

# Move to review labour law lauded

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LOCAL employers and foreign companies operating in the country are supportive of the proposed review of labour laws to allow flexibility in the hiring and firing of workers.

They said that it would reduce costs to the private sector and encourage foreign investments.

The Malaysian Employers Federation (MEF) and American-Malaysian Chamber of Commerce (AmCham) were also supportive of the setting up of a Talent Corp to attract, motivate and retain the talent needed in a high-income economy.

However, they had mixed feelings about the new multi-tiered levy system for foreign workers.

MEF executive director Shamsuddin Bardan said that a review of the laws would lower the costs of dismissal as certain categories of employees would be excluded from seeking reinstatement, such as those with less than one year of

service, past retirement age or earning beyond a certain level.

"Malaysia is ranked the second most expensive place to dismiss an employee, after the US," Shamsuddin said in an e-mailed reply from Geneva, Switzerland, yesterday.

AmCham president Datuk Nicholas Zeffreys said that Malaysian labour laws, which date back to the 1950s, were archaic and needed to be reviewed, streamlined and updated.

"In a merit- and performance-based society, companies need to weed out poor performers. This is also applicable to the civil servants," he said when contacted.

The levy on foreign workers was an issue over which the MEF and AmCham differed.

Zeffreys saw the multi-tiered levy as a market-based mechanism that incentivised businesses to put in place high-productivity processes that are not labour-dependent.

Shamsuddin, however, said the system punished employers who had to resort to unskilled foreign workers out of necessity.