Bank Assistance. Until 11 September, banking institutions had held discussions with more than 1.4 million borrowers and more than 380,000 borrowers had confirmed that they really need the assistance. I am happy to announce that 98 per cent of applicants for moratorium extension and Targeted Bank Assistance had been approved. The Government will continue to monitor the latest developments and ensure that banking institutions play their role to help the people and businesses that really require help in these difficult times. With the automatic moratorium coming to an end this September, I would like to urge those who have not applied to contact their respective banks to make applications.

17. Ladies and Gentlemen, next, I would like to share a few announcements. Since the beginning, the Government has been focused on being a caring Administration - a Government that not only understands the problems faced by the people but also acts quickly and effectively to overcome the challenges that threaten the prosperity of this nation. The Government needs to be caring during this time of need for Malaysians, especially given the challenging period faced by all nations.

18. Today, I am pleased to announce that the Perikatan Nasional Government has decided to implement a number of additional initiatives and assistance specifically for the rakyat under the **PRIHATIN Supplementary Initiative Package** or in short, **KITA PRIHATIN**. This package targets the following groups of recipients:

- (a) B40 group who are married and single;
- (b) M40 group with family and single;
- (c) Local workers in various fields; and
- (d) micro traders in various fields.

19. Although there are signs of recovery in the labour market, the Government is well aware of the difficulties faced by employers and employees during this recovery phase. In the PRIHATIN and PRIHATIN SME PLUS packages, the Government has provided a total allocation of RM15.3 billion to fund the wage subsidy program for up to 3.3 million workers. As at 11 September 2020, a total of 2.63 million workers and 321,000 employers have benefited from this Wage Subsidy Programme, involving expenditure of RM10.4 billion. Applications for the wage subsidy program was opened to all sectors for a period of 6 months starting from 1 April 2020.

20. During the MCO period, the Government introduced the Wage Subsidy Program which, among others, provided assistance to employers without requiring small companies to show loss of revenue to be eligible. With the transition to the implementation of the Recovery MCO (RMCO), most companies are now able to operate and conduct business actively. Applications for the Wage Subsidy Programme will end on 30 September 2020.

21. Nevertheless, the Government recognises the need to assist employers and employees who are still affected by this pandemic, such as those in the tourism sector.

22. Therefore, the Government will introduce the Targeted Wage Subsidy Program to assist companies that are still affected. The main features of the Targeted Wage Subsidy Program are as follows:

First: wage subsidies are given to employers who are still affected, namely companies that since RMCO are still facing lower revenues of at least 30 percent compared to last year;

Second: the wage subsidy is given for up to 3 months at a rate of RM600 per month for each employee up to a maximum of 200 employees; and

Third: applications will open from 1 October until 31 December 2020.

23. I have received various feedback regarding the Wage Subsidy Program. Some from those who were not eligible to receive it as they did not meet the eligibility requirements of being registered with SOCSO prior to 1 April 2020. To ensure this group is not left behind, the Targeted Wage Subsidy Program will be open for companies registered with SOCSO prior to 1 September 2020. For new applicants who have not received the wage subsidy prior to this, they will now be eligible to receive the wage subsidy for up to 6 months.

24. The implementation of this targeted wage subsidy Program is expected to benefit 1.3 million workers and estimated to involve **RM 2.4 billion**.

25. To assist micro entrepreneurs, under PRIHATIN SME PLUS, the Government provided the PRIHATIN Special Grant (also known as GKP), specifically to ease their financial burden due to the spread of the Covid-19 pandemic. Applications for GKP were opened on 1 May 2020 until 15 May 2020, with an assistance amount of RM3,000 per micro entrepreneur benefiting 545,000 petty traders nationwide. For this purpose, the Government has disbursed a total RM1.63 billion.

26. During my visits and interaction with entrepreneurs at the grassroots level, I received complaints that some entrepreneurs did not receive the assistance as they were not able to apply within the stipulated time. There were also those who did not meet the requirement of having a registered business prior to 1 January 2020.

27. To ensure that more micro businesses -- which are eligible but have not yet availed themselves to the GKP – are able to obtain this assistance, the **Government has agreed to reopen applications for GKP commencing 1 to 31 October 2020**. Taking into account the feedback received, GKP will also be eligible for micro-traders registered or holding a business license with the Companies Commission of Malaysia (SSM) or Local Authorities (PBT) until 31 August 2020. Payment is targeted to be made starting 25 November 2020.

28. The reopening of this GKP initiative for new applications is expected to benefit more than 200,000 micro businesses with an allocation of approximately RM600 million.

29. I am pleased to know that the Bantuan PRIHATIN Nasional (BPN), channelled as part of the PRIHATIN package, has provided timely assistance to many of its recipients. To date, the Government has spent RM11.2 billion on BPN which has benefited 10.6 million recipients. Some have used it to start a semi-processed food supply business such as marinated lamb, and use digitalisation to boost business. A large portion use it to support their families during the MCO and RMCO periods.

30. Although the country's economy is showing signs of recovery during this RMCO phase, the COVID-19 pandemic is not over yet. Although the GDP growth has showed an improving trend from negative 28.6 per cent in April to negative 3.2 per cent in June 2020, the economy still remains in recession. Whilst the unemployment rate showed an improvement from 5.3 percent in May to 4.7 percent in July 2020, the unemployment rate is still among the highest in the country's history.

31. Furthermore, there are employees such as tour guides who are experiencing income reduction as well as those who are required to go on unpaid leave, such as those employed by airlines and tourism-related businesses.

32. Therefore, workers in these industries have to seek alternatives to order to go ahead with their livelihood. There are those who went into business while others try out new skills.

33. I take as an example husband-and-wife who worked as cabin crew previously, Encik Zareq Akhtar and Puan Nazira Azenan who are now operating a car wash and detailing centre. The same move was taken by Saudari Didi Nadhirah, Saudara Nabel Haniff and Chidie Gillo who opened a restaurant called Dhapor Pramugari. Another former airline captain, Saudara Khairul Ajid, now has a career in food delivery.

34. Taking into account the difficulties still faced by the people, the Government has decided to give additional cash assistance to the people through Bantuan Prihatin Nasional 2.0 with an allocation of almost RM7 billion.

35. The amount of assistance channelled under BPN 2.0 is as follows:

- First:** RM1,000 to 3.7 million B40 households
- Second:** RM500 to 3.8 million B40 singles
- Third:** RM600 to almost 1.4 million M40 households
- Fourth:** RM300 to 1.7 million M40 singles.

36. The BPN 2.0 payment will be carried out in two instalments, the first at the end of October 2020 and the second, in January 2021. For the B40 households, the first instalment in October 2020 will be RM700 while the second payable in January 2021 will be the balance of RM300.

37. No application is required; the Government will channel the BPN 2.0 to 10.6 million recipients who have been approved under BPN previously. For those who are eligible but have not received BPN, the Government will allow for appeals and new applications. I hope this additional assistance will be able to provide some relief and help those concerned with their daily expenses.

38. All the special initiatives under KITA PRIHATIN will see the Government provide **RM10 billion** of economic stimulus. In order to ensure that these assistance and initiatives are channelled in a timely manner, I once again call upon the Ministry of Finance and LAKSANA to play a role.

My dear fellow Malaysians,

39. For six months, we have endured this difficult period. Alhamdulillah, we have prevailed. I hope everyone of us will remain steadfast in practising self-care and always abide by the SOPs that have been outlined.

40. Remember, every action we take can determine not only our own safety, but also the safety of the community around us. Ultimately, the outbreak and the impact of Covid-19 does discriminate by race, religion or political persuasions. From the perspective of this threat, we are all the same. Therefore, let us together battle this pandemic as a family. Cubit paha kiri, paha kanan pun terasa.

41. As Malaysians, we cannot hope to rely on outside help since every other country is also busy addressing their own problems. We can only depend on each other in our extended family of Malaysians. This is the spirit of belonging and togetherness that we want: like what is often said and now popular on social media: "**KitaJagaKita**".

42. I call on all of you to be together with me and colleagues in the Perikatan Nasional Government to steer the country forward when we are still facing an economic and health crisis. This announcement today proves that the Perikatan Nasional Government hears your pleas. We will try our best to help the people through these difficult times.

43. What we need from your support is a stable and strong Government. This is important so that more initiatives to help the economy recover and assist the people can be carried out effectively by the Government. I would like to appeal to all of you to reject the actions of unscrupulous politicians who purposely want to adversely affect our political stability and the nation's economic recovery which is being carried out well at the moment.

44. Insya Allah, we will foresee a better future ahead and I believe in the strength of our Malaysian spirit. Let us together pray for the well-being of Malaysia, and may this KITA PRIHATIN package benefit the people and the country as envisioned. Thank you, Wabillahitaufig Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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