



Second Full Lockdown Will Cause Collapse of Businesses and Economy

Kuala Lumpur, January 7, 2021 – The industry is concerned over the recent spike in Covid-19 positive cases particularly in several states in the country. Hence, FMM supports the Government's actions to institute stricter controls to reduce the rate of infections and break the chain swiftly before there are more serious repercussions on both the *rakyat* and economy nationwide. Breaking this chain of infections is of utmost importance and must be a concerted effort of both the public and private sector but must not involve a second round of total lockdown.

We support a targeted Conditional Movement Control Order (CMCO) which is more localised coupled with stricter Standard Operating Procedures (SOPs) and restrictions on travel but not a total lockdown similar to that implemented in March/April 2020. Business and economic activities must be allowed to continue operating subject to stricter SOPs and controls.

As it stands, the business fraternity and the economy are still reeling from the impact of the Covid-19 pandemic and the first lockdown, and most have yet to rebuild their business back to the pre-Covid-19 level. At the same time, the business community remembers vividly the horrible and painful impact of the Movement Control Order (MCO) full lockdown in March/April 2020 that had crippled the operations of most businesses. In addition to substantial drop in revenue and financial losses, businesses also faced severe challenges in terms of sustainability, employment and productivity.

Should a second total lockdown be instituted, there is grave fear over the collapse of the business sectors and economy given that the several major states are the hub and heart of the country's economic activities. Based on feedback from members, a lockdown of 4 weeks and more will render business sustainability down to 1-3 months only.

There are also grave concerns on whether the Government would be able to continue to provide financial aid to businesses, especially wage subsidy and loan moratorium, and to the *rakyat* impacted by a second total lockdown given the near ending of most of the key aids that are currently being provided by the Government which have been instrumental in supporting the recovery of businesses and ensuring job security thus far.

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FMM Advocates Transparency, Integrity and No Corruption

About FMM

The Federation of Malaysian Manufacturers (FMM) has been the voice of the Malaysian manufacturing sector since 1968. Representing over 10,000 member companies (3,000 direct and 7,000 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-add services, including training, business networking and trade opportunities as well as regular information updates.

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