

MEF president lauds RM40 billion relief package

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The **Pemerkesa Plus** aid is a complete package that will ease some of the pressure on employers, says the Malaysian Employers Federation. -NSTP File Pix

KUALA LUMPUR: The RM40 billion **Pemerkesa Plus** aid package will help stabilise the labour market, encourage employee retention and reduce closure of companies, the Malaysian Employers Federation (MEF) said.

MEF president Datuk Dr Syed Hussain Syed Husman said the federation welcomed the seventh stimulus package as it would cushion the impact of the Movement Control Order (MCO) 3.0 full lockdown.



He said **Pemerkesa Plus** was a complete package as the government needed to focus on sustaining the public health system and the overall wellbeing of the rakyat during this time of unprecedented crisis, besides providing employers with some relief.

"The reintroduction of the wage subsidy programme, targeted credit facility for micro, small- and medium-enterprises (SMEs), automatic loan moratorium for impacted businesses and individuals, and the exemption

of statutory payments and moratorium on penalties to various government agencies will ease some of the pressures on employers," he said in a statement yesterday.

In announcing the **Pemerksa Plus** package on Monday, Prime Minister Tan Sri Muhyiddin Yassin said more than 200,000 employers and 2.5 million employees were expected to benefit from the additional RM1.5 billion allocation for the wage subsidy programme, which is being extended for a month. The number of employees is limited to 500 for each application.

Meanwhile, RM1.5 billion in microcredit facility has been set aside for eligible micro SMEs through identified financial institutions.

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 those during MCO 1.0.



Datuk Dr Syed Hussain Syed Husman

He said 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.

Meanwhile, the small- and medium-enterprise (SME) sector extended its appreciation for the financial aid announced by the government, particularly the extra RM2 billion Targeted Relief and Recovery Facility for affected SMEs.

Small and Medium Enterprises Association (Samenta) national secretary-general Yeoh Seng Hooi hoped the authorities would ensure the fund would reach the intended SMEs that had been impacted by the full Movement Control Order.

"The banks should not take the easy way out and lend to profitable SMEs with collateral.

"Furthermore, approvals must be expedient even though the staff are working from home because the speed of disbursement is crucial," he said.

The prime minister on Monday had also announced a RM1.5 billion allocation for the one-month Wage Subsidy Programme under the Social Security Organisation (Socso) for all affected economic sectors, with a limit of 500 employees per application.

Yeoh said while this was helpful, a one-month wage subsidy would not be sufficient and the programme should be at least over three to six months. He added that the loan moratorium would also be a big help to SMEs and would provide a much-needed lifeline for them.

Under the stimulus package, it was announced that all those under the B40 group, those who had lost their jobs, as well as SMEs not allowed to operate during the total lockdown would be given the option of automatic approval of bank moratorium for three months or a 50 per cent reduction in loan repayment for six months.

Commenting on the full lockdown and its impact on Samenta members, Yeoh said those in the non-essential sectors, about 20 to 30 per cent, would be hit the hardest.

"Members in the non-essential sectors like tourism-related and retail have already depleted all their reserves," he added. —Bernama