

SemarakNiaga will help Malaysia stay on strong economic recovery path, says PM

KUALA LUMPUR (Feb 20): The government wants to ensure that the country is on a strong economic recovery path through the implementation of the SemarakNiaga Keluarga Malaysia Programme (SemarakNiaga), which receives an allocation of more than RM40 billion under Budget 2022.

Prime Minister Datuk Seri Ismail Sabri Yaakob said SemarakNiaga not only supports businesses by providing working capital injections or financing, but also through equity injections — or taking up shares or an equity stake in a company — for businesses affected by the Covid-19 pandemic.

“This (taking up equity stake) is a novel and innovative solution that has never been implemented before. The government is confident that this initiative will help the entrepreneurs to recover and move forward,” he said in a written interview on the SemarakNiaga Keluarga Malaysia initiative (Budget 2022) on Saturday.

Ismail Sabri said that through the government’s assistance and support to the business community, more job opportunities will be created as companies recover and grow, hence also restoring the livelihoods of Keluarga Malaysia.

“This will reduce the unemployment rate, which the government targets to be less than four per cent by the year end.

“In fact, we are already building on past achievements,” he said, noting that the **Department of Statistics Malaysia** and Bank Negara Malaysia had recently announced that the nation’s economy grew by 3.1 per cent last year compared to a 5.6 per cent contraction in 2020.

Therefore, the government is confident that job creation and business empowerment efforts through Budget 2022 will contribute to this year’s projected Gross Domestic Product growth of 5.5 to 6.5 per cent, he added.

On the breakdown of the SemarakNiaga allocation, Ismail Sabri said it consists of RM1.8 billion in micro credit loans, RM2.2 billion in equity/alternative financing, RM14.2 billion in small and medium enterprise (SME) soft loans, and RM22 billion in guarantees through Syarikat Jaminan Pembiayaan Perniagaan (SJPP).

“All levels of businesses, from micro/small to large and listed on Bursa Malaysia, can benefit from measures in the SemarakNiaga initiative in Budget 2022. In fact, for micro SMEs (MSMEs), the government had never before provided such a sizable RM1.8 billion funding with a moratorium feature of up to 12 months,” he said.

The prime minister outlined the three objectives of SemarakNiaga, which include to maintain the recovery momentum that Malaysia achieved throughout the fourth quarter of 2021.

The government, through the relevant agencies, has crafted alternative financing and financing schemes for MSMEs and other affected businesses, allowing them to recover and generate revenue once more, he explained.

This includes initiatives to help most impacted sectors such as tourism, retail and entertainment.

He said the second objective is to build business resilience, which includes helping them develop their workers' skills and this is also related to the JaminKerja Keluarga Malaysia initiative launched on February 19.

The third objective, he said, is to enable reforms that will help the country transition towards an economy that is sustainable, as well as enabled by digital transformation and IR4.0 (Fourth Industrial Revolution).

"Efforts towards digital enablement include grants for SME digitalisation and smart automation, matching grants to accelerate digital transformation as well as assistance for the gig economy players and start-ups to better navigate the world of commerce and business," he shared.

Ismail Sabri also highlighted that SemarakNiaga is complemented by other Budget 2022 initiatives, particularly those aimed at facilitating business, and this includes preparing businesses for post-Covid-19 operational requirements.

"For example, the government will extend the tax deduction for renovation costs of up to RM300,000 to support standard operating procedure compliance, such as improving the ventilation system and provide additional tax deduction of up to RM50,000 on employee housing rental expenses," he said.

The prime minister said Budget 2022 will also focus on strengthening the country's position as a competitive investment destination, and this includes promoting more strategic investments.

"For example, we have a special strategic investment fund of RM2 billion to attract foreign investment from multinational companies, smart automation matching grants for 200 manufacturing and service companies (RM100 million), and skills/training programmes to train 20,000 workers to support specific industry clusters (RM80 million)," he added. — Bernama

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