



## MEDIA RELEASE

### **RM35 BILLION STIMULUS PACKAGE THAT PROSPERS PEOPLE, BOOSTS BUSINESSES AND ENERGISES THE ECONOMY**

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The Ministry of International Trade and Industry (MITI) welcomes the implementation of the 40 initiatives contained in the National Economic Recovery Plan (PENJANA) announced by Prime Minister YAB Tan Sri Muhyiddin Yassin, yesterday.

Since the Government reopened almost all the economic sectors on 4 May 2020, Malaysia has made steady strides in both the health and economic fronts. The number of COVID-19 cases is at a single digit level, with little likelihood of a sudden increase. With nearly all economic sectors reopened, 83 per cent of workers have returned to work.

Nevertheless, the Government recognises that there remain challenges for businesses to restart their operations during this difficult period. In the engagements undertaken by MITI, challenges that were highlighted by the trade and industry associations, professional bodies as well as Small and Medium Enterprises (SMEs) include cash flow constraints, movement restrictions and supply chain disruption. The Government demonstrated unwavering commitment in addressing these challenges, by introducing the RM260 billion PRIHATIN stimulus packages to hasten economic rebound.

The RM35-billion stimulus package is further proof of the Government's determination to navigate the country towards a path of accelerated economic recovery. PENJANA is an enabler to prosper people, boost businesses and energise the economy.

The extension of the 3-month Wage Subsidy Program totalling RM5 billion will secure the protection of employment of Malaysians. Amounting to RM600 per worker, it will also continue to help the industry and the SMEs cope with cash flow constraints. The introduction of the previous subsidies in the earlier packages had been well received



by workers and employers having saved more than 2.2 million jobs. Now that the industry is almost fully opened, more than 12 million workers have returned to work. In view of the earlier success, the extension of this program will continue to provide relief for workers.

Workers in sectors that are hardest hit as a result of the pandemic, such as tourism, are likely to gain from this Wage Subsidy Programme. Similarly, by announcing an incentive that ranges between RM600 to RM 1000 for employers who offer job opportunities to the unemployed and industry trainees, the Government has ensured that the right benefits trickle down to these segments of the society as well.

In a move to encourage more workers to work from home, the Government has announced tax breaks for the purchase of ICT equipment. MITI views this as a crucial intervention by the Government in efforts to advance towards a digital economy. This incentive will support the private sector to remain productive and vibrant even while working from home. This will enhance the use of technology in the work process and help realise the Government's aspiration towards fostering a digital culture in our economy.

PENJANA also offers numerous advantages for key economic movers in the country, including SMEs, Mid-Tier Companies (MTCs), Social Enterprises and start-ups. It is evident that the Government is keen to respond promptly to the needs of these entities. This move will inject new dynamism in the SMEs sector which constitutes the largest job creator in the economy. This sector should also undergo a paradigm change via the use of technology and innovation including digitalization for greater efficiency and productivity.

The special financial aid totalling RM500 million to be provided through PUNB and MARA is indeed timely in efforts to strengthen Bumiputera engagement and ensure business and entrepreneurship viability.



MITI welcomes the RM10 million matching grant allocated for Social Enterprises (SEs). By definition, SEs are businesses that pursue profit models that also accord an equal emphasis on the fulfilment of social objectives, such as improving the livelihoods of the B40 or marginalised groups, or safeguarding environmental well-being. These matching grants are a step in the right direction to nurture inclusive and responsible businesses that pointedly give back to the society.

The RM100 million allocated for the National Technology and Innovation Sandbox will serve as a catalyst that enables the exponential growth of start-ups in Malaysia. This is pivotal in ensuring that Malaysia remains a preferred destination for emerging start-ups, hence, attracting technology players that could become game changers.

The new tax incentive scheme in PENJANA is expected to attract more investments and bring better high technology employment opportunities. A full 10-year tax exemption will be granted for new investments in fixed assets valued between RM300 million and RM500 million. Investments in fixed assets exceeding RM500 million will enjoy full tax exemption for 15 years. A Special Incentive Allowance for Reinvestment will be provided for the 2020 to 2021 assessment years.

These tax incentives will provide the much needed shot-in-the-arm for investment and job creation. MITI is confident that these incentives will boost both local and foreign direct investment as well as attract multinational companies to re-shore their operations to Malaysia.

The Malaysian Investment Development Authority (MIDA), an agency under MITI, will also establish a new unit, namely, the Project Acceleration and Coordination Unit (PACU) to facilitate approvals and speed up the implementation of approved manufacturing projects. The manufacturer's license approval process for non-sensitive industries will be shortened to only 2 business days.



MITI is confident that this latest recovery plan together with the easing of the movement restrictions will provide the necessary impetus to further jumpstart and revitalise the economy and ensure that we remain on the right path to full recovery.

**DATO' SERI MOHAMED AZMIN ALI  
SENIOR MINISTER  
MINISTER OF INTERNATIONAL TRADE & INDUSTRY  
SATURDAY, 6 JUNE 2020**



### **About MITI**

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation.

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