

'We are on the road to recovery'

Business stakeholders optimistic on economy, urge govt to offer more assistance

PETALING JAYA: With the easing of restrictions starting Dec 7, industry players are expecting a steady recovery to businesses as they anticipate more sales and the return of customers during the year-end festive season.

Interstate and inter-district travel restrictions and passenger limits imposed on vehicles have been rescinded since Monday as the government hopes to balance public health and economic stability.

Restrictions on tourism will be re-evaluated and social visits to Sabah are now allowed, provided visitors undergo a Covid-19 swab test three days before travelling.

As Malaysians are likely to have access to free Covid-19 vaccines as early as next January, a brighter prospect for the recovery of the local economy is expected.

Malaysia Retail Chain Association (MRCA) president Shirley Tay said a marginal recovery of businesses is expected this month due to festivities.

"We are hopeful that next year's economy will pick up in first quarter, strengthen in the mid-term and recover by third quarter next year.

With the vaccine roll-out expected next year, Shirley noted it will give people confidence to resume normal activities, albeit with caution.

Shirley noted that the government's aid through the Prihatin and Penjana stimulus packages were fairly helpful to relief pressure on cash flow for businesses.

But she said retailers are looking at appealing for a longer term and higher subsidies for wage, rental and utilities to offset the damaging effects to businesses caused by the third wave of Covid-19 infections.

The Malaysia Singapore Coffee-shop Proprietors' General Association (MSCPGA) president Datuk Ho Su Mong also anticipated better business recovery prospects over time.

"For places like Kuala Lumpur, Penang, Johor Baru, East Malaysia, where a lot of businesses depend on tourism, the prospect looks good as travel restrictions have been lifted.

"We do not expect business to pick up that fast but the chances of getting better are there," he said.

Malaysian Retailers Association vice-president Datuk Ameer Ali Mydin anticipated businesses will recover 40% to 50% during the Christmas and New Year period with the lifting of restrictions.

"But the government should remove more restrictions such as work from home and only enforce targeted enhanced movement control order at affected areas," he said.

Finance Minister Tengku Zafrul

Tengku Abdul Aziz met with the Malaysia Retailers Associations on Wednesday to discuss industry challenges to improve footfalls and cash flow recovery.

Ameer said when meeting Tengku Zafrul that industry players encouraged the government to persuade landlords to reduce rentals or provide a 50% subsidy to reduce the burden on retailers.

"We also advised the government to consider reducing utility bills by 50% and extend the wage subsidy to bigger local firms, which have greater employee numbers in order to keep unemployment low," he said.

Malaysian Association of Hotels (MAH) Hotels Training and Education Centre chief executive officer Yap Lip Seng also agreed that the government must step in and extend electricity discounts for the tourism industry, increase targeted wage subsidy as well as review reductions in assessments to help the industry recover.

Yap revealed that hotel occupancy peaked during the National Day holiday in August at 42% and stabilised at approximately 39% in September but slowed down in the following month due to the third wave, which has since been at about 20%.

He said the lifting of the travel ban is timely as locals can make travel

plans for year-end holidays and take advantage of various special deals from hotels.

"While locals will first target popular destinations such as Langkawi, Penang, Ipoh and Genting Highlands, we are confident Malaysians will find many other less travelled destinations around the country," he said.

Yap, however, anticipated slower improvements in the Klang Valley due to the Covid-19 situation.

He hoped international travel will be re-established soon with a forward plan on reopening borders such as special insurances, health-care deposits, movement tracking guidelines and mechanisms to help the industry recover further.

Restaurateur Burhan Mohamed said with the relaxing of rules to allow six people to a table at diners and car occupancy limits, restaurants have seen more families coming in.

"Locals are still being cautious but they are starting to travel and will have more confidence to do so once the vaccine comes," he said.

Burhan said the government has provided various assistance to businesses such as the six-month moratorium and believes it is now time for business owners to stand on their own feet and adjust to the new normal.

Sunway Malls and Theme Parks chief executive officer HC Chan and Pavilion Kuala Lumpur chief executive officer (retail) Datuk Joyce Yap foresees businesses will be quick to bounce back with a V-shaped recovery this month.

"In December, we witnessed an uplift in consumers' mood and confidence, leading to higher traffic to the mall," Joyce said.

Chan noted that November data showed traffic and sales recovery was 50% to 60% normality across its malls as opposed to 25% to 35% normality in October.

"For 2021, we expect recovery to be slow, gradual and protracted in the first half of next year with the introduction of the vaccine, and we expect recovery to reach 90% of normality in the second half of 2021," he said.

Chan also urged the government to consider extending the wage subsidy programme, waive or reduce land assessment tax, utility bills, as well as statutory payments for businesses to help them recover.



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