

Indonesian ban on labour exports here will prolong shortage: MEF

Businesses struggling to bring operations back to pre-pandemic levels, says president

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Datuk Syed Hussain Syed Husman says it is very critical for the government to iron out any outstanding matters and ensure that the smooth supply of migrant workers will not be disrupted. – MEF pic, July 13, 2022

KUALA LUMPUR – The Malaysian Employers Federation (MEF) has expressed alarm at [Indonesia's move](#) to stop receiving new job orders from Malaysia for its workers, saying that it will prolong the chronic labour shortages faced by all the sectors.

Its president Datuk Syed Hussain Syed Husman said the suspension will hamper efforts by businesses to bring their operations back to pre-pandemic levels.

The MEF proposed that special approval be given to utilise labour available within the country now – including from among refugees and paroled prisoners.

“These people may be deployed immediately with the special approval of the government to fill up the acute shortage until the new migrant workers finally arrive,” he said.

“Indonesia is an important source country for the supply of migrant workers as about 35% of migrant workers come from Indonesia.

“The supply of domestic maids from Indonesia is even more critical as they make up about 70% of all domestic maids in Malaysia,” he added in a statement.

Earlier today, Indonesian ambassador Hermono was reported to have said that his government had imposed a temporary freeze – effective yesterday – on all Indonesian workers entering Malaysia.

He was quoted by Free Malaysia Today as saying that the decision is due to the Malaysian Immigration Department’s continued use of the Maid Online System to facilitate the recruitment of Indonesian domestic workers.

Hermono also alleged that this is a “total breach” of the memorandum of understanding between the two nations signed on April 1 on the placement and protection of Indonesian domestic workers.

In a statement, the Human Resources Ministry said it will be holding talks soon with the Home Ministry regarding the decision by Indonesian authorities.

“The discussion aims to immediately address issues related to the entry of Indonesian employees into the country,” it said.

Syed Hussain said it is very critical for the government to iron out any outstanding matters and ensure that the smooth supply of migrant workers will not be disrupted, cautioning that worker shortages have caused operational disruptions to businesses.

Businesses in the manufacturing sector, plantation firms, construction companies, restaurants and hotels are among establishments facing severe pressure and constraints in serving customers and clients.

Syed Hussain noted reports that there are about 168,000 refugees holding UNHCR cards and that more than 60% of them are potentially employable.

“Employers need new workers urgently to assist in their recovery efforts and put their businesses on the right path,” he said. “We need to look for quick solutions as stopgap measures until all issues on foreign labour recruitment are resolved.”

The Joint Committee on the Management of Foreign Workers should review the conditions under the labour recalibration programme to regularise migrants in the country to allow more undocumented migrants to participate in the programme, he stressed.

“While waiting for the arrival of new migrant workers, MEF is appealing to the government to allow other forms of labour to cover the shortage of migrant workers until they finally arrive in Malaysia,” he said.

He noted for example that the plantation industry depends on available harvesters to harvest the crops at the right time, failing which the fruits will turn bad and be considered an unrecoverable total loss.

“Any delay in harvesting the crop will lead to total loss. Billions were lost as the ripe fruits were not harvested to convert to palm oil due to shortage of workers,” he said.

“Similar shortages are being experienced by other sectors such as manufacturing, tourism, retail services, and construction.”

In the meantime, MEF also proposed for the government to arrange to recruit more migrant workers from other source countries such as Nepal, Pakistan,