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Towards Stabilizing the Economic Impact of COVID-19 through Fiscal Policy in Malaysia

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Abstract
A greater size of government spending, may be less efficient. This is contradicting with Malaysian practice because the current Malaysian fiscal policy has allocated a huge budget from the lowest income of individuals to the highest international trade with the aims of reducing the economic implications caused by the outbreak of COVID-19. This paper embarks on three objectives. First, to provide an overview of fiscal policy. Second, to investigate the impacts of COVID-19; and third, reveals the actions taken by the Malaysian Government to implement the recovery policy. This paper adopts an integrative literature review and published reports relating to fiscal policy and COVID-19. The findings show the consolidated efforts of Malaysian Government towards the current fiscal policy in stabilizing the economic impact after the Movement Control Order. This paper could be a prudent guideline for other countries to strategize their fiscal policies in steering the macro and socioeconomic development.

Keywords: COVID-19, Economic Impacts, Fiscal Policy, Malaysia, Movement Control Order.

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1. Introduction

A pandemic is the worldwide spread of a new disease (WHO,2010). Having poor natural immunity, a new emerged disease may cause rapid spread across communities and countries. Previously, four types of pandemics have spread around the world namely “mild” (1968 till 1969); “moderate” pandemic (1957); “severe” scenario which is synonym with the Spanish Flu (1918 to 1919); and “ultra” pandemic that is worse than the Spanish Flu (McKibbin & Sidorenko, 2006). After that, the Influenza pandemic has occurred for centuries almost three times in 1918, 1957, and 1968 (Martin et al., 1999), and the spread of Severe Acute Respiratory Syndrome (SARS) in 2003 (Yoldascan et al., 2010).

In January 2020, WHO has declared the outbreak of Coronavirus Disease 2019 (COVID-19), that originated from Wuhan as a pandemic (Shah et al., 2020) as it continues to spread globally. The first death was reported in China on 11th January 2020. After two days of the announcement made by China, one case was found outside China, that was Thailand (WHO, 2020). Besides, United States reported one case on 20th January 2020 (Secon et al., 2020). On 31st January 2020, Sweden and Spain reported the first cases while, in Russia and United Kingdom reported the first two cases respectively (Department of Health and Social Care, 2020; Sofiychuk, 2020). At the time of writing, the disease is already affecting 219 countries and territories around the world, with total 108,044,361 infected patients and 2,369,549 deaths (Worldometers,2021).

In Malaysia, its first wave of COVID-19 spread ended successfully within less than two months of its occurrence (Health Analytics Asia,2020). However, the localized clusters began to emerge in early March, became the second wave of the pandemic in the country. In order to break the chain of COVID-19, the Malaysian Government imposed a Movement Control Order (MCO) restricting social contact activities starting from March 18, 2020. The restrictions were then eased gradually depending on the progress of MCO in cutting down the number of infected patients in the country.

In principle, pandemics may cause illness, mortality, and morbidity that may lead to absenteeism, school closing, declining production, and crowded hospital emergency rooms (Killbourne,2004). And most of pandemics too, have significant effects to the economies notably, reduction in trade and services; decreasing of economic growth and increasing of poverty (Bloom

& Wit,2005); lost production (Yoldascan et al.,2010); huge; increasing of operational business costs; and re-evaluation of country risks influenced by increasing of risk premiums (Lee and McKibbin,2003).

At this moment, Malaysia has successfully crossed over these obstacles and implemented a standard operating procedure (SOP) including having their body temperature taken before entering any premises, offices, and schools; wearing face masks; using hand sanitizer regularly; and practices social distancing in order to prevent the infection of COVID-19. According to Pfordten (2020), Malaysia's response to COVID-19 (i.e., MCO) ranked fourth strictest in South-East Asian. The stringency index of nine Asean countries are measured based on seven indicators namely work and school closure, public transport closure, public event cancellation, travel bans, and so on. In forging further success specifically, the economic-based rehabilitation, Malaysia has taken various and serious initiatives to boost up the macroeconomic and creating a simultaneous policy intervention by announcing an active fiscal policy to overcome this emerging crisis.

The current Malaysian fiscal policy has allocated a huge budget to all citizens and economic sectors from the lowest income of individuals to the highest international trade with the aims of reducing the economic implications caused by the outbreak of COVID-19. On one hand, there is a previous study found that a greater size of government spending, may be less efficient. This statement may be contradicting with Malaysian practice. At present so far, the economics of Malaysia seems under control whereby Malaysian Government has amounted to 22.6 percent of the country's output (Gross Domestic Product) compared to tax burden equals to 13.6 percent of total domestic income (The Heritage Foundation, 2020). Nonetheless, a study on fiscal policy is the need of hour due to the evolving of economic challenges influenced by COVID-19.

Therefore, the objectives of this paper are threefold: (i) to provide a brief overview of fiscal policy in Malaysia economics, (ii) to investigate the impacts of COVID-19 to the Malaysian economy; (iii) to reveal actions taken by the Malaysian Government to implement recovery policy including an active fiscal in minimizing the Malaysian economic impacts of COVID-19. To achieve these, integrative literature review method was carried out to review various published sources including reports and results of previous studies on subject matter. This paper is structured as follows: (1) an overview of fiscal policy, fiscal policy in Malaysia perspective, the types of fiscal policy rules and changes in fiscal condition; (2) the impacts of COVID-19 towards Malaysia economic; (3) the current fiscal policy offered by the Government of Malaysia; and finally (4) the conclusion.

2.Overview of Fiscal Policy

The main function of fiscal policy is to assure the stability of macroeconomic and sound public finances. The adjustments of fiscal policy in the public spending and tax measures could sustain the growth momentum and enhance the potential output of the economy (The Ministry of Finance,2020). Fiscal policy can be defined as the use of government spending and taxation to further influence the economy which aims to promote a sustainable growth of the economy and stabilizing the macroeconomic post crisis. For example, expanding spending and tax cutting to further stimulate a recovering economy. For a long term, the government can foster a sustainable economy by providing better education and scholarship and improving infrastructures to boost the professional participation amongst the public, corporate entities, and academicians (Horton & El-Ganainy,2020).

3.Fiscal Policy in Malaysia Perspective

Relatively speaking, fiscal policy is treated as how much the government has to spend, what to spend, who will be beneficial from the government spend, as well as how to finance the government spend (Abel et al.,2011). According to Bekhet and Othman (2012), basically, there are two major purposes allocated by the Federal government expenditure in Malaysia namely operation and development purposes. The main cause for allocating the budget for operation purposes is to impede the long-term economic growth potential as well as to improve its productivity.

The major component of operating expenditure including services, supplies, subsidies, and emoluments. The second highest of operation expenditure is subsidies. This trend has increased since year 2006 onwards and eventually its impact is closely linked to the global prices of commodity specifically the oil palm (Bank Negara Malaysia,2019). The reason for upgrading the subsidies is to minimize the burden of society particularly the poor and affected group. On one hand, the allocation budget for development purposes is deemed to be rationale because for upgrading the low-income household, rural basic infrastructure, urban transport, as well as other social services. The expenditure purposes have a significant role in sustaining the momentum of growth and the transformation of positive economic (Bekhet and Othman,2012).

Moreover, the non-tax revenue and tax collection are the fundamental source of the Malaysian federal government revenue. This source is aimed to improve the growth prospect of the country and finance its expenditures. The examples of tax revenues include income tax, import duties, export duties, excise tax, sales tax, and service tax while the non-tax revenues are license, permit, and investment income. In Malaysia, the income tax shows the major tax revenues compared to other taxes (Bank Negara Malaysia,2019).

4.Types of Fiscal Policy Rules and Changes in Fiscal Condition in Malaysia

Generally, there are three major types of fiscal policy rules. Table (1) shows these three major types as per summarized by Kopits and Symansk (1998); Bank Negara Malaysia,2020; Dass,2020 with modification by the authors**.**

Table (1): Types of Fiscal Policy Rules and Changes in Fiscal Condition in Malaysia

No.	Types of Fiscal Policy Rules	Explanation	Changes in Fiscal Condition in Malaysia
1.	Balanced-Budget or Deficit Rules	Balance between overall revenue and expenditure; or limit in government deficit as a proportion of GDP.	• Pressure on the fiscal deficit or GDP, from 3.4% to 3.6% -3.8% of GDP based on MYR 8.1 billion loss in revenue. • The oil price's impact on GDP is about 0.02% for every 1% change in price which increase revenue loss by MYR 11.1 billion to MYR 12.6 billion. • Depends on how effective and fast the stimulus package and Budget 2020 to shore up the economy.
		Balance between structural revenue and expenditure; or limit on structural deficit as a proportion of GDP.	
		Balance between current revenue and current expenditure	
2.	Borrowing Rules	Prohibition on government	• BNM's Overnight Policy

		borrowing from domestic sources Prohibition on government borrowing from central bank; or limit on such borrowing as a proportion of past government revenue or expenditure	Rate (OPR) has been maintained at 1.75%. It means that the lower OPR, the lower interest/ profit rates on loans/ financing by central bank. • The Small Debt Resolution Scheme (SDRS) has been transferred to Credit Counselling and Debt Management Agency (AKPK). • BNM's Special Relief Fund (SRF) has been fully utilized for SMEs. • Banks provide moratorium extension and loan repayment flexibilities: Restructure and Reschedule (R& R).
3.	Debts or Reserve Rules	Limit on stock of gross (or net) government liabilities as a proportion of GDP Target stock of reserves of extrabudgetary contingency funds as a proportion of annual benefit payments	• As at 30 June 2020, the International reserves of BNM amounted to USD 103.4 billion which is sufficient to finance 8.3 months of retained imports as well as is 1.1 times total short-term external debt. • The International reserves include foreign currency, International Monetary Fund, Special Drawing Rights, gold, and other assets.

(**Source**: Kopits and Symansk, 1998; Bank Negara Malaysia, 2020; Dass, 2020 with modification by the authors)

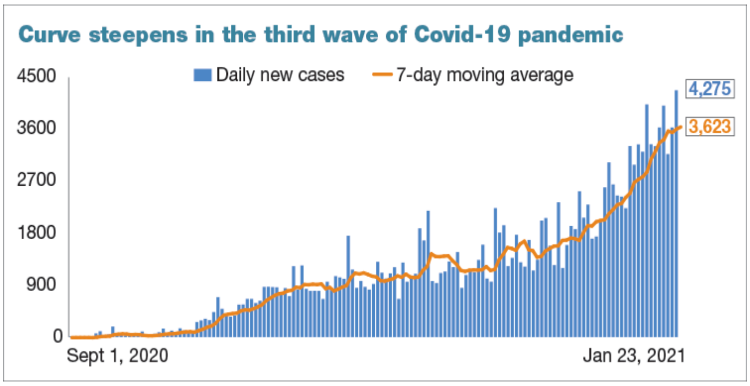
Hong (2016) postulated that fiscal policy in Malaysia through government allocations for infrastructure development and investment is a crucial tool in managing the economy. In order to counter an economic slowdown, Malaysian authorities tend to use a discretionary fiscal policy (Vijayaledchumy,2003). Discretionary fiscal actions include increasing government expenditure, capital expenditure and tax reduction. The fiscal

deficits do not occur due to the cumulative effects of inefficiency and long-term expenses such as wages for civil servants (Law Chee Hong,2016).
Bekhet and Othman (2012) claimed that expansionary fiscal policy can have either positive or negative impact to GDP growth. Some researches show that expansionary fiscal policy can play an effective role in improving the economy, whereas others found that expansionary fiscal policy increases national debt.
As we learnt from previous pandemic experiences for instance, the influenza pandemics that have occurred three times (1918,1957,1968) in the 20th century alone had affected the economy worldwide thus urged for the re-coordination of fiscal policy in many countries. Having the current situation of COVID-19 pandemic too, the World Bank has called for countries in the region to announce more fiscal and monetary steps in order to minimize the short-term economic pain especially, to support debt relief for businesses and individuals and unemployed workers from the urban areas to their hometown rural areas (Kumar,2020). Chakraborty and Thomas (2020) stressed that the coordination of more fiscal-monetary policy to scale up the policy responses to the emerging crisis of COVID-19 has to be taken by the government. The reason is, this situation demands simultaneous policy interventions for instance, the public health infrastructure and livelihood. They proposed to implement innovative sources of financing the deficit like money financing of fiscal programs namely, 'a variant of helicopter money'. Similarly, in Malaysia, the government has introduced the stimulus package and Budget 2020 to shore up the economy has been explained in Table 2.

5.Impact of COVID-19 Towards Malaysia's Economy

Recently, the total cases in Malaysia reported by the Ministry of Health (MoH) stood at 180,455 cases whereby on Jan 23, 2021 recorded 4,275 positive cases, while 137,019 cases have been cured or 75.9% while 667 deaths or 0.37% were recorded based on the statistics provided by the Edge Markets as shown in Figure 1 below. These are the highest numbers of COVID-19 confirmed cases after the first Movement Control Order was enforced starting March 2020 and currently Malaysia is in the third wave that eventually cause the economic crisis and unemployment.

Figure (1): Malaysia's Covid-19 Positive Case in the Third Wave



(**Source:** The Edge Markets, 2021)

6.Economic Crisis

Chakraborty and Maity (2020) stated that the shutdown of various institutions worldwide due to COVID-19 outbreak has caused the economy to suffer. Many countries are now witnessing their increasing inflation rate, increasing unemployment rate, low productivity besides the excessive expenditure for the treatment and rehabilitation of the COVID-19 victims and their families; in which, Malaysia is of no exception.

It was reported that the COVID-19 outbreak has devastating Malaysia's economy, particularly the travel and tourism sector. With the cancellation of travel and tour packages, government of Malaysia has recorded losses of as much as RM 3.37 billion within the first quarter of the year of 2020 (Karim et al., 2020). The declining number of inbound international tourists because of the globally imposed travel ban to break the chain of the deadly COVID-19 limits the number of flights per day, thus urged airline industry workforce to take unpaid leave voluntarily, or even face retrenchment (Zakri,2020). Consequently, many have lost their source of income.

7.Unemployment

Unemployment, income losses and financial hardship have becoming the major highlights in Malaysia since the execution of MCO because of the shutdown of many economic activities. From a survey carried out by the Department of Statistic Malaysia in March 2020, it was found that majority of the total respondents (168,182 respondents) are not financially prepared to face the extension of the MCO. In fact, more than two-thirds (71.4%) of the respondents who were self-employed have enough savings for less than 1 month only. Even for the employed respondents (private sector), 82.7 percent of them have savings that could last only for two months. The survey also reported that 23.8 percent of employers have lost their job. By industry, the agriculture and services sectors were found to have recorded a loss percentage in employment higher than other sectors, 21.9 per cent and 15.0 percent respectively. Overall, the Malaysian Institute of Economic Research, in a press statement on 24 March 2020, predicts that the real GDP growth of Malaysia in 2020 will drop from 4.0% to -2.9%, with up to 2.4 million job losses, of which 67% will be from the unskilled workers' category (INSAP,2020). Potentially, the COVID-19 outbreak has had direct impact not only to the tourism and travel industries, it would cause drop in foreign trade as supply chains, cashflow issues, reduced domestic demand, drop in stock markets, and spending arising from unemployment.

8.Current Fiscal Policy Offered by the Government of Malaysia

Generally, recovery policies can be divided into two namely an active fiscal policy and monetary policy. Monetary policy includes interest rates, liquidity, and control of money supply. However, this paper is solely focused on the ubiquitous fiscal policy that refers to government spending and taxation (Norlin Khalid,2020) as expected, the government projected a fiscal deficit of 3.2 percent of gross domestic product (GDP) in 2020 compared to 2019 with around 3.4 percent (CNA,2019).

In response to the COVID-19 outbreak, the Government of Malaysia tried to mitigate the economic impacts especially the Below 40 (B40) group by providing a direct fiscal injection through various packages. On this basis, our government has introduced the Prihatin Rakyat Economic Stimulus Package or known as PRIHATIN on 27th February 2020 worth RM 250 billion.

On one hand, Malaysian Government also implemented PRIHATIN supplementary package worth RM 10 billion, and the National Economic Recovery Plan (PENJANA) worth RM 35 billion that was monitored by more than 53 government agencies under the Economic Stimulus Implementation and Coordination Unit between National Agencies called LAKSANA (BERNAMA, 2020).

By looking at the huge number of incentives allocated for all Malaysian citizens, these effective measures or known as fiscal consolidation measures in the medium-term to create the space of fiscal in the long term for strengthening the economy. It has to be noted that this pandemic creates economic uncertainty whilst the COVID-19 positive cases continue to rise and new vaccine is expected to be produced by China in the early of November 2020. As long as the recovery fiscal policy complements each needs of citizens, increasing the aggregate demand of public and private consumption as well as fostering investment, Malaysia economy could be in equilibrium phase.

The Government of Malaysia with the collaboration of Ministry of Health has made tremendous efforts to fight and handle the outbreak since the Movement Control Order period and beyond. The COVID-19 pandemic is currently still on-going all over the world, with the increasing number of cases reported each day to date specifically Malaysia. The new cases were from 15 imported cases, six were local transmission and three of them from Sivagangga Cluster (Landau, 2020). Currently, Malaysia recorded a new daily high of 4,275 positive cases that involved 4,264 local infections and 11 imported cases (Arjuna,2021).

Hereinafter, we focused on what are the effective measures taken by the Malaysian Government to balance or stabilize the economic development sector from being downturned. We believed that the worldwide have taken tremendous actions as been stated by Yotzov *et al.*, (2020), the worldwide and EU countries especially, Bulgaria have explored the near-term macroeconomic effects of the COVID-induced uncertainties and developed three different scenarios for the development of economic due to different assumptions regarding on the social distancing duration as well as the severity of external shock.

9.Implementation of Prihatin Rakyat Economic Stimulus Package (PRIHATIN)

According to the Ministry of Finance Malaysia (2020), the allocation of RM 250 billion Package is expected to ease the burden of the citizens and the business community, RM 20 billion was announced in the previous stimulus package (including the special monthly allowances to the doctors, nurses, and medical personnel), followed by RM 128 billion is channelled to protecting the welfare of the citizens, almost RM 100 billion for supporting businesses, including Small and Medium Enterprises (SMEs) while, the remaining RM 2 billion to strengthen the economy.

The PRIHATIN package is believed to provide immediate assistance to ease the burden of all segments of the citizens and to ensure that no one is left behind. BERNAMA (2020) reported that under the package of PRIHATIN which is known as interim measures, loan repayment moratorium by the financial institutions was effective on April 1, 2020, worth RM 51.4 billion but the moratorium period will end on September 30, 2020. Table 2 summarizes the PRIHATIN Package provided by the Malaysian Government.

Table (2): Package of PRIHATIN

No.	Prihatin Packages	Quantum
1.	Food Security Fund Allocation	RM 1 billion
2.	PTPTN and the Skills Development Fund Corporation (PTPK) loan is extended	-
3.	TEKUN National and MARA	-
4.	Insurance and takaful sectors will provide a special fund to bolster the COVID-19 testing.	RM 8 million
5.	Cleaning and catering contract workers will be paid a salary and their terms of service will be extended	-
6.	Allocation to upgrade the broadband network	RM 400 million
7.	National Health Protection Scheme (My Salam) and COVID-19 quarantine patients are entitled to receive RM 50 per day for 14 days	-
8.	Allocation in collaboration with NGOs to provide food and shelter	RM 25 million
9.	Buildings belonging to the government such as convenience stores, day care centres, and school canteens will be exempted from rental payment	-
10.	Wage subsidy program for workers who earn RM 4000 or less for 3 months	-
11.	The government allows pre-retirement of withdrawal from the Private Retirement Scheme (PRS) of up to RM1500 without tax penalties	-
12.	People Housing Project (PHP) and public housing residents the exempted from paying rent for 6 months	-
13.	Free internet from all Telco	-
14.	15-50% electricity bill discount for 6 months.	-
15.	Allocation to fund B40 and M40 families under the National Caring Aid (Bantuan Prihatin Nasional)	RM 10 billion
16.	Allowance to front liners	RM 200 million
17.	Allowance for healthcare personnel	RM 600 million
18.	Fund allocation for medical equipment purchases and to pay for services	RM 1 billion with additional RM 500 million.

(**Source:** Shah et al., 2020)

On March 27, 2020, Malaysian Prime Minister, Tan Sri Muhyiddin Yassin announced the abovementioned package as part of alternative and continuous efforts in reducing the impacts of COVID-19. The stimulus package outlines three objectives. Firstly, "Protecting *Rakyat*". Secondly, "Supporting Businesses", and thirdly, "Strengthening Economy" in order to support and assist all Malaysian citizens under the PRIHATIN package with total RM 250,000 (MoF, 2020).

10.Short-term Economic Recovery Plan (PENJANA)

Currently, Malaysian are living in unprecedented times with the outbreak of COVID-19. However, the government of Malaysia has taken proactive and swift actions to strengthen the economic nation, support businesses, and protect lives. Basically, Malaysia has introduced six key steps in steering the economy namely, Resolve, Resilience, Restart, Recovery, Revitalize, and Reform. Malaysia has now passed the first three stages. There are: (1) Resolve entailed addressing and containing COVID-19 through MCO, (2) Resilience focused on protecting lives and livelihood through the PRIHATIN Package, and (3) Restart with the reopening of economic sectors in controlled manner (Mof,2020).

The Government is now heading to unveil PENJANA or known as the National Economic Recovery Plan with the latest package worth RM 35 billion, and the total of Malaysian Stimulus packages is almost RM 290 billion (Medina,2020). Towards this end, PENJANA's initiatives are focused on three key thrusts namely, (1) Empower people, (2) Propel businesses, and (3) Stimulate the economy (Ministry of Finance Malaysia, 2020). The discussions about the thrusts of key, beneficiaries, quantum, and timeline as prescribed in Table 3.

Table (3): PENJANA's Initiatives

NO.	KEY THRUSTS	QUANTUM
A.	**Empower People**	
1.	Wage subsidy programme	RM 5.3 billion
2.	Hiring and training assistance for businesses	RM 1.5 billion
3.	Reskilling and upskilling programs	RM 2 billion
4.	Gig economy and social protection and skilling	RM 75 million
5.	Flexible work arrangements incentives	RM 800 million
6.	Child care subsidy	RM 200 million
7.	MY30 public transport subsidy	RM 200 million
8.	Social assistance support for vulnerable groups	RM 108 million
9.	PEKA B40 healthcare support	RM 50 million
10.	Internet connectivity for education and productivity	RM 3 billion
B.	**Propel Businesses**	
1.	Micros and SMEs E-commerce campaign	RM 70 million

2.	"Shop Malaysia Online"	RM 70 million
3.	Adoption of digital and technical for MTCs and SMEs	RM 700 million
4.	MyAssist SME one stop shop	RM 5 million
5.	PENJANA SME financing (PSF)	RM 2 billion
6.	PENJANA tourism financing (PTF)	RM 1 billion
7.	PENJANA microfinancing	RM 400 million
8.	Bumiputera relief financing	RM 500 million
9.	SME go-scheme for liquidity support	RM 1.6 billion
10.	Tax relief for COVID-19 related expenses	RM 600 million
11.	Financial stress support for businesses	RM 2.4 million
12.	Social enterprises elevation	RM 10 million
13.	Spur set up of new businesses	RM 300 million
C.	**Stimulate the Economy**	
1.	DANA PENJANA Nasional	RM 1.2 billion
2.	National technology and innovation sandbox	RM 100 million
3.	Digitalization of government service delivery	RM 20 billion
4.	National "Buy Malaysia" campaign	RM 20 million
5.	e-PENJANA credits in e-wallet	RM 750 million
6.	Incentives for property sector	RM 1 billion
7.	Tax incentives for purchase of passenger cars	RM 897 million
8.	Extended service hours in the new normal	RM 20 million
9.	Malaysia as attractive horizon for businesses	RM 50 million
10.	Tourism sector support	RM 1.8 billion
11.	Arts, culture & entertainment, sector support	RM 225 million
12.	Agriculture and food sector support	RM 400 million
13.	Commodity sector support	RM 200 million

(**Source:** Ministry of Finance Malaysia, 2020)

In short, from Table 3, we can see that the Malaysia Government has proposed strategic and well-planned initiatives. On the verge of entering the first four phases, the Government aimed on completing the nation's current journey by rolling out a collection of strategic measures in order to propel the economic growth of the nation especially in facing the third wave of COVID-19.

11.Conclusion

This paper reports how the Malaysia Government implemented the consolidated efforts in the stimulus package for rehabilitation of Malaysia economy through recovery policy involving an active fiscal policy. One component of fiscal policy is the Federal government expenditure that comprises of operating expenditure and development expenditure. This is in line with the view of Keynesian and neoclassical economists whereby fiscal is about the varieties of government intervention in term of rules or policies. Practically, they are implemented to meet the sustainable economic growth (Bekhet and Othman,2012). By providing an active fiscal policy in Malaysia, no one left behind particularly the affected groups of society that are really need the government incentives like the stimulus package in order to ease their burden after the post COVID-19 phase.

At present so far, the battle against the outbreak of COVID-19 in Malaysia has proven fruitful efforts. The reason is, the government has enforced the Movement Control Order seriously and strictly. Obviously, this biggest effort gives impact to all notably, the economy, from the lowest income of individuals to the highest international trade. Nevertheless, all citizens have shown their compliance and support to the Movement Control Order in order to ease the burden of front liners. Also, Malaysian Government has allocated a huge budget to all sectors for minimizing the effects of this pandemic through PRIHATIN and PENJANA packages.

Thus, in future, the implementation of an active fiscal policy and monetary steps may reduce the impacts of COVID-19 pandemic encompassing all sectors and all levels of incomes. Additionally, the Federal government should have the medium- and long-term plans as the expectation of deficits would be linger for the next few years. On top of this, Bank Negara Malaysia (2020) stressed that the complementarities between fiscal, financial, monetary, and structural policies are the cornerstone in steering the economy, to ensure the policy responses are comprehensive and coordinated effectively as well as to sustain the medium or high-income nation status for Malaysian people. Lesson learned from the past crises whereby the Malaysian economy managed to recover quickly. The reason is, the policies implemented by the government quite collectively in a timely manner. Besides, the various measures provided recently underscores the multi-pronged approach that will help Malaysia endure and recover from the economic impact of pandemic COVID-19.

The outcome from this study gathered from various sources can be beneficial to all folks and worldwide state governments. Recommended future research is to measure how efficient the special stimulus packages provided by the Malaysian Government after the enforcement of Moratorium, PRIHATIN, and PENJANA.

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