

Increase In Foreign Worker Levies Seen As Burdensome

Friday, 21 May 2010

KUALA LUMPUR, May 21 (Bernama) -- The government's proposal to hike foreign levies is seen as burdensome with employers' organisations saying the move make the country less competitive.

Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan said MEF did not agree with the proposal because it will cause employers to shoulder higher costs.

"If it (levy) is increased four-fold, an employer who previously paid RM4 Million will have to pay RM16 million.

"We don't know the government's rationale for this but it will make the country uncompetitive," he told Bernama here Friday.

He added that although MEF supported the government's efforts to reduce dependence on foreign workers, it hoped the proposal to increase levy rates would be revised because high rates may cause many companies to shut down.

On the government's proposal to impose bonds on employers to prevent their foreign workers from absconding, Shamsudding said this appeared to be punitive.

Malaysian Indian Restaurant Owners' Association (Primas) vice president T. Muthusamy concurred with Shamsuddin, saying a levy increase would drive restaurant operators to increase food prices in order to sustain operation costs.

He also disagreed with the idea of the government imposing bonds on employers in case foreign workers went missing.

However, Malaysian Trades Union Congress president Syed Shahir Syed Mohamed was of the view that increasing levy rates would not make much difference as employers would offset this by offering lower wages.

He said the lack of interest among locals to work in various sectors was attributed to low pay, which the government could address by getting employers to offer more attractive salaries so that workers could live comfortably.

Foreign Workers' Suppliers and Management Firms Association (Tekam) president Datuk Baharom Ghani said employers mostly hired foreign labour to carry out job that were categorised as 3D - dirty, dangerous and difficult.

"Levy payment must be justified according to their skills, if not we worry that if the rate is too high, local operators will close shop as local workers are not interested in 3D jobs," he said.

Meanwhile, Real Estate And Housing Developers' Association Malaysia president Datuk Ng Seing Liong said the increase in levy would have a severe impact on the construction and property industry since the sector relied heavily on foreign workers.

"The supply of local workers is practically non-existent as far as the industry is concerned, and the levy increase will be punitive to the sector, which has contributed significantly to the economy and the Gross Domestic Product (GDP)," he said.

Malaysian Security Services Association deputy president Datuk Mustapha Ali, was all for the move to increase levies, saying his industry was now seeing a flood of foreign workers and that it needed to be curbed.

As for Malaysian Bumiputera Manufacturers Association advisor Maj (Rtd) Abdul Rahman Ibrahim, he said it was a good move but the government must be firm in its decision so that the problem of foreign workers flooding to Malaysian shores could be ended for good.

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