

MEF APPEALS TO THE GOVERNMENT FOR THE RECRUITMENT AND MANAGEMENT OF FOREIGN WORKERS TO REMAIN WITH MoHR

PETALING JAYA: In April 2022 the recruitment and management of foreign workers was revamped with the MoHR spearheading the FWCMS one stop centre. The revamp was made in response to severe shortages of foreign workers faced by all industries, due to the freeze on recruitment of foreign workers and the inability to replace those whose PLKS expired since early 2020 up to early 2022. As an example, palm oil plantations face acute shortage of harvesters that continue to result in loss of revenue for planters of more than RM 1 bil per month and income to the government due to loss in palm oil yield. Palm oil industry may not be able to compete with that of Malaysia's neighbours by virtue of higher cost of sales and wastage. Shortage of workers severely impacted production especially for the E&E industries, disrupted supply chain and business operations resulting in delays and being unable to meet new orders from both local and foreign buyers. When MoHR was given the mandate to operate and manage the FWCMS since April 2022, the shortage of foreign workers faced by the country eased steadily. In October 2022, Datuk Seri M. Saravanan, the then Minister of Human Resources stated there were about 1.24 million foreign workers in the country, almost the same figure as before Malaysia was hit by the Covid-19 pandemic. There were about 1.5 million foreign workers in Malaysia before Covid-19. The number of foreign workers was projected to increase as at the material time there were 238,000 foreign workers from the source countries who have been given approval to work in Malaysia. The above figures do not include about 640,000 applications that were awaiting the biometric and medical process in October 2022.

MEF President Datuk Dr. Syed Hussain Syed Husman PJN, J.P. stated that “MEF laments the decision by the government in back pedalling on the existing policies on foreign workers recruitment and management matters. Some social media today carried the news that the recruitment of FWs other than from Indonesia will be managed by KDN. This is a flip flop decision. MEF fails to understand the rationale on how does it help that hiring Indonesians is under MoHR and the

most complained sources of supply countries especially Bangladesh and Nepal are under KDN”.

“Under the new Sec 60K of the Employment Act it is now mandatory for employers to obtain approval from the Director General of Labour before applying to recruit foreign workers. Further, all other conditions such as Act 446 on Minimum Standards on Housing and Amenities along with hosts of other employment laws and regulations are within the purview of the MoHR. With the decision, now FWs recruitment other than from Indonesia will be managed by KDN and employers are wondering on how long it is going to take to bring in the required foreign workers from these source countries. It is indeed an irony that the above is happening when the YAB Prime Minister recently spoke on Government Machinery and efficiency and mentioned that overlapping services will be dismantled” adds Datuk Dr. Syed Hussain.

“With the decision to put back the recruitment of foreign workers except from Indonesia to KDN, the recruitment of foreign workers is once again becoming more challenging. MEF is of the view that the processing of labour demands should be a matter for the MoHR to handle. The role of KDN should be focused more towards security issues by managing the issuance of the relevant visas and other border control measures. Adopting the previous policies on recruitment of foreign workers will promote more rent seekers and will at the end of the day increase the cost of doing business”.

Datuk Dr. Syed Hussain states further that “MEF therefore appeals to the government under the leadership of YAB Dato’ Seri Anwar to maintain the recruitment and management of all foreign workers with MoHR. Putting the FWCMS and OCS under the custody and management of MoHR will enhance efficiency, remove overlapping services and better manage the demand for FWs by businesses. With forecasted economic situation in 2023 to be more challenging it is important that there is no bottlenecks in the supply of foreign workers”.



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