



## **EU-Malaysia Chamber of Commerce and Industry (EUMCCI) welcomes FDI initiatives and support for automotive sector**

KUALA LUMPUR, 5 June 2020, the EU-Malaysia Chamber of Commerce and Industry (EUMCCI) anticipated with great interest the announcement regarding the short-term Economy Recovery Plan (ERP) by YAB Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin, Prime Minister of Malaysia today. We acknowledge the well – intended efforts to bolster employment through the extension of the wage subsidy programme and incentives to hire employees as well as retain existing staff levels. Furthermore, extensive subsidies for training and upskilling will enhance attractiveness of the Malaysian workforce.

“Considering the risk of a major recession or even depression with massive unemployment, EUMCCI supports the government in addressing the needs of the most vulnerable and extending the wage subsidy programme. It is commendable to provide subsidies for rehiring, especially supporting OKU as well as unemployed above the age of 40”, mentioned Oliver Roche, Chairman of EUMCCI.

Beyond the challenge of employment, the chamber strongly believes in the government strengthening Malaysia’s small and medium-sized enterprises, since they form the backbone of the economy and are often important supply chain partners of larger European corporations. Without sufficient support on cash flow, human resources and innovation, the SMEs will be enabled to survive this challenging period post MCO.

“Providing government programmes to elevate SME’s level of digitalization or transitioning to eCommerce is clearly a timely move for the country. In this context, I would also like applaud the government for its innovation sandbox initiative, which should further enhance the innovation eco-system in Malaysia. Furthermore, I would like to welcome intentions to accelerate government delivery systems, swift payment procedures of GLCs and cash flow assistance by SME Bank”, highlights Luciano Pezzotta, Deputy Chairman of EUMCCI.

Since EUMCCI has been working closely with the Economic Action Council, Ministry of International Trade and Industry as well as MIDA discussing ways of attracting investors, today’s speech by YAB Prime Minister offered a lot to talk about. We have been stressing the fact that re-investments have to be equally treasured as new investments. Afterall, retaining an investor speaks very well of the eco-system in Malaysia.

“Investment incentives for new and existing investors are certainly an important part of the puzzle to recovery. We were hoping for a strong signal regarding the investment eco-system and the government did indeed deliver in view of targeting companies that wish to relocate. If the government also addresses immigration matters swiftly, we will be able to see impact”, explained Sven Schneider, CEO EUMCCI.

Considering the membership of EUMCCI, the chamber as taken note especially of programmes, which affect some of our key industries, namely automotive. European car-makers have been suffering heavily under the restrictions of MCO/CMCO. The closure of government offices, including JPJ, did cause



additional challenges to ramp up car sales as soon as manufacturers and dealership went back to work. We appreciate the recent action of Ministry of Transport to open JPJ for certain transactions.

“We specifically welcome the initiative to assist car-makers with a sales tax exemption until the end of the year. Many members have expressed their concern and some were even concerned if Malaysia is still commercially viable for them. We believe this measure is sending a positive signal to European car-makers as well”, elaborated Sven Schneider, CEO EUMCCI.

*The EU-Malaysia Chamber of Commerce and Industry (EUMCCI) represents European businesses in Malaysia by promoting bilateral trade, services and investments between Europe and Malaysia. Since 1993 the chamber has grown to a network of more than 1,600 members and thereby one of the largest in the country. With industry players from aerospace and automotive to Food & Beverages and healthcare as well as different professional services, EUMCCI is truly the voice of European businesses in Malaysia. (www.eumcci.com)*

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