

Business associations grateful to be spared another shutdown

By Jason Thomas - October 13, 2020 7:00 AM



Shops will open under restricted orders during the CMCO period in the Klang Valley.

PETALING JAYA: Business associations are breathing a sigh of relief that companies will still be **allowed to operate** during the conditional movement control order announced for Kuala Lumpur, Selangor and Putrajaya yesterday.



Michael Kang.

"It will definitely affect revenue, but at least we can keep the economy moving," SME Association of Malaysia president Michael Kang told FMT. "We cannot afford another lockdown ... The economy will definitely be in trouble," he said, referring to the national shutdown from March 18 to May 3 under the movement control order when non-essential businesses were closed and strict travel restrictions imposed.

"Having another MCO will definitely affect businesses because we really saw the pain they were in the last time," Small and Medium Enterprises Association Malaysia president Koay Chiew Guan told FMT.

"It's better to have another CMCO. I think a lot of companies would collapse if there was another MCO," he added.



Koay Chiew Guan.

The government estimated the MCO cost the country RM2.4 billion each day in lost revenue, and the widespread pay cuts and retrenchments resulted in unemployment reaching a record high of 5.3% (826,100 people) in May.

Yesterday, Senior Minister for Security Ismail Sabri Yaakob said the Klang Valley region will be placed under a CMCO from tomorrow until Oct 27 due to the rising number of Covid-19 cases in the Klang, Petaling, Gombak and Hulu Langat districts.

Ismail said economic activities for all three areas will be allowed to operate as usual during this period, adding that the full list of SOPs will be announced shortly.



Shamsuddin Bardan.

The Klang subdistrict was placed under the CMCO on Oct 9, with International Trade and Industry Minister Mohamed Azmin Ali stating Putrajaya had decided to allow all economic sectors in Klang to operate as usual as it was an important industrial centre.

Azmin noted how Port Klang played a key role as a container hub in Malaysia, contributing more than RM400 billion in trade activities last year alone.

Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan told FMT he hoped the CMCO in the three areas would be similar to what is being done in Klang.

"This is the heart of the Malaysian economy," he told FMT.

"Before this so-called third wave of infections, we were encouraged to see economic data that showed the country was heading in the right direction," he said, referring to the national unemployment rate which improved marginally from 4.8% in June to 4.7% in July. "But now with the third wave, these kinds of improvements would be put on hold."