

Press Release

Employers welcome RM35 billion lifeline

The RM35 billion stimulus package that was announced by the Prime Minister YAB Tan Sri Muhyiddin Yassin has provided employers and employees with a breath of fresh air as they struggle to restart business during the Conditional Movement Control Order (CMCO).

MEF Executive Director Datuk Hj. Shamsuddin Bardan, in applauding the stimulus package, said the allocation of RM5 billion in wages subsidy to 2.8 million employees with RM600 per month for three months as this would encourage employers to retain their employees.

“However the government should consider a longer period as the lingering negative impact of Covid-19 may extend to next year. The government should also consider allocating more fund for the wages subsidy.

“Employers would also be encouraged to employ the unemployed and youths as the government had allocated RM1.5 billion for the Employee Incentive Programme to benefit an estimated 300,000 job seekers – especially professionals under 40 years and the unemployed over 40 years and people with disabilities.

“The training incentives that were announced would encourage employers to engage the unemployed and youths and provide them with the necessary skills and knowledge, especially in information technology as this is in line with the IR 4.0.”

“We are pleased that workers in the gig economy would be given social protection under SOCSO and EPF. This would ensure that the gig worker would be covered for unemployment injury and also provide them with some savings in their old age.”

He said the setting up of a Special committee on National Employment to be jointly led by Ministry of Finance and Ministry of Human Resources was a step in the right direction as this would help to ensure coordination on the kinds of careers to be pursued by new entrants to the labour market.

The new labour market is expected to shift more towards shorter term employment and non-employer / employee relationship such as freelancing.

For further information, contact the MEF Secretariat at telephone 03-7955-7778, or fax 03-7955-9008 or email mef-hq@mef.org.my