

Stumbling block for SMEs

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PETALING JAYA: A week after the government announced an additional RM10bil allocation for small and medium-scale enterprises (SMEs), bureaucracy in applying for government aid is proving to be a stumbling block in helping businesses survive. The execution of the aid packages was “still a big problem” as the government and the banking sector were laden with bureaucracy, said SME Association of Malaysia president Datuk Michael Kang (*pic*).

“I hope all government servants and bankers can change their mindset into firefighting mode instead of remaining in their bureaucracy mode. By the time we follow all the bureaucracy and procedures, our

economy is gone," he said yesterday.

Kang also said BSN's micro credit loan had been used up.

Malay Chamber of Commerce Malaysia acting president Datuk Fauzi Hassan shared similar views.

He said the application process was difficult with members requiring to submit numerous documents.

Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan said submission of applications to Social Security Organisation (Socso) had been running well despite some hiccups in the beginning due to unclear conditions laid down in the application.

However, he said the available fund of RM120mil for the employment retention programme (ERP) was now fully utilised.

"The RM120mil fund is definitely not sufficient.

"There is an urgent need for the government to allocate further sizeable sum to encourage employers to retain their employees," he said.

On the wage subsidy programme (WSP), Shamsuddin said the total sum allocated was also not sufficient as it only amounted to 19% of total wages in the formal private sector per month.

He suggested for the government to provide assistance of at least 60% of total wages.

Malaysian Associated Indian Chambers of Commerce and Industry (MAICCI) president Datuk N. Gobalakrishnan said some of its members applied for the WSP, but had yet to get any answer.

"There are also many employers who are not IT savvy.

"They prefer to have some government officers helping them with the application process.

"But to their dismay, there are not many officers available," he said.

Gobalakrishnan noted that the financial assistance might only be disbursed at the end of the month when businesses pay their employees' salaries.

"We hope the government will release the financial aid in a timely manner by the end of the month.

"If not, employers will have a very hard time," he said.