

## MCO 2.0 jitters

### Second round of lockdown would devastate economy, strain govt and wipe out jobs: Experts

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**PETALING JAYA:** A second movement control order (MCO) will cause major damage to the nation's economy, economists warned as the country continued to record high numbers of positive Covid-19 cases for three straight days.

Sunway University Business School professor of economics Dr Yeah Kim Leng said it would be catastrophic for the economy if MCO 2.0 were to be imposed.

The renewed stringent movement restriction would have a deep impact on the domestic economy and result in massive job losses and a sharp plunge in income for businesses.

"The government will need to come up with another stimulus package. The nation's fiscal position is not very strong.

"Although the government has the capacity, it will make the country's fiscal position more vulnerable. It may force the government to dip into the emergency reserve," he said yesterday.

Yeah added that the alarm bells had been sounded and the red lights were flashing. We need to contain the spread of the coronavirus, that spiked with 287 positive cases on Friday, 317 on Saturday and 293 yesterday.

He urged the government to take all necessary precautions to prevent a new wave of the pandemic.

Yeah said our economy is in a fragile state and we need to take action to protect it by dealing with the virus as quickly as possible.

"There are several options available to the government, such as locking down areas that have high numbers of Covid-19 cases.

"Although people in affected areas may suffer, the economic impact won't be felt by the majority of the people," Yeah said, adding that the people should brace for a possible targeted lockdown.

Universiti Tun Abdul Razak economist Prof Dr Barjoyai Bardai said the country cannot afford another MCO as the last one cost the nation RM3 billion a day.

He said the economy is in a fragile state after having gone through the first MCO successfully, which dragged on for three months.

"If we have to face another MCO, we can use the lessons learnt from the first one so that we would be able to better survive it.

"But this option should not be on the table as it will be very costly to the country."

Barjoyai said people's lives are more important but if the government is left with no choice, then it would have to impose the MCO.

He added that before such a decision is taken, the government needs to get advice from all experts on the impact the second MCO would have.

The virus must be stopped from spreading to the extent that hospitals would not be able to cope with the number of cases, he said.

Barjoyai reiterated that the public must be reminded of its role to curb the spread.

Malaysian Employers Federation executive director Datuk Shamsuddin Bardan said employers cannot afford another MCO as they are just starting to recover from the first one.

He said in the event there is a shutdown, the confidence that has returned would disappear overnight.

"A second MCO should be the last consideration, (the government) should exhaust all other avenues before going down that road."

He said the level of consumer confidence is improving, but another lockdown would go down very badly.

Another MCO must be avoided at all costs as it would shake the confidence that is slowly returning to the economy, Shamsuddin added.