

JOB, HIGHER WAGES FOR YOUTHS

60 FIRMS VOW TO HELP GOVT WITH PROJECTS

They will support initiative that directly benefits the people such as TVET, says PM

KUALA LUMPUR

SIXTY companies have agreed to assist the government in various areas, especially in projects that will directly benefit the people, the Dewan Rakyat was told.

Prime Minister Datuk Seri Anwar Ibrahim, in confirming this, said the ongoing initiative involved multinational and government-linked companies.

"There are 60 companies that have been asked to support the Technical and Vocational Education and Training (TVET) programme, among others. They include Sunway Bhd, Berjaya Corporation Bhd, especially companies from the Chinese Chamber of Commerce.

"So, we asked them (corporations) to extend their help either directly to the needy or, in this matter, in the TVET programme," he said when replying to a supplementary question from Datuk Seri Tuan Ibrahim Tuan Man (PN-Kubang Kerian) during the ministerial question time.

Anwar said the Albukhary Group had offered to take over TVET institutions in Pekan, Pahang, and Tanjung Malim, Perak.

He said such an initiative would allow big companies to train the youth, especially Malays, to improve their skills.

"This would allow the youth to have better job opportunities with higher wages."

Anwar was reported as saying that Malaysian corporations would be allowed to make procurements when handling the TVET programme in different states.

Petroliam Nasional Bhd (Petronas), for instance, would be handling the TVET programme in Pengerang, Johor, to train the students in meeting the industry's expectations, he said.

To another question, Anwar said the special facility to allow Employees Provident Fund (EPF) contributors to use their savings as collateral for bank loans would not affect the investment pool and dividend payout.

He said the attorney-general and EPF had discussed the matter, and that the move did not violate Section 51 of the EPF Act.

"For instance, if they (EPF contributors) put down RM50,000 as collateral, they will still receive the dividend based on the total amount in their savings.

"Borrowers who cannot repay their loans would be a small group, so this will not affect the dividend payout," he said in reply to Datuk Muslimin Yahaya (PN-Sungai Besar).

Anwar, who is also finance minister, said the move was expected to benefit four million EPF contributors aged below 55, or 32 per cent. He said conventional and Islamic financing would have interest rates of between four and five per cent, which were lower than between eight and 15 per



Prime Minister Datuk Seri Anwar Ibrahim says 60 corporations had offered to assist the government with various projects that are beneficial to the rakyat, including the TVET programme. BERNAMA PIC

cent for personal loans.

"This facility can only be used once to avoid contributors depending on personal loans. It is subject to a maximum collateral value of RM50,000 in Account 2.

"EPF is fine-tuning the implementation of the facility, together with the Finance Ministry, Bank Negara Malaysia and banks."

Anwar said details of the facility would be announced soon.

He said the funds in Account 2 could only be used as collateral and could not be used to repay loans until contributors were eligible to withdraw their retirement fund at ages 50 and 55.

He said the funds in Account 2 could still be withdrawn for education and housing.

Earlier this month, Anwar announced a special collateral agreement to help EPF contributors apply for bank loans.

He had said the facility would help contributors who really need it, without having to withdraw their savings.

In response to calls for the government to allow another round of EPF withdrawals, he said this one-off facility was a short-term solution to help those affected by the Covid-19 pandemic.

Besides Malaysia, more than 20 countries allowed withdrawals from retirement funds during the pandemic, including Australia, Belgium, Canada, the United Kingdom and the United States. But this ended in 2021.

"EPF withdrawals will not be considered as the people's retirement funds are already at a critical level," Anwar said.

He said the number of EPF contributors under 55 with savings of less than RM10,000 had increased from 4.7 million people, or 36 per cent, pre-pandemic to 6.7 million people, or 52 per cent, in December last year.

The percentage of EPF contributors who will have saved the minimum quantum of RM240,000 by age 55 had fallen from 21 per cent in April 2020 to 17 per cent in December last year.

The percentage of EPF active contributors who will have saved RM240,000 by age 55 had fallen from 37 per cent in April 2020 to 30 per cent in December last year.

Anwar said Bumiputera contributors had the lowest median savings post-pandemic, at RM4,937 in December last year from RM15,541 in April 2020.