

PRESS RELEASE

EUROCHAM Malaysia Urges MOHR to Reconsider the New Policy on Recruitment of Foreign Workers and Expatriates due to the Impracticality of the Requirements and Impositions to the Business Community

Kuala Lumpur, 3 November 2020 – EUROCHAM Malaysia is truly concerned by the recent announcement of YB Datuk Seri M. Saravanan, Minister of Human Resources on 29 October 2020 and the latest follow-up updates published by PERKESO (SOCESO) on 31 October 2020, which requires companies to advertise job vacancies on the national employment portal – MYFutureJobs for a period of 30 days as well as to obtain MYFutureJobs recommendation from SOCESO for the application to hire expatriates. The European business community perceives this latest measure to be devastating for the investment destination Malaysia and companies are turning away.

Despite the main rationale behind this new policy is to prioritise local job seekers, EUROCHAM Malaysia would like to highlight that it will clearly risk the reputation and position of Malaysia being an international investment friendly destination which will further impact the local job market in the coming years. Malaysia currently ranks 12th in the World Bank Doing Business 2020 Report amongst 190 economies worldwide, and the achievement was built overtime with strong investor confidence and loyalty. “Malaysia has been well known for its frequent migration policy shifts, and yet today there are still many twists and turns in the hiring policy during the challenging pandemic period. We are genuinely concerned that the new requirement will further discourage quality European investors to establish presence in Malaysia, due to diminished investor confidence and the lengthy hiring process for expatriates in the country,” stated Mr. Oliver Roche, Chairman of EUROCHAM Malaysia.

The European Union (EU)-Malaysia relations have been cordial and have progressively strengthened over time. Malaysia being one of the key economies in the ASEAN region and a preferred investment location for European businesses throughout the years, the European business community has been actively contributing to the Malaysian employment scene through local job creations, knowledge transfer, skills development as well as technological advancement. With European investors bringing in an average of RM6.5 billion of foreign direct investment annually, European companies have been committing an average of 300 approved manufacturing projects in Malaysia every year. Looking at the European manufacturing projects (1,490 projects) approved over the past

five years (2015-2019), these projects are expected to generate a total of 108,353 of new employment opportunities specifically for the local Malaysian talent. These job opportunities are now at risk, while not even considering future job creation and investments that are reconsidering and identifying other destinations.

“In fact, the EU-Malaysia ties extend even beyond trade and investments, as both regions have also established collaborative efforts in the areas of education, sustainable economic development as well as environment. Hence, highly-skilled expatriates play a vital role in knowledge and technology transfer during their course of duty in Malaysia!” highlighted Mr. Luciano Pezzotta, Deputy Chairman of EUROCHAM Malaysia. With valuable knowledge and technology transfer, Malaysia will gradually reduce the dependency on low-skilled foreign workforce over the long run and increase the supply of local high-skilled workers for the industries with an upgraded economic value chain.

EUROCHAM Malaysia joined an engagement session organised by the Ministry of International Trade and Industry (MITI) on 30 October 2020 to discuss about this pressing issue. We shared our opinions and recommendations during the session, which were also reiterated into our latest Position Paper – EUROCHAM Malaysia Highlights the Impracticality of the Requirements and Impositions on the Recruitment of Foreign Workers and Expatriates. The position paper aims to protect foreign expertise accessibility as well as to promote recruitment freedom, allowing our European companies to recruit the best candidate regardless of nationality. The paper contains ASEAN best practices in governing the recruitment of foreign workers and expatriates, the expected negative impact from the identified recruitment measures by the Malaysian government to the economy as well as our suggestions and counter proposal.

We have shared the position paper to MOHR last Friday and would like to bring YB Datuk Seri M. Saravanan an urgent plea to reconsider the new foreign employment policy. “It is EUROCHAM Malaysia’s constant drive to safeguard the dynamic interplay between domestic and European interest. We urge for an open dialogue with YB Minister of Human Resources to seek ways together in balancing the domestic priorities and international expectations.” Mr. Sven Schneider, Chief Executive Officer of EUROCHAM Malaysia added.

We sincerely hope that MOHR would consider our following suggestions below:

Investor, Chairman, Board of Directors and Company Owners	Automatically be exempted
C-level positions	Automatically be exempted
EP1 and positions above RM 10,000	Automatically be exempted
Internal transfers and secondments	Automatically be exempted
Re-employment / work permit renewal applications	Automatically be exempted
Positions below RM 10,000	Compulsory to follow new policy

Being the only EU chamber in Malaysia which is officially endorsed by the Delegation of the EU to Malaysia, EUROCHAM Malaysia has been building its expertise to facilitate trade and investments between EU-Malaysia for nearly three decades. With more than 1,600 companies in its wider network, EUROCHAM Malaysia offers one of the largest business platforms to explore the Malaysian market or to discover the diversity of European economies. EUROCHAM Malaysia brings businesses and communities together to create mutually beneficial opportunities in trade and investment.

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