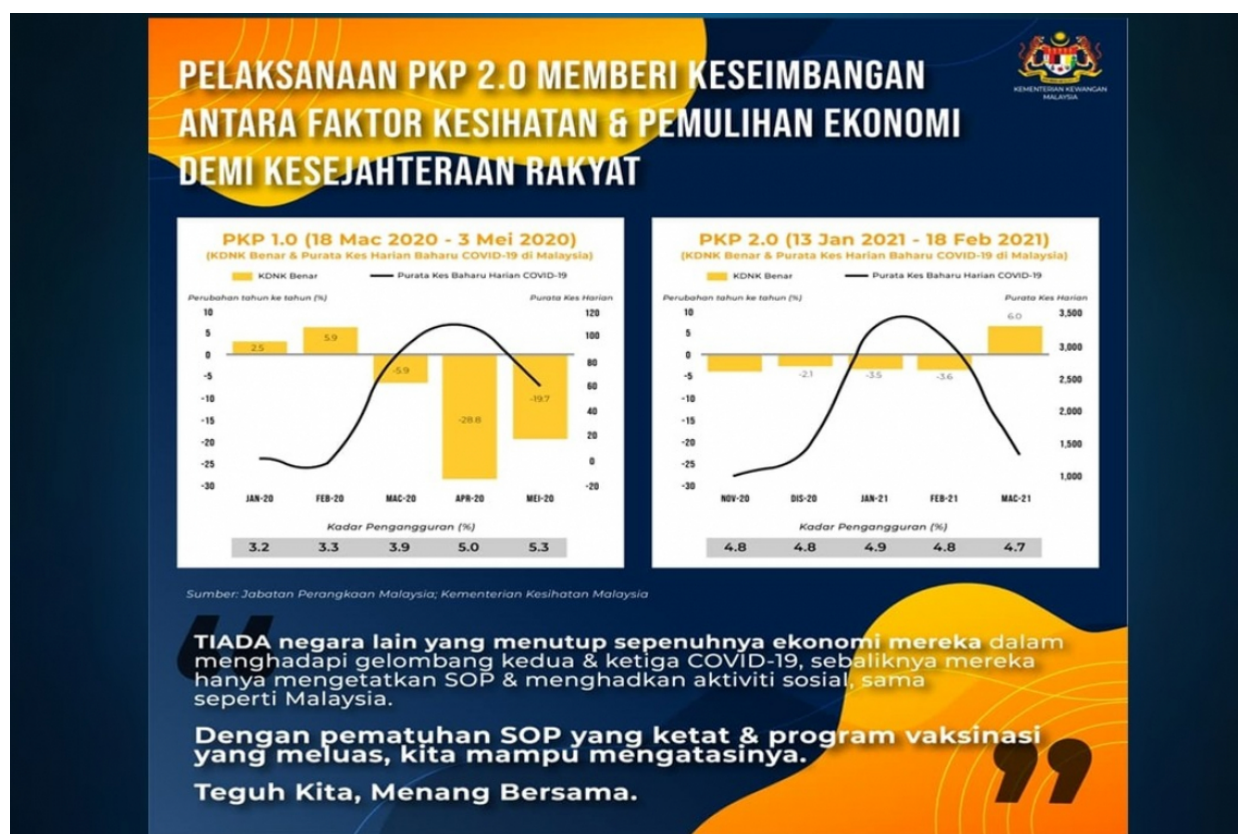




PRESS CITATIONS

Move to keep economy open under latest MCO helps prevent unemployment – Tengku Zafrul

PRESS CITATIONS | 18 MAY 2021



KUALA LUMPUR, May 18 – Malaysia’s decision not to shut down its economy under the Movement Control Order (MCO) 2.0 and MCO 3.0 could prevent various adverse effects, including unemployment reaching an estimated 1 million people, said Tengku Datuk Seri Zafrul Abdul Aziz.

The finance minister said applying the lessons learned from the first COVID-19 wave, no country in the world fully closed its economy when dealing with the second and third waves of the pandemic.

“Instead, they only tightened the standard operating procedures and curbed social activities. This also happens to be Malaysia’s approach,” he said in a Facebook posting.

Advising not to discard something good along with the bad, he cited the Malay proverb “marahkan nyamuk, kelambu dibakar” (“burning the mosquito net because one is angry at the mosquitoes”).

Tengku Zafrul said that in our zeal to curb the spread of COVID-19, we should not sacrifice economic growth and also hurt the vulnerable group.

“In general, the two MCOs (the first MCO and MCO 2.0) have succeeded in reducing COVID-19 cases significantly, but MCO 2.0 achieved this target without adversely impacting the country’s economic growth,” he said.

He said the more targeted approach of MCO 2.0 as well as the government’s proactive measures had placed Malaysia on the path towards economic recovery, as seen by the smaller Gross Domestic Product (GDP) contractions of 3.5 per cent and 3.6 per cent in January and February this year, respectively, followed by a positive growth of six per cent in March.

The country’s GDP shrank by 5.6 per cent in 2020, its biggest decline since 1998.

Tengku Zafrul said the 0.5 per cent GDP contraction in the first quarter of 2021 was an improvement over the 3.4 per cent decline recorded in the fourth quarter of last year, hence putting Malaysia on the recovery track for this year assuming that key economic sectors would continue to remain open.

He said that if a total closure of the economy were implemented as with MCO 1.0, it would result in the derailment from the economic recovery track and lower the possibility of Malaysia achieving a 6.0-7.5 per cent growth for 2021 as forecast by various quarters, including Bank Negara Malaysia, the World Bank and International Monetary Fund.

Tengku Zafrul noted that MCO 2.0 did not lead to a significant jump in unemployment -- 4.8 per cent in December 2020, 4.9 per cent in January 2021, 4.8 per cent in February 2021 -- and the figure went down to 4.7 per cent in March 2021 or 753,200 unemployed persons.

He acknowledged that MCO 1.0 was able to slash COVID-19 cases but it had a deep impact on the economy -- with an estimated daily losses of RM2.4 billion to the country’s economy -- and resulted in job losses.

In comparison, he said, the reduction in COVID-19 cases under MCO 2.0 was achieved with much lower losses to the economy at RM300 million daily.

The implementation of MCO 1.0 from March 18 to May 3, 2020, saw the economy contract by 5.9 per cent in March last year, followed by 28.8 per cent in April and 19.7 per cent in May.

Malaysia recorded the largest GDP contraction in its history and the worst performance in the ASEAN region in the second quarter of 2020, at -17.1 per cent.

Today, the Ministry of Health announced that there were a total of 4,865 new cases reported up till 12pm on Tuesday, pushing the cumulative figure for positive cases in Malaysia to 479,421 with 1,947 deaths.

Bernama

 [Press Release](#)

 [Speech](#)

 [Press Citations](#)

 [Videos](#)

 [LAKSANA Report](#)

POPULAR TAGS

[BERNAMA](#)[TENGKU ZAFRUL](#)[BAJET 2022](#)[COVID-19](#)[LAPORAN LAKSANA](#)[TMK I](#)[KELUARGA MALAYSIA](#)[PENJANA](#)[PRIHATIN](#)[PRICE OF PETROLEUM](#)[HARGA MINYAK](#)[BUDGET 2022](#)

Copyright © 2022 Ministry of Finance Malaysia. All Rights Reserved.

[Privacy Policy](#)[Security Policy](#)[Disclaimer](#)[Site Map](#)[Help](#)