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Enact Covid-19 Act to avoid business closures

Stating that the Covid-19 pandemic will bring about economic misery and that the worst may not be over in the months to come is moot now. What really matters is to actively execute a recovery plan to stop the country from haemorrhaging RM2.4 billion daily.

The severity of the issue must sink in and there are no two ways about what needs to be done: to introduce a Covid-19 Bill (Extension of Time) to prevent the imploding deluge of business closures.

Such legislation has already been passed in countries hard hit by the pandemic, including Australia, Ireland, Scotland, Hungary, the UK (UK Coronavirus Act 2020) and Singapore (Covid-19 [Temporary Measures] Act 2020).

Last month, the Master Builders Association Malaysia (MBAM) asked the government to enact such a bill to protect all contracting parties from unnecessary litigation and provide temporary relief for businesses and individuals that are unable to meet their contractual obligations because of the pandemic, which is beyond any party's control.

What Covid-19 Act should cover

The proposed Covid-19 Act should provide:

- Retrospective effect from February 2020 and be extended for at least six months after the Movement Control Order (MCO) ends;
- A moratorium from actions for the inability to perform and a bar from commencing and continuing legal proceedings such as insolvency-related, eviction or repossession actions, and enforcing any award judgements; and
- A ban on any call on performance bonds and protection for directors from personal liability for any trading carried out during the moratorium period despite their companies' insolvency.

Since the government has opened up almost all industries to resume work, it is important that the bill



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be tabled at the next parliamentary session in July, as this temporary measure is crucial to protect stakeholders.

Government should pay for Covid-19 testing

As the MCO will now be in force until June 9, the government should use this extended period to increase its testing capacity, especially among foreign workers, and set up more testing labs in the country.

Based on the current capacity of 20,000 tests daily, it will take at least 300 days to cover the six million foreign workers (both legal and illegal), including about 450,000 legally employed in the construction sector.

The government should bear the full cost of Covid-19 screening to enable as many workers as possible to resume work on construction work-sites. No contractor can afford the staggering cost of the testing.

While the Social Security Organisation (Socso) is bearing the cost of Covid-19 testing for legal foreign workers, a large number of foreign workers are paid daily, or based on work output, and cannot afford the costly tests.

These workers have to be tested and quarantined once confirmed positive.

Testing, testing, testing

Contractors face a chicken-and-egg situation in whether to restart work sooner or wait until the end of the MCO.

First, testing capacity is still far from satisfactory and test results take some time to come back. Second, waiting it out will incur more cost. Their concerns are compounded by strict guidelines on complying with the standard operating procedure imposed by the government as well as the punitive penalties, where a worksite has to be closed if just one worker is tested positive for Covid-19.

With the apparent high demand for the costly test kits, we hope the government can quickly look into the availability of alternative test kits, including setting up more test labs to ensure as many construction workers as possible can resume work.

CIDB's three-pronged relief measures

MBAM is grateful to the Construction Industry Development Board Malaysia (CIDB) for heeding the association's call in coming up with three-pronged relief measures to assist contractors and stimulate the construction sector.

CIDB's measures provide temporary exemptions and relief that cover matters involving contractors, construction workers and certificates of approval.

Among the initiatives are an easier process for registering contractors, paying the levy for private projects in instalments, free skill-accreditation training and evaluation for locals, and 50% subsidy for competency courses for local construction workers.

Activate recovery plan

MBAM hopes the coming announcement of the nation's economic recovery plan post-Covid-19 will be comprehensive to address the woes of the construction sector. It has suffered a loss of RM11.6 billion in monthly revenue since the start of the MCO in March.

We are duty-bound to point out that the earlier economic stimulus plans fell short of expectations and missed out on its touted tagline of "no one will be left behind".

MBAM is pleased to note, however, that its feedback on issues and challenges facing contractors during the economic slowdown caused by the pandemic has been heeded and mitigating measures formulated to address them, while the government has given due attention to all the concerns raised. ■

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