

A white rectangular box containing the text "MCO 1.0 VS FMCO" in bold black font.

MCO 1.0 VS FMCO

A yellow rectangular box containing the text "HOW EFFECTIVE IS FMCO?" in bold black font.

HOW EFFECTIVE IS FMCO?

LOCKDOWN LAGI?



Since the Covid-19 outbreak in early 2020, Malaysia has seen numerous iterations of the Movement Control Order (MCO, CMCO, RMCO...) implemented in varying degrees. The most recent FMCO, however, is often compared to the first MCO 1.0 in March 2020.

However, is this FMCO **as stringent or effective** as MCO 1.0?

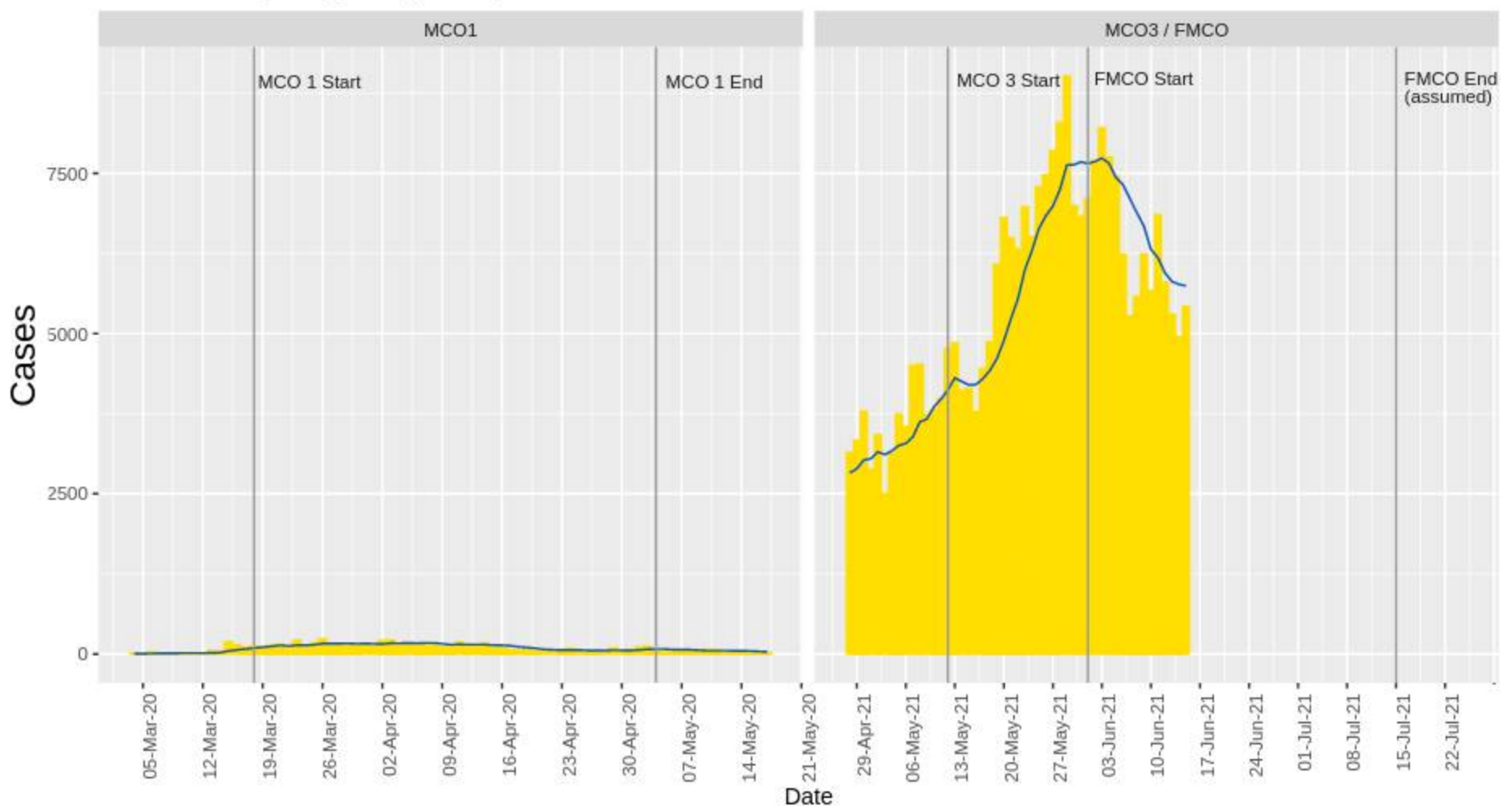


AT A GLANCE

The FMCO saw the highest death toll, with **126 casualties** reported on 2 June 2021.

	MCO 1.0	FMCO* as of 14 June 2021
Daily Avg. Confirmed Cases	119.72	6435.71
Daily Avg. Deaths	2.24	83.71
Daily Avg. Recoveries	94.63	6876.5

MCO 3.0 / FMCO shows a plateau of new cases, but at a much higher base. Chart shows count and 7-day rolling average of new cases.



MCO periods indicated by vertical lines.
Source: Our World in Data.

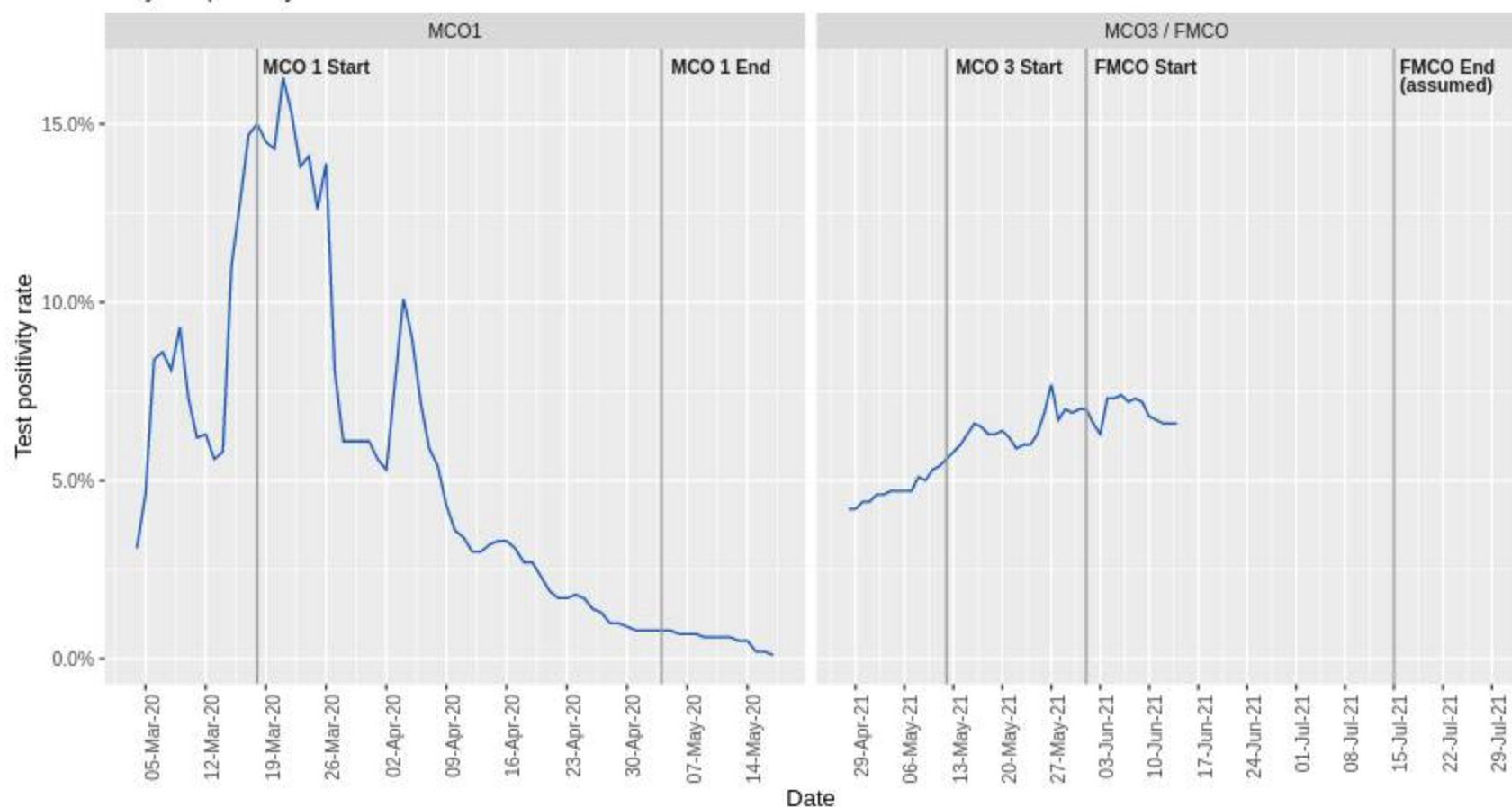
TEST POSITIVITY RATE

The recommended test positivity rate from the World Health Organisation is 5% and below.

	MCO 1.0	FMCO* as of 14 June 2021
Avg Test Positivity Rate	5.88 (max 16.3)	6.92 (max 7.4)

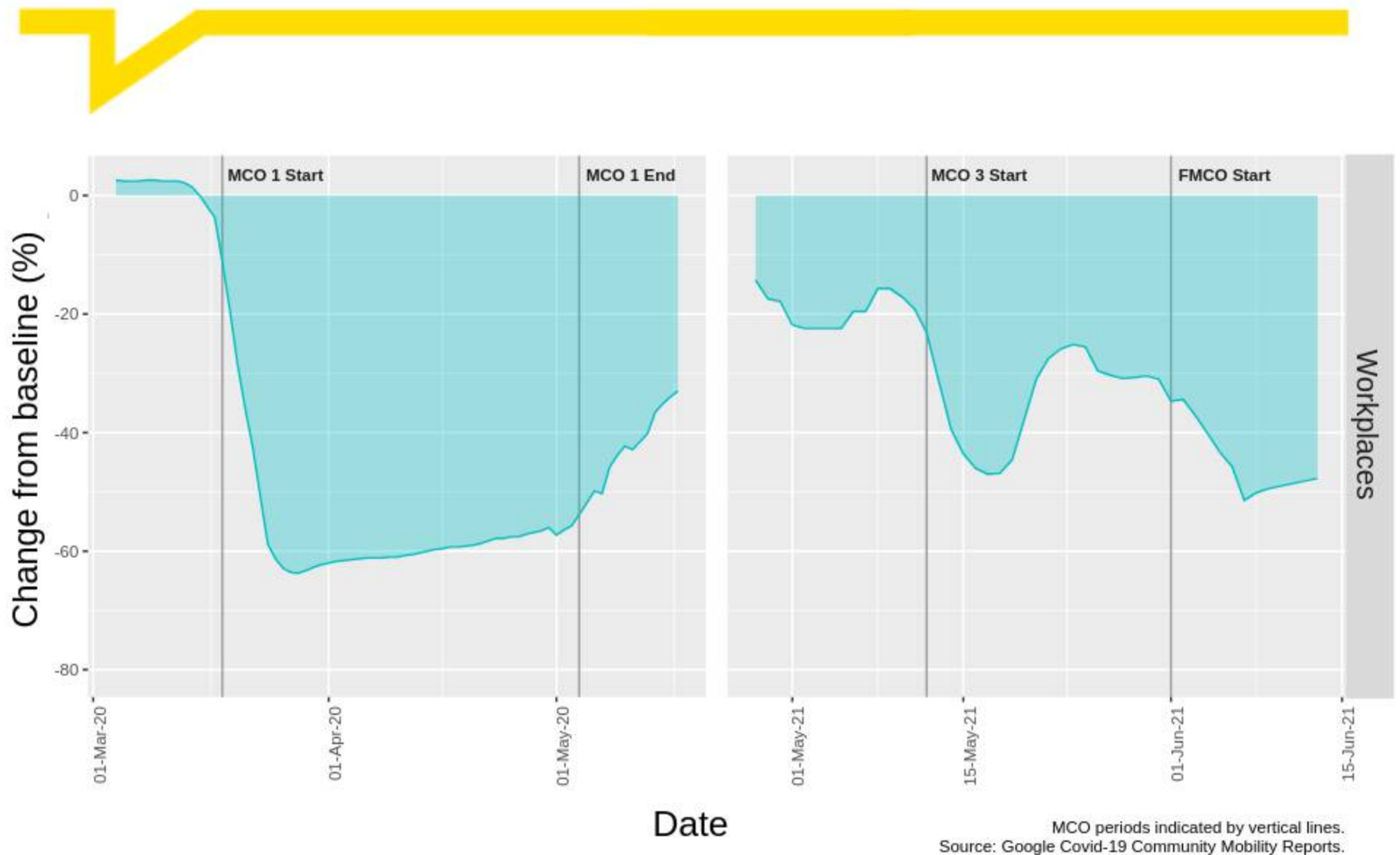
Test positivity rate quickly dropped in MCO 1.0 but not during MCO 3.0/FMCO. Chart shows daily tests per thousand.

Test positivity rate quickly dropped in MCO 1 but not in MCO 3
Daily test positivity rate



MCO periods indicated by vertical lines.
Source: Our World In Data.

MOVEMENT & RESTRICTIONS

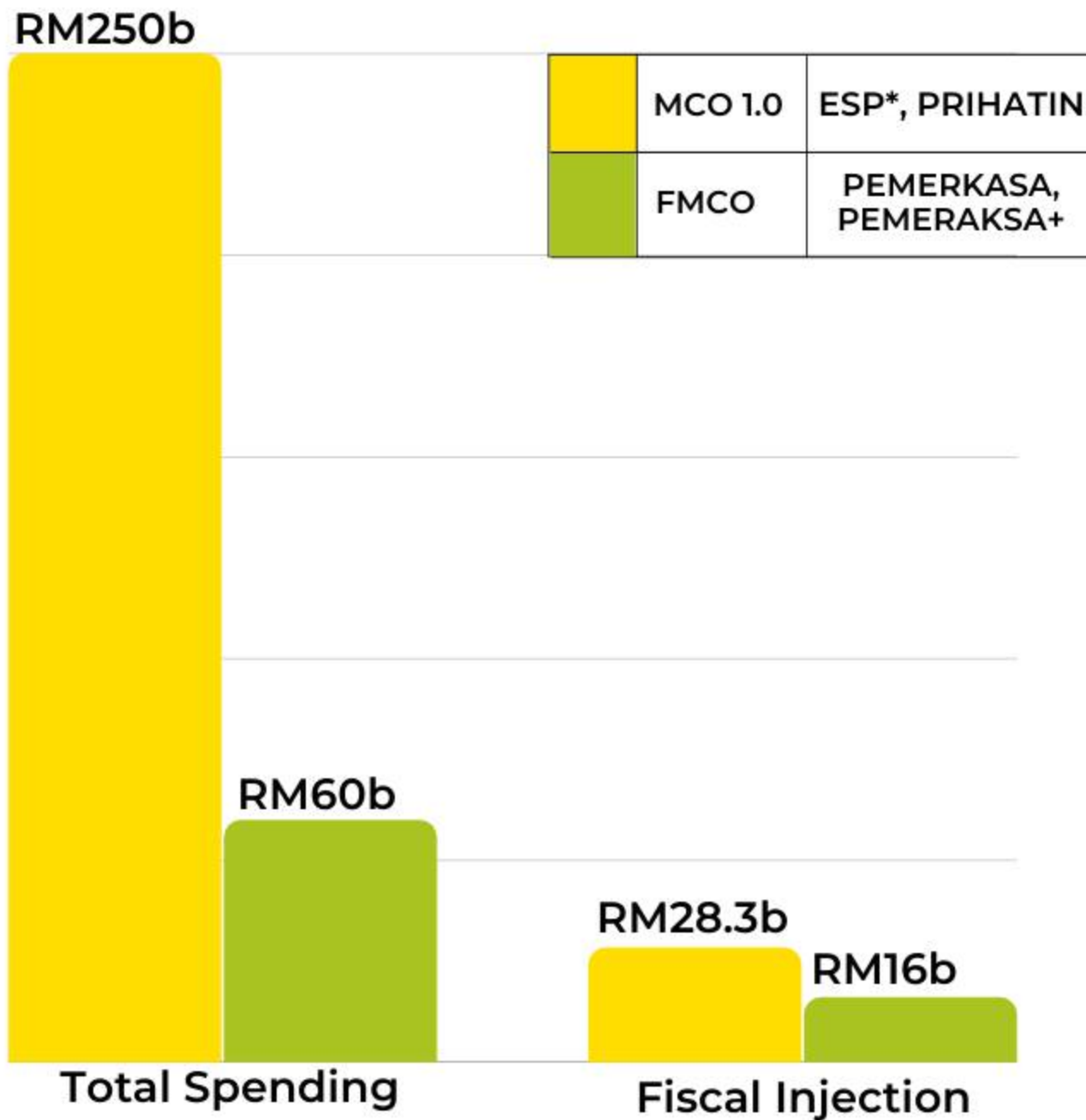


Compared to MCO 1.0, routing requests to workplaces are higher during FMCO.

This could be due to **MITI approvals** issued to as many as **95,142** companies as of June 1, compared to **2,732** approvals (out of 9290 requests) during MCO 1.0*. In the past week, 107 (69.5%) new clusters are associated with workplaces.

*data up until 27th March 2020 only (10th Day of MCO 1.0)

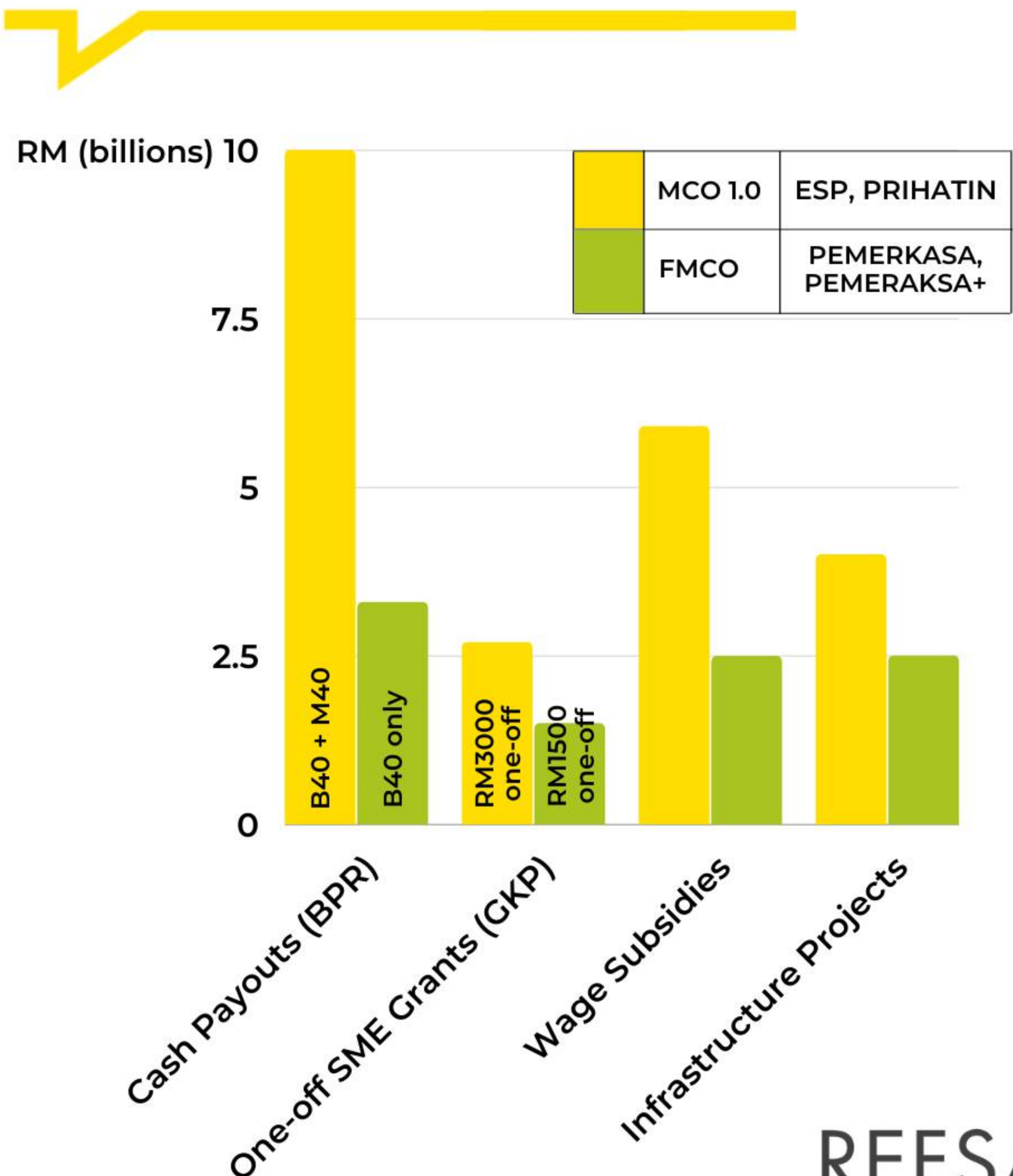
HOW MUCH FUNDING WAS ALLOCATED?



Although several initiatives from the PRIHATIN and subsequent packages are still in effect, the difference in value of funding allocated for MCO 1.0 and FMCO is still noteworthy.

*Economy Stimulus Package announced Feb 2020

HOW WAS FUNDING ALLOCATED?



ECONOMIC DAMAGE



9,675 SMEs have ceased operations during MCO 1.0. At least **50,000** more SMEs are predicted to close if FMCO is extended for another 6 weeks.

MCO 1.0 saw a daily loss of **RM2.4 billion** and GDP shrunk by 17.1% (Q2 2020). Currently, estimates for FMCO exceed **RM600 million** a day.

REFSA'S OPINION



After repeated governmental statements against another blanket MCO, Malaysia was ironically put under an FMCO. In contrast to MCO 1.0, short-term financial relief was scaled down with **cash payouts no longer including M40** despite increased healthcare spending.

Restrictions, particularly regarding company operations, are **less stringent** than MCO1.0 hence is unlikely to achieve effective results. A half-hearted MCO will leave **the economy depressed for even longer**, while severely impacting the most vulnerable businesses.

We need a more targeted yet holistic approach to bring Malaysia out of its socio-economic predicament. **A blanket lockdown is not the solution.** Rather, the government should ramp up its capacities in **finding, testing, tracing, isolating, supporting, and vaccinating** the population. Stay tuned as we roll out REFSA's policy recommendations at www.refsa.org/projek-muhibah

REFERENCES



- <https://www.thestartv.com/v/pm-malaysia-s-economy-loses-rm-2-4-bil-every-day-when-mco-is-active>
- <https://www.freemalaysiatoday.com/category/nation/2020/11/09/32000-smes-forced-to-close-by-covid-19-parliament-told/>
- <https://www.theedgemarkets.com/article/miti-gives-approval-2732-companies-operate-usual-during-mco>
- <https://ringgitplus.com/en/blog/personal-finance-news/finance-minister-malaysia-expected-to-lose-rm600-million-daily-from-mco-2-0.html>
- https://pre2020.treasury.gov.my/pdf/Booklet_2020_Economic_Stimulus_Package.pdf
- <https://mra.com.my/wp-content/uploads/2020/06/3.-BOOKLET-PRIHATIN-ENGLISH-27-MAC-2020.pdf>
- <https://ourworldindata.org/coronavirus/country/malaysia#what-is-the-daily-number-of-confirmed-cases>
- <https://www.malaymail.com/news/malaysia/2021/06/01/miti-just-over-95000-companies-approved-to-operate-in-total-lockdown/1978719>
- <https://27.group/a-detailed-breakdown-of-the-rm-250-billion-economic-stimulus-package/>
- <https://www.pmo.gov.my/2021/03/pemerakasa-worth-rm20-bln-launched-along-with-rm11-bln-fiscal-injection-from-govt-pm-muhyiddin/>