

MEF welcomes latest wage subsidy programme

By [Dawn Chan](#) - September 23, 2020 @ 7:36pm



The RM2.4 billion Wage Subsidy Programme 2.0 announced by Prime Minister Tan Sri Muhyiddin Yassin will reduce the nation's unemployment rate and help businesses to ride through the difficult times due to the Covid-19 pandemic. - Photo by ASYRAF HAMZAH/NSTP

KUALA LUMPUR: The RM2.4 billion Wage Subsidy Programme 2.0 announced by Prime Minister Tan Sri Muhyiddin Yassin will reduce the nation's unemployment rate and help businesses to ride through the difficult times due to the Covid-19 pandemic.

Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said the extension of the programme, which was the expansion of the Employment Retention Programme introduced during the Economic Stimulus Package in March this year, was timely.

"I believe many employers are still losing in terms of revenue where it is hovering under 30 per cent. Some companies are even staring at losses of up to 50 per cent and finding it hard for business to pick up.

"This is happening everywhere and sadly employers are still stuck in that position.

"I would say employers, who had benefitted from the earlier initiative and had survived the harsh period, will also apply for this new programme. This is a safety net at least up to the end of this year when the RMCO ends," he told the New Straits Times today.

Shamsuddin said Muhyiddin's announcement came as a welcomed relief as there were concerns by the MEF that the ERP programme, which was to end this month, would not be further extended leading to more unemployment.

This was because one of the conditions for the subsidy was to retain staff throughout the programme and three months afterwards.

"However, the good news now was that the 1.3 million people in the nation's workforce would not be retrenched although it would cost the government a total RM2.4 billion for the initiative to safeguard the welfare of employers and retain employees.

"But I believe that RM2.4 billion is not a huge sum. Nevertheless, this is a subsidy that can give employers the space to breath during this challenging time," he said.