



MASTER BUILDERS ASSOCIATION MALAYSIA (MBAM)
Persatuan Kontraktor Binaan Malaysia
No. 2, Jalan 2/109E, Desa Business Park,
58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Website: www.mbam.org.my
Tel: 603-7984 8636 Fax: 603-7982 6811

MBAM THANKS THE GOVERNMENT FOR THE ADDITIONAL STIMULUS PACKAGE AS ANNOUNCED BY THE HONOURABLE PRIME MINISTER

1. Master Builders Association Malaysia (MBAM) would like to thank the government for announcing an additional RM250 billion worth of stimulus package on 27 March 2020 to assist the rakyat in facing the difficult times brought by the COVID-19 pandemic. It is indeed heartening for us to see the quick actions by the government to cushion the economic impact for the industry for all Malaysians.
2. The Employee Salary Subsidy will definitely help employers to keep their staff employed in the construction industry whereby it is targeting employees with the salary of RM4,000 and below where the Government will subsidise RM600 for 3 months.
3. The adding of funds for the All Sector Facility Fund to RM6.8 billion from the earlier announced RM1 billion will also help the employers. The Employer Consultation Service by the Employee Provident Fund (EPF) worth RM10 billion which will be rolled out by 15 April 2020 will also be of help to the industry.
4. The deferment of payment for income tax for all SME for 3 months from 1 April 2020 also will be a relief to employers in the construction industry within this SME category.
5. MBAM commends the government's initiative to provide smaller projects to contractors from the G1 to G4 class worth RM2 billion in Sabah and Sarawak which covers road and school upgrades, cleaning of places of worship and police stations and improving facilities to encourage tourism. We also noted that the earlier announced RM2 billion package for the construction industry will be carried out in April 2020. MBAM hopes to see more projects for the whole of Malaysia to further stimulate the economy.
6. We hope the government can consider making announcement on granting Extension of Time (EOT) for both for government and private projects during this trying period of the pandemic including remobilisation time to help ease the pressure on contracting companies so that construction companies can avoid the penalty of Liquidated and Ascertain Damages (LAD) due to issues unexpected and beyond control. This is also to help construction industry to avoid unnecessary contractual issues and litigation at later stage.

7. To ease cash flow of the industry, we hope speedy payment for government projects to be made especially for month of March 2020 at all tiers. This will considerably ease the financial burden and cash flow of contractors. In addition, the government may consider paying significant amount against certificates without delay and to release part of retention sum that are covered by bank guarantee.
8. We hope the government would also consider waiving levy for those workers renewing their work permits for a year and to allow the payment for levy for new foreign workers on quarterly basis for 2 years after the pandemic is contained to cushion financial impact on construction industry players.
9. On foreign workers matters, many companies need clear direction on foreign workers and how to assist them in terms of finance and welfare more so because they are daily paid or based on work output and we urge the embassies to come out to help in this matter. Consequently, there will be bound to be overstaying due to the MCO for foreign workers and we hope the Immigration Department of Malaysia can consider the waiver of fees for special pass due to overstaying during the MCO.
10. It would be timely for the construction industry if the government could release the balance of the Good and Services Tax (GST) which has been held by the government back to industry players quickly so that their cash flow can be improved.
11. We also appeal that the government **will defer and not introduce any other new policies during this trying period that will further increase the cost of doing business.**
12. MBAM is very appreciative of what the government is doing despite the challenges faced by the COVID-19 pandemic. However, the stark reality is that the construction industry will need money to be injected directly into businesses immediately as an effective measure to ensure our construction industry is sustainable.

FOO CHEK LEE JMW
MBAM President

For more information, images or interviews:

Contact person

Ms Chew Chee Yan, Senior PR Executive (mbam28@mbam.org.my / 012 377 6976)

Mr Lenny Lim, General Manager (mbam01@mbam.org.my / 012 620 5377)