

MEF: ANNOUNCEMENT BY YAB DATO SERI ANWAR IBRAHIM TO STOP SERVICES OF THIRD PARTY AGENTS TO RECRUIT FOREIGN WORKERS WILL END MODERN SLAVERY AND UPLIFT IMAGE OF MALAYSIAN EMPLOYERS

PETALING JAYA: YAB Dato' Seri Anwar Ibrahim, Prime Minister stated that he wants the home ministry to stop using agents to recruit foreign workers due to the higher costs involved. YAB Dato' Seri Anwar cited the example of foreign workers from Nepal which cost about RM3,700 per person as compared to foreign workers from Bangladesh and Indonesia where third party agents are used that involve cost of between RM20,000 and RM25,000 for each foreign worker. ”

MEF President Datuk Dr. Syed Hussain Syed Husman P.J.N., J.P. stated that “the decision by the Unity government to stop using third party agents is indeed very timely as employers are currently faced with many other challenges in managing the costs of doing business. The decision to stop using the services of third-party agents will involve total costs savings of about 80% of the current costs of bringing each foreign worker from the source countries. MEF is indeed very thankful to The Unity Government under the leadership of Dato' Seri Anwar in assisting private sector employers, in many fronts, to play its role as the engine of growth for the nation.”

“The reduction in costs in bringing foreign workers to Malaysia will resolve one of the major indicators of forced labour facing Malaysian employers i.e. debt bondage of foreign workers when they come to Malaysia. MEF hopes that the new policy of ending the use of third party agents to recruit foreign workers will be implemented as soon as possible so that the efforts by employers to recover their businesses will be on track and the nation be on the right momentum for the targeted GDP growth of between 4% and 5% for 2023. Due to the

involvement of third-party agents the workers are forced to take high-interest loans or mortgage their properties to pay for the high recruitment fees, thus putting them into “debt bondage” adds Datuk Dr. Syed Hussain.

High recruitment fees charged by third Party agent shave long been the major cause for increased costs for foreign workers that want to work in Malaysia. Under the Zero Cost Recruitment Fees several local glove manufacturers have reimbursed their existing and former foreign workers for these recruitment fees they paid to the recruitment agents in the source countries.

Datuk Dr. Syed Hussain adds that “MEF has always stand firm that the services of third party agents should be abolished to protect the interests of both foreign workers and the employers. The intake of foreign workers should be done on Government to Government (G to G) basis to ensure that the interests and welfare of both employers and foreign workers are safeguarded.”

“Since employers are still facing shortages of foreign workers MEF recommends to the Unity Government to allow employers to formally recruit refugees that hold valid UNHCR refugee cards. These refugees are already in the country comprising many skilled and unskilled refugees. MEF hopes that the Unity Government will consider allowing refugees to work in sectors locals do not prefer. Allowing the refugees to work will not attract travelling costs as they are already in the country and they will formally be required to pay the necessary taxes to the authorities.” Adds Datuk Dr Syed Hussain.

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

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