



THE ELECTRICAL AND ELECTRONICS ASSOCIATION OF MALAYSIA

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TEEAM STATEMENT

The Electrical and Electronics Association of Malaysia (TEEAM) lauds the Government Initiative to assist the Rakyat via the recently announced RM 250 billion stimulus package.

The Movement Control Order (MCO) initiated by the Government has an adverse impact on the Electrical and Electronics (E&E) industry. Coupled by the bearish economy, our members are experiencing an unprecedented challenge to continue to provide mission critical services and to support the country's E&E supply chain.

It is expected that most of the E&E companies will be experiencing cash flow problems, lost productivity and extreme economic duress. We fear that if the situation persists, millions of E&E jobs could be at stake.

Having sought opinions and feedbacks from our members, we believe that the Government has to urgently attend to the huge losses of income experienced by the E&E industry which is the backbone of the country's economy and a major source of employment for the Rakyat. We strongly urge the Government to consider the following points:

- 1) Formulation of an additional stimulus package that will provide swift and direct assistance to the E&E industry especially the Small Medium Enterprise (SMEs). The SMEs are struggling to survive having to close down their businesses during the MCO imposed by the government since 18th March 2020.
- 2) As Malaysia aspires to be a fully Developed Nation in the near future, it is perhaps timely that we can model the Salary Assistance Plan of nations such as Australia, Canada, and the United Kingdom where businesses affected by the MCO are assisted with the payment of 80% of the wages for all employees for at least 3 months claimable during the MCO period. This would both prevent the winding up of E&E companies and loss of jobs among the Rakyat employed in this sector.
- 3) The Government has to provide special express loan scheme on an immediate basis to pay salaries and wages. E&E companies can provide proof to banks of their payroll for the past six months to be given an immediate interest free loan for an amount equivalent to 12 months of payroll to ensure the continuity of the employment for at least a year. The Government has to provide guarantee to circumvent the assessment of credit risk but to be based on the proof of payroll to the banks. The loan is strictly to pay salaries and wages to the employees and credited directly to the employees' bank accounts.
- 4) We would also hope that EPF and SOCSO could be exempted for 6 months for employer. This is to ensure sufficient cash flows are restored following the losses after the MCO for the survival of the E&E companies.
- 5) The Government should consider the postponement of all outstanding tax payment to LHDN, Custom, and local councils for a year and income tax exemption for this year's income should situation becomes worse. We also plea to the Government to reduce the

tax payable for next year and also to stop forcing the penalty on the forecasted profit vs actual profit under this unforeseen circumstances to lessen the financial weight of the **E&E** industry.

- 6) For loans, we hope the Government would enhance accessibility to the **E&E** industry, provide up to 60% guarantees to warrant faster approvals, and to reduce the interest rates to 1% or lower with adequate repayment periods.

The Government has to save the **E&E** industry and businesses because direct disbursement of cash to individual Rakyat can only sustain their lives for a short period, but supporting the **E&E** industry and businesses will provide a long term sustainable and continuous ecosystem of jobs to the Rakyat and keep food on the table for them. The Government needs to provide crucial assistance to the **E&E** companies to ensure the **E&E** will be able to ride through the pandemic and further assist the Government in providing sustainable, longer-term economic solutions to all our fellow Malaysian.

Thank you.

Yours sincerely

The Electrical and Electronics Association of Malaysia



Siew Choon Thye
President

ABOUT TEEAM

The Electrical and Electronics Association of Malaysia (TEEAM) is the national representative body of the Electrical and Electronics (E&E) industries in Malaysia. TEEAM was established in 1952 and it aims to work closely with all Government departments, statutory bodies and the private sector to ensure and promote orderly growth and development of the E&E industries. Our members are the backbone of the E&E essential products & services. TEEAM participates actively in national development through assisting the Government to shape policies and regulations that affect the combined E&E industry. As the industries' leading body, TEEAM is well represented in various Government Ministries and related Agencies. TEEAM plays a key role in supporting our members' diverse needs by representing their views. TEEAM has over 1,900 members who have created many job opportunities and have positively contributed to the Malaysian economy.

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