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Rafizi: Govt to phase out foreign labour



Economy Minister Rafizi Ramli speaking at the Madani government's One-Year Anniversary Programme at the Bukit Jalil National Stadium in Kuala Lumpur yesterday. PIC BY AZHAH AZMEE

FROM NEXT YEAR

RAFIZI: GOVT TO PHASE OUT FOREIGN LABOUR

Reliance on foreign workers, progressive wage policy among structural reforms

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THE government will embark on measures to reduce dependency on foreign labour as part of its major structural economic reforms next year.

Economy Minister Rafizi Ramli said apart from the implementation of the Progressive Wage Policy, the labour sector was set for one of the largest reforms by the ministry.

He said most of the major decisions regarding structural changes had been carried out this year.

"Following this, the biggest focus in 2024 will be on the reform of the country's labour sector. This will involve developing a timeline and placing all (developed) systems in place to help the country reduce its dependency

on foreign labour," he said.

He was speaking during the "Sembang Santai with the Economy Ministry" segment at the Madani government's One-Year Anniversary Programme held at the Bukit Jalil National Stadium here yesterday.

Rafizi, however, acknowledged that the implementation of the reforms would not be easy and would take time.

He said the ministry saw a need to develop a comprehensive support support system involving all stakeholders, especially employers, to initiate the reform process.

"We can consider this an early notice to all employers out there. I'm not sure if this can take place with a single instruction. What we need is to develop a support system so that through it, we can start it (the reforms).

"All reforms are based on evidence assessment via thorough and balanced studies. We will take into account the need to reduce implementation risks and minimise challenges that may arise.

"(And) I hope that the entire ecosystem will participate in the reform process if we want to continue moving forward."

On the Progressive Wage Policy,

Rafizi said the ministry would look into issues faced by the micro, small- and medium-scale enterprises.

"We know that more than 80 per cent of employers are in the MSME categories, and if we force it (the proposed rise in employee wages), it could lead to workers being let go, leaving them in the informal sector.

"There is even a possibility that small companies could close down.

"As such, when this progressive wage scheme is implemented, we will first resolve all issues that they had faced before.

"This is why, in 2024, we will begin with 1,000 companies first as a pilot project, to ensure that there is a gradual, sustainable and consistent increase each year."

Based on Statistics Department figures, almost two million migrant workers were employed in Malaysia in 2022, constituting about 12.9 per cent of the country's total workforce.

Among the foreign labourers, Indonesians were believed to make up the largest number at about 1.7 million, primarily in the agricultural and construction sectors. **Additional reporting by Daniel Ahmad**

