

## MEF: Accelerate NRP to Phase 3 and 4 to ensure survivability of businesses in non-essential sectors

PETALING JAYA: The prolonged Movement Control Orders (MCO) that had remained enforced since March 2020 is continuing to devastate businesses and employment, particularly industries in the non-essential sectors including the fashion, textile and apparel businesses.

“MEF is seriously concerned by the plight of those in the fashion, textile and apparel businesses which, according to the Federation of the Malaysian Fashion, Textile and Apparel (FMFTA), is losing RM163 million per day,” said MEF President Dato’ Dr Syed Hussain Syed Human J.P. today.

“The fashion, textile and apparel businesses contributed RM27 billion in export value in 2019 and RM21 billion in 2020 but saw 15% of companies ceased operations in 2020 while more than 30% are now on the verge of collapse due to lack of cash flow and future uncertainties.

“Moreover, four renowned foreign-owned multinational textile/apparel factories have shut down operations in Malaysia and retrenched about 6,000 employees in 2020.

“This had caused a chain reaction that had devastating impact on many local SME manufacturers within the supply chain that were forced to shut down or downsize, resulting in about 15,000 job losses.

“The MCOs have also caused massive deterioration of the international supply chain to beyond salvage as companies are facing litigation and at risk of losing overseas customers.

“The supply chain of the fashion, textile and apparel industries employ about 500,000 employees, and the thought that all the 500,000 employees risk losing their jobs due to the prolonged lockdown would be horrific.

“More than 30% of the retailers may collapse before Phase 3 of the NRP and that would cause about 150,000 employees to be retrenched.”

Dato’ Dr Syed Hussain said though the National Recovery Plan (NRP) would only allow such sectors to operate in Phase 3, but in consideration of the setbacks it appears that Phase 3 would take even longer to achieve than expected.

“MEF appreciates the efforts of the government to balance the lives and livelihoods of the rakyat and we believe that the government is doing its very best to manage the pandemic situation.

“However, employers and the *rakyat* have a critical role in accelerating the NRP towards ‘new normal’ conditions by putting in place and strictly adhering to biosafety measures at the workplace.

“As responsible employers, we should demonstrate serious responsibility and reassure the *rakyat* and the government by providing a safe, healthy and hygienic working environment

“We propose that the NRP be accelerated to Phase 3 and 4 with employers and the *rakyat* paying more attention to biosafety and implement the necessary safeguards and comply strictly with established standards on health, safety, hygiene and in particular, air quality.

“The guidance on Internal Air Quality (IAQ) was recently developed by the Department of Safety and Health (DOSH) to promote improved ventilation and indoor air quality at workplaces, homes and public places during the pandemic.

“Besides the fashion, textile and apparels industry, many other non-essential industrial sectors have been devastated by the lockdowns, including the retail, tourism and hotel, and services sectors.

“We fear that the situation will worsen if these non-essential sectors are forced to remain closed during Phase 1 and Phase 2 of the NRP and we urge the government to urgently review the NRP threshold set by MKN to accelerate the NRP to Phase 3 and 4 without delay.”

For further information, contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email [mef-hq@mef.org.my](mailto:mef-hq@mef.org.my).

**20 JULY 2021**