

## MEF: PEMERKASA+ provides employers with some relief from impact of MCO 3.0 full lockdown

PETALING JAYA: The RM40 billion PEMERKASA+ additional aid package announced by the Prime Minister YAB Tan Sri Muhyiddin Mohd Yassin on the eve of Malaysia's full nationwide lockdown last night would help stabilise the labour market, encourage employee retention, and reduce closure of companies.

MEF President Dato' Dr Syed Hussain Syed Husman J.P. said the PEMERKASA+ was a wholesome package as besides providing employers with some relief, the government also needed to focus on sustaining the public health system currently overwhelmed by the increasing number of Covid -19 patients, and the overall wellbeing of the *rakyat* during this time of unprecedented crisis.

"MEF thanks the Prime Minister and the Ministry of Finance for listening to our views and concerns following the decision to implement the MCO 3.0 full lockdown. These were reflected in some of the provisions of the PEMERKASA+ package," said Dato' Dr Syed Hussain.

"The reintroduction of the wage subsidy programme, targeted credit facility for micro-SMEs, automatic loan moratorium for impacted businesses and individuals, and the exemption of statutory payments and moratorium on penalties to various government agencies would ease some of the pressures on employers."

About 200,000 employers and 2.5 million employees were expected to receive support from the allocation of RM1.5 billion in wage subsidy; while RM1.5 billion in credit facility was set aside for eligible micro-SMEs through identified financial institutions.

Five million eligible borrowers – comprising SMEs not allowed to operate during the MCO, the B40 group and those who lost their jobs – would be entitled to a three-month automatic loan moratorium or 50 per cent repayment reduction for six months beginning June 2021.

Dato' Dr Syed Hussain said the MCO 3.0 full lockdown would be extremely challenging for employers to remain sustainable without adequate support from the government as losses were expected at about RM2.4 billion per day similar to that during the MCO 1.0.

“To avoid retrenchment, employers would require financial support to retain all employees on their payroll so perhaps the government should consider giving wage subsidy to all employees earning RM4,000 and below, similar to the PRIHATIN economic stimulus package during MCO 2.0 which provided wage subsidy for six months from Apr 1 to Sept 30, 2020,” he said.

Earlier, it was reported that as many as 2.8 million people may lose their income and as many as 40 per cent of SMEs may be forced to cease operations as a result of the full lockdown.

He said under PERMEKASA+, RM1 billion was allocated to upgrade public healthcare capacity of which RM550 million goes to support increasing operation and management costs – including improvements to the National Covid-19 Immunisation Programme (PICK) that seeks to increase deployment of vaccines in KL, Selangor, Johor and Penang from 70,000 to 150,000 daily doses.

“Everyone should stay at home and make an effort to register for the vaccine. We must stop listening to rumours because getting the vaccine would save lives.

“And the sooner we achieve herd immunity the sooner we can return to business as usual.”

For further information, contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email [mef-hq@mef.org.my](mailto:mef-hq@mef.org.my).

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