

Budget 2021: Sabah SME Association urges govt to extend moratorium, wage subsidy

Malay Mail 5.11.2020

Thursday, 05 Nov 2020 08:57 PM MYT



Sabah SME Association president Foo Ngee Kee says the wage subsidy programme said the programme is crucial for the SME players in the state who are badly hit following the Covid-19 pandemic, to enable them to remain resilient and help their businesses from deteriorating further. — Picture by Saw Siow Feng

KOTA KINABALU, Nov 5 — The Small and Medium Enterprise (SME) Association of Sabah hopes the government can extend the wage subsidy programme and loan moratorium in Budget 2021, scheduled to be tabled tomorrow, to help ensure their business continuity during this challenging time.

Its president, Foo Ngee Kee, said the programme is crucial for the SME players in the state who are badly hit following the Covid-19 pandemic, to enable them to remain resilient and help their businesses from deteriorating further.

“I hope the RM600 wage subsidy will be extended for another three to six months to enable the SMEs to pay their staff salary and ensure they are not laid off.

“The subsidy will help businesses to continue to operate. Without financial ability, the businesses will become worse and more may be forced to close.

“The same with moratorium. I hope it will be extended. It’s not that they (SMEs) don’t want to repay (their loans), it’s just that the current situation is really bad...not enough cash to roll,” he told Bernama when contacted today.

The implementation of the programmes had provided a respite for the SMEs and their extension was important particularly so as Sabah is one of the states most severely affected by the pandemic, he said.

Sabah Women Entrepreneur President Datuk Dayang Haja Khatijah Datu Bachtiyal hoped the government can provide subsidy for delivery and raw materials cost besides empowering digitalisation in the state, as this has now become a platform for companies to continue their business online.

This would ensure that the SMEs continue to operate and able to market their products during this difficult period.

Meanwhile, Universiti Malaysia Sabah (UMS) senior lecturer at the faculty of Business, Economics and Accountancy, Dr Rafiq Idris said in a statement that the government should give special allocations post-Movement Control Order to strategic sectors such as the services sector which are severely affected, especially the tourism sector.

He said all sectors in Sabah needed support to revive the economic activities to avoid the SMEs from collapsing.

Rafiq said Covid-19 has caused market demand to drop significantly, and to cushion the impact, something must be done to stimulate spending and demand in the economy, including cash aid to the affected B40 and M40 group to minimise the impact and enabling them to spend.

“I hope the government will focus on the major sectors such as extending the stimulus package to 2021 to support or save the SMEs...giving cash aid to the vulnerable groups,” he said. — Bernama