

MEDIA RELEASE

MEF APPLAUDS GOVERNMENT’S DECISION TO DEFER ENFORCEMENT OF 80:20 RULING ON RECRUITMENT OF FOREIGN WORKERS

PETALING JAYA: Employers applications to employ foreign workers, particularly in the manufacturing sector, were previously hampered by the 2016 ruling of having at least 80% locals in their workforce. The government now decided to defer by two years a condition that Malaysians form at least 80% of the workforce before companies application to employ foreign workers may be approved.

The MEF President Datuk Dr Syed Hussain Syed Husman, PJN. JP. states that “at the recent National Labour Advisory Council (NLAC) MEF raised the concerns of employers on the 80:20 foreign labour recruitment requirements. MEF welcomes the quick decision of YB. Datuk Seri M. Saravanan, the Minister of Human Resources who is also in charge of application and recruitment of foreign workers in addressing the difficulties faced by employers due to 2016 ruling. MEF hopes that the deferment of the ruling will ease the shortages of foreign labour, particularly in the manufacturing sector and would help the employers to get them back on their feet”

The shortages of foreign workers faced by practically all sectors of the economic had hampered efforts of the private sector to recover their businesses It is really very difficult for employers to attract locals to fill up existing vacancies despite the fact that about 3.9% involving 699,000 of locals are still unemployed. Even is some locals are recruited, they are likely not to stay and would leave within a few week time.

MEF hopes that the misunderstandings with Indonesia and Bangladesh on the supply of foreign workers will be resolved soon as the two are important source countries for foreign workers to Malaysia. It is critical for the government to iron out any outstanding matters so as to ensure that the smooth supply of foreign workers will not be disrupted. Employers had endured shortages of foreign workers for a long time and the shortages had caused operational disruptions to businesses.

“Some businesses in the manufacturing sector had to turn down new orders for fear of not being able to meet the deadlines. Construction companies had to bear penalties for late deliveries. Restaurants being bombarded with complaints from customers for slow services and hotels were also being criticised for not being able to check in the guests on time due to rooms being not ready. Plantation companies suffered huge losses due to shortage of harvesters.” adds Datuk Dr Syed Hussain

On another notes Datuk Dr Syed Hussain said that” at the recent NLAC meeting MEF highlighted the concerns of employers in getting approvals for employees’ accommodation at various levels. The YB Minister Datuk Seri M Saravanan agreed that a Technical Committee will be set up at ministry level and will include key stakeholders to address the issues.”

“A Technical Committee will also be set to ensure a common definition of wages is applicable to all labour legislations is found. MEF is grateful that the YB Datuk Seri M Saravanan the Minister of Human Resources understands the issues faced by the business community”

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

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