

# Renewal delays cost RM220m a day



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Malaysian Employers'  
Federation executive director

■ **By David Yeow and  
Mazlinda Mahmood**  
*news@nst.com.my*

**KUALA LUMPUR:** Each day's delay in issuing or renewing work permits for foreign workers costs Malaysia RM220 million in lost productivity, estimates the Malaysian Employers Federation.

Each foreign worker contributes about RM100 to the economy each day, said executive director Shamsuddin Bardan.

When permits are not issued or renewed on time, it hurts Malaysia's gross domestic product (GDP) because the 2.2 million foreign workers

here cannot work.

“If delays continue, then this is how much the government stands to lose.”

The MEF's estimate follows the Home Affairs Ministry's proposed Foreign Workers Act earlier this month, with new provisions on identification, housing and freedom of movement.

Malaysia's reliance on foreign workers meant they contributed about 12 per cent to GDP, said Shamsuddin.

“This is a conservative estimate. Some estimates go as high as 16 per cent.”

Based on Malaysia's forecast 2006 GDP of RM548.422 billion, this contribution is

worth RM65.81 billion.

Each of the 2.2 million foreign workers contributed roughly RM36,600 a year.

Immigration Department statistics showed that 1.8 million foreign workers are working here and their work permits must be renewed yearly.

Every year, companies and employers hire an estimated 400,000 new workers, and must apply for work permits, a process that is rife with delays.

Entrepreneur M. Gunasekar used to face a three-month wait for work permits until he got the MSC status for his information technology company.

“My applications for foreign help were constantly turned down even though all our documents were in order,” said the executive director of Prism Vision Networks Corporation.

The company employs 14 IT specialists from India.

Part of the difficulty was due to his company's location in Johor.

“But since gaining MSC status and relocating to the capital, it only takes me three working days to have my permits approved,” he said.

“If MSC companies can get their applications approved within three days, then why can't the same be done for the rest of the industry?”