

MEDIA RELEASE

MEF: Budget 2022 supports recovery process

PETALING JAYA: Employers were upbeat on the outlook for the employment market next year based on the targeted initiatives of Budget 2022 that was announced by the Minister of Finance YB Tengku Datuk Seri Zafrul Tengku Abdul Aziz.

MEF President Dato' Dr Syed Hussain Syed Husman J.P. said the total allocation of RM332.1bil, the largest thus far, indicated that the government was putting in place measures to help accelerate the process for economic recovery.

“The budget was in line with Malaysia’s economic growth which is expected to accelerate to 5.5 per cent-6.5 per cent in 2022 from the forecasted three to four per cent in 2021,” he said.

“It’s indeed positive that the government allocated RM4.8bil to create 600,000 jobs under the *JaminKerja* initiative which targets 300,000 job placements.

“Employers were also encouraged with incentives such as 20 per cent of the first six months’ salary, and 30 per cent of the following six months pay for hired employees earning more than RM1,500.

“We look forward to the tax deductions of RM2,000 to RM7,000 to upskill employees, and not to mention the RM1.1bil allocated for training and upskilling programmes for 220,000 trainees.

“MEF thanks the government for setting aside RM2 billion to continue the wage subsidy programme that would benefit about 300,000 employees, especially those in tourism and related sectors that were badly affected during the lockdowns.

“MEF hopes that the implementation of the initiatives for Budget 2022 would be done in a clear and transparent manner.”

He said that the Budget 2022 initiatives would help alleviate the rising unemployment situation which increased to 711,000 in 2020 from 508,200 in 2019, while youth unemployment rose to 12 per cent or 314,000 persons in 2020 from 295,800 in 2019 (10.5 per cent).

“MEF welcomes the decision to extend the reduced EPF minimum contribution rate of nine per cent until June 2022, and to allow SMEs to postpone income tax instalments for six months until June 30, 2022 as this would greatly help ease cash flow issues.

“The RM100 million matching grants for smart automation for 200 companies in the manufacturing and services sectors would assist them transform and streamline work processes and move up the value chain.”

Dato' Dr Syed Hussain also applauded the government's decision to make mandatory for all publicly-listed companies to appoint at least one woman to its board of directors.

"This is a move in the right direction as this is clear signal to encourage more women to participate in the economic sector."

On the initiatives targeting the *rakyat*, he said the one-off cash aid to low income households, including single parents with dependents, as well as early schooling assistance to benefit three million students would relieve some of the financial pressures of Malaysians.

"The special RM2,500 tax relief for purchase of smartphones, computers and tablets and provision of digital equipment to about 600,000 undergraduates from B40 families would also help narrow the digital divide."

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