

# Brickbats and bouquets for Permai package

By **Nicholas Chung** - January 19, 2021 11:34 AM



*Three months of wage subsidies and an automatic loan moratorium should be provided, say business groups.*

PETALING JAYA: The government's RM15 billion Permai package has drawn mixed reactions from employer and employee groups, with both sides calling for improvements to be made to yield better benefits.

The Malaysian Employers Federation (MEF) said Putrajaya's decision to extend the wage subsidy programme to all sectors was most welcome, noting that the government was listening to employers' requests.

However, MEF executive director Shamsuddin Bardan told FMT that the one-month period might be too short to yield lasting results. "It should last at least three months, like the previous wage subsidy programme (in 2020)," he said.

Noting Prime Minister Muhyiddin Yassin's announcement that a loan moratorium would continue to be offered, Shamsuddin reiterated that the loan moratorium should be automatically given to all borrowers.



*Shamsuddin Bardan.*

"Whether employees or companies, we're all having cash flow problems right now, especially employers. For employees, many companies would have made a lot of cost reductions in terms of allowances and overtime pay. Some firms have even implemented wage cuts," he said.

He added that requiring individuals and firms to painstakingly apply for the moratorium was too problematic and bureaucratic.

But he welcomed the extension of the Prihatin special grant to 500,000 small- and medium-sized enterprises (SMEs) in states under the

movement control order (MCO), with a payment of RM1,000 each.

While SMEs in other states will only stand to receive RM500 each, he said the difference was reasonable as firms in states under conditional and recovery MCO faced fewer restrictions.

The Malaysian Trades Union Congress did not see how the Permai package would greatly benefit employees, adding that two key issues workers were pushing for were the automatic loan moratorium and the Employees Provident Fund's i-Sinar scheme.

MTUC deputy president Mohd Effendy Abdul Ghani said he understood the need for some criteria to be set for the i-Sinar scheme, but hoped that the government would further relax the conditions as workers were made desperate due to the MCO.



*Mohd Effendy Abdul Ghani.*

He also told FMT that more could have been offered for teachers, especially with classes for this academic year set to begin online on Jan 20, except for those sitting for SPM and STPM.

"Maybe some discounts could have been given to teachers for the purchase of data packages, computers or devices. They need these tools in order for them to work effectively from home."

When asked if the Permai package was sufficient to help workers tide over the tough times, he said not even the Penjana package announced in June last year had seemed enough.

He called on the government to come up with a long-term strategy in combating the pandemic and avoid continually going in and out of MCO conditions.



*Soh Thian Lai.*

Most if not all economic sectors could be allowed to operate as long as strict SOPs were set and complied with.

Federation of Malaysian Manufacturers president Soh Thian Lai also urged that the wage subsidy be extended to a three-month period, saying there would be a cascading impact on businesses even after operations fully resume when the MCO ends.

He also called for the Covid-19 Act to be expanded to include the manufacturing sector and other related services to provide the industry with some relief due to the contraction of activities.