

**509 Anniversary:
Recommendations for MCA – Demand reforms and promises made by
Pakatan Harapan in GE14**

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MCA Demands from Pakatan Harapan Government – 9 May 2019

ECONOMIC

No.	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
1.	<p>Cost of living / prices of goods</p> <ul style="list-style-type: none"> - Replaced GST with SST as a measure to reduce cost of living. 	<p>Prices of goods have not come down post-SST and the consumer confidence is still low. The government must provide the economic solutions to slow income growth, lack of jobs, youth unemployment, consumer confidence and purchasing power.</p> <p>The government must as a matter of urgency review the issues with supply of essential goods and food items to stabilise prices, as well as remove monopolies to create a competitive market.</p> <p>* Inflation and job opportunities are still the top concerns among Malaysians (54% of respondents indicating inflation as top concern) – according to Merdeka Center survey (March 2019).</p>
2.	<p>Introduction of people and entrepreneur friendly tax system (Janji #32) – review national tax system to reduce tax burden on the B40 and M40 income groups, and introduce competitive corporate tax regime.</p>	<p>Other than the formation of a Tax Reform Committee, there were no further announcements of clear indication on when the promised reforms would be implemented, or the direction the government is likely to take.</p> <p>MCA wants the government to expediate the reforms on Malaysia's tax system, expand the tax bracket to give more breathing space for the lower and middle income groups, and reduce personal and corporate tax rates for 2020 onwards, given the revenues from SST and LHDN's tax recovery campaign.</p> <p>The government should also consider more dynamic approaches to tax such as introducing higher personal relief for workers who are paying-off education or PTPTN loans, higher reliefs for cost for caring for elderly parents, and two-year tax free period for new start-ups to promote entrepreneurship.</p>

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3.	<p>Thrust #3: Buku Harapan – Economic Progress (Merancang Pertumbuhan Ekonomi yang Adil dan Saksama)</p> <p>* World Bank GDP forecast 2019 – 4.7% (from 5.1%) * Malaysia’s Business and Economic Conditions Survey Report (M-BECS) by the Associated Chinese Chamber of Commerce and Industry Malaysia (ACCCIM) – 48% of Chinese businesses felt that the business conditions in Malaysia had weakened in the second-half of 2018 and 50.2% indicating that their outlook of the economy in 1H2019 as “neutral” while 37.5% were pessimistic. * Federation of Malaysian Manufacturers (FMM) and the Malaysian Institute of Economic Research (MIER) released in February indicated the drop in Business Conditions Index from 124 in second-half of 2018 to 101 in 1H2019 - the businesses were expecting slower growth and lower activity in the coming months. * Unemployment rate (end-2018) – 3.3% 3.3% or in short, 516,500 Malaysians had no jobs at the end of 2018. Youth unemployment: 4Q18 at 10.5%. * RM903.2 million of foreign funds pulled out of local equities market (as of March 2019). * Weakening Ringgit – RM4.15 to USD 1 (7 May 2019) * Malaysia exports fell 5.3% y-o-y in February 2019 while decrease in imports only marginal (0.1%). Total trade decrease by 0.3% or a drop of RM518 million. * BNM reduced OPR rate to 3% from 3.25% to maintain monetary accommodativeness and in preparation for headwinds.</p>	<p>Malaysia needs a Finance Minister, not only as a book-keeper but also promoting growth of the economy. MCA wants the government to begin managing the economy and address issues instead of just blaming the previous administration.</p> <p>Malaysia needs:</p> <ul style="list-style-type: none"> • Clear economic direction and policies, and the initiatives to boost private spending and investments – address low confidence levels. • Prioritise spending – enough tightening of public spending and stop punishing the people. Incentives for small traders, small holders of plantation and farmers, construction of essential infrastructure and public buildings (police stations and fire stations), flood mitigation projects, welfare of defence and uniformed personnel, upgrade of hospital and public clinic facilities etc. • Soft loans for SMEs and revive initiatives to help small and medium businesses venture overseas and create new markets. • Government policies including affirmative action must move from ethnicity-based to need-based. • Talents must be appreciated through meritocracy and not patronage or vote-buying. • Living and financial aids to the people in need must be continued without cuts. Grants to NGOs that are oriented in lifting the poor in cost of living and helping people in need must be maintained. • Allow space for different opinion and stop harassing people into submission as what happened to UBS analyst. • Engage the businesses and industry stakeholders on current issues and craft policies based on the industry needs, global trends and not government own one sided ambitions such as third national car and flying car. • Explore new business and economic opportunities from emerging growth sectors such as technology, media practitioner, sustainable development and social enterprise for all Malaysian through hand-holding approach instead of one-way communication and propaganda.

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4.	<p>Increase minimum wage from RM 1,000 to RM1,500 per month, and review level every 2 years. The government would help finance half of the RM500 difference to ease the burden on businesses. (Janji #34).</p> <p>Instead, PH government only increased minimum wage to RM1,100, way below RM 1,500 as promised. On 29 February 2019, the Minister of Human Resources, M Kulasegaran said that the ministry would look into setting minimum wage based on sectors which will take into consideration the current situation and needs of the related businesses and industries. This would require the government to review the current minimum wage of RM1,100 for all sectors, and consider setting the minimum wage levels according to region, such as Sabah, Sarawak and Peninsular Malaysia.</p> <p>Establish Equal Employment Opportunity Commission (Janji #33) – stop discriminative practices in hiring and employment of workers in the country.</p>	<ul style="list-style-type: none"> • Address the labour market and skills mismatch and job mobility - the Human Resource Ministry have not set up a working plan with the Ministry of Education. • Introduce a concrete plan to improve workers welfare, income and the fulfilment of the promise to increase minimum wage to RM1,500 for local workers. This amount would provide the minimum income for a decent standard of living for Malaysians. • Low income structure in the country have resulted in low savings and also insufficient retirement funds for senior citizens to sustain a comfortable living standard after retirement and the need to rely on children or welfare support. There is also no support system or incentive for company's to rehire senior workers who could still contribute their experience and expertise in a different capacity. It is also a means to solve the over-reliance on foreign workers for jobs such as cashiers, store-keepers, receptionists at budget hotels and restaurants, and so on. • The technological advancement in coming years would mean the adoption of technology and artificial intelligence could replace human workers especially in manufacturing and heavy-industry sector. In which case, workers would be in a worse situation if the government does not plan for mass unemployment – with retraining, reassigning and carving out the new labour market in the next 20 years (beginning now). Where the industry is labour intensive, high operating costs would likely force companies to automate, and require less low-skill workers but more skilled workers. When this happens, companies would just hire a few workers to manage the machines while the others are laid off. What would the government do to address that situation? • Set up the Equal Employment Opportunity Commission (EEOC) comprising members from various stakeholders including employers and employees from private and public sectors, and HR practitioners, and implement “equal work, equal pay” policy to stem gender discrimination in employee remuneration. EEOC should also review processes in Jabatan Perkhidmatan Awam (JPA) and introduce best practices in encouraging Malaysian talents to build a career working in the public sector.

SOCIAL DEVELOPMENT (NO ONE IS LEFT BEHIND)

No.	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
5.	<p>Increase number of affordable housing and rentals, construction of 1 million affordable houses by year 2020. (Janji #4)</p>	<ul style="list-style-type: none"> • MCA demands for a unified and open database on affordable housing that are not yet sold as promised by PH – this would help house buyers identify the locations and units that are available and the prices. • The government must provide a report on the status of abandoned housing projects, and the land bank offered by various states for construction of affordable and low cost houses
6.	<p>Abolish tolls on highways (Janji #6) - review all highway concession agreements; will renegotiate take over the concessions with the ultimate view of abolishing tolls gradually; will provide fair compensation to the affected companies. In February 23rd, 2019 Prime Minister’s Office (PMO) statement announced government will negotiate with Gamuda Berhad to take over four intra-city highway concessioners.</p> <ul style="list-style-type: none"> • Lebuhraya Damansara-Puchong (LDP); Sistem Penyuaraan Trafik KL Barat (SPRINT); Lebuhraya Shah Alam (KESAS); Stormwater Management and Road Tunnel (SMART Tunnel) <p>The four intra-city highway tolls system will be substituted with collection charges system and differentiated based on the time slots. The congestion fees would be used</p> <ul style="list-style-type: none"> • maintenance the highways • debt repayments • public transport improvement initiative 	<p>MCA believes a clear explanation needed on the acquisition plan on the four highways because this matter related to government spending on taxpayer money.</p> <p>MCA sees that the non-expiry congestion fees is another form of tax instrument by the current government, and there were no mention of which ministry or government or state agencies will be entrusted to manage the congestion fee fund.</p> <p>All the four highways are fully government own. Yet, government still continue to impose certain charges in one form or the other.</p> <p>PH government needs to transparent on the acquisition plan for the balanced 25 highways in future. More toll rates increase is expected until 2030s including PLUS and East Coast Highway due to concession extension made in the past.</p> <p>Congestion charges cannot be used as excuse for forcing road users to pay for use of highways. If implemented in its pure sense, congestion charges would have to be imposed on all major busy roads in the country. Eg. similar suggestion was proposed by Kuala Lumpur City Hall (DBKL) in 2016 where DBKL wished to impose congestion charges but faced backlash from the public where nationwide still lacking an integrated and efficient public transport system.</p>

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7.	<p>Youth Development (Iltizam Khusus untuk Anak Muda)</p> <ul style="list-style-type: none"> - Increase job opportunities and income for youth (Create 1 million jobs with minimum income of RM2,500 per month AND creation of Dana Pemerkasaan dan Kusahawanan Anak Muda with RM1billion to assist young entrepreneurs) - Reduce cost of living (Abolish tolls, subsidy of RM500 per household with less than RM3000 income per month, introduce incentive at RM500 for young couples who get married) - House ownership program for youth, and affordable housing - Free quality education (free education for all from pre-school to tertiary education; repeal Akta Universiti dan Kolej Universiti; suspend repayment PTPTN loans for those earning below RM4,000 a month) - Improve accessibility to sports and recreation facilities (build 100 new green recreation areas in Malaysia for sports and recreation activities; special assistance for development of eco-sports in the country. 	<p>MCA wants the Minister of Youth and Sports to buck-up and stop pushing the responsibility of solving problems faced by youth to other Ministries or the Prime Minister. It is time for the Ministry and the Minister to face the people and present its plan for the development of youth in the country in terms of:</p> <ul style="list-style-type: none"> - Education - Cultural preservation & national unity among youth - Employment opportunities and income creation - Entrepreneurship and business mentoring programs - Development of a full-scale TVET scheme in Malaysia's education system and skills training for youth <p>We also demand that the government to honour its promise for creation of 1 million jobs with minimum income of RM2,500 (or at least tell us how they would do it).</p> <p>MCA wants the government to expedite the entrepreneur fund and provide RM 1 billion to assist young entrepreneurs as promised.</p> <p>The PH govt did not fulfil its promise to revoke the Universities and University Colleges Act 1971 but only amended it. Explain why.</p>

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8.	<p>Protection of welfare and rights of Orang Asli in Peninsular Malaysia (Janji #38)</p> <ul style="list-style-type: none"> - revamp Jabatan Kemajuan Orang Asli (JAKOA) and to appoint a Director General of JAKOA from the Orang Asli community. - Implement recommendations from the National Inquiry Report on Indigenous Land Rights prepared by SUHAKAM in 2013, ensuring that the Orang Asli get better protection in land development schemes such as FELCRA and RISDA - Ensure the indigenous customary land to be properly recognised by allocating funds to carry out a complete study that can accurately identify the boundaries of customary land. - Higher allocation for construction and upgrade of public infrastructure and utilities in Orang Asli villages. 	<p>Budget 2019 allocated RM100 million to strengthen the development of Orang Asli communities via the construction and upgrading of infrastructure for the supply of water, relocation, education, welfare and economic development. It also allocates RM5 million for micro-grants to implement programmes with the cooperation from the United Nations Development Programme (UNDP) to manage and protect the environment in Orang Asli and Orang Asli communities.</p> <p>MCA wants the government to detail how this money has been spent and what have been done for the community so far. We support the representation of the Orang Asli community in the leadership levels of JAKOA, and we want to know how far this government has carried out that promise to the Orang Asli.</p> <p>The promised study to identify boundaries of customary land and the recognition such land – not done!</p> <p>Promise to implement recommendations from SUHAKAM – not done.</p> <p>* Although not an equal comparison, the Barisan Nasional government had in 2018 allocated a total of RM110 million to uplift the lives of Orang Asli by providing education programs, upgrade of settlement, food programs and financial assistance for children of Orang Asli who managed to further their studies.</p>

	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
9.	<p>Improve the welfare and livelihood of people with disabilities (OKU) – Janji #51</p> <ul style="list-style-type: none"> - task Institute Social Malaysia to lead to in providing a comprehensive review the current government policy on the disabled. - A Centre for Excellence for Persons with Disabilities will be created to work with all appropriate bodies to achieve the goals of inclusivity. - work with the private sector and social entrepreneurs to provide more technical and vocational training opportunities for the special people, that incentives will also be given to private companies to provide facilities for them, and all government departments and agencies will be required to have a disabled-friendly infrastructure. - The care centres are promised to be placed directly under the wing of a newly established Commission on Charities and Non-Profit Organisations Commission so that they can receive appropriate and timely support. 	<p>The Ministry of Women, Family and Community Development has not provided a comprehensive plan on how it would meet the goal of improving the lives of people with disabilities in Malaysia. MCA wants the government to urgently carry out the studies and engagement with the OKU communities and open opportunities for them to work in the private and especially in the public sector.</p> <p>En. Suhairi Abdullah, President of Persatuan Orang Kurang Upaya Anggota Melayu Malaysia (Pokuam): “Dari pemerhatian kami, secara keseluruhannya, belum ada yang dilakukan untuk kita. Kami hanya terima apa yang disediakan oleh kerajaan lepas. Dari satu segi, kebajikan kami terjamin bawah pentadbiran mereka... tiada peruntukan besar untuk komuniti OKU dalam Belanjawan 2019.”</p> <p>V Murugeswaran, Presiden Persatuan Damai Orang-orang Kurang Upaya Malaysia (Damai) urged the Ministries responsible to meet the OKU community to solve their problems. While Murugeswaran applaud the Ministry's effort in addressing the rights of children: “Sangat bagus, tapi jangan abaikan kami.. Kami juga perlukan perhatian. Masalah kami juga boleh diselesaikan. Kami ada banyak jenis kekurangan upaya seperti kurang upaya fizikal, cacat penglihatan, cacat pendengaran, lembam dan sebagainya. Jangan tinggalkan kami.”</p> <p>Anthony Thanasayan, Presiden Persatuan Terapi Bantuan Haiwan Untuk Warga Kurang Upaya Dan Warga Emas (Petpositive) said that the PH government has not engaged the OKU community since May last year, and the Ministry did not invite them for discussions on their needs. - “Menteri-menteri patut berunding dengan kami kerana tidak banyak yang mereka tahu tentang kita. Mereka banyak berjanji sebelum pilihan raya umum tapi belum ada yang ditunaikan lagi. Kami mahu tengok apa yang mereka sudah sediakan untuk kami.”</p>

	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
10.	<p>Promoting gender equality and protection of women (Iltizam Khusus Untuk Wanita)</p> <p>The 90-day maternity leave promised by PH is not mandatory in the private sector, and the bill to amend the Employment Act 1955 to reflect the new ruling is expected to be tabled but no timeline given.</p> <p>PH promised the creation of a micro-credit scheme for women to venture into business.</p> <p>PH promised to promote flexible working hours for women with children however this is at the moment in a pilot project only either 7.30 am to 4.30 or 5.30pm</p> <p>It has also not met its promise to provide incentives to companies that provide support to their female employees, such as childcare.</p> <p>Introduce “respect women” values and gender studies in education syllabus.</p> <p>PH promised to set up “Institut Latihan Politik dan Kepimpinan Wanita Malaysia”.</p> <p>Also despite PH promise to uplift women in terms of work and pay, and protection, it has not brought forward the Gender Equality Act, Sexual Harassment Act, Domestic Workers Act, and protection against stalking.</p>	<p>MCA wants the government to be sincere in defending the rights and welfare of women, and in its fight for gender equality in the country. The government needs to expedite the passage of the following laws:</p> <ul style="list-style-type: none"> • Gender Equality Act • Sexual Harassment Act • Domestic Workers Act • protection against stalking • Equal Employment Opportunity Act (and the EEO Commission - Janji #33) • Amendment to Employment Act 1955 to reflect 90-day maternity leave in private and public sectors <p>MCA demands that Clause 88A is included in the Law Reform Act (Marriage and Divorce), which states that the religion of the child "shall remain as the religion of the parties to the marriage prior to the conversion" and that the child can, after turning 18 and with the consent of both parents, convert to Islam.</p> <p>MCA also wants the PH government to initiate talks with stakeholders – teachers, parents, school boards, educationist and child psychologists in developing the syllabus for gender studies in schools.</p> <p>While the BN administration had a scheme to help women entrepreneurs, the PH government must present a better plan to help women participation in businesses and how it would ensure that women entrepreneurs would have a competitive edge in the current business environment.</p> <p>Institut Latihan Politik dan Kepimpinan Wanita Malaysia – not done, but good if they do.</p>

INSTITUTIONAL AND POLITICAL REFORM

No.	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
8.	Revive local council / PBTs elections (Janji #25) <ul style="list-style-type: none"> - Local Government Act 1976 will be amended but Housing and Local Government Minister (KPKT) Zuraida Kamaruddin said she would propose to the Cabinet by 2021 a model for local council elections 	MCA wants the implementation of local government elections, and PH to make good its own argument that local government elections is the mean to curb corruption. We believe the discussions and first steps to bring back local government elections needs to begin now, and with public townhall meetings nationwide. Minister Zuraida's plan to table a "model" in year 2021 is another excuse to delay the implementation and to keep the people in the dark over the mechanism proposed for the elections.
9.	Appointment of state and national GLC Board members will be made based on merit and professionalism, not based on politics (patronage system) – Janji #22	MCA wants the government to stop back-tracking on its promise and review political appointments over the past 12 months. We want the government to honour this promise and not to continue political appointments and patronage, as they so much hated while in opposition.

EDUCATION

No.	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
10.	Recognise UEC certificates to enter public institutions of higher learning (IPTA) with credit in SPM Bahasa Malaysia. The certificate will be assessed to be equivalent to the existing general qualification for entry into IPTA. No comprehensive plan on TVET.	MCA fully supports the recognition of the UEC and must ensure that the status and importance of Bahasa Malaysia is not affected or does not undermine interracial unity and harmony. The recognition of UEC must be based solely on academic considerations, and not by other complicated factors as mentioned by the UEC committee. UEC is one of the issues very close to the Chinese community and had been used as a political tool by PH. MCA demands that PH fulfil the promise to the Chinese community to ensure this government gives full recognition to UEC.

ENVIRONMENTAL AND GREEN TECHNOLOGY

No.	Promises / Manifesto & Government Policy / Initiatives	MCA Demands
11.	<p>Renewable energy (RE) in the mix capacity energy generation from 2% to 20% by 2025 (Janji #39).</p> <p>PH will support the United Nation's Sustainable Development Goals (SDG). The goal of reducing 40 percent carbon emissions by 2020 pledge to set up a "National Coordination Council for Climate Adaptation and Mitigation"</p>	<p>MCA supports the move to promote and enhance environmental protection measures in Malaysia and MESTECC's focus the importance of RE investment and financing such as Green Technology Financing Scheme (GTFS) or Commercialisation of Research and Development Fund (CRDF).</p> <p>MCA believes that technology transfer will be one of the important measures to mitigate the impact of climate change to improve RE generation cost for all sectors. For instance, technology transfer and innovation will also paradigm shift from biogas or biomass generation power by crop to 2nd or 3rd generation power such as waste-to-energy (WTE)</p> <p>MCA support the new setting up of council to ensure the ministries roles that outlined policy and legislation on management of resources are based on the well-being of the people when resource (water, land) falls under the jurisdiction of the States government.</p> <p>However, MCA wants the government not to rush new regulations and environmental standards, as many smaller businesses are struggling to cope with costs. Considerations must be given to the economic environment and the financial capacity of SMEs in the country in which many are still micro-businesses. As it already is, according to the SME Association of Malaysia, small-scale food manufacturers are required install a central waste management system (government's push to go green) have strained their budget, and a number are forced to cut costs by laying off workers – the sector has a turnover of RM15 million and RM300,000 and RM3 million to RM300,000 for manufacturing and services respectively. They form around 25 per cent of SMEs.</p> <p>"Small manufacturers just cannot afford," he said. "Infrastructures like this, the government should help small companies instead...build more technology parks and house them there with a central waste management system", said the SME Association President.</p>

Notes to MCA:

1. The respondents in almost all surveys conducted by academic / research institutions and media organisations indicated that economic direction, inflation and cost of living among their top concerns. Other issues and concerns include: equality, protection of Malay rights, national unity, public transport, job opportunities and weak leadership in government.
2. In preparing this document, we recommend the most immediate steps and direction that the government needs to take to revive the economy, improve livelihood of the people and business sentiments, as well as fulfil the aspirations of the people who voted this government one year ago. Malaysia is in need of a Finance Minister with a vision and foresight for Malaysia's economy.
3. We call for the Prime Minister to transfer of power to his successor, Datuk Seri Anwar Ibrahim, as soon as possible to allay fears and uncertainty over the future (and economy) of Malaysia – and also the possible political instability that might occur in view of the Prime Minister's health and age.
4. We also want the government (and individuals) to stop the public debate and open disagreement with the Royal houses on matters relating to religion and Constitution. It has to some point caused sense of anxiety among segments of the society, and certain ethnic groups and this does not bode well for peaceful Malaysia.
5. Post-509 anniversary, it is time for MCA (and the opposition) to call for a cabinet reshuffle – something that PM Mahathir and PH leadership hate to hear as the recent chatter among PH leaders have caused ripples in the coalition. Politically, it is also the right time to call for the removal of non-performing Ministers – finance, tourism, education, rural development, works, national unity, and so on.
6. The above recommendations are based on a “targeted” approach in selecting the issues most sensitive to voters, and it is not the complete report card of the Pakatan Harapan government.

INSAP
8 May 2019

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