

MALAYSIA

Budget 2023: MTUC, MEF hope govt can alleviate workers' financial burden post Covid-19



The MEF Survey on Issues Relating to Budget 2023 revealed that 76 per cent of respondent companies are currently facing shortage of manpower after the reopening of the economy while 84 per cent are facing difficulties in recruiting local workers. — Picture by Choo Choy May

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KUALA LUMPUR, Oct 2 — The workforce hopes that the government will continue to intensify efforts to help alleviate their financial burden while the country is still in the economic recovery phase after Covid-19, through Budget 2023 that will be tabled on Oct 7.

Malaysian Trades Union Congress (MTUC) president Mohd Effendy Abdul Ghani said the government must look into the need to increase direct cash assistance and target not only the worker groups but also the elderly, school students, the disabled, indigenous people and single mothers.

“These are also the people who have helped in some way or other towards the economic recovery,” he told Bernama.

Mohd Effendy said the government needs to provide financial incentives such as the Wage Subsidy Programme or tax exemptions to employers, especially the small and medium enterprise (SME) sector to encourage them to implement the minimum wage policy when it is enforced in Jan 2023.

“In addition to enforcing the minimum wage to ease the burden of private sector workers, MTUC hopes that the government will make it compulsory for all private companies to provide the cost of living allowance (COLA) for private sector workers nationwide,” he said.

Mohd Effendy also recommended that the government allocate a budget for ‘Green Job’ to tap the potential of green employment, and an additional budget to help provide access to housing, education, quality health care, transport and safety.

He said the other matters that MTUC hoped to see is the expansion of the health protection scheme for the B40 group (PeKa B40) to include retirees and the elderly and an increase in the amount of pension payments to all workers who have supported and been involved in the Malaysia’s Privatisation Programme.

Meanwhile, Malaysian Employers Federation (MEF) president Datuk Syed Hussain Syed Husman calls for the government to address the human capital issues as there is a perceived dearth of local talent with digital and innovative skills.

He said based on MEF Survey on Issues Relating to Budget 2023 it was revealed that 76 per cent of respondent companies are currently facing shortage of manpower after the reopening of the economy while 84 per cent are facing difficulties in recruiting local workers.

“Skills mismatch has been a persistent issue in Malaysia where the expertise of jobseekers, particularly fresh graduates, do not match industry requirements. This situation has caused some employers to look for the right talents abroad and hiring expatriates for certain positions,” he added.

Therefore, he said the government should focus on improving the development of relevant skills and technical and vocational education and training (TVET) through industry-led learning models, including the establishment of sector-specific skills councils and the adoption of apprenticeship programmes by relevant industries.

Syed Hussain also urged the government to ensure a more efficient, smooth and transparent application process for foreign workers by providing employers with a clear and consistent flow regarding the guidelines, criteria, documentation and terms and conditions.

“The government needs to shorten the time for foreign workers to arrive in the country as companies urgently need workers to expand and boost their businesses.

“MEF also urges the government to discuss and negotiate with the source countries to control and cap the recruitment fees charged by the agents as whatever fees charged by the agents at the source countries will eventually be paid by the employers in Malaysia under the zero-fee recruitment policy,” he said.

He further added, a national policy on employment of those aged 60 years and above should be drawn up, adding that tax rate reduction should be granted to employees of the said age and tax incentives should be given to their employers.

Realising the importance of foreign direct investment (FDI), Syed Hussain is also hopeful for the government to prioritise policies that aim to attract quality foreign investors especially those that could spur innovation and technological advancement.