



**KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI**
Ministry of Entrepreneur Development and Cooperatives

PRESS RELEASE

MEDAC PLANS TO INTRODUCE PROTECTION PLANS FOR MICRO AND INFORMAL ENTERPRISES

Kuala Lumpur, 1 July 2021 – The Entrepreneur Development and Cooperatives Ministry (MEDAC) plans to introduce affordable insurance and protection plans for those working in micro enterprises and informal businesses, namely those in the B40 category.

Its Minister Dato Sri Dr Wan Junaidi Tuanku Jaafar said the ministry is very concerned that many of these business operators, as well as its employees, do not have any insurance, protection plans, employment benefits or safety nets to protect them.

To date, there are close to 2 million micro enterprises and informal businesses in the country, of which, most are involved in the non-essential sector or the First to Close, Last to Open (FCLO) category.

Based on a survey finding by MEDAC, more than **60 per cent** of the entrepreneurs in the FCLO sub-sector are in the B40 category, with very little savings and do not have any employment benefit. More than **90 per cent** of these entrepreneurs have no insurance and **70 per cent** have no safety nets to fall back on should they lose their jobs.

“We are very concerned of this situation. We are now in talks with the relevant agencies under MEDAC on how we can come up with suitable as well as affordable protection plans for this group of people,” he told reporters, after visiting the vaccination centre in PWTC here, today.

Meanwhile, Dr Wan Junaidi said that his ministry is working closely with Ministry of Science, Technology and Innovation (MOSTI) as well as Health Ministry on the mechanism on how to speed up the vaccination process for micro entrepreneurs and informal business operators.

MEDAC had earlier emphasised that these groups should also be recognised as front liners because they deal closely with the public, making them highly exposed to the spread of the virus.

In doing this, he said MEDAC will also working closely with other ministries, namely the Ministry of Housing and Local Government (KPKT), Federal Territories Ministry as well as non-governmental organisations (NGOs).

“Hopefully, we can work with agencies under these ministries, including the local government, to allow us to take some of the available slots allocated to them for these entrepreneurs in the high risk categories,” he added.

MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES