



EU-Malaysia Chamber of Commerce and Industry (EUMCCI) Unites Local and Foreign Business Communities Amidst Movement Control Order (MCO) in Malaysia

Specifically aimed to mitigate supply chain distribution amidst MCO and COVID-19 pandemic in Malaysia

KUALA LUMPUR, 3 April 2020 – EUMCCI organised its **1st Digital Joint Chambers and Business Organisation Meeting** this morning themed **‘Uniting to Assist Businesses During and Post MCO in Malaysia’**, which is primarily aimed to unite local and foreign business entities, to discuss the repercussions of MCO and COVID-19. Pursuant to this call we herewith propose to the Malaysian government measures which can be taken to assist business to survive during and post MCO. More than 20 chambers and associations were represented and discussed challenges as well as solutions.

Based on surveys conducted by EUMCCI, the SME Association of Malaysia and other chambers, it was revealed that 50%-70% of Small and Medium-sized Enterprises (SME) will struggle to survive under a prolonged MCO and continued COVID-19 pandemic in the next 6-12 months. This will certainly affect cash flow, operating cost and most importantly, the ability to pay employees which will lead to mass retrenchment, a sudden and dramatic spike in unemployment which could further lead to potential social unrest. While all chambers and associations agree that the initial Prihatin stimulus package by the government will greatly assist the rakyat, all participants highlighted the need for additional decisive measures to save the business sector and the economy.

“The business impact of MCO and the COVID-19 pandemic is faced across all business entities – not just local or foreign entities. With that in mind, it is imperative for us to realise this and do the best we can to tackle it at its core, before it jeopardises the socio-economic landscape in Malaysia”, said Oliver Roche, Chairman of EUMCCI.

With inputs shared by SME Association National Chairman Datuk Michael Kang and his team, it became apparent that the disruption to local and foreign supply chains are partly so catastrophic that the life of COVID19 patients in another part of the world can be affected by decisions made here in Malaysia. In addition, all participants acknowledged that Malaysia and the rest of world could face a severe recession, if governments do not conclude on significant intervention, stimulus and support packages.

“In view of today’s Special Cabinet Committee meeting and the next meeting scheduled this week Sunday, we are confident that mitigating measures discussed and formulated today will assist the government and business in managing this crisis during and beyond the MCO”, highlighted Sven Schneider, CEO EUMCCI.

EUMCCI gathered and compiled the thoughts of the more than 20 participating chambers and associations in the hope that the government will actively consider the measures discussed and listed down in the appendix to this statement.

The EUMCCI represents 1600+ members from both European and Malaysian business communities operating in Malaysia. As an organisation, EUMCCI is committed to facilitating trade and investment between Europe and

Malaysia that contribute towards nurturing a better business environment in the country. For media inquiries please contact mohanraj@eumcci.com

APPENDIX 1: Memorandum of Recommendations for Consideration of the Malaysian Government

As a result of the joint meeting this morning, the following are recommendations that the EUMCCI, SME Association and other associations/chambers (listed below) propose to the Malaysian government:

1. **Payroll Assistance** – The already introduced wage subsidy measure of RM 600 should be doubled to RM 1,200 (monthly) and specifically made available to companies considering or being forced to retrench manpower. Furthermore, we humbly request that this assistance shall be paid unconditionally to assist in particular small enterprises, who suffer under demanding documentation requirements.
2. **Support to Micro SME's** - We propose an emergency support grant of up to RM 10,000 per company to assist in particular Micro-SMEs with urgent cash flow problems.
3. **Protocols for Non-Essential Businesses to Operate under MCO** – Due to catastrophic supply chain disruptions in Malaysia, we propose to allow also non-essential businesses to operate at a minimum capacity by establishing a Ministry of Health sanctioned SOP and assuring to adhere to stringent requirements formulated by Ministry of Health.
4. **SME Support Fund** – In order to relieve government budgets, we propose to consider a private funding mechanism, which may be guaranteed by the government, via the Malaysian banking system. This may involve the acquisition of non-voting right shares in SMEs, which shall be redeemable after a certain period of time.
5. **Supply Chain** – We recommend that a Joint Working Group Between Government and Industry develops a National Supply Chain Strategy during and post MCO to mitigate and manage this crisis.
6. **Input from the Malaysian Business Community** – Please advise if a single representative of each key business organization can communicate directly with the newly formed Special Cabinet Committee.
7. **Foreign Owned Businesses** – We kindly ask for any initiatives to also apply to Foreign Owned Businesses in Malaysia.

APPENDIX 2: 1st Digital Joint Chambers and Business Organisation Meeting Present during the 3rd April 2020 Meeting themed 'Uniting to Assist Businesses During and Post MCO in Malaysia'

- EU-Chamber of Commerce and Industry (EUMCCI)
- SME Association of Malaysia
- British-Malaysian Chamber of Commerce (BMCC)
- American Malaysian Chamber of Commerce (AMCHAM)
- Swiss Malaysian Business Association (SMBA)
- Malaysian Finnish Business Council (MFBC)
- Federation of Malaysian Manufacturers (FMM)
- US – ASEAN Business Council
- Italy Malaysia Business Association (IMBA)
- Japanese Chamber of Trade and Industry Malaysia (JACTIM)
- Malaysian German Chamber of Commerce (MGCC)
- Malaysia Belgium Luxembourg Business Council (MBLBC)
- Malaysian Spanish Chamber of Commerce (La Camara)
- The Electrical and Electronic Association of Malaysia (TEEAM)
- Malaysian Consortium of Mid-Tier Companies (MCMTC)
- ASEAN Business Advisory Council
- Irish Chamber of Commerce in Malaysia (ICCM)
- Malaysian Retail Chain Association (MRCA)
- Korean Chamber of Commerce Malaysia (KOCHAM)
- Malaysia Australia Business Council (MABC)
- Malaysian Dutch Business Council (MDuBC)
- The National ICT Association Of Malaysia (PIKOM)