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**STRATEGIC PROGRAMME TO REVIVE THE ECONOMY
(PROGRAM STRATEGIK MEMPERKASA RAKYAT DAN EKONOMI, PEMERKASA)**

Reference is made to the [Address by the Prime Minister](#) dated 17 March 2021.

The Prime Minister has announced the Strategy of the Comprehensive Economic Recovery Plan worth RM20 billion Ringgit to revive the economic activities of the country. Five key focus areas of the economic recovery and empowerment programme was identified for 2021, namely: 1. "Controlling the Spread of COVID-19"; 2. "Driving Economic Recovery"; 3. "Strengthening National Competitiveness"; 4. "Implementing the Regional and Community Inclusion Agenda" and 5. "Transforming the Economy".

Below are highlights of the People and Economic Strategic Empowerment Programme (PEMERKASA):

- 1. Tax Deduction up to RM50,000 for Safe@work Implementation** – The Ministry of International trade and Industry (MITI) will implement the Safe@Work initiative come 1 April 2021. Employers will be responsible to provide conducive workplaces and accommodation for employees under this initiative. Companies registered with MITI for the Safe@Work programme will be allowed to operate in situations where close contact workers are isolated from the local community and other workers by placing them in a "safe work bubbles" until all close contact workers are certified safe from COVID-19

As an incentive for companies to participate in this voluntary programme, the Government will provide additional tax deductions to manufacturing companies and manufacturing-related service companies on the rental expenses of employees' premises and hostels. Expenditure eligible for this additional tax deduction is limited to RM50,000 for each company registered with MITI and has passed the Safe@Work compliance audit. Companies can register from 1 April 2021 onwards at <https://notification.miti.gov.my>. Click <https://www.miti.gov.my/miti/resources/safeatwork-faq.pdf> to read the Frequently Asked Questions on Safe@Work.

- 2. Tax Deduction for COVID-19 Screening Test** - Employers who conduct COVID-19 screening tests for their employees are allowed to make additional tax deductions on the cost of COVID-19 screening tests for expenses incurred up to 31 December 2021.
- 3. SME Financing up to RM250,000 at 3% Interest Rate** - SME Corp will provide RM50 million to assist local SMEs obtain financing of up to RM250,000 at interest rates of 3%.
- 4. RM200/worker for Job Placement/Gig Service Provider Platform** - The expansion of the PenjanaKerjaya 20 scope will include job placements for short-term and gig employment. Employers that provide employment for the short-term workers or platform for gig service providers registered with SOCSO can receive RM200 for each employee placed.
- 5. Apprenticeship Programme under PenjanaKerjaya** – The programme will be extended to six months where trainees under this programme will be given an incentive of RM800 for a six-month apprenticeship period.

6. Initiatives under the Human Resource Development Fund

- i. UpskillMalaysia Platform which serves as an information centre for skills upgrading and retraining programmes.
- ii. e-LATiH portal which contains over 300 online training courses offered for free.

7. Expansion of the National Authorised Economic Operator Programme - The Programme provides a green lane for eligible companies for export and import transactions and the shortening of the processing time for investment applications.

8. Additional Loan facilities for SMEs via Targeted Assistance and Rehabilitation Facility - Bank Negara Malaysia has increased the Targeted Assistance and Rehabilitation Facility by RM2 billion and the Automation and Digitisation Facility by RM700 million.

9. Financing Schemes for the Development of Automation, Digitisation and Use of Green Technology – A total of RM200 million is provided through Malaysian Industrial Development Finance Berhad (MIDF) to finance the development of automation, digitisation and use of green technology. MIDF has also agreed to reduce the loan interest rate from 5% to 3% for a period of 12 months, starting 1 April 2021.

10. Smart Automation Grant - An additional fund of RM50 million for the Smart Automation Grant under the Malaysian Investment Development Authority (MIDA) is also provided so that more SMEs and Mid-tier Companies can improve operational and manufacturing efficiencies through high technology. In addition, to support IR4.0, an allocation of RM50 million will be given to the Industry4WRD programme under MITI.

11. SME Grant Incentive for Purchase of Machinery - To encourage SMEs to increase automation that can reduce dependence on foreign workers, SME Bank will provide a loan fund of RM200 million to finance the purchase of machinery with a grant incentive of up to 20% on the value of the machine.

12. eBizLink and Globepreneur Initiatives – To encourage investments and exports, the Government has introduced virtual and hybrid digital marketing platforms to promote more potential SMEs to the international market as well as encourage the use of automation and mechanisation amongst industry player.

13. Market Development Grant - The lifetime claim ceiling of the Market Development Grant ceiling is increased from RM300,000 to RM 500,000 for each company participating in the international exhibition platforms.

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