



ACCCIM'S PRESS STATEMENT ON THE IMPLEMENTATION OF A TOTAL LOCKDOWN

Following the Government's decision to implement a three-phase nationwide lockdown that will start with a "total lockdown" from 1-14 June 2021, The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) would like to propose the following intervention and targeted financial assistance measures, starting with the strengthening of current health prevention system and approaches.

More resources must be allocated and also undertake aggressive sourcing of vaccines portfolio to effectively implement the vaccination and reaching the target of herd immunity sooner.

ACCCIM'S PROPOSALS ON BATTLING AGAINST THE COVID-19 PANDEMIC

(A) MASS TESTING AND CONTACT TRACING

It was proven that countries that have successfully curbing their COVID-19 pandemics through a combination of accelerating vaccination, large-scale testing and a parallel mobilization of thousands of health workers recruited to perform contact tracing, isolation and quarantine, in parallel with strong social-distancing measures as well as an effective enforcement of Standard Operating Procedures (SOP).

Mass testing and isolation at all time. The MCO and enhanced MCO must be accompanied by mass testing or pooled testing through boosting the screening capacity per day for the coronavirus, followed by isolation. Combining test samples in batches instead of running them one by one have the potential benefits include stretching laboratory supplies, reducing costs and expanding testing to millions more Malaysians and foreign workers who may unknowingly be spreading the virus.

(B) THE SUPPLY OF VACCINES AND VACCINATION RATE

(a) **Speed up the inoculation program** in ensuring economic recovery, better health and far lower anxiety levels for citizens.

(i) **Secure more supply of vaccines in our existing portfolio.** To secure faster delivery of vaccines, we need to a) Approve more vaccines from around the world; b) The National Pharmaceutical Regulatory Agency (NPRA) to expedite the approval of vaccines; c) Allow the private sector, including hospitals to administer vaccines to expedite the vaccination process to the masses;

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- (ii) **Open up the vaccination criteria.** Go to hotspots and vaccinate everyone. Particularly in states and areas with high cases as well as high population density towns with rising cases need everyone to be vaccinated as soon as possible, and those living in these areas should be allowed to get vaccinated, whatever their age;
 - (iii) **Building and housing community vaccination.** With the coordination and support of the state assemblymen, Member of Parliament as well as the community leaders, the vaccination team can go to a residential and living community (particularly near hotspots first) and vaccinate everyone in the building compound, community and living courtyard; and
 - (iv) **Get more vaccinators and vaccination venues.** We need a lot more vaccination venues to have a wider reach out of vaccination. Every private hospital, dispensary and healthcare centres should be allowed to administer the vaccination. In some rural and small areas, even mobile clinics and pharmacy shops may have to be turned into vaccination centres. Use the community halls, and schools as venues as well.
- (b) **Designing effective vaccination awareness and publicity campaigns.** As the COVID-19 pandemic persists, the government faces the challenge of alleviating public apprehension about the benefits of vaccination, in order to achieve herd immunity.

Although many people are eager to get vaccinated, there are also significant proportions of the population who are hesitant, reluctant, or mistrustful of the vaccines and the vaccination process. Good communications and publicity about the benefits of vaccines can help overcome hesitancy and promote acceptance.

- (i) It is a **“Whole of Society”** approach to break the chain of virus through participation in the vaccination program and avoid the Three 'C' (Avoid crowded places, avoid confine spaces and close conversation) and practice Three 'W' (Practice frequent washing, wear a face mask and warn of the symptoms of the COVID-19);

Better messaging on the benefits of vaccination: (a) Publicize information flows that countries have having high vaccination rates have broken the link between COVID-19 cases and deaths; (b) Vaccination acts as a protective shield, keeping families and communities safe; and (c) The sooner and more people vaccinated, the faster we can return to normalcy safely;

- (ii) **Step up public awareness campaign in rural areas** to increase motivation to get a COVID-19 vaccine by delivering effective, tailored messages targeted to segments of the population that have higher levels of vaccine hesitancy.

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Information campaigns aiming to create behavior change should include community-driven approaches by partnering with public and business community, NGOs, and political parties to raise awareness through advocacy campaigns;

- (iii) **Encourage the vaccination uptake by disseminating timely, accurate, and transparent information through social and print media discourse, the distribution of leaflets in multi-languages**, and deploying frontline workers to engage directly with the community;
- (iv) **Electronic media coverage and social media** are vital to government's shared messages and communications in influencing "psychologically" public emotions, including fear.

Images of the COVID-19 patients fighting for survival; overloaded hospitalizations and the suffering and loss of loved ones due to the deadly COVID-19 should move public to say "YES" inoculation. While fear is an emotion that we frequently experience as individuals, it can also be a shared and social emotion, one which circulates through groups and communities and shapes our reactions to vaccination. Like other emotions, fear is contagious and can spread swiftly;

(C) THE STANDARDISATION AND UNIFORMITY OF THE STANDARD OPERATING PROCEDURES (SOP)

- (i) Have a **standardized SOP at the Federal, state and local authority** and is uniformly adhere to. Make the SOP available in Bahasa Malaysia, English, Mandarin and Tamil languages.
- (ii) **SOP to be made simple, easy to follow and comply with** while still ensuring the three 'C' (Avoid crowded places, avoid confine spaces and close conversation) are included and practice the three 'W' (Practice frequent washing, wear a face mask and warn of the symptoms of COVID-19).
- (iii) **SOP is to be differentiated by color, according to the level of risks assessment as measured by the level of infectivity:** (a) Red (Widespread); (b) Orange (Substantial); (c) Yellow (Moderate); and (d) Green (Minimal). Regardless of the level of movement restrictions, the standardized SOP template will be rolled out going by the color as per the level of risks assessment.

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- (iv) The lifting of movement restrictions and reopening will be pegged to the level of vaccination rate and the level of compliance as well as the number of infections.

(D) PROPORTIONAL STRICT ENFORCEMENT

Compliance to health is everyone's business. Everyone must have collective responsibility to comply with the recommended SOP and precautions. All political leaders must demonstrate good leadership.

Therefore, all leaders and all Malaysians to remain compliant. The SOP must be strictly enforced; the rules and guidelines need to be clear, consistent and sensible in terms of fairness and equitable.

(E) PROPOSALS FOR THE SUPPORT OF ECONOMY AND BUSINESS

Targeted financial assistance measures are needed to support sectors that require in-person interactions or travel have been hit particularly hard, including self-employed, micro business, service industries such as tourism, restaurants, and retailers.

(I) ACCELERATE GOVERNMENT SPENDING

We urge the Government to speed up the disbursement and spending of the 2021 Budget allocation of RM322.5 billion, especially the RM5.0 billion small and medium projects across the country, which have a wider economic multiplier on the construction and manufacturing industry. This is crucial to support domestic demand, especially to benefit small and medium-sized contractors as well as the supply chains such as suppliers, hard ware business and the construction-related building materials.

(II) EASE CASH FLOW AND FINANCIAL BURDEN

The 3Cs (Cash flow, Credit and Cost) will remain the key concern of SMEs and micro business. Some businesses, which are still facing cash flow constraints will be worsened by a total lockdown.

- (a) **Reaffirms the continuation of enhanced Targeted Repayment Assistance (TRA).** All financial institutions must continue to assure that the credit facilities remain available, including and not limited to TRA, but also other forms of assistance such as Rescheduling and Restructuring (R&R) package. The financial assistance must be made applicable to customers across various income groups,

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businesses regardless of the size and customers affected with simplified documentation requirements.

The deadline for the application and approval of R&R for business be extended to end-Dec 2021.

- (b) **One-off cash grant.** Micro business, self-employed as well as informal workers paid on a daily/weekly wage should be given more relief as the restricted people mobility to lessen the virus spread would affect this vulnerable group the most. It is proposed that (i) **A one-off RM2,000-RM3,000 grant be given to eligible micro businesses and petty traders;** (ii) **A one-off cash assistance payment of RM500-RM600 to taxi operators, e-hailing drivers, hawkers and daily/weekly paid employees with registered employers.**
 - (c) **Extend the Wage Subsidy Program (WSP).** The WSP 1.0 and WSP 2.0 have saved 3.2 million jobs and ease the employment cost of 395,744 employers as of 23 April 2021. The current WSP will expire by end-June 2021. It is proposed that **to extend the wage subsidy by another six months until end-Dec 2021.**
- For those not eligible for the WSP, the Government can consider to allow the employers to pay 70% of their employees' wages in easing their employment cost to retain the workers.**
- (d) **Extend the HRDF levy exemption.** As the HRDF levy exemption will expire in June 2021, it is proposed that **to extend the levy exemption to end-Dec 2021.**
 - (e) **25% foreign levy discounts for all sectors.** The reduction of levy on foreign workers, which was lapsed in December 2020 had helped to ease operating cash flow of companies. It is proposed that **to provide 25% discounts to all companies with foreign worker permits that will expire in June-December 2021.** The estimated revenue loss of RM431.5 million (7/12 x 25% x RM2,959.1 million estimated in 2021 Budget).
 - (f) **Extend a 10% discount on electricity bill for another six months until 31 December** from June 2021 to hotel operators, theme park, convention centers, shopping malls, local airline offices and travel and tourism agencies. Other operating costs relief measure is allowing delayed utility payments for SMEs.
 - (g) **Extend special tax deduction for providing a reduction of rental at least 30% on business premises for SMEs and non-SMEs** to end-Dec 2021 from 30 Jun 2021.
 - (h) The postponement of income tax instalment payments for 3-6 months (April to June/September 2020) for all SMEs as announced in PRIHATIN is a welcome relief.

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It is proposed that to **reintroduce postponement of income tax instalment payments for a period of three months.**

- (i) Provide **blanket approval for the application of an extension of time to pay its monthly or bi-monthly tax estimates instalment** instead of giving consideration on a case-by-case basis.
- (j) **Allow the payment of balance of tax for YA 2020 and 2021 in six (6) monthly instalments.**

(III) THE WORKERS' VACCINATION PROGRAM

We believe that both public and private sectors must work together and mobilise resources to source and optimize effective vaccination services to help improve the program and increase coverage as well as achieve the herd immunity target sooner.

Given the urgency of expediting the vaccination rate, we propose that the Government to facilitate the chamber, industries and private sector in accessing to the supply of vaccines and make arrangement with private hospitals and clinics to administer the vaccines for their employees. This concurrent move together with the Government's vaccination program can achieve wider immunization in the workplaces for the safety of employees.

With some businesses, especially SMEs still struggling to recover their revenue, the Government can consider to **provide subsidy for the vaccination and tax deductions for employees' COVID-19 vaccination costs.**

(IV) SUPPORT FOR THE PROPERTY AND AUTOMOBILE SECTOR

- (a) **Home Ownership Campaign (HOC).** To extend stamp duty exemption for property priced between RM300,000 and RM2.5m subject to at least 10% price discount for S&P from 31 May 2021 to 31 Dec 2021.
- (b) **Extension of passenger car sales tax exemption.** Car sales tax exemption of 100% for locally assembled passenger cars and 50% for imported passenger cars has helped lifting passenger car sales in the past few months. However, the exemption will end on 30 June 2021. It is proposed that **the exemption can extend for another six months to December 2021** to continue supporting big ticket item purchases.

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(V) **EXTENSION OF OPERATIONS FOR TEMPORARY MEASURES FOR REDUCING THE IMPACT OF CORONAVIRUS DISEASE 2019 (COVID-19) ACT 2020 (ACT 829) UNTIL DECEMBER 2021**

The current extension of operations for Part II (Inability to perform contractual obligation) of the Act 829 will end on 30 June 2021. The list of categories of contract outlined in the Schedule of Part II, amongst others include construction-related contract, professional services contract, lease or tenancy of non-residential

immovable property, event contract, contract by tourism enterprises, and religious pilgrimage-related contract.

It is proposed that to **extend the operations of Act 829 until December 2021 as many businesses and individuals face difficulties to perform contractual obligations.**

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