

3 July 2021

MEDIA STATEMENT

URGENT & DESPERATE PLEA TO REOPEN RETAIL SECTOR

This is a joint statement by the following associations:

- Persatuan Pengurusan Kompleks Malaysia (PPK) – Malaysia Shopping Malls Association
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chain Association (MRCA)
- Bumiputra Retailers Organisation (BRO)
- Malaysia REIT Managers Association (MRMA)
- Malaysian Association of Theme Park and Family Attractions (MATFA)

➤ ACCELERATION OF VACCINATION

We welcome the news that as at 30 June 2021, 17.7% of our population has already been vaccinated with the 1st dose, and 7.1% fully vaccinated with 2 doses. Even with just 17.7% completing their 1st dose, it has been proven that 70% efficacy would already have been achieved.

We truly appreciate and are relieved that the vaccination program has been accelerated and that more than 10% of the population would likely be vaccinated with 2 doses by 15 July 2021.

We are making a desperate appeal for all malls and all retail outlets to re-open by 15 July 2021 or when the 10% vaccination target is achieved, whichever is the earlier (except for those operations that cannot meet the social distancing criterion and crowding).

➤ EMCO

We are now in the midst of an all debilitating EMCO in the nation's most economically productive location of Selangor/Kuala Lumpur. Going forward, we trust that any lockdowns will be judiciously determined based on locality and neighborhoods that are infected with significant clusters and not to impose nationwide lockdowns which unnecessarily penalise those areas that are low risk. Those economic sectors that have diligently operated under strict SOPs and having achieved low risk environment should be encouraged and not be made to suffer for the inability of those that have caused the infections due to their lackadaisical non-compliance of SOP. Precise in-depth analysis and breakdown based on locality and states should be undertaken so that the green zones are not made to suffer unnecessary economic damage because of the hot spot zones. We believe that once this thorough evaluation is done, more of the other states will be able to open up for economic operations including all shopping malls, retail operators and business outlets including those in street front shops.

Moreover, the Ministry of Health (MOH) data reveals that retail and shopping sector including outside shopping areas contributed merely 0.8% of all cases in May 2021, even prior to the FMCO lockdown which started on 1 June 2021. This significantly improved and extremely low figures testify to the retail and mall industries' strict adherence to the SOPs.

Shopping malls only admit staff and shoppers with low risk status on their MySejahtera apps and whose temperatures do not exceed 37.5°C, thereby making malls a green bubble for all. With those activities that cannot comply with SOP not allowed to open, there are no longer any occasions or locations for shoppers to congregate because events and promotions, dine ins and entertainment are all prohibited.

Our frontliners only deal with transient shoppers in business outlets which is typically less than 15 minutes, the threshold of safe interaction unlike at activities such as factories, offices etc where the co-workers work together for hours. Studies have indicated that this short period of interaction between shoppers and our frontliners do not contribute to infectivity as it is compulsory for both our frontliners and shoppers/patrons to wear masks.

Based on the above evidence and factors, malls and retail outlets including those standalone shops in shopping areas are indeed safe places for the public to go to with peace of mind.

➤ **ACHIEVE HERD IMMUNITY TO SAVE THE ECONOMY AND LIVELIHOODS**

The shopping mall industry has an estimated real estate value of RM145 billion as at December 2020. For the retail industry, it contributed to 34.6% of Malaysia's GDP of USD358.7 bil. in 2018 (source: Department of Statistics/Bank Negara Annual Report 2019/Retail Group Malaysia) which would total to USD124 bil. or RM497 bil.

It cannot be denied that the shopping mall and retail industry contributes significantly to our economy and foreign direct investments by new brands and retailers and we must make all efforts to preserve the performance of this sector. Our market size is relatively small and it is challenging to entice foreign brands to our country to add diversity for attracting tourists thus we need to make all efforts to retain those who already have presence in our country. Currently without tourist arrivals, this is even more critical considering that we can only rely on domestic consumption to pull through the current precarious period.

The World Health Organisation has, in fact, warned against lockdowns as these result in extreme economic damage, particularly affecting those in the lower income group and a pragmatic and flexible approach to managing the pandemic must be undertaken. Therefore, all the periodic lockdowns will not vanquish Covid-19 and its numerous mutations but the key to controlling it is vaccination for herd immunity. We have to accept that it will remain part of our lives and move forward as the economy cannot afford to remain closed continually, otherwise we foresee that almost 500,000 employees engaged in the shopping mall and retail industries will eventually be laid off. With these massive lay-offs, business failures and shop closures including mega shopping malls and retail brands, the industry may never recover. This would eventually drastically impact other components in the supply chain and the entire retail eco system.

All of us, whether we are malls or retail operators, have been valiantly struggling for the past 16 months with critical cash flow just to keep our heads above water and any prolongation will simply be the final knell for our businesses and the industry as a whole.

We cannot afford to give up and again urgently appeal to the authorities to give us at least a fighting chance to help ourselves to survive and start on the precarious journey to recovery.

Based on the above, we desperately appeal to the authorities to allow the entire retail sector which are not at risk to re-open immediately especially the shopping malls and retail shops including street front shops, including indoor playland and family entertainment attractions with strict compliance to stringent SOPs.

LIVES AND LIVELIHOODS MATTER, thank you.