

# Bosses: ISO proposals will have impact on economy

THE International Standardisation Organisation (ISO)'s proposed ISO 26000 Guidelines on Social Responsibility will impact the Malaysian economy, according to the Malaysian Employers Federation (MEF).

The proposal has serious negative impact on Malaysia's comparative advantages for inbound and outbound investments as well as for trade competitiveness, MEF said yesterday.

"The intention to link the ISO 26000 to trade and investment are of great concern to corporate Malaysia."

Following a series of MEF briefings on the proposed guidelines and its impact on Malaysian business, MEF said members of the employer community were unanimous in their view that the ISO 26000 should not be used as an instrument to deny Malaysian products into the international market.

"It should also not be used to deter foreign investment into Malaysia or Malaysian outbound investment," the federation said.

MEF said although compliance with the proposed ISO 26000 by Malaysian corporations and others may be voluntary, it will not stop multinational companies and others to compel their branch operations in Malaysia to be in full compliance or risk the stoppage of operations.

The ISO's Guidance on Social Responsibility document, registered as the ISO 26000, is currently at its third working draft stage and due to be published by 2009.

MEF council members Datuk Mohd Yusof Hitam and Michael Chiam Tow Hui, said discussions on the formulation of the ISO 26000 had on several occasions alluded to principles of the Global Compact which contains some principles of the Universal Declaration on Human Rights, International Labour Organisation's Labour Conventions and United Nations' Declaration on Corruption.

"Malaysian firms will face difficulties should some of these principles and conventions which Malaysia had not ratified be adopted as normative references upon which the proposed ISO 26000 guidelines are based," Mohd Yusof said. — Bernama