



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

PRESS RELEASE

MEDAC SUBMIT ENHANCED SOPS TO ALLOW FCLO BUSINESSES TO OPERATE

Kuala Lumpur, 27 July 2021 – The Ministry of Entrepreneur Development and Cooperatives (MEDAC) had submitted a proposed Enhanced SOPs to the government to help speed up the opening of the MSME sector, particularly the FCLO (First to Close Last to Open) category, safely.

The proposed Enhanced SOPs was presented by MEDAC Minister Dato Sri Dr Wan Junaidi Tuanku Jaafar to Deputy Prime Minister Datuk Seri Ismail Sabri during a meeting, here, today.

Dr Wan Junaidi said while MEDAC fully supports the opening of more economic activities, it is indeed crucial to have a clear SOPs in place so that businesses are able to operate as usual - in a safe and controlled manner.

Based on discussions with members of the industry, he said many have expressed willingness to operate under stricter SOPs and will give full cooperation with the authorities and enforcement team.

“In fact, they (industry members) are very proactive and cooperative in this. The enhanced SOPs prepared by MEDAC is actually collaborative effort between the ministry and members of the industry where they too have given input” he said.

The Enhanced SOPs proposed by MEDAC focuses on six economic activities under the FCLO categories, which are in food and beverages (F&B dine-in), shopping malls, watches shop, pedicure and manicure (grooming services), beauty parlour/salon and; barber/hair salon.

Almost half of the business activities identified, are owned by women entrepreneurs, among the groups most affected by the nationwide lockdown.

The SOPs entail a comprehensive set of guidelines from handling of customers, managing staff, operating hours as well premises maintenance to ensure all comply to the post Covid-19 safety requirements.

Among the mandatory procedures proposed include:

- i) Business owners and workers must complete the two doses of COVID-19 vaccination jabs;
- ii) Business owners and workers must go for weekly COVID-19 swam test and;
- iii) Immediate closure of premise, for sanitisation purposes, should there be any case COVID-19 detected.

Dr Wan Junaidi had earlier highlighted that Malaysia's MSME sector, which accounts for close to 40 per cent of the country's GDP, is on the brink of collapsing should the current nationwide lockdown continues indefinitely.

Based on survey conducted by MEDAC, it is estimated that some 580,000 businesses, representing 49 per cent of the MSME sector, are at risk of failing by October, if they are not allowed to open up their operations by then.

The closure of these businesses, which are mostly in the FCLO category, would also mean that more than 7 million Malaysians are expected to be unemployed. Assuming that each worker has an average of two dependents, it will mean that another 14 million people will be affected by this situation.

MEDAC, on June 15 to June 28, had conducted a survey to gauge the impact of the MCO 3.0 on the entrepreneurship landscape in Malaysia. A total of 6,664 respondent from across the nation took part in this survey.

Dr Wan Junaidi also said mental issues are among the areas of concern revealed in the survey, where nearly 60 per cent of entrepreneurs suffer from at least one form of mental health condition during the lockdown.

The top three factors affecting mental health condition of the entrepreneurs include decline and loss of income, debt and financing issues as well as risk of business closure.

MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES