MEF requests govt to be more proactive in assisting businesses

KONG SEE HOH/TAG/-/META/KONG-SEE-HOH) / 20 APR 2020 / 19:36 H.

DESCRIBING the recent closure of foreign-owned factories as “just the beginning”, Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan warns of more to come if the government does not take the bull by the horns.

Last week, Hong Kong-based garment giant Esquel announced its decision to shut down its factories in Kelantan and Penang by June ’12, and TAL Group, another Hong Kong-based company, also announced the closure of its factories - Pen Apparel in Penang and Imperial Garments in Ipoh.

Commenting on the closures in a report in Nanyang Siang Pau today, Shamsuddin said what MEF dreaded at the start (of the Covid-19 pandemic) has come true.

“The closures were just the beginning,” he said.

“We foresee more such ‘tragedies’ to come and we fear that the government would be caught ill-prepared.”

He pointed out that many companies are finding it hard to stay afloat because they still have to pay for workers’ salaries while they remain closed due to lockdowns or movement restrictions imposed to check the spread of the pandemic.

“Amid the current uncertainties, it is not right for the private sector to have to pay employees full salaries. It will only cause companies to close shop,” he said.

Shamsuddin suggested the government immediately allow employers to “be responsible for only 50% of their employees’ salaries during the movement control order period” instead of wasting time leaving it to employers to negotiate with their employees.

He also proposed that private enterprises given the green light to resume production be allowed to do so without having to apply for permission, so that production lines can run without any delay.

The current red tape means two to three weeks would be wasted by the time approvals are given, he added.