

One long MCO period, or several short ones?

By **Nicholas Chung** - January 16, 2021 8:00 AM



A new MCO lockdown is in place in Selangor, Penang, Kelantan, Melaka, Johor, Sabah, Kuala Lumpur, Putrajaya and Labuan from Jan 15-26.

PETALING JAYA: Should the government have a longer period of movement restrictions or a series of short ones? Business groups and economists contacted by FMT have come out on both sides of the question.

On the one hand, a longer period provides business with certainty and the ability to plan. On the other hand, the Covid-19 crisis remains fluid, and shorter periods provide the authorities with flexibility.

Malaysian Employers Federation executive director Shamsuddin Bardan said a longer period would allow businesses to make the necessary preparations, but no one would want a whole month of MCO restrictions if two weeks were enough to bring down the number of infections.

"I suppose the health ministry and government are also not very sure whether the first two weeks will actually flatten the curve. At the end of the second week, if infections are down drastically but still not low enough, then maybe they can extend for just another week instead of two.



Shamsuddin Bardan.

"We know the impact of MCO is very serious, and we need to balance between lives and livelihoods. But if medical practitioners say two weeks is definitely not enough, then they might as well declare (a longer period) early on, so we really can prepare to face it," he told FMT.

Geoffrey Williams, an economist at Malaysia University of Science and Technology, said a longer period would also help the government plan its response.

"Businesses hate bad news but they hate uncertainty even more. So it's better to be honest and clear that the MCO is likely to be longer," he told FMT. "Businesses and ordinary members of the public should plan for this now."

Extending the MCO would surely damage the economy which would then warrant new initiatives from the government to aid businesses and the people, and possibly a new budget.

"The last budget was based on an assumption that the pandemic would ease and the vaccines would be in place quickly which would help recovery. Now, it's unlikely that we will see recovery in the first half of the year, so a new budget might be needed.

"The state of emergency would allow for this and, if the option for agile and proactive Emergency Ordinances were used transparently for this reason, it would help to restore confidence," he said.



Geoffrey Williams.

A second round of MCO lockdown restrictions came into effect in major states on Wednesday and is set to end on Jan 26. Health director-general Dr Noor Hisham Abdullah has said the lockdown would last a maximum of four weeks.

However, medical groups believe the two-week period will unlikely yield any results.



Yeah Kim Leng.

The Galen Centre for Health and Social Policy has said that Covid-19 would continue infecting households for the next few weeks since the virus was already in the community.

Yeah Kim Leng, a professor of economics at Sunway University, said it would be better for the government to prepare the nation for a longer period of lockdown.

However, he told FMT that extending the MCO period-by-period would afford Putrajaya the flexibility to redesignate states or districts that may see a sharp decline or rise in Covid-19 cases.

Federation of Malaysia Chinese Guilds Association president Lum Kim Soong also preferred the MCO being extended from time to time, in case the Covid-19 situation improves.

He lamented that many businesses have suffered during the pandemic and lockdown, adding that Putrajaya was yet to announce any initiatives to aid economic sectors during the second MCO.

"All businessmen have suffered for almost a year with no business at all. Most of my members say they cannot last for much longer," he told FMT.



Lum Kim Soong.