

“COVID-19 is the greatest test that we have faced together since the formation of the United Nations, after World War II,” said UN Secretary-General Antonio Guterres. COVID-19 is an infectious disease caused by a newly discovered strain of coronavirus, a type of virus known to cause respiratory infections in humans. It was first detected in Wuhan, China and then in Malaysia on 24 January 2020.

The unexpected outbreak of the COVID-19 had a great impact on the global economy. According to World Bank forecasts, the global economy will shrink by 5.2% this year. That would represent the deepest recession since World War II. Our country, Malaysia had experienced several economic crises in the past. One of the most significant events in the history of the Malaysian economy was the 1997 Asian financial crisis. It had caused Malaysia’s GDP to shrink from US\$100.8 billion in 1996 to US\$72.2 billion in 1998. The Malaysian economy’s GDP was unable to recover to 1996 levels until 2003. At that time, a National Economic Action Council was formed to deal with the financial crisis. Massive government spending was made and Malaysia continuously recorded budget shortage to restore the economy. Malaysia refused to accept economic aid packages from the International Monetary Fund (IMF) and the World Bank, whose mission is to help ensure stability in the international system. With the efforts of the council and the government, Malaysia enjoyed faster economic rejuvenation compared to its neighbours like Indonesia, Thailand and the Philippines.

Back to the topic, many countries, including Malaysia, have been experiencing lockdowns or undergoing the movement control order since the World Health Organisation (WHO) declared COVID-19 a worldwide pandemic. Businesses and activities were prohibited by the National Security Council as one of the measures to fight against COVID-19. It had significantly affected our country’s economy as many households were incomeless and facing difficulties in securing their livelihood. Malaysia has once again faced a new economic crisis due to the COVID-19 pandemic. I have been thinking a lot at home during the lockdown. If I were the finance minister of Malaysia, what policies I would implement to weather the crisis.

### **SE-MALAYSIA Economic Stimulus Package**

The first thing I would do is to gather pieces of information from ministries and collect opinions from economic professionals to create a stimulus package. A stimulus package is a package of economic measures put together by a government to stimulate a floundering economy. It’s objective is to reinvigorate the economy and prevent or reverse a recession by boosting employment and spending. Even though the prime minister of Malaysia, Tan Sri Muhyiddin Yassin, has introduced the PRIHATIN Rakyat Economic Stimulus Package on 27 March 2020, I would still like to build a package which has been improved and is beneficial to all parts of the societies. I would name it as the SE-MALAYSIA Economic Stimulus Package. “SE-” means for one and all so “SE-MALAYSIA” means all of Malaysia, without any of the citizens being neglected.

The SE-MALAYSIA Economic Stimulus Package includes a total amount of RM300 billion. There is an allocation of RM1 billion to the Ministry of Health (MOH). The main

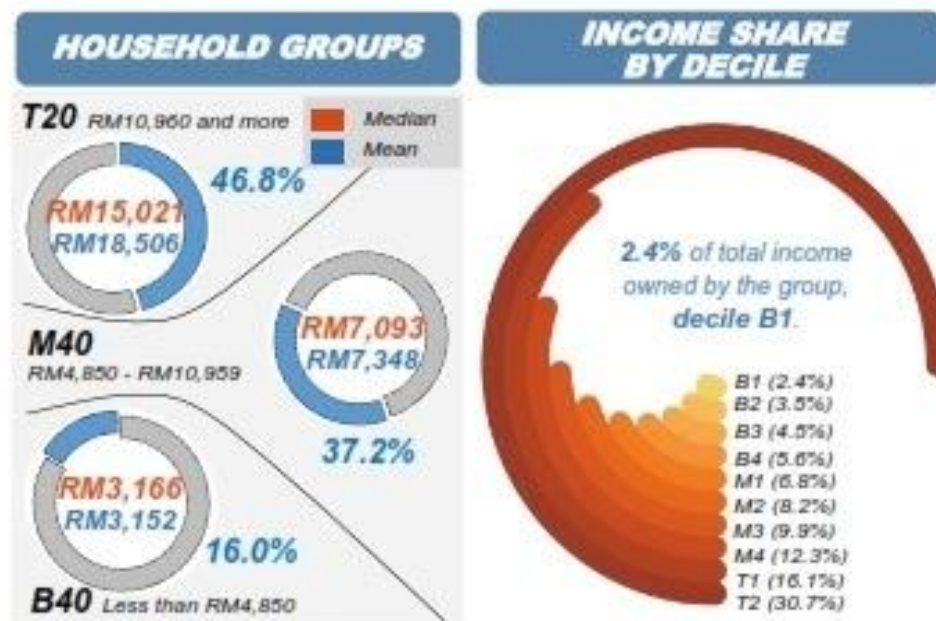
objective of this allocation is to maintain the performances of the country's medical system. It is used to purchase medical apparatus such as ventilators and Intensive Care Units (ICU) equipment, personal protective equipment (PPE) for the public medical personnel as well as fulfilling the laboratory requirements for testing COVID-19. An additional RM1 billion would also be allocated to purchase equipment and services from private healthcare service providers. Besides, RM10 million would be assured for COVID-19 testing at private hospitals. During the containment of the outbreak, healthcare personnel have been working tirelessly under a stressful and dangerous environment. Acknowledging their sacrifices, the special allowances of public medical personnel would be increased from RM400 to RM 800 per month until 31/12/2020.

Furthermore, one of the main parts of the SE-MALAYSIA Economic Stimulus Package would be the allocation of RM20 billion to provide one-off cash assistance to the citizens of Malaysia. The aid will be channelled to the M40 and B40 group.

Classification		Income Range (per month)
B40	B1	< RM2,500
	B2	RM2,501-RM3,169
	B3	RM3,170-RM3,969
	B4	RM3,970-RM4,849
M40	M1	RM4,850-RM5,879
	M2	RM5,880-RM7,099
	M3	RM7,110-RM8,699
	M4	RM8,700-RM10,959
T20	T1	RM10,961-RM15,039
	T2	> RM15,040

SOURCE:  
Household Income and Basic Amenities Survey 2019, Statistics Department  
Bernama

Here are the statistics of the survey of household income and basic amenities in the year 2019:



Household Income and Basic Amenities Survey Report 2019. (Credit: Department of Statistics Malaysia)

The beneficiaries include employees from both the public and private sectors. The payments are shown in the table below :

No.	Beneficiaries	April 2020	May 2020	June 2020	Total
1	Households earning $\leq$ RM4,000 per month (4 million households)	RM 1,200	RM600	RM300	RM2,100
2	Households earning RM4,001- RM8,000 per month (1.1 million households)	RM 700	RM500	RM300	RM1,500
3	Single individuals earning $\leq$ RM2,000 per month (3 million individuals $\geq$ 21 years old)	RM 7,000	RM500	RM300	RM1,500
4	Single individuals earning RM2,001- RM4,000 per month (400,000 individuals $\geq$ 21 years old)	RM 500	RM250	RM250	RM1,000

Asides from the M40 and B40 group, students at institutions of higher education would not be forsaken and would be provided with one-off cash assistance of RM200-RM600 per student. The aid would cost a total of RM500 million and is eligible for students at different levels of education which is:

No.	Levels	Cash (per person)
1	Form six	RM200
2	Matriculation	RM200
3	Community colleges	RM400
4	Polytechnics	RM600
5	Public/Private institutions of higher education	RM600

Also, vulnerable groups such as senior citizens, children in shelters, the disabled, homeless and Orang Asli would be concerned by the government. An allocation of RM50 million would be made to assist them from different aspects such as food, shelters and healthcare.

Finally, it comes to another main part of this stimulus package, which is supporting businesses. Business plays an important role, it is said to be the engine of the economy. It creates job opportunities for people so that they can purchase goods or services to fulfil their needs in daily life. During the pandemic, most of the businesses are not able to operate as usual so they have lost the source of income. Therefore, there would be an allocation of RM120 billion to assist businesses including small and medium-sized businesses (SME). Loan of up to RM1 million per SME for a maximum period of 5.5 years would be provided and no repayment is needed within six months. Out of the value of RM120 billion, RM20 billion would be allocated to reduce the financial burden of SMEs and to ensure job retention of  $\frac{2}{3}$  employees in Malaysia.

### **Enforce policies for companies**

During the lockdown due to COVID-19, the operation of businesses has been severely affected. Owners of companies facing financial difficulties are concerned. Owners might not be able to pay their employees on time and would be forced to lay off employees or mandate them to take unpaid leaves as a way of cutting costs. According to the latest International Labour Organisation (ILO) estimates, over one million Malaysian jobs in manufacturing and supply chains are at risk due to the COVID-19 crisis. Thus, measures must be taken to assist them in weathering the economic challenges. Beside providing cash flow to employers which are about RM10 billion, laws should be enforced to protect employees' rights. Employers might face the threat of legal actions for failure in fulfilling legal obligations.

## **Postponement and discounts of payments**

People are facing threats during the lockdown like forced leave, no-pay leaves, salary deductions and union busting. Therefore, there would be a postponement of income tax instalment payments for 6 months. Moreover, a six-month loan moratorium would be implemented to assist individuals, SMEs and cooperation during this period. It would apply to individuals and SMEs for conventional loans including car loans or hire purchase loans. During this period, no repayments would need to be made and late payments charges or penalties would be imposed. However, credit cards are not included in this measure.

Additionally, electricity is the basic need for the human being. Hence, electricity bill discounts would also be offered to both domestic and non-domestic consumers. They will enjoy discounts between 15%-50% until 31 December 2020 depending on different amount of electricity consumption as shown in the table below:

<b>No.</b>	<b>Electricity Consumption</b>	<b>Bill Discount</b>
1	< 200kWh	50%
2	201~300kWh	25%
3	301~600kWh	15%

For non-domestic users, there would be no 2 sen per kWh surcharge that was only applicable for commercial usage.

Last but not least, the usage of the Internet has been increasing since the lockdown due to the pandemic and everyone is forced to stay home to work and study. So, there would also be discounts on Internet bills so that it is more affordable by citizens.

In conclusion, the COVID-19 pandemic has not only overwhelmed the global healthcare system and changed the social norms of humans, it has also critically impacted the global economy. If I were the finance minister, I would definitely put myself into everyone's shoes and try the best I could to lead the country in the process of overcoming this economic crisis. Malaysia is a country of hardworking people, and declining them of a normal and financially stable life is like saying that their efforts in making the Malaysian economy rise up are insignificant. Come to an end, may our beloved country overcome this economic crisis and have more miracles to come.

(1535 words)

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