

WORKING TOGETHER

National solidarity crucial to overcome Covid-19



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THE Covid-19 pandemic started as a health crisis that turned into an economic catastrophe, severely affecting the global economy with direct demand and supply-side consequences to countries, communities and individuals.

Although various measures have been effective in curbing the infection rate, the side effects of the safety measures have inevitably resulted in steepening the macroeconomic recession curve. Without appropriate support, this can lead to a disastrous economic crisis that will long outlast the health crisis.

Malaysia is no exception and the government has announced policy responses to significantly reduce the spread of the virus. It prompted a nationwide Movement Control Order (MCO), stay-

at-home orders, interstate travelling and social gatherings prohibition, closure of international borders and restricted overseas travel.

On the economic front, the government allocated RM305 billion for stimulus packages last year. The first stimulus package was announced in February last year, focusing on health spending, temporary tax and social security relief, cash transfers to affected sectors and rural infrastructure spending.

This was followed by additional measures involving electricity discounts and temporary pay leave. In March last year, a second stimulus package was introduced consisting of additional health spending, cash transfers to low-income households, wage subsidies to help employers retain workers and infrastructure spending in East Malaysia.

The government also set up a working capital loan guarantees fund for RM50 billion and allowed employees to withdraw from their Employment Provident Fund (EPF) accounts while businesses rescheduled their EPF payments.

The following month, a third stimulus package of RM10 billion was announced. It offered grants

for micro, small- and medium-sized enterprises (SMEs), scaled-up wage subsidies and a 25 per cent discount on foreign workers' fees.

The fourth stimulus package was announced in June last year and it included an extension of the wage subsidy scheme, hiring and training subsidies, support for business digitalisation and additional tax relief.

The fifth stimulus package was announced in September last year, involving a further extension of the wage subsidy scheme and micro-grants for entrepreneurs as well as cash transfer to lower-income households.

In November, the government announced RM322.5 billion of allocations for the 2021 Budget, which was the largest budget in the history of Malaysia.

The Budget included RM17 billion spending on Covid-19-related measures that was carried over from the packages announced earlier in 2020.

Notwithstanding all the stimulus packages introduced last year, the government announced a new package of RM15 billion in January to include accelerated social security payments under the existing programmes, accel-

erated withdrawals from the EPF, extended tax relief on communication equipment and locally produced cars, expansion of the wage subsidy programme and additional grants for microenterprises.

The next stimulus package of RM20 billion was announced in March, comprising additional funds for procurement of vaccines, additional cash payments to the vulnerable, extension of targeted wage subsidies, increase in small-scale infrastructure projects and fuel subsidies.

With the upsurge in Covid-19 cases, Malaysia once again unveiled its latest RM40 billion stimulus package on May 31 to mitigate the impact of another total lockdown. The package includes cash aid and a month of wage subsidies for affected sectors.

These are just to name a few of the myriad of stimulus packages implemented by the government to minimise the socioeconomic effects of the Covid-19 pandemic.

The pandemic has gravely wounded the world economy and directly affected our socioeconomic life. Even today, we are still in a continuous battle against Covid-19 to flatten the

contagion curve.

The crisis, however, has demonstrated the imperative need for every Malaysian to take this matter seriously and act accordingly.

The battle against Covid-19 cannot be won just by the sheer effort of the government. It requires an act of national solidarity.

The business sector, community and people must work together to break the chain of the Covid-19 infections that has paralysed our society and economy.

The easiest part that every Malaysian can do is to stay at home, follow the standard operating procedures and get vaccinated. If all of us stand united, we will win this battle and emerge stronger than ever.

The interconnectedness of the Covid-19 impact requires every member of society to work hand in hand. Be it young or old, male or female, we all have our part to contribute back to our beloved nation in this battle against Covid-19.

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