



PRESS STATEMENT

URGENT PLEA TO YB MENTERI BESAR OF SELANGOR TO LIFT DISTRICT LEVEL LOCKDOWNS AND ADOPT TARGETED BUILDING-BY-BUILDING LOCKDOWNS

The Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI) is deeply concerned about the debilitating impact of the Enhanced Movement Control Order (EMCO) on the lives and livelihood of the people in Selangor.

Our members' feedback from a different size of business indicated that they are in dire straits and teetering on the brink of bankruptcies and closure.

- (a) Micro enterprises, SMEs and workers in the gig industry are suffering after enduring more than 17 months of various degree of MCO.
- (b) KLSCCCI's survey of business prospects and its member, Malaysia Retail Chain Association (MRCA) have indicated highly pessimistic business condition. The MRCA survey conducted in June 2021 showed that 97% of the retail operators have 4.5 months of cash flow left. By now, they will have only around 3 months of cash flow to last.

Besides the elevated concerns raised by domestic business chambers and business groups, foreign chambers such as Germany, Dutch and Japanese also expressed their apprehensions and have warned the possibilities of some multi-national corporations leaving our country.

We are deeply concerned that if the state government continues with the extension of Phase 1 and EMCO lockdowns after 16 July, the economic devastation will be even deeper, long lasting and more damaging as many businesses are unable to survive through a prolonged period of lockdown.

KLSCCCI's OUTLINE OF APPROACHES AND MEASURES TO EASE ECONOMIC AND BUSINESS PAINS

We believe that there are better, more effective and less damaging approaches that both the state government and businesses can work together to resuscitate the state's economy.

1. KUALA LUMPUR BUILDING-BY-BUILDING LOCKDOWN

- Under the EMCO, only buildings affected by the COVID-19 in Kuala Lumpur were locked down, whereas lockdowns in Selangor were based on the affected districts, ineffectually covering almost the entire state.
- Kuala Lumpur's targeted approach saw efficient management of infections allowing lives and businesses to resume quickly.
- We, therefore appeal to YB Menteri Besar to immediately lift a district-wide lockdown and adopt a targeted approach of identifying and imposing EMCO on affected buildings instead.

2. EFFECTIVENESS OF MASS TESTING IS A CRUCIAL STRATEGY

- Mass testing is a necessary component of a successful strategy against the COVID-19. Hence, it is inevitable that more cases can be identified with more mass tests relative to other states that do not undertake mass testing.
- Nevertheless, taking into account this differing approach for a level-playing field comparison, we cannot rely solely on the number of infections to implement strict containment measures. Kuala Lumpur's targeted approach of locking down buildings proved to be far more effective and less disruptive to businesses. This is indeed a win-win approach.

3. MANUFACTURING & RETAIL CONTRIBUTE MERELY 9.7% & 0.8% OF CASES

- Data from the Ministry of Health has shown that 69% of cases are sporadic, stemming from within the community.
- Main economic activities, such as manufacturing and retail, including shopping malls and standalone shops, respectively contributed a mere 9.7% and 0.8% of total infection cases in May 2021, even before the current EMCO was imposed.
- These low levels of infections are due to stringent adherence to the SOPs by the manufacturing industries, retail sectors and shopping malls. Hence, it is an unfair approach of implementing lockdown across-the-board as the sledgehammer approach of a district-wide lockdown penalises sectors that have diligently implemented and adhered to the SOP.
- Thus, it is justifiable to lift the lockdown immediately to help businesses from sinking deeper into financial difficulties after enduring losses for the past 17 months. Longer lockdowns will further minimise the chances of businesses' survival.

4. FALLACY OF CLASSIFYING ESSENTIAL VS NON-ESSENTIAL

- It is a fallacy to identify any economic activities as essential and non-essential as businesses and products are inter-related and integrated via the supply chains. The fact that a business is producing products and services to meet

demands testify that the product and/or service is essential. Hence, all economic activities are deemed essential and should be allowed to operate, provided that they strictly comply with the SOPs, social distancing, wearing of masks and temperature testing.

- We propose to adopt a negative list to smoothen and ease the time of approval process. The positive list is proved to be an ineffective approach as it is impossible to have a comprehensive list of all activities. Negative List contains activities that cannot comply with the fundamental SOPs of social distancing, wearing of masks and temperature testing.

5. RESTRATEGISE TO MANAGE ENDEMIC SITUATION

- With 69% of the cases are sporadic and spreading in the community means that the virus is endemic. Thus, we need to rethink our virus containment strategy and manage the pandemic from an endemic perspective instead.
- In addition, as most infections are asymptomatic, makes it harder to trace, control and break the chains of infections. Furthermore, a person who was tested negative can become positive the very next day.

6. VACCINATION THE ULTIMATE SOLUTION

- Speeding up the vaccination of masses to achieve herd immunity is the ultimate solution. Selangor has to mobilise all public and private resources immediately to ramp up and accelerate the vaccination program.
- With 18 million doses of vaccines are due to be delivered in July, we urge Selangor Government to firmly demand a fair share of the vaccines allocation that is proportionate to the state's population. This request is strongly justifiable as Selangor is the economic and manufacturing powerhouse of the nation, contributing to 24.3 % of Malaysia's GDP in 2020.
- It is imperative that the people of Selangor be vaccinated as soon as possible so that the state's economic and business activities can resume to normalcy, minimising the disruptions on national GDP. The full resumption of economic and business activities helps to ease rakyat's financial pain, reduce unemployment, and improve income.

We respectfully seek an urgent meeting with YB Menteri Besar on an extremely urgent basis to further explain and articulate our proposed approaches and measures as mentioned above for further clarity and understanding of the current dire situation.

We look forward to the earliest possible appointment.