

## Job markets to be hardest hit

By [Tharanya Arumugam](#) - April 25, 2020 @ 1:00pm



Malaysian Employers Federation executive director Datuk Shamsuddin Bardan. FILE PIC

THE national job market is set to look bleaker as the economy suffers from the Covid-19 pandemic, which could see employers freeze hiring and laying off workers.

The Malaysian Employers Federation (MEF) said this would particularly affect employability in the three hardest-hit sectors — tourism, manufacturing and retail — amid the Covid-19 outbreak and prolonged Movement Control Order (MCO).

Its executive director, Datuk Shamsuddin Bardan, said while the Malaysian Institute of Economic Research estimated that 2.4 million Malaysians might be out of a job if the MCO was extended, MEF predicted about one million retrenchments to take place this year.

He said Bank Negara Malaysia (BNM) had forecast the unemployment rate for 2020 to be at four per cent, but he expected the rate to exceed BNM's prediction, taking into account the number of unemployed Malaysians and fresh graduates about to enter the market.

"We have an existing 500,000 unemployed individuals and we expect an additional 500,000 new entrants to the labour market this year. It is going to be tough for them to secure jobs," he told the *New Straits Times* yesterday.

Retrenchment numbers until March, he said, indicated 15,000 workers had been retrenched.

"The tourism sector topped the list, where 5,000 workers (30 per cent) have been laid off. Airlines, who are big industry players, may not be able to survive the Covid-19 crisis or even post-MCO when the travel ban is lifted because people wouldn't be too excited about travelling.

"The manufacturing sector has cut about 3,000 employees. In the retail sector, bigger malls have it worst. They have taken orders and stocked up items for Hari Raya but cannot sell them unless they quickly switch to an online business, which is not going to be easy."

Shamsuddin said, on the other hand, Malaysia had more than two million foreign workers and the law required that foreigners be the first to go in any retrenchment exercise.



Malaysian Institute of Economic Research estimates that 2.4 million Malaysians might be out of a job if the Movement Control Order was further extended. FILE PIC

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The 1997-1998 Asian financial crisis, he said, saw about 800,000 foreign workers retrenched.

"Employers may be forced to let go of their foreign workers, which could save some local workers from losing their jobs.

"But will local workers be able to fill the gaps left by foreign workers? Employers, thus, have the responsibility to make 3D (dirty, dangerous and difficult) jobs attractive for locals."

On a related matter, Shamsuddin said the government needed to come out strong in support of the private sector that had been approved as essential services and be allowed to continue to operate during the MCO to ensure the livelihoods of employees were protected.

He said there were disparate views over the requirements set by the federal government between local authorities on the ground.

"We were told to apply for approval to operate from the Ministry of International Trade and Industry (Miti). But we were not informed that we also need to obtain permission from the local authorities and liaise with

the police in the district or municipality.

"There are instances where a company had began operation following Miti's approval but was directed to close by the local authorities and the police who came to the premises. Each municipality, district and town has its own procedure.

"This has caused a lot of unhappiness, confusion and embarrassment as far as local management is concerned because some of these companies are multinational corporations. It has also caused unhappiness among the workers because they are asked to leave."

Shamsuddin said the government needed to come up with a standard operating procedures to be followed by all employers instead of allowing companies to operate based on approval.

"If employers feel that they can fulfil all the conditions stipulated by the government, then they should be allowed to operate."

He added that companies were keen on operating not to make a profit, but to gain revenue to pay employees' salaries to ensure their health and welfare are being taken care of during this period.