

ADDITIONAL MEASURES SUBMITTED BY THE EMPLOYERS' CONSULTATIVE ASSOCIATION OF MALAWI (ECAM) TO GOVERNMENT ON MINIMIZING THE IMPACTS OF THE COVID-19 PANDEMIC

Acknowledgement of measures taken by Government

ECAM would like to express its gratitude to the Malawi Government for taking on board many of the proposals that were submitted to Government through the Tripartite Social Partners meeting that was held on 27th March, 2020 and through the meeting that was held with the Chief Secretary to President and Cabinet on 1st April, 2020.

ECAM further notes the State President mentioned several times in his statement the role that industry plays in the economy and the need for continued dialogue.

Additional measures

ECAM is submitting the following measures for consideration to keep the economy functional, to protect jobs and to quickly respond to the fast evolving COVID-19 situation.

a. Review of the Pension Act

The Pension Act to be reviewed to among other things reduce the period in which employees can access the funds if employees go on voluntary retrenchment thus save the jobs of others that are not ready to leave the labour market.

b. Enactment of regulations that allow for pay cuts

Many employers and sectors continue to face dwindling business volumes. The hospitality, tourism and travel sectors already have no business.

ECAM urges Government to quickly work with Social Partners in coming up with regulations that enable employers to retain employees on reduced pay in situations where workers become unproductive due to emergencies.

c. Suspension of PAYE

ECAM contends that the suspension of PAYE for companies that are heavily affected would ensure liquidity to fully meet wages obligations to sustain livelihoods of employees.

ECAM further supports the proposal to adjust the tax-free income band of PAYE to MWK100,000 per month.

d. Loan facilities

ECAM notes that Government has made a provision for SMEs to obtain loans from the MEDF. The provision of affordable loans should also be extended to affected big companies through the creation of a special loan vehicle.

e. Affordability of internet services

The directive from Government for employees to be allowed to work from home will require an enabling environment to facilitate these new work arrangements. ECAM urges Government to look at reducing internet charges which will enable this.

f. Operation of public and rural markets

ECAM notes that markets continue operating normally despite Government directives on crowd control. ECAM urges Government to take measures to control gatherings in all markets as they pose a significant risk in the spread of the Corona Virus.

In case of the Auction Floors, Government should discuss with the tobacco industry on measures that will ensure that tobacco markets observe safety measures to protect buyers, sellers and workers.

g. Scrapping of electricity tariffs

If the COVID-19 situation deteriorates and the country goes into a partial or full lock down, electricity tariffs levied on industry should be scrapped.

h. Essential services

ECAM calls upon Government in consultation with the private sector to come up with a list of essential goods services and industries. Proposals that were submitted by the Social Partners at the 27th March, 2020 meeting.

i. Continued dialogue

The extraordinary circumstances we are in require constant consultations between Government and industry, speed and flexibility. Whilst noting the directive to suspend meetings, Government should take lead in facilitating virtual meetings with the private sector for which the private sector is willing to assist.

Tasks teams/committees working on COVID-19 responses must be composed of both Government and the private sector to ensure responsiveness, speed and flexibility in decision making.

ECAM reiterates that employers in Malawi are ready to work with Government in managing the impacts of the COVID-19 and for the creation and maintenance of Decent Work and to keep the economy functional for the benefit of the ordinary Malawians.

Signed: George A.K. Khaki
Executive Director, Employers' Consultative Association of Malawi

Buxton Kayuni
Vice President, Employers' Consultative Association of Malawi

Endorsed by: Michiel Buitelaar
Chief Executive Office, TNM Plc
Ahmed Sunka
Chief Executive Officer, Rab Group of Companies
Zandile Shaba
Chief Executive Officer, MyBucks Banking Corporation
Grant Mwenechanya
Chief Executive Officer, Britam Insurance

Appendix of proposed Essential Services

1. Health (incl. medical and lab services, emergency)
2. Disaster
3. Fire
4. Finance
5. Stock Exchange
6. Banking
7. Insurance

8. Electricity
9. Water
10. Gas
11. Fuel supply
12. Funeral Services (embalming...etc)
13. Newspaper, broadcasting
14. Hygiene Chemicals, medical and pharmaceutical
15. Cleaning, sanitation, sewage and waste removal
16. Postal, courier, transport of medical trucks
17. Security services (public and private)
18. Hotels, Accommodation (offering quarantine and isolation services)
19. Agricultural goods
20. Restaurants (takeaway and delivery) and supermarkets
21. Telecommunications (Incl. internet)
 - Agency Networks