

## Sukuk Prihatin gets thumbs up from economists

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**PETALING JAYA:** The RM500 million Sukuk Prihatin initiative has been welcomed by two prominent economists despite its small sum compared with the billions spent earlier in the fight against Covid-19.

They said any amount is useful under the current circumstances, especially if spent in the right areas such as aiding the poor.

However, both warned that mismanagement may cause diminished results in the long-term.

Sunway University Business School professor of economics Dr Yeah Kim Leng said prioritising is the key to making the most out of the contributions.

“Although half a billion can be seen to be relatively small in comparison with the RM60 billion to RM70 billion spent (on Covid-19 related initiatives), if the spending is prioritised, it will still help those in the low-income bracket,” he told theSun yesterday.

“The key challenge is to channel the contributions into initiatives that will have a multiplier effect such as training and uplifting the poor, which will have the most socio-economic returns.”

Yeah said one-off payments, as has been practised before, should be avoided as they are not productive in the long-term.

Meanwhile, Asli Centre for Public Policy chairman Tan Sri Ramon Navaratnam said the initiative will provide the necessary capital in a way that is better than traditional borrowing.

“Any extra money that helps alleviate the problems posed by Covid-19, especially for rural areas, will be welcomed.

“Instead of going through traditional sources of borrowing, such as foreign exchange, they (the government) are doing this. It is a good deal.”

Ramon said the initiative should be inclusive, regardless of race and geographical location.

“The priority should be to help the poor, including urban poor, without any racial discrimination.”

Ramon added the Sukuk Prihatin initiative is beneficial as its purpose is specific and defined.

“Otherwise, if funds are raised for general purposes, then they can be wasted on unnecessary products.”

Sukuk Prihatin was launched last Tuesday to meet Covid-19 related medical expenditure, financing for micro enterprises and enhancing connectivity in rural areas.

Malaysians above the age of 18 can invest a minimum amount of RM500 in the initiative and enjoy a profit rate of 2% per annum.