

PIKOM CALLS FOR TECH BUSINESSES TO STAY RESILIENT IN TODAY'S UNPREDICTABLE TIMES

Petaling Jaya, March 17, 2020: As the whole world goes through unpredictable social-cum-economic times across every facet of life, Malaysia is not spared too! Prime Minister YAB Tan Seri Muhyiddin Yasin has issued a directive for Malaysians to be on a national restriction movement with most businesses and schools closed for a two-week period.

In a recent message to its members as part of its regular updates, PIKOM, the country's national tech association reviewed the current economic outlook for the year.

PIKOM's chairman Mr Danny Lee reflected on the Bank Negara Malaysia's 2020 outlook which stated that 2019's Fourth Quarter GDP growth rate of 3.6% will continue this year. The cumulative average annual GDP growth for 2019 stands at 4.3% and with an overall GDP of Ringgit1583.21billion (USD365.3billion).

"The current Covid-19 virus pandemic has added even more stress to an unpredictable, weakened global economy. What's more, some experts forecast that the pandemic will not likely to subside for another six months with three-to-six months set aside for the recovery period and overall stability to be evident.

"The Malaysian government is to be commended for taking various steps to mitigate the worrisome situation and encourage social distancing, also with the health workers working tirelessly around the clock. The Health Ministry has been prompt with its regular updates on the statistics of

infected cases, advice on being self-sustaining and reliant with one's own health measures so as to prevent the further spread of the virus.

"However, in such 'dark' times, businesses especially the SMEs are encouraged to be even more creative, resilient and consider marketing tactics to weather the next six months," reflected Danny.

98.5% of the country's business is contributed by SMEs which in turn contributes to 38.3% of Malaysia's GDP, and valued at Ringgit 1583.21 (USD126.3billion) (Department of Statistics, 2018). The services and manufacturing sectors are the major SME contributors contributing a combined share of 82.4%.

Added Danny, "Data show that the Malaysian e-commerce market for 2019 generated revenue of Ringgit15.95billion (USD3.68billion), a phenomenal contribution from largely the SME sector. Hence, I would like to call upon companies which have omnichannel businesses to use this time and situation to be even more proactive and market their products online with enticing offers as more and more people confine themselves within their safe zones.

"Supermarkets that offer online grocery sales should run attractive marketing promotions so customers become more online savvy. Even food delivery has been allowed to continue, and this is a great asset for those who depend on such services. This will definitely help a certain portion of the industry, from the e-commerce brands to the companies doing delivery services, to continue to function.

"This is the best time to teach and build the trust amongst senior citizens, who are wary and extra cautious about the Internet, about online shopping, especially so when Malaysia is shifting to e-payment e-wallet procedures this year.

“Through such an approach, many businesses would have better chances of remaining afloat, still be able to generate income albeit lower than the good times,” professed Danny.

On a bigger picture, PIKOM also calls upon the Government to implement attractive stimulus packages that can allay the fears of consumers, particularly concerning the lack of health-related items and food products.

Also, PIKOM would like to encourage the Government to look into tax reduction on the SMEs as well as for banks and financial institutions to delay loan repayments at this crucial time.

Close monitoring should also be conducted to control current prices of domestic products and commodities, especially on staple products that have caused panic-buying.

Concluded Danny, “With self-sustaining and self-reliant health regimes being religiously practiced on an individual basis, for sure the statistics will show an appreciable drop in infected cases.

“Such trying times call for us, not only within the tech industry but across all sectors covering social, economic and trade, to work even more closely with our neighbouring countries, particularly in containing the further spread of the virus.”

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