

Press Release**MEF: Malaysians@Work initiative should work**

THE Malaysians@Work initiative to create better employment opportunities for youths, women, and the latent workforce and to reduce dependence on low-skilled foreign workers augurs well with private sector employers.

MEF Executive Director Datuk Hj. Shamsuddin Bardan, in commenting on the Budget 2020 announcement by the Finance Minister YB Lim Guan Eng at the Dewan Rakyat today, welcomed the programmes under the Malaysians@Work initiative which includes Graduates@Work, Women@Work, Locals@Work, and Apprentice@Work.

“Overall, the government has tabled a positive budget in terms of attracting investments, job creation, reducing unemployment, reducing dependence on foreign workers, as well as incentives for employers particularly the SMEs to embrace new technologies and digitalisation,” said Datuk Hj. Shamsuddin in Petaling Jaya today.

“These initiatives were consistent with the MEF position over many years as workable strategies to reinvigorate the national economy.

“The increased budget allocation for the promotion of the education sector, in particular for Technical, Vocational Education and Training (TVET), would also assist in upskilling the Malaysian workforce which would accelerate industry initiatives to move up the value chain.

“The government’s decision to promote greater collaboration with industry would accelerate the mainstreaming of TVET and create better quality employment opportunities.”

Datuk Shamsuddin commented that the Apprentice@Work not only encourages more youths to enter TVET courses, employers also stand to benefit from the extension of double tax deduction on expenses incurred by companies participating in Skim Lathan Dual Nasional (SLDN) for another two years.

“This is in addition to the double tax deduction currently given to companies undertaking Structured Internship Programme (SIP) under Talent Corp.”

On digital transformation, Datuk Shamsuddin said the implementation of the National Fiberisation & Connectivity Plan (NFCP) would allow for the building of much-needed infrastructure to boost digital connectivity especially in the rural areas and East Malaysia.

“Companies are excited with the roll out of 5G infrastructure as it opens up new possibilities for the industrial sector which would allow our economy to move to higher value.”

However, he said MEF is concerned on the announcements on the government’s proposal to increase minimum wages from RM1,100 to RM1,200 beginning 2020 for the cities and bigger towns. The announcement to increase the minimum wages for the related areas to RM1,200 is not in accordance with the National Minimum Wages Act which stipulates that the minimum wages rates may be reviewed every two years. Minimum wages was last reviewed with effect from January 2019 and the next review is expected only in January 2021.

“The Federation had not been consulted on this important matter and it has huge cost implications for employers.

Furthermore, the proposal to expand the scope of the Employment Act 1955 from RM2,000 to RM4,000 would further add to the cost of doing business.

“Extending maternity leave from 60 days to 90 days beginning 2021 would also add further burden on employers who are already paying 100% for the 60 days maternity leave. In developed countries and in other ASEAN countries maternity leave is being paid by social Security.

“In Singapore the government pays for the additional 24 days for the first and second births when the maternity leave was increased from 60 days to 84 days and the government pays fully the cost of maternity leave for the third and fourth births.”

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