

H O M E

KUALA LUMPUR (June 9): The Malaysian Employers Federation (MEF) has urged banks to step forward and assist businesses as well as individuals by expanding the scope of the loan moratorium amid the current Movement Control Order 3.0 (MCO 3.0).

In a statement, MEF president Datuk Dr Syed Hussain Husman said many employers find that the situation is no longer sustainable as there is zero cash flow to keep their operations running.

“We appreciate the Government’s RM40 billion PEMERKASA+ stimulus package to cushion the impact of the MCO 3.0 lockdown on the economy and employment. But more has to be done to save the economy and livelihoods. In this national emergency, all hands must be on deck, especially the banks and financial institutions,” he said.

He pointed out that taxpayers had assisted the Government for fiscal stimulus in past crises to ensure that banks remained viable, and therefore it is now the financial institutions’ turn to return the favour.

MEF urges banks to step forward and help businesses and individuals during MCO 3.0

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MEF proposed that the scope of the moratorium be expanded to include the M40 and all businesses, covering all personal facilities including loans for overdrafts, mortgages, vehicles and credit cards.

“The moratorium should be automatically granted for six months until end 2021 at 0% interest. During this period,

the banks should waive all interest and bank charges such as for rescheduling exercise and late interest payments,” said Syed Hussain.

He noted that banks made a total profit of RM31.15 billion in 2020, and that all banks recorded higher profits year-on-year in the first quarter of 2021.

“The banks coming forward to assist businesses and individual borrowers during this challenging period would go a long way in helping and ensuring a smooth recovery of the economy,” he said.

Banks are currently providing a targeted approach of financial assistance to customers who need it. According to the Association of Banks in Malaysia, data shows that as at March 26, 2021, financial institutions had received 1.6 million applications for such assistance, with an approval rate of 95%.
