



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

ALL PARTIES MUST STAND UNITED IN COMBATTING COVID-19 AND RESTARTING THE ECONOMY

Effective today companies from almost all sectors of the economy are allowed to operate following the Government's decision on 29 April 2020. Nevertheless, the Government is aware that several States are not co-operating in implementing the Government's decision. The decision to reopen the economic sectors under the terms of the Conditional Movement Control Order (CMCO) was taken with utmost care, caution and responsibility supported by data and findings by the Ministry of Finance, MITI, Bank Negara Malaysia and Khazanah Nasional Berhad.

The findings were presented for discussion with the Mentris Besar and the Chief Ministers at the meeting of the National Security Council on 28 April 2020. Based on the discussions during the meeting, the State Governments realised that should the MCO continue until June 2020, the cumulative loss of the national income is estimated to reach RM146 billion or a shortfall of 10.3 per cent of the GDP. This would wipe out the economic success that has been achieved for the last four years.

In this regard, the meeting agreed to reopen the economic sectors during the CMCO beginning 4 May 2020. In order to ensure effective implementation of this decision, the Federal Government will provide a set of comprehensive and stringent Standard Operating Procedures (SOPs) for use by all parties and these SOPs will be provided to the State Governments. For purposes of clarification, the SOPs have already been given to all State Governments on 2 May 2020, that is, before the date of the enforcement of CMCO.

The allegation that the Government restarted the economy hastily is false and baseless. The Government had undertaken incremental measures to open up the



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economy from March 18 to April 28 through the MCO Stages 1 to 3, mandating compliance with health requirements. These careful and prudent actions have yielded good results particularly in terms of the increase in the opening of the economic sectors without jeopardising the Government's efforts to contain the spread of COVID-19.

The Government has implemented the MCO in accordance with the provisions of the Prevention and Control of Infectious Diseases Act 1988 [Act 342] to ensure the effective control of the spread of the COVID-19 pandemic. The implementation of the MCO involves the entire country, including the states in Peninsular Malaysia as well as the Federal Territories, Sarawak and Sabah. This decision takes into account the importance and imperatives of the health and well-being of the rakyat and the need to regenerate the economy.

I wish to reiterate that the Government makes decisions to restart the economy based on the benchmarks of the World Health Organisation (WHO) which outlines six main criteria: safety control, movement control, capacity of the health system, protection of high-risk groups, new normal practices and community-based preventive measures. The Government's initiative to address the COVID-19 pandemic is recognised as one of the best in the world. Our national health system has the capacity and capabilities to undertake efforts to protect the health of the rakyat and to curb the spread of COVID-19.

In this regard, the Government views seriously the position taken by the various State Governments in refusing to execute the decision. Their actions are not founded on lawful authority and are contrary to the policy of the Federal Government, all the more so in view of the fact that the Federal Government policy has already been made into law and enforceable throughout the country.



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The regulations made under Act 342 are specific laws for the purpose of preventing and controlling the spread of COVID-19. As such, it prevails over the provisions of other written laws in respect of the prevention and control of infectious diseases.

The regulations of the CMCO effective today, inter alia, stipulates activities that are prohibited during the CMCO period. It should be noted that only activities that are prohibited will constitute an offence whereas activities other than those prohibited, are allowed during the CMCO period. In this regard, the CMCO differs from the previous MCO Stage 1, 2, 3 and 4 in that under the CMCO there is leeway given for its implementation so as to enable almost all economic sectors to restart in a controlled and prudent setting.

The Government has conducted various engagement sessions with the stakeholders of the economic sectors particularly, industry associations, local and international Chambers of Commerce as well as Small and Medium Enterprises in order to gauge the impact on business sustainability, supply chain and employment.

Therefore, the Government's decision to allow almost all sectors of the economy to operate in order to revive and revitalize the economy is expected to have a positive impact on the economic growth and financial position of the country, not only at the Federal Government but also for the states.

The Government takes note of the media statements issued by various industry associations including the Federation of Malaysian Manufacturers and the Malay Chamber of Commerce of Malaysia in respect of their call that there should be no direct restrictions from State Governments to stop companies to resume their operations from 4 May 2020. Should the State Governments refuse to co-operate in implementing Act 342 which has been gazetted into law enforceable throughout the country, the State Governments may face the possibility of legal action from various parties particularly the industry players.



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It should be stressed that the Federal Government's decision is valid according to law. Act 342 was legislated and made enforceable effective 1 April 1989 following the agreement by all states then, including Sabah and Sarawak to bring about a uniformed law for the purpose of preventing and controlling infectious diseases in Malaysia and enforceable throughout the country.

Hence, the State Governments are urged to co-operate in executing the Federal Government's decision to regenerate the economy. The Government is confident that we, as a team, will succeed in winning the 'war' against the COVID-19 pandemic. We have worked shoulder to shoulder in implementing the MCO in our efforts to contain COVID-19. Now, we need to remain united and strengthen our collaboration towards our economic sustainability, securing our livelihoods and the well-being of the rakyat.

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