

## MEF appeals to government on implementation of multi-tier levy mechanism for foreign workers

PETALING JAYA: Though hopeful that the government would allow the recruitment of foreign workers in 3D sectors facing acute shortage of workers, employers were also wary that such policies may be subject to the more expensive multi-tier levy mechanism.

MEF President Dato' Dr Syed Hussain Syed Husman J.P., said employers were eagerly anticipating approval to allow utilisation of foreign workers in 3D sectors but appealed to the government to postpone implementation of the multi-tier levy mechanism in consideration of the current challenging economic environment.

An excerpt of the 12<sup>th</sup> Malaysia Plan (12MP), under the subject of facilitating labour force participation, states that:

*'Efforts will be undertaken to reduce the dependence on foreign workers and promote greater local participation in the labour market. The efforts will include reviewing the multi-tier levy mechanism every two years to make it more business-friendly, the mechanism is scheduled to be implemented on 1 January 2022.'*

"Under the 12MP, we understand that the multi-tier levy mechanism for foreign workers would be based on the actual needs of industry in order to reduce foreign workers dependence, and to promote greater employment of local workers," he said.

"However, considering that most of the employers were only recently allowed to restart their operations, we call on the government to exercise good conscience and reasonableness to halt implementation of the multi-tier levy mechanism to ensure that economic recovery efforts would be smooth without any setbacks.

"It is important to consider the negative impacts on business sustainability and the socio-economic implications in the present lacklustre economic environment.

"Sectors that are still dependent on the foreign workers would be at a huge disadvantage due to higher cost implications should the multi-tier levy mechanism be implemented as scheduled in the 12MP.

"MEF is of the view that employers should be given adequate time to regain business traction and we call on the government to postpone the implementation of the multi-tier levy mechanism by at least 12 months to Jan 1, 2023."

He said in support of the government's policy to reduce dependency on foreign workers, "there has to be clear understanding that the skills required to work in the 3D sectors are skills which the local unemployed graduates do not have, or not willing acquire.

"Unemployment in Malaysia is closely linked to those retrenched and those graduates who have yet to be employed.

"This situation could only be addressed by the government by supporting existing businesses with grants and subsidies, as well as create business opportunities so that they will be able to regain their pre-Covid positions, grow and thereby create jobs to absorb the job seekers.

"Of critical importance is also foreign direct investment as Malaysia needs to attract both large and medium size investors that would be able to provide jobs to the unemployed graduates.

"We need to also reskill our graduates and ensure they can also seek employment in the region.

"This is the only way to address unemployment in Malaysia which is more than 500,000."

He said the utilisation of foreign workers was a totally different issue unrelated to the unemployment rate in Malaysia.

"Our members in plantation, timber and construction sectors are now suffering and bleeding.

"Some sectors require technical skills such as craftsmen, goldsmiths, handicraft, textiles and eateries that require experience that is impossible to create overnight.

"Apart from providing employment, these industries represent a large number of tax payers and if they are suffering, the national coffers would also be affected as this is a direct relationship.

"We need decision makers to digest what we are saying and provide immediate support by approving the foreign labour requirements so that both employer and national revenue do not continue to suffer."

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