



## **ALLOWING ADDITIONAL ECONOMIC SECTORS TO OPERATE**

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1. In our efforts at curbing the spread of COVID-19, the Government places the rakyat's safety and health as of paramount importance. Thus, the Government has implemented the Movement Control Order (MCO) and introduced a comprehensive set of health protocols.
2. At the same time, the Government is mindful of the unintended economic consequences of the measures used in battling the pandemic, particularly the negative impact on the financial position, the economy and the well-being of the people.
3. Therefore, the Cabinet has decided to undertake pro-active and responsive measures to balance:
  - The rakyat's health and well-being; and
  - Ensuring the stability and sustainability of the economy in curbing the COVID-19 pandemic.
4. The decision to allow critical sectors to operate since the commencement of MCO Phase 1 to 3, was based on the need to ensure adequate supply of essential goods to the people particularly in Food & Beverages, Medical Supplies and Pharmaceuticals.

5. These measures are to ensure the sustainability of the nation's economy, mitigate the loss of jobs among Malaysians in addition to ensuring that the rakyat continue to have access to essential and critical products throughout the MCO period.
6. The Government is mindful that the economic sectors that are not allowed to operate during the MCO will face a host of challenges such as cash flow, business viability, and loss of jobs. There is also the risk of losing export market share for Malaysian companies and other establishments operating here. To address these issues, the Government has introduced the PRIHATIN Economic Stimulus Package.
7. MITI has undertaken engagement sessions with industry associations, Small and Medium Enterprises (SMEs), local and international Chambers of Commerce as well as other relevant Ministries and agencies in order to identify the additional economic sectors to be allowed to operate subject to the guidelines set by the Ministry of Health (MOH).
8. This measure is in line with the Cabinet decision to set up a committee, namely, the Special Cabinet Committee to Mitigate the Impact of COVID-19 on the Economy and Labour Market. This Committee has presented a number of proposals to the Cabinet on 6 and 8 April 2020.

9. The presentations took into account the feedback from the Ministry of Finance, Bank Negara Malaysia (BNM), Ministry of International Trade and Industry (MITI) and Khazanah Nasional Berhad.
  
10. The Cabinet agreed to allow additional economic sectors to operate in phases subject to compliance with health guidelines and strict movement control. The said sectors:
  - Automotive Industry;
  - Machinery and Equipment;
  - Aerospace Industry;
  - Construction projects and services related to construction works;
  - Science, professional and technical services; including research & development (R&D);
  - Social health services including registered traditional and complementary medicine (TCM) practitioners;
  - Hardware shops, electrical and electronics (E&E) shops in the wholesale and retail segments; and
  - Laundry services
  
11. Companies that are allowed to operate must comply with the Standard Operating Procedures (SOP) that have been established for the respective sectors. The approval to operate is also subject to compliance with the rules and guidelines set from time to time by MOH and other related enforcement agencies. This compliance is in line with the undertaking by the companies in their applications to continue their operations during MCO.

12. MITI has been provided with guidelines on health precautions and strict movement control from MOH that are to be adopted and complied with by the companies that are allowed to operate.
13. MITI has also made it mandatory for companies that have been allowed to operate to submit the registers of workers that are involved in their operations during MCO and to ensure that their movement is confined only to leaving their homes to the factories/premises. The companies are required to provide thermal scanners as well as screening for symptoms of coughing, sore throat or breathing difficulties. The readings of the workers must be recorded and kept for a period of at least three months for reference.
14. As a safety measure to ensure that all workers of companies allowed to operate are free of COVID-19, MITI will collaborate with the Ministry of Human Resource through SOCSO where all workers are required to undergo COVID-19 screening. Employers applying to operate must ensure that all their workers undergo screening at any of the 3000 over SOCSO panel health clinics nation wide according to MOH guidelines.
15. The construction industry must adhere to the conditions set by the Ministry of Works and the Construction Industry Development Board (CIDB) as follows:
  - Companies must reduce the number of workers to the bare minimum or not exceeding 50 per cent of what is currently needed;

- Companies must fully cooperate with MOH in executing contact tracing of workers that have been infected with COVID-19;
- Companies must provide transportation for workers and practise social/safe distancing and the vehicles used have to be sanitised before and after use;
- Companies must disseminate information and guidelines in respect of dealing with COVID-19 to their value chains;
- In cases where companies provide Centralised Labour Quarter (CLQ) facilities, they must comply with the CLQ guidelines as well as guidelines on Construction Workers Accommodation During MCO issued by CIDB or other relevant agencies.

16. Enforcement units comprising the Public Works Department, CIDB, Kuala Lumpur City Hall, Local Authorities, and the Department of Occupational Safety and Health (DOSH) have been established to monitor and enforce compliance by approved companies as well as to take action against those that operate without approval.

17. MITI is also collaborating with the police and the Department of Labour to monitor the activities of the industries required to comply with the SOPs.

18. Failure to comply with the SOPs amounts to a criminal offence under Regulation 11 of the Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) (No. 2) Regulations 2020.

19. Failure of companies to comply with the SOPs will result in immediate revocation of their approval to operate as well as legal action according the existing laws.

20. Todate, MITI has revoked the approvals of 4 companies that have violated the prescribed conditions. Investigations are also being conducted by the Labour Department in Peninsular Malaysia and the police against 35 companies reported to have violated conditions set by MITI.

21. The public may lodge complaints directly to the police or MITI if they come across any violation of SOPs by companies allowed to operate.

22. The decision to allow the operation of companies in phases, subject to strict conditions, is to ensure:

- i. Adequate food supplies;
- ii. Adequate medicine and medical devices supplies; and
- iii. Certain SMEs and critical sectors can operate to ease the rakyat's burden as well as mitigate the economic impact on the nation.

23. BNM projected our economy to grow between -2% to 0.5% in 2020. This projection took into account the 4-week MCO (until 14 April 2020). As a result of the closure on non-essential services, the economy was estimated to operate at 45% of its operating capacity during the 4-week MCO. The decision to allow more businesses to gradually resume their operations during MCO3 would increase the operating capacity of the economy and thus, mitigate the economic impact of COVID-19.

24. With the implementation of this two-pronged strategy, the Government aims to effectively battle the COVID-19 pandemic and at the same time bolster the nation's economy.

25. I am confident that the rakyat will remain strong and united in facing these trying times.

In Surah al-Ankabut verse 69, Allah tells us:

وَالَّذِينَ جَاهَدُوا فِينَا لَنَهْدِيَنَّهُمْ سُبُلَنَا وَإِنَّ اللَّهَ لَمَعَ الْمُحْسِنِينَ ﴿٦٩﴾

*“And those who strive in Our (cause) – We will certainly guide them to Our paths: for verily Allah is with those who do right.”*

26. Let us pray for the success of our efforts and for the swift recovery of the nation's prosperity after the pandemic.

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