



Bosses group confident budget will help cut unemployment rate

October 30, 2021 2:08 PM



MEF also welcomed the move to extend the reduced Employees Provident Fund minimum contribution rate of 9% until June 2022.

KUALA LUMPUR: The 2022 budget initiatives will help in alleviating the rising unemployment rate, said the Malaysian Employers Federation (MEF).

In a statement today, it noted that the number of unemployed Malaysians rose to 711,000 in 2020 from 508,200 in 2019, while youth unemployment rose to 314,000 in 2020 from 295,800 in 2019.

MEF president Syed Hussain Syed Husman commended the government's allocation of RM4.8 billion to guarantee 600,000 job opportunities under the Jamin Kerja Keluarga Malaysia (JaminKerja) initiative.

Additionally, employers who hire Malaysians who have not been actively employed will be provided with an incentive of 20% of the monthly salary for the first six months and 30% for the next six months. These are only for jobs that pay a monthly wage of RM1,500 and above.

He also lauded the government for setting aside RM2 billion to continue the Wage Subsidy Programme that would benefit about 300,000 employees, especially those in the tourism and related sectors that were badly affected during the lockdowns.

“MEF welcomes the decision to extend the reduced Employees Provident Fund (EPF) minimum contribution rate of 9% until June 2022, and to allow small and medium enterprises (SMEs) to postpone income tax instalments for six months until June 30, 2022 as this would greatly help ease cash flow issues.

“This is a move in the right direction as this is a clear signal to encourage more women to participate in the economic sector,” he said.

Meanwhile, the Master Builders Association Malaysia welcomed the plan to upskill local talents through the continuation of the Technical and Vocational Education and Training (TVET) programme.

“As the Malaysian construction industry is still over-dependent on unskilled foreign labour, we really hope that this initiative will provide the industry with more local talents to overcome the shortage of migrant workers,” it said.