

# 'No adverse impact from MCO 2.0'

## This time around, we'll ensure businesses thrive, says Muhyiddin

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**PETALING JAYA:** The government does not expect the second movement control order to have any adverse impact compared to last year because this time, economic activities have been allowed to operate, says Tan Sri Muhyiddin Yassin.

The Prime Minister said under MCO 2.0, economic growth would be supported by a strong exports sector and a global trade recovery.

"The economic stimulus packages, Budget 2021 and the Permai assistance will continue to boost consumption," he said.

Budget 2021 rolled out this month.

"Furthermore, high impact projects and initiatives with significant

economic multipliers will continue to drive the economic recovery's momentum," he said when announcing the "Perlindungan Ekonomi dan Rakyat Malaysia (Permai)" assistance package worth RM15bil yesterday.

Muhyiddin said 22 initiatives would be implemented under Permai, anchored on three main objectives - combating Covid-19 outbreak, safeguarding the people's welfare and ensuring continuity of businesses.

He said unlike the previous one, MCO 2.0 allowed more economic activities to operate, particularly the five essential sectors - manufacturing, construction, services, trading and distribution, as well as plantations and commodities.

The Prime Minister said this ensured that daily necessities, international trade and the supply chain

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**Tan Sri Muhyiddin Yassin**

for industries, critical infrastructure and emergency works would not be disrupted.

The impact of the previous MCO saw the country's GDP in the second quarter of 2020 decline with a rise in unemployment rate. "With the implementation of the economic stimulus packages, we managed to achieve a smaller GDP contraction

rate - from 17.1% to 2.7% - and a reduction in unemployment from 5.1% to 4.7% from the second to the third quarter of 2020."

He reassured the public and the business community that the sole intention for the Declaration of Emergency was to curb the spread of the pandemic.

"The government will endeavour to do everything possible to ensure that the impact of these measures on the country's economy is contained. In fact, since Jan 11, it is clear that our capital markets such as Bursa Malaysia and the bond market have remained stable and orderly," he pointed out.

Muhyiddin also said that even in the face of 1,001 problems, Malaysians could be inspired to find a million solutions.

"I believe the resourcefulness, tenacity and resilience inherent in our true Malaysian spirit will serve

us well in facing this great adversity."

The government had implemented the RM250bil Prihatin Rakyat Economic Stimulus Package (Prihatin) in March last year and the RM10bil Additional Prihatin Rakyat Economic Stimulus Package (Prihatin Tambahan) last April.

It also unveiled the RM35bil National Economic Recovery Plan (Penjana) in June last year and the RM10bil Prihatin Supplementary Initiative Package (KITA Prihatin) in September.

Muhyiddin said the Permai assistance package improved on the existing on-going initiatives and would also accelerate the implementation of related initiatives.

He said that to finance the assistance package, the government would reallocate existing funds based on current priorities and through more prudent spending.