



Enforcement Should Be More Empathetic and Less Fault-Finding During Current Challenging Business Conditions

Kuala Lumpur, July 7, 2021 – The Federation of Malaysian Manufacturers (FMM) calls for all agencies involved in the enforcement activities on companies operating under the Phase 1 and 2 of the National Recovery Plan (NRP) and the Enhanced Movement Control Order (EMCO) to take on a more educational and advisory stance on their enforcement instead of approaching it on a very aggressive and microscopic fault-finding mission where companies are immediately imposed fines with very little opportunity and time given for companies to rectify the faults especially minor oversights.

Very little empathy is shown on companies that are struggling to sustain operations. Instead, many enforcement visits/checks are driven to find the tiniest fault in the premises with no consideration on the level of relevance of the fault in relation to the core purpose of the visit i.e. to prevent Covid-19 infection spread. No opportunity was also given for rectification and re-assessment of compliance before a fine is imposed. There are also issues of uncoordinated enforcement raids with factories having to face multiple raids by different enforcement agencies including some having different interpretations of the SOPs and MITI's approvals. FMM has been receiving complaints from members on very hostile enforcement teams and on fines being imposed for the tiniest fault or slight deviation of the Covid-19 Standard Operating Procedures (SOPs) which are not done on purpose because adherence to the SOPs have already been ingrained as part of the new normal of business operations. Minor non-compliance or genuine oversight on one item under the SOPs such as not having sufficient locations with hand sanitisers, failure to mark the entry and exit door/pathways, failure to cordon off non-operation production lines, etc are being used against companies during this lockdown period when the enforcement teams are not able to identify any other faults pertaining to the actual business operations during this period.

FMM wishes to reiterate that faulting industries on minor issues on SOPs and imposing fines and business closure based on different interpretation of the SOPs is not acceptable because it creates continuous fear and anxiousness within the business community, especially the SMEs, despite them having approvals and all SOPs in place.

In addition, FMM wishes to state again that based on data from the Ministry of Health (MOH), factories are not the main source of infections. Based on MOH data, the majority of the cases especially in 2021 have been sporadic cases and not originated from clusters including workplace clusters. It is evident from data released by the MOH on June 21, 2021 that 69% (398,846 out of 578,105) of Covid-19 cases recorded this year until June 19, 2021 were sporadic cases i.e. cases that are detected in the community and cannot be associated with any existing clusters while the balance of 31% came from clusters. YBhg Tan Sri Dr Noor Hisham Abdullah, Director General of Health was also most recently quoted during an engagement with the business community on July 4, 2021 that of the total cases, close to 70% were sporadic cases while 30% came from clusters of which 62% are workplace clusters. Factories only account for 30% of these workplace clusters. This works out to be around only 6% of the total number of cases that can be attributed to factories. Even more recently, MOH reported that only 15,069 (9.7%) out of a total of 156,105 infections cases from June 1, 2021 to June 26, 2021 were attributed to the manufacturing sector.

In addition, other data has also supported the fact that factories are also not the main sources of workplace infections. Quoting from YBhg Tan Sri Dr Noor Hisham Abdullah again in the media on June 14, 2021 it was reported that out of the 662,457 cumulative Covid-19 positive cases since 2020, only 147,040 were from workplace clusters of which 95,156 (14.4%) were from manufacturing. On June 30, 2021, YB Senior Minister of Ministry of International Trade and Industry (MITI) was quoted in the media saying that based on data obtained from the National Crisis Preparedness and Response Centre (CPRC), MOH, of cases between June 1 and June 23, 2021, the sector accounted for just

9.3% of cases reported or 12,872 cases from the total 138,649. **In summary, the manufacturing sector contributed only between 5%-10% of the infection cases on average for this year.**

It is acknowledged that workplace clusters will exist given that the virus is now in the community. Given the need to support the economy during this very fragile economic situation, workplaces especially those relating to the manufacturing sector will have to continue to operate to support the economy. In this regard, managing the entry of infections into the workplace or hostels is more challenging for the industry despite putting the SOPs and preventive measures in place. With the virus in the community, it can easily go into factories especially through the asymptomatic sporadic cases. These sources of infections then are often not traced back to the community but to the workplace when more workers get tested due to any confirmed infections in the company. This in turn is classified as a workplace cluster by the authorities giving rise to the misconception that the workplace is the primary source of infection.

Lastly, FMM once again calls on the Government to focus on speeding up the vaccination, especially in the EMCO areas particularly Selangor and Kuala Lumpur, through the National Immunisation Programme (PICK) and Program Immunisasi Industri Awam Swasta (PIKAS) in order to immediately contain the further spread of the virus.



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FMM Advocates Transparency, Integrity and No Corruption

About FMM

The Federation of Malaysian Manufacturers (FMM) has been the voice of the Malaysian manufacturing sector since 1968. Representing over 10,500 member companies (3,500 direct and 7,000 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-add services, including training, business networking and trade opportunities as well as regular information updates.

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