

A worried MEF says up to 60,000 people may lose their jobs this year

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- NSTP file pic

KUALA LUMPUR: The Malaysian Employers Federation is concerned that unemployment could double this year, compared to previous annual average, with as many as 60,000 people losing their jobs this year.

Its president Datuk Dr Syed Hussain Syed Husman said the largest impact of job losses is expected to be felt in the manufacturing and construction sectors.

The Federation of Malaysian Manufacturers (FMM), however, has a different perspective and predicts that the job market will remain steady this year, citing a recovering labour market as evidenced by a decrease in the unemployment rate to 3.6 per cent in December.

However, Syed Hussain acknowledges that the unemployment rate will be influenced by the economic situation, particularly the performance of small and medium-sized businesses in the coming year.

Around 98 per cent of businesses in Malaysia are classified as small and medium-sized enterprises (SMEs), and Syed Hussain emphasised the importance of government assistance in helping these businesses weather the impact of the Covid-19 pandemic and stay afloat.

"We'll have to wait and see what the 2023 budget holds in store for SMEs. It won't be a rosy year for businesses, but it is manageable," he said.



Malaysian Employers Federation president Datuk Dr Syed Hussain Syed Husman (left) and Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai. - NSTP file pic

Syed Hussain anticipates that the manufacturing and construction sectors will experience a decline in growth.

Additionally, he foresees that businesses in the retail and service industries may also struggle, as they rely heavily on both domestic spending and international tourist arrivals, which may be negatively affected by ongoing restrictions related to the pandemic.

"If people cut down on spending, then we may see more retrenchments in these sectors.

"If we can hit our GDP growth target, it should be okay," FMT quoted him as saying.

Bank Negara Malaysia estimates that the economy will grow by between four per cent and five per cent this year.

Meanwhile, FMM president Tan Sri Soh Thian Lai said the organisation is not expecting significant layoffs this year.

Malaysia's growth rate of 8.7 per cent last year was reassuring for the business sector, Soh said.

Further, he said preliminary findings of an FMM survey on business conditions showed that employment levels have remained stable, despite a somewhat gloomy outlook for the first half of 2023.

"With continued efforts by employers to reskill and upskill existing workers, and government support to assist the unemployed to get the right skills to be gainfully employed, the labour market will remain resilient and strong in 2023."