

New foreign worker policy draws brickbats

By **Nicholas Chung** - July 30, 2020 8:00 AM



MEF says sectors other than plantation, construction and agricultural will face a serious shortage of manpower if they are not allowed to hire foreign workers.

PETALING JAYA: An employers group and an SME association have hit out at Putrajaya's decision to allow foreign workers in only three sectors, saying the operation of many excluded firms would be badly affected.

The Malaysian Employers Federation (MEF) said the government did not consult it on the matter and the Small and Medium Enterprises Association (Samenta) said there should not have been a blanket ban on certain sectors such as manufacturing.

MEF executive director Shamsuddin Bardan said the three sectors allowed to use foreign workers – construction, agricultural and plantation – employed only about 837,800 of the two million documented migrant workers in Malaysia.

He told FMT that the manufacturing sector employed about 700,000 foreign workers, the services sector about 309,000 and the domestic help sector about 130,000.

"These other sectors will obviously face a serious shortage of manpower and disruptions in their operations," he said.

"Unfortunately, the government did not discuss the matter with the stakeholders on this policy prior to the announcement in Parliament."

Shamsuddin questioned whether locals were willing to take up the "dirty, dangerous and difficult" jobs foreign workers would leave behind.

"Foreign workers are allowed to be recruited only when employers are able to prove that no locals are available to fill up the vacancies," he said.

"The phasing out of foreign workers may be possible if it is done in stages and if it can be shown that locals are prepared to fill up the available vacancies currently occupied by foreign workers."

Samenta national secretary Yeoh Seng Hooi told FMT that SME exporters had been contributing to Malaysia's improving trade numbers.

They were still reliant on foreign workers, he added.

Yeoh said Putrajaya should formulate a plan to bring down the number of foreign workers in sectors other than the three instead of imposing a blanket ban, adding that this policy would further burden SMEs already affected by the Covid-19 pandemic.

"The recruitment of foreign workers can be based on a local-to-foreign ratio as practised in Singapore. This means if you have 30 local workers, and if the ratio is 60:40, then you can hire only 20 foreign workers."

He also said the hiring of locals should be tied to an easing of the law on dismissal of non-performing employees. He described the Employment Act as overprotective of employees.

"Many times, SMEs lose their cases in the industrial courts because of technicalities," he said. "There's too much paperwork involved and SMEs don't have big human resources departments to ensure all the documents are in place."

Deputy Human Resources Minister Awang Solahudin told the Dewan Rakyat yesterday that Putrajaya believed the restriction on foreign worker employment would help Malaysians regain employment.