

27 January 2023

**OPEN LETTER TO:**

- **YB SAIFUDDIN NASUTION ISMAIL, MINISTER OF HOME AFFAIRS**
- **YB SIVAKUMAR VARATHARAJU NAIDU, MINISTER OF HUMAN RESOURCES**

**URGENT LABOUR SHORTAGE IN ALL SECTORS OF THE ECONOMY**

This is a joint appeal by the following associations:

- Industries Unite (IU)
- Federation of Malaysia Business Associations (FMBA)
- Persatuan Pengurusan Kompleks Malaysia (PPK) – Malaysia Shopping Malls Association
- Bumiputra Retailers Organisation (BRO)
- Malaysian Association of Theme Parks & Family Attractions (MATFA)
- Association of Malaysian Spas (AMSPA)
- Malaysian Association of Wellness & Spa (MAWSpa)
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chains Association (MRCA)
- Malaysian Association of Hotel Owners (MAHO)
- Malaysian Association of Hotels (MAH)
- Malaysia Budget and Business Hotel Association (MYBHA)

We welcome the news that applications for Foreign Labour will be approved liberally and within 3 days. This is indeed a great relief for all the businesses long suffering from severe shortage of workers hampering the recovery progress coming out of the pandemic and jeopardising the revival and survival of businesses.

It must be acknowledged that ALL sectors of the businesses are suffering from severe labour shortage. The opening for merely a few sectors is not practical and will aggravate the problems with illegal foreign workers.

Firstly, the selective industries allowed to bring in foreign workers will create a thriving underground black market of trading in foreign workers, exploiting the inability of those business sectors denied application for foreign workers. This will inadvertently result in the trading of foreign workers akin to the slave trade. These legal workers effectively become illegal workers once their employment is transferred to a new employer, and especially so in business sectors that are currently not allowed to apply for legal foreign workers. This will aggravate and further expand the illegal workers issue that have never been able to be fully resolved all these years.

It is common knowledge that there is a shortage of willing and able local workers and there is genuine need for some 1 million workers to fill all vacancies. It is pertinent that the Government must accept and acknowledge this severe shortage.

Secondly, we must believe in the maxim that NO employer will employ MORE workers than needed. Thus, if all sectors of the economy are allowed to apply for what they need, there will be no need to engage any illegal workers. Thus, the middlemen role will be eliminated and legal workers will have no place to jump to.

We wish to highlight that the Service Industry appears to be inadvertently overlooked although we are in the same predicament suffering from shortage of workers. With the opening up of borders and the expected surge in tourists arrivals, the Service Industry from Hotels, F&B, Entertainment, Theme Parks, Health & Wellness are at the forefront to receive and grow this recovering tourism Industry. It is of **UTMOST URGENCY** that these sectors in particular need to be able to apply for foreign workers without further delay otherwise the country may miss the opportunity to take advantage of this opening up of borders for tourist arrivals.

Currently, many operations have to be curtailed from taking all potential orders for fear of backlash knowing that the level of service could not be top notch due to shortage of workers and with the fear of bad publicity posted in the social media which can do permanent damage to our reputation and future business.

We thus urge the Government to **IMMEDIATELY** open all sectors to apply for foreign workers. Not only will it eliminate exploitation and underground market in foreign worker trade, but this will also boost the recovery of the economy coming out of the pandemic and allow businesses to be able to operate to full potential capacity and with maximum efficiency and productivity.

Thank you.