



FOREWORD



**PRIME MINISTER
MALAYSIA**

“Safeguard lives and protect the livelihood of the rakyat”

The year 2020 began with nations around the world gearing up to contain the spread of COVID-19 pandemic by undertaking various measures which include enforcing movement restrictions and closing borders. The unprecedented situation has severely impeded overall global economic activities with the world economy experiencing a sharp contraction that economists believe to be worse than the Great Depression in the 1930s. Being a highly open economy, Malaysia’s GDP has also been adversely affected.

From the onset, the Government has been resolute in its stand to safeguard lives and protect the livelihood of the *rakyat*. We seek to address the pandemic through a systematic approach that focuses on three pillars: safeguard the *rakyat*, support businesses and finally, strengthen the economy. These three pillars underline all subsequent economic stimulus packages that we have unveiled throughout the year.

Apart from implementing various stages of the Movement Control Order (MCO) since March 2020 to curb the transmission of COVID-19, the Government has embarked on a series of economic stimulus measures totalling RM305 billion entailing fiscal and non-fiscal measures. In this regard, the Economic Stimulus Package Prihatin Rakyat (PRIHATIN) totalling RM250 billion was unveiled in March 2020, followed closely by the PRIHATIN SME+ worth RM10 billion in April. In June, we announced the Short-Term Economic Recovery Plan (PENJANA) totalling RM35 billion and in September, we released the RM10 billion additional package, dubbed the PRIHATIN Supplementary Initiative Package (KITA PRIHATIN).

Under the PRIHATIN package, the nation’s healthcare services were strengthened by additional allocation for among others, medical equipment, enhancing testing capacity and developing the *MySejahtera* application for contact tracing. PRIHATIN also provided immediate financial assistance to ease the cash flow burden of the *rakyat* and businesses, including employment retention support, deferment or restructuring of loan repayments as well as provision of credit facilities. Furthermore, we implemented the PRIHATIN SME+ to ensure the survival and ease the financial burden of SMEs.

When the COVID-19 curve flattened, the subsequent strategy was to reopen the economy by allowing the *rakyat* to return to work and companies to resume operations. Hence, the PENJANA package was announced in June to support the economy to operate in a new normal.

The Government is ever ready to step in and provide additional assistance when deemed necessary. As such, realising that the *rakyat* and businesses still needed financial assistance, we swiftly announced in September this year an additional allocation to the existing initiatives, for example, the wage subsidy programme, the special grants to micro-companies and also assistance to the lower and middle-income households and individuals under the KITA PRIHATIN package.

LAKSANA, a unit under the Ministry of Finance, was established to ensure all economic stimulus programmes are implemented promptly and can effectively reach the targeted groups. The Unit has now evolved into a full-fledged agency in monitoring implementation outcomes of the stimulus programmes across 53 ministries and Government agencies nationwide.

Together, we have braved and withstood the unprecedented crisis as a nation. I would like to express my deepest gratitude to the frontliners whose efforts have saved countless lives and upheld Malaysia's healthcare system as among the best in the world. Let me also thank the *rakyat* for their patience and close cooperation in combating the pandemic together. *Alhamdulillah*, we have achieved positive results thus far. However, we cannot afford to be complacent because the war against COVID-19 is not over yet, until and unless a vaccine has been found and is made available across the world.

Against the backdrop of strong economic fundamentals, a diversified economic base as well as proactive measures which have been implemented, we are confident in mitigating the economic impact arising from this crisis. Nevertheless, the socio-economic impact of the pandemic is expected to run its course until next year. Hence, the 2021 Budget will still focus on protecting lives and livelihood with additional measures to cope with the lingering effects of the pandemic on the economy as a whole. *Insya-Allah*, we will register a rebound in economic growth in 2021.

The crisis has given us the opportunity to look inwards, reassess our priorities and reset our targets. Moving forward, we will continue to revitalise and reform our economy for a sustainable future of shared prosperity under a new normal. It is our aspiration to steer the economy to a higher growth trajectory that is inclusive in nature. I would like to reiterate that this Government is committed to serving the *rakyat* and ensuring their well-being as well as supporting the businesses to thrive. *Insya-Allah*, we will be able to achieve this if we all work closely together.



TAN SRI HAJI MUHYIDDIN BIN HAJI MOHD YASSIN

6 November 2020