

PM unveils RM150b 'Pemulih' package, largest since first lockdown

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Reuters

Prime Minister Muhyiddin Yassin today announced another RM150 billion aid package dubbed "Pemulih", which stands for Pakej Perlindungan Rakyat dan Pemulihan Ekonomi (people's protection and economic recovery package).

It is the largest package by the Perikatan Nasional government since the RM250 billion Prihatin package announced in March last year when the country went into a lockdown for the first time.

The latest package was announced in the light of an indefinite total lockdown as daily new Covid-19 cases have remained stubbornly high.

The total lockdown which began on June 1 was supposed to end on June 14 but was extended to June 28 and will now go on indefinitely.

The government planned to commence easing when new Covid-19 cases dip

below 4,000 but the average daily fresh infections in the past month have remained above 5,000.

The Pemulih package is expected to see a direct cash injection of RM10 billion.

Here's a recap of previous aid packages that were unveiled to combat the Covid-19 pandemic and keep the economy afloat.

2020

March 28: RM250 billion Prihatin (RM25 billion direct injection)

April 6: RM10 billion Prihatin SME+ (RM10 billion direct injection)

June 5: RM35 billion Penjana (RM10 billion direct injection)

Sept 23: RM10 billion Kita Prihatin (RM10 billion direct injection)

2021

Jan 18: RM15 billion Permai (RM6.6 billion direct injection)

March 17: RM20 billion Perneraka (RM11 billion direct injection)

May 31: RM40 billion Perneraka+ (RM5 billion direct injection)

Muhyiddin said the government took cognisance of the people's hardship despite

its challenging financial situation.

"Despite the limited fiscal room, the PN government is committed to prioritising your wellbeing.

"I will not compromise on taking care of the people's wellbeing and combatting Covid-19," he said in a special address on live television.

Some salient points of the key announcements are as follow:

- **Bantuan Khas Covid-19 (BKC) cash handout**

For hardcore poor (household)

August: RM500

November: RM500

December: RM300

For hardcore poor (singles)

August: RM200

November: RM300

For B40 (household)

August: RM500

December: RM300

For B40 (singles)

August: RM200

For M40 (household)

August: RM250

For M40 (singles)

August: RM100

The total cost is RM4.6 billion. This is on top of the Bantuan Prihatin Rakyat payments amounting to RM4.9 billion announced under the previous stimulus package.

- **Loss of income assistance**

The government will introduce a job loss cash handout of RM500 for anyone who lost their jobs in 2021, based on EPF or Perkeso records. One million people are expected to benefit from this scheme.

- **Cap on cooking oil price**

The government will spend RM1 billion to cap the price of 5kg cooking oil at RM30.

- **Job seekers' allowances**

The job seekers' allowance will be expanded to those who do not contribute to the Social Security Organisation (Socso) and informal sectors.

Those interested can register on the MyFutureJobs platform and will receive at least RM300 in allowances.

- **Electricity tariff discount**

Domestic users will enjoy discounts between July and September. The discount rates start at 40 percent down to 5 percent for the highest tier users up to a maximum of 900 kilowatt per hour per month.

Hotels, theme parks, convention centres, shopping malls and tourism-related businesses will benefit from a 10 percent tariff discount until December.

- **One-off grants**

Operators of registered private pre-schools, daycare centres and sport centres will receive a one-off grant of RM3,000.

School canteen operators will receive a one-off grant of RM1,000.

Homes for the disabled will receive RM1,500 grants over three months.

- **Handouts for the disabled**

The government will pay RM1,500 over a three month period to 20,000 disabled people.

The government is also allocating RM20 million in seed funding for the disabled or homeless people to start a business under the Jaringan Inisiatif Umum (Jitu) programme.

- **Special treatment for government contractors**

Government contractors will be allowed a variation order for projects where prices of raw materials have increased. This policy will last until Dec 31.

Contractors will be given a time extension for supply and service contracts that are affected by movement controls.

- **Funding for MPs including opposition**

A sum of RM300,000 will be allocated to all MPs including from the opposition to supply food to constituents who need help.

"When it comes to providing assistance to the people, I set aside political differences.

"Be it government or opposition MPs, everyone must carry out their responsibilities to help the people when many are facing hardship," Muhyiddin said.

Another RM10 million will also be allocated to provide food assistance specifically for the Orang Asli community.

- **Mara business loan moratorium**

Entrepreneurs with Mara loans will receive a three-month moratorium or can extend their loan period to up to 36 months.

The 30 percent discount for tenants at Mara premises will also be extended for another five months until Dec 2021. A total of 5,700 tenants are expected to benefit.

- **Government guarantees for businesses**

The government will increase the ceiling for the government guarantee programme for small businesses to RM56.5 billion, up by RM20 billion.

Currently, about 45,000 companies have taken up this scheme where the government guarantees up to 80 percent of their loans.

Bank Negara also topped up RM2 billion for a special loan fund for small and medium businesses. The fund currently has a balance of RM8.6 billion.

- **EPF withdrawal**

Another round of withdrawal from the Employees Provident Fund will be allowed under a new i-Citra programme. Contributors can withdraw up to RM5,000 at a rate of RM1,000 a month for five months. A total of 12.6 billion contributors to benefit.

Application begins on July 15 at icitra.kwsp.gov.my and the first distribution will begin in August.

- **Education loan repayment moratorium**

Government-run educational loan borrowers will be eligible for an opt-in loan moratorium.

For loans under the Higher Education Loan Fund, Perbadanan Tabung Pembangunan Kemahiran (PTPK) and Majlis Amanah Rakyat Malaysia (Mara), the moratorium will last for three months.

For loans under the Public Service Department, the moratorium will last for six months.

- **Postponement on insurance/takaful payments**

Those affected by the pandemic can apply for postponement on their insurance payments until Dec 31. This applies to life insurance and family takaful.

One million people are expected to benefit, involving a sum of RM2.6 billion in postponed payments.

- **Bank loan moratorium for all individual borrowers**

All individual borrowers can get a six-month moratorium on their bank loans.

Those interested can apply on an opt-in basis. No conditions will be imposed or document required for individual borrowers.

The loan moratorium for small and medium enterprises will be subject to bank approval.

- **RM100 for volunteers**

Those volunteering at Covid-19 vaccination centres will be paid RM100 a day if they serve for more than 12 hours a day beginning this month. This is an increase from the initial RM50.

The benefit will also be expanded to volunteers at other facilities such as quarantine centres.

- **Allowances for frontliners**

The special allowances for 14,000 healthcare frontliners serving during the pandemic will be increased from RM200 to RM600 for six months beginning July.

A total of RM200 million was allocated.

- **National vaccination**

Another RM1 billion will be channelled to the vaccination efforts. The goal now is to buy enough vaccines for 130 percent of the population.

The extra vaccine stock was needed because the government wants to vaccinate those aged 12 to 18. Priority will be given to those sitting for SPM examinations.

The funds are also needed to set up 29 new vaccination centres, improve the 340 existing ones, implement drive-through vaccination centres, mobile vaccination units and home-to-home outreach programmes.

The money is also needed to pay volunteers and a special allowance for health workers on the front line.

- **Vaccination cost for businesses**

Employers registered with Human Resource Development Corp can use up to 10 percent of their remaining levy for the management and purchase of Covid-19 vaccines.

The government will also provide tax relief to businesses that spent on equipment and services to set up vaccination centres.

The government is also considering allowing businesses to operate at maximum capacity if all their workers have received two doses of the Covid-19 vaccine.

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