

## **CIRCULAR No. 2 (Rev 01)**

### **IEM INITIATIVES FOR MEMBERS**

In our effort to come up with proposals or recommendations to the Government that would be reflective of the needs of IEM members, the IEM Ad Hoc Committee on COVID-19 initiated a survey amongst members to seek their feedback. Due to the need to have quick feedback to the government, the survey was sent to members via email blast on 7 April 2020 with a deadline to submit feedback by 9 April 2020. The members were categorized as **employees, employers and retired engineers**.

Upon the closing for return of feedback on 9 April 2020, IEM received 801 responses from 15,952 emails sent out of which 34.3% were from employers, 58.9% from employees and the rest from retirees. An analysis of the survey results was carried out and as a general observation; IEM Corporate Members formed the majority of respondents with over 40% while Graduate Members took up 35%. In tandem with the membership disciplines, majority of the respondents were from the Civil engineering discipline (40%) followed by Mechanical (30%) and then Electrical (15%) and the balance from Chemical, Electronics and others.

In terms of demographics on the nature of business and work, majority of the respondents are in consultancy business (over 60%), followed by contracting (30%), manufacturing (below 10%) and services (5%).

Most of the respondents, especially the employers indicated that they are affected by the movement control order (MCO) which took effect from 18 March 2020 to present. Even though 60% of the employees stated that they are not affected by the MCO due to various factors, but about 30% were worried that they might be laid off if the current situation persists.

On the Government's initiatives to date during the MCO, 60% of the employees said that the initiatives have been helpful while in contrast, 57.2% of the employers who were of the opinion that the initiatives were insufficient. On the other hand 45% of retirees are happy with Government's initiatives while another 45% of them said otherwise.

Based on the responses received, the Ad Hoc Committee compiled the main feedbacks on how the members would like the government to assist the engineering industry as follows:

- 1. Government to assist with subsidy even for those earning higher than RM4,000.**

More than 60% of the respondents who are employees in SMEs felt that the Government's initiatives had adequately helped individual workers or employees of SMEs although it was felt that the ceiling should be raised to those earning up to RM8,000.

IEM supports this proposal as Engineering professionals are skilled workers and their salaries would have exceeded the RM4,000 ceiling after being in the workforce for a few years and **IEM feels that a more reasonable range should be up to RM8,000.**

- 2. Reduction of income tax for year 2020.**

Many of the respondents both employers and employees requested for reduction in Income Tax. IEM supports this feedback from members and will propose for **a reduction of the corporate tax rate** for SMEs for assessment years 2020 and 2021. A proposal for **reduction in personal income tax** will also be included.

### 3. Request for business operation to resume

Those who are in business or are employers requested for leniency in allowing limited workforce to be permitted to continue the ongoing projects or in factory manufacturing line – in order to keep their business going, and at the same time also the national economy not to suffer more severely.

IEM feels that with the latest announcement by MITI, the Government is already taking steps to gradually open up additional sectors and this would address the concerns of the members. The sectors involved however would need to register and obtain approval from MITI for work to commence. Registration can be made via the MITI website from 13 April 2020.

### 4. Benefit provided by the Stimulus Packages insufficient for SMEs

57.2% of the respondents who are employers of SME enterprises were of the opinion that the packages were insufficient to assist the enterprises itself in view of the huge challenge they are facing due to tight cash flows, slow or delayed collection and loss of revenue.

IEM will support this request to the government that the **Stimulus package for SMEs should be further enhanced** to ensure that they will be able to weather this challenge and remain in business as they contribute towards a huge portion of the economy.

### 5. Prompt settlement of payments for projects

Many of the respondents who are IEM members involved in Government projects or GLC works, have requested for settlement of pending payments for work done or completed – which is a sad reality in both the private and the public sectors.

IEM will propose that the Federal and State government agencies as well as GLCs should **make payment promptly for works completed prior to the MCO** so as to lighten the burden of tight cash flows at this time.

### 6. Higher rebates from Tenaga Nasional Berhad (TNB)

Many of the respondents were also of the opinion that discounts could be provided for the utility bills.

IEM agrees that for the industry and agriculture sectors, **higher rebates should be introduced** by TNB similar as to what is applicable to shopping complexes and malls to ease the burden on operation costs. IEM will also recommend to the Government to **increase and improve the internet broadband network facilities**.

As there are a lot of inaccurate information being circulated during this period of time, IEM would also like to advise members to get accurate information from the following websites where appropriate:

Members who wish to enquire more on other forms of assistance available from the Government and its related agencies can refer to the following websites:

- Ministry of International Trade and Industry (MITI) at [www.miti.gov.my](http://www.miti.gov.my)
- Lembaga Hasil Dalam Negeri (LHDN) at [www.hasil.gov.my](http://www.hasil.gov.my)
- Kumpulan Wang Simpanan Pekerja (KWSP) at [www.kwsp.gov.my](http://www.kwsp.gov.my)
- Jabatan Kerja Raya (JKR) at [www.jkr.gov.my](http://www.jkr.gov.my)
- Board of Engineers Malaysia (BEM) at [bem.org.my](http://bem.org.my)
- Kementerian Kesihatan Malaysia (KKM) at [www.moh.gov.my](http://www.moh.gov.my)

On IEM's internal initiatives:

1. many members had requested for online training to be conducted. IEM wish to assure members that steps are being taken to initiate webinars. The first webinar targeted for Graduate Members would be held on 18 April 2020 but due to the current constraints, only 97 participants can be accepted. IEM will continue to look into further improvement.
2. IEM will look into further enhancement of the IEM Job Gallery to better to serve members. IEM invite members who are employers to post job vacancies in the Job Gallery.
3. In addition, although the IEM office may be closed during the MCO, but our staff continue to work from home to process applications and answering enquiries from members. IEM Secretariat are contactable by email as follows:

Main IEM contact: [sec@iem.org.my](mailto:sec@iem.org.my)

Finance: [finance@iem.org.my](mailto:finance@iem.org.my)

Publications: [pub@iem.org.my](mailto:pub@iem.org.my)

Membership: [membership@iem.org.my](mailto:membership@iem.org.my)

Activities: [activities@iem.org.my](mailto:activities@iem.org.my)

We hope that all our members would remain safe and healthy during this challenging time.

Thank you.

**Ad Hoc Committee on COVID-19**  
**The Institution of Engineers, Malaysia**  
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