

Employers say 80:20 workforce ruling by end-2024 not achievable

Associations say manufacturers need government assistance to digitalise processes and automate production.

Tsubasa Nair - 03 Jun 2023, 7:30am



*It is not possible to achieve the 80:20 ratio as locals are unwilling to enter the so-called 'dirty job' sector.
(Bernama pic)*

PETALING JAYA: A government ruling requiring at least 80% of the workforce in manufacturing companies to comprise locals by the end of next year is impossible to achieve, the Malaysian Employers Federation (MEF) said.

MEF president Syed Hussain Syed Husman said, while there has been progress, meeting the target would be very challenging.

“The government needs to review the policy because it is not possible to achieve the 80% target.

“Measures to assist manufacturing employers to digitalise processes and automate production should be enhanced, so that the manufacturing sector can reduce its current reliance on a labour-intensive system,” Syed Hussain told FMT.

Made in 2016, the deadline for compliance by the manufacturing sector with the 80:20 local-foreign workforce rule was originally set at Dec 31, 2022.

In July last year, investment, trade and industry ministry deputy secretary-general (industry) Norazman Ayob announced that Malaysia’s manufacturing sector would not be required to comply with the ruling until end-2024, due to serious problems faced by the industry in attracting locals.

Meanwhile, Malaysian Rubber Products Manufacturers Association (MRPMA) president Yeaw Kok Kwey said having to rely on foreign labour for manufacturing was an inevitability.

“It is not possible to achieve the 80:20 ratio so long as locals are unwilling to enter the so-called ‘dirty job’ sector. The majority of our youths are unwilling to do it.

“In factories, all the hard labour jobs are filled by foreigners. All our workers have been given freebies for too long,” Yeaw told FMT.

He said local workers had more choice and tended to seek out easier jobs, with air-conditioned environments and higher pay.

“Doing dirty jobs is a no-no for them, so how are we able to fill this employment gap? Foreigners are the only answer,” he said.

Federation of Malaysian Manufacturers (FMM) president Soh Thian Lai said the new deadline would be achievable if industry and government worked hand-in-hand to increase dependence on technology.

“The government must come in with the necessary structural changes to foreign worker policy, as well as programmes and initiatives to support the transformation.

“The FMM has been a strong supporter of a market-based levy mechanism and has, since 2009, been proposing the government introduce a multi-tier levy mechanism (MTLM) as a means to reduce the dependence on foreign workers,” he said.