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SMEs should now upgrade safety for staff

IPOH, Sat. - Small and medium scale companies, which will pay a lower tax rate next year, should use the savings to upgrade occupational safety and health standards at their workplaces.

National Institute of Occupational Safety and Health chairman Tan Sri Lee Lam Thye said today many SMEs did not have a system to safeguard the safety and health of their workers.

"Even though the number of accidents in this sector is declining, it still accounts for about 80 per cent of the total industrial accidents in the country," he said after opening a seminar on Occupational Safety and Health Act for SMEs today.

When tabling the 2003 Budget on Sept 20, Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad said the corporate tax rate for SMEs with paid-up capital of RM2.5 million and below will be cut to 20 per cent from 28 per cent on chargeable income up to RM100,000.

With the new rate, an SME company can save up to RM8,000 in tax next year.

Lee said companies which would benefit from the tax reduction should invest in safety at their workplaces, which includes providing safety equipment. Statistics compiled by the Small and Medium Industry Development Corporation (Smidec) showed that there were about 20,000 SMEs in the manufacturing sector.

"But we believe that the total number is much higher especially in forestry and mining."

Under present classification, SMEs are companies which have below 150 workers with an annual turnover of below RM25 million.

He said Smidec had also allocated more than RM700,000 to Niosh to organise programmes on occupational safety and health for SMEs throughout the country.