More funds for flood-hit areas

RM893mil to be set aside under Budget 2015 for flood mitigation projects

Military intervention: Armed Forces personnel helping to clean up Sekolah Kebangsaan Manik in Kuala Krai. – Bernama

PUTRAJAYA: The recent floods caused infrastructure damage estimated at RM2.9bil.

Datuk Seri Najib Tun Razak, in revealing this, said the recent disaster that hit Kelantan, Terengganu, Pahang, Kedah, Perak and some areas in Johor, Sabah and Sarawak affected nearly 400,000 people.

"In view of the severity of the situation, the Government has provided an initial RM500mil for rehabilitation activities and welfare programmes for flood victims.

"This is in addition to the existing allocation to the National Security Council, bringing the total to RM787mil," the Prime Minister said in his special address on current development and government financial situation here yesterday.

He added that an initial RM800mil had also been allotted for repairs and reconstruction of basic infrastructure such as schools, hospitals, roads and bridges.

He said RM893mil would be set aside under Budget 2015 for flood mitigation projects.

"Besides this, the Government will hand over 1,000 units of completed low-cost houses in Gua Musang (Kelantan), provide RM500 per flood-affected household and RM5,000 for the next of kin of deceased victims.

"The Government will also build 2.4m stilt houses for those who have land and whose homes were damaged by the floods," he said.

As for businesses affected by floods, Najib said the Government would provide an additional RM100mil each to Tekun and Amanah Ikhtiar Malaysia (AIM) to be given out as soft loans to support small and medium enterprises (SMEs) and micro enterprises.

BSN, Agrobank, SME Bank, Tekun and AIM will defer existing loan repayments of up to six months while Bank Negara Malaysia will establish a RM500mil Special Relief Facility for SME loan financing at a concessionary rate of 2.25% with a grace period of up to six months through banking and development financial institutions.

Bank Rakyat is set to offer a personal loan scheme of up to RM50,000 at a financing rate of as low as 3.9%, while repayments would start six months after loan disbursement.

"RM500mil will be provided by financial institutions with a 70% guarantee under a Flood Relief Loan Guarantee Scheme.

"SMEs in the flood-affected areas will be exempted from levy payment to the Human Resources Development Fund for six months with effect from Feb 1," Najib added.