

RM49bil to boost economy

SemarakNiaga initiative to help entrepreneurs recover, move forward

KUALA LUMPUR: The government wants to ensure that the country is on a strong path to economic recovery through the implementation of the SemarakNiaga Keluarga Malaysia Programme (SemarakNiaga), with an allocation of more than RM40bil under Budget 2022.

Prime Minister Datuk Seri Ismail Sabri Yaakob (pic) said SemarakNiaga not only supported businesses by providing working capital injections or financing, but also through equity injections - or the taking up of shares or an equity stake in a company - for businesses affected by the Covid-19 pandemic.

"This (taking up equity stake) is a novel and innovative solution that has never been implemented before. The government is confident that this initiative will help entrepreneurs recover and move forward," he said in a written interview on the SemarakNiaga initiative on Saturday.

Ismail Sabri said that through the government's assistance and support given to the business community, more job opportunities would be created as companies recover and grow, hence restoring the livelihoods of the Malaysian Family.

"This will reduce the unemployment rate, which the government targets as less than 4% by year-end.

"In fact, we are already building on past achievements," he said, noting that the Statistics Malaysia



Department and Bank Negara had recently announced the nation's economy grew by 3.1% last year compared to 5.6% in 2020.

Therefore, the government was confident that job creation and business empowerment efforts through Budget 2022 would contribute to this year's projected gross domestic product growth of 5.5% to 6.5%, he added.

On the breakdown of the SemarakNiaga allocation, Ismail Sabri said it consisted of RM1.8bil in micro credit loans, RM2.2bil in equity/alternative financing, RM14.2bil in small and medium enterprise (SME) soft loans, and RM22bil in guarantees through Syarikat Jaminan Pembiayaan Perniagaan.

"All levels of businesses, from micro/small to large and listed ones on Bursa Malaysia, can benefit from

measures in the SemarakNiaga initiative in Budget 2022.

"In fact, for micro SMEs (MSMEs), the government has never before provided such a sizable RM1.8bil funding with a moratorium feature of up to 12 months," he said, reported Bernama.

Ismail Sabri also outlined the three objectives of SemarakNiaga, which includes maintaining the recovery momentum that Malaysia achieved during the fourth quarter of 2021.

The government, through the relevant agencies, had crafted alternative financing and financing schemes for MSMEs and other affected businesses, allowing them to recover and generate revenue once more, he explained.

This includes initiatives to help the most impacted sectors such as tourism, retail and entertainment.

He said the second objective was to build business resilience, helping them develop their workers' skills which was also related to the JaminKerja Keluarga Malaysia initiative launched on Saturday.

The third objective, he said, was to enable reforms that would help the country transition towards an economy that was sustainable, as well as enabled by digital transformation and IR4.0 (Fourth Industrial Revolution).

"Efforts towards digital enablement include grants for SME digital-

isation and smart automation, matching grants to accelerate digital transformation as well as assistance for the gig economy players and start-ups to better navigate the world of commerce and business," he said.

Ismail Sabri also highlighted that SemarakNiaga was complemented by other Budget 2022 initiatives, particularly those aimed at facilitating business, and this includes preparing businesses for post-Covid-19 operational requirements.

"For example, the government will extend the tax deduction for renovation costs of up to RM300,000 to support standard operating procedure compliance, such as improving the ventilation system and providing additional tax deduction of up to RM50,000 on employee housing rental expenses," he said.

The Prime Minister said Budget 2022 would also focus on strengthening the country's position as a competitive investment destination, and this included promoting more strategic investments.

"For example, we have a special strategic investment fund of RM2bil to attract foreign investment from multinational companies, smart automation matching grants for 200 manufacturing and service companies (RM100mil), and skills/training programmes to train 20,000 workers to support specific industry clusters (RM80mil)," he added.