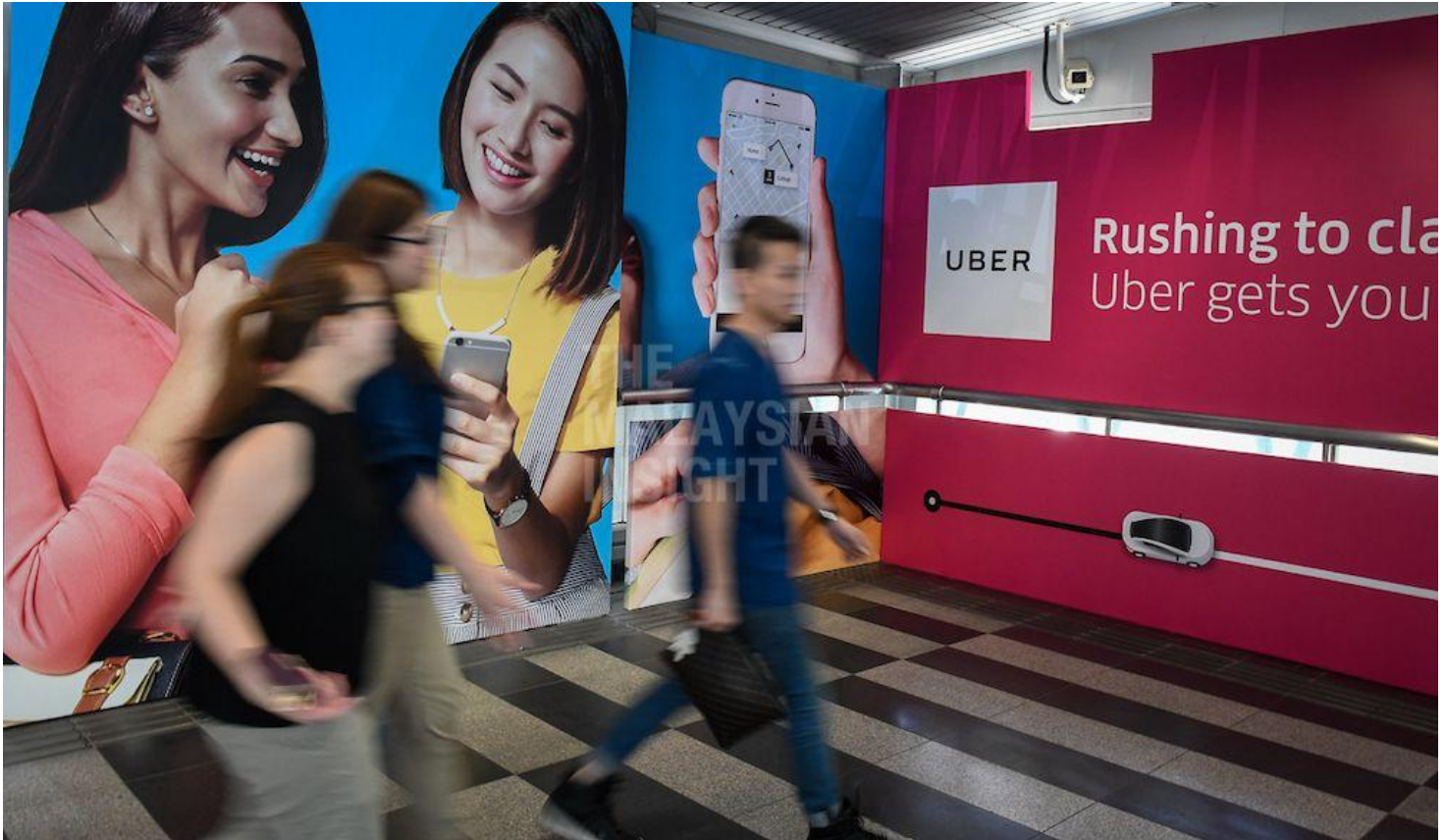


# 2018 another tough year for job seekers



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*University and college graduates entering the job market this year are advised to be adaptable and take what they can get. – The Malaysian Insight file pic, January 1, 2018.*

JOB seekers can expect another challenging year in 2018, an employers group predicted, as there will be few new openings and even some retrenchments despite better economic growth prospects.

The bleak outlook is partly driven by increasing operating costs due to the new Employment Insurance System (EIS) scheme and the new foreign worker levy policy, the Malaysian Employers Federation (MEF) said.

About 50,000 workers are expected to be retrenched this year, MEF executive director Shamsuddin Bardan said.

He said university and college graduates entering the job market this year should consider the following advice:

- \* Be prepared to wait longer to land a job. Even medical graduates have had to wait nine months for a housemanship post.
- \* Be adaptable and take what you can get, even if the job is not in your field of study.
- \* Be open to jobs for which you are overqualified, for instance, taking a diploma-level position even though you have a degree.

Employers will experience higher operating costs due to the EIS which will require them to contribute 0.2% of each worker's base salary towards the fund for payment of between three and six months' pay for the worker in the event of retrenchment.

Also, the onus of paying the foreign worker levy is now on the employer instead of the employee.

This could mean better job opportunities for Malaysians with SPM-level qualification (<https://www.themalaysianinsight.com/s/28649/>), Shamsuddin said.

The levy, which rate varies from sector to sector, could make it more attractive for employers to hire locals.

But whether locals would want the jobs is the question, said Shamsuddin, given that what will be available are mostly be low-skill positions in the services and manufacturing sectors.

Some 100,000 jobs could open up as the first batch of employees retiring at 60 are expected to leave the workforce in June.

However, with increasing operational costs, companies may opt not to replace the retirees they lose, Shamsuddin cautioned. Signs are that they may choose to try to increase productivity instead.

"It's going to be a more challenging job market next year as employers try to survive with the increasing cost of doing business," Shamsuddin told The Malaysian Insight.

“The number and type of entry-level positions are going to be the same for 2018 as they were for 2017 and 2016.”

## **Jobs lost**

MEF has 22 member associations, which are inclusive of employers in the mining, hotels and banking sectors. Together, these sectors employ more than a third of the 6.4 million workers in the country’s formal private sector.

The past three years have been hard for employers and job seekers.

Shamsuddin had previously reported that in 2015, about 44,000 workers lost their jobs.

In 2016, about 40,000 workers were retrenched between January and September.

About 30,700 retrenchments were recorded as of September last year, said Shamsuddin.

Prime Minister Najib Razak expects the economy this year to grow by 5% to 5.5% on the back of increased exports and higher domestic demand.

This projection follows higher than anticipated growth of 5.2% to 5.7% in 2017, and up from 4.2% in 2016.

The Najib administration has also boasted that the Economic Transformation Programme (ETP) has created 2.2 million jobs between 2011 and 2015.

The lost jobs are not just due to the weak global economy, which forced companies to scale down due to weak consumer demand.

Higher growth has not translated into more jobs for locals, said MEF’s Shamsuddin, as a tilt towards more automation and digitisation means that companies will rely on fewer workers.

In the banking sector, Shamsuddin said the greater focus on mobile and online banking meant that more and more operations are in the purview of artificial intelligence.

As a result, banks collectively shed 18,000 positions in 2015, he said.

“This is happening in the insurance industry as well. They are saying that there are (digital) robots that can each do the work of 10 employees. So it reduces the jobs that are available.”

Federal lawmaker Ong Kian Ming pointed out that while 2.2 million new jobs were created between 2011 and 2015, the number of high skill jobs for university graduates had dropped

([http://\[m.malaysiakini.com/news/358445#7YBmCB8ZJmkdTDzv.99\]](http://[m.malaysiakini.com/news/358445#7YBmCB8ZJmkdTDzv.99])).

Between 2006 and 2010, 587,000 high-skill jobs were created, said Ong who is Serdang MP. But from 2011 to 2015, that number fell to 501,000.

Shamsuddin said the government’s push for companies to embrace digitisation, robotics and automation under Industry 4.0 will also result in fewer jobs.

“For every five jobs lost that are typically filled by men in Industry 4.0, only three new job will be created.

“For every four jobs lost that are typically filled by women, only two new jobs will be created. That is the trend.” – January 1, 2018.