

CIRCULAR NO: 108/2020

DATE: 5 June 2020

“PENJANA” – PELAN JANA SEMULA EKONOMI NEGARA

Reference is made to the [SPEECH BY YAB TAN SRI DATO’ HAJI MUHYIDDIN BIN HAJI MOHD YASSIN, PRIME MINISTER, MALAYSIA, DATED 5 JUNE 2020.](#)

Following are highlights to the Speech.

- The Government will allocate about RM9 billion to address the rising unemployment. This will benefit over 3 million workers nationwide.
- The Wage Subsidy Programme of RM600 per worker, for a maximum of 200 workers per company, will be extended for another three months.
- Companies that were not allowed to operate during the Conditional Movement Control Order (CMCO), can apply for wage subsidy, provided the employee receives the subsidy payment.
- Under the Employment Subsidy Programme worth RM1.5 billion, companies can receive financial incentives for giving jobs to the unemployed and youth. Approximately 300,000 people will benefit from the following incentives up to six months.
 - Incentives worth RM800 per worker for companies that pay unemployed Malaysians aged under 40 years.
 - Incentives worth RM1,000 per worker for companies that pay unemployed Malaysians aged 40 years and above or persons with disabilities (OKU).
- To help and encourage the unemployed to improve their skills, training allowance of up to RM4,000 can be claimed from the Social Security Organisation (SOCSO) under Employment Insurance Scheme by those who had lost their jobs, even though they are not contributors.
- To address the issue of youth unemployment the Government will provide incentives to employers who provided apprenticeship opportunities for school leavers and graduates at a rate of RM600 per month.
- The government will allocate RM2 billion for skills upgrading programmes for the unemployed and youth – which will benefit more than 200 thousand people. For youth, this includes train and place programmes, short-term courses at selected institutions and training subsidies. For the unemployed, the Government will implement upskilling programmes in the electrical and electronics as well as information and communications technology sectors. The Government will also encourage the continuation of learning through short-term courses and training subsidies.
- RM75mil allocated to gig economy and welfare of workers in this sector through the following:
 - RM50 million in the form of matching funds will be provided for the gig economy platform to contribute to its employees under SOCSO’s “Skim Bencana Pekerjaan” and EPF i-Remuneration Scheme.
 - RM25 million allocation to MDEC for the Global Online Workforce (GLOW) aimed at guiding Malaysians generate online revenue via international clients.

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- To encourage SMEs to implement the 'work from home' concept, the Government will provide tax incentives as well as employment insurance protection.
- Government to introduce My30 unlimited passes for public transport users. Commuters can now pay RM30 a month for unlimited rides. It is open to all nationalities, beginning June 15 until the end of 2020.
- 1 GB free internet for all users from 8.00 am to 6.00 pm daily.
- To encourage micro enterprises and SMEs to switch to digital or online services, the Government and the private sector will provide a matching grant of RM140 million. This initiative will be led by MDEC with a selected e-commerce platform.
- SMEs and mid-tier companies will continue to receive grants and loans amounting to RM700 million to enable more companies to move into digitalisation. This includes:
 - RM100 million SME Digital Matching Grants made available in collaboration with telecommunications companies
 - RM500 million loans under SME Technology Transformation Fund
 - RM100 million Smart Automation Grant - for which every company that is eligible will receive a grant of up to RM1 million.
- RM400mil to fund Penjana Microcredit by TEKUN and Bank Simpanan Nasional with RM50mil allocated especially for women entrepreneurs.
- RM200 million will be offered through the Perbadanan Usahawan Nasional Berhad (PUNB) for Bumiputra entrepreneurs. In addition, RM300 million will be channeled to MARA where Bumiputra entrepreneurs, including skill institutes can get funding for working capital.
- RM10 million allocated to the Malaysian Global Innovation and Creativity Centre (MaGIC) to fund social enterprises for social projects to address issues faced by vulnerable groups.
- To encourage the establishment of SME entities, the Government will provide income tax rebate of up to RM20,000 each year for the first three years of assessment subject to terms and conditions. This income tax rebate is given to new companies established and operating between 1 July 2020 and 31 December 2021.
- To encourage SMEs to increase competitiveness conducting business through merger and acquisition, the Government will grant stamp duty exemption on matters relating to mergers or acquisitions of transactions completed between 1 July 2020 and 30 June 2021.
- Penjana Nasional fund worth RM1.2 billion with an allocation of RM600 million from the government and matched by RM600 million from local and international investors to drive the process of digitalisation of businesses and innovation.
- To promote the growth of the automotive industry, the government has agreed to grant 100% sales tax exemption for local passenger car sales, and 50% for imported passenger cars for the period from 15 June 2020 to 31 December 2020.
- Additional RM50mil to the Malaysian Investment Development Authority (Mida) for promotional and marketing activities.

Attached: [SHORT-TERM ECONOMIC RECOVERY PLAN](#) and [PENJANA'S INFOGRAPHIC](#).

Yours sincerely,

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