

# LACK OF FOREIGN LABOUR WILL DERAIL ECONOMY

By FATIMAH ZAINAL  
fatimah@thestar.com.my

NRC urges govt to expedite foreign workers' entry to solve labour woes

**PETALING JAYA:** A critical labour crunch is weighing on the nation's prospects for recovery from the economic slowdown induced by the Covid-19 pandemic.

Sectors dependent on foreign manpower such as manufacturing, food and beverage (F&B) and plantation are among those currently facing an acute shortage of workers.

Industry players plead with the government to expedite the entry of new foreign workers to replace those who had returned to their home countries during the pandemic or after their contracts had lapsed.

To cope with the severe labour crunch, many F&B proprietors have cut menu items, turned to disposable cutlery and rely on overburdened staff who face stronger diner demand.

Banana leaf rice restaurant Kanna Curry House is one of the eateries that have resorted to doing so, said its chain of outlets operational manager Yoga Kannan.

"We are having a manpower issue. We are supposed to have 15 workers at each restaurant. We have seven outlets in total.

"But now we only have seven or eight workers at each restaurant. We are running on 50% manpower. To cope, we cut down on the varieties that we offer. We used to have lots of varieties such as roti canai, capati and other light food but now from 11am to 3pm, we only serve banana leaf rice.

"There is no way we can serve more variety unless we have the manpower," said Yoga.

Beverages are also being served in paper cups as there are not enough staff to wash the dishes, he said.

Many of its foreign workers from Bangladesh, Nepal, India and Sri Lanka returned to their home countries during the pandemic and subsequently found other jobs in other countries such as Singapore or the United Arab Emirates.

While the percentage of sales that went through during the pandemic was only between 20% and 30% compared with pre-pandemic times, the restaurant chain did not resort to pay cuts for its remaining staff, said Yoga.

"We understand that they also have families to support back home," he said.

Yoga said initiatives such as the extension of the loan moratorium for micro, small and medium enterprises (MSMEs), and electricity and water bill discounts in line with the National People's Well-Being and Economic Recovery Package (Pemulihan) package had helped the restaurant survive the tough times.

As a solution to the manpower shortage during the pandemic, the restaurant had even offered free iPhone SEs to Malaysians willing to work as waiters at any of its branches for a minimum of six months as well as RM10 hourly wages and eight-hour workdays.

Yoga said the attractive remuneration was aimed at encouraging Malaysians to work and stay on in the industry and while there had been some success, unfortunately, the turnover rate was very high.

"Once the locals find a better opportunity, they just leave. Locals are not really suited to do 3D (dirty,



**Muhyiddin:** Had earlier warned the government that its failure to give urgency in dealing with the lack of foreign labour in the country would risk derailing the economy.

dangerous, difficult) jobs," he said. Yoga added that the application for new foreign workers was put in at least four months ago but this has yet to be approved by the Labour Department.

If the labour shortage continues, Yoga said they have no choice but to reduce operating hours.

"We won't be able to run full-flow so we will probably only open at lunchtime.

"My hope is that the problem will be resolved soon by the coming government.

"Not just for the F&B industry but for all sectors," he said.

Malaysian Bakery, Biscuit, Confectionery, Mee and Kuay Teow Merchants Association president Lai Yee Kein said the manpower shortage is affecting factories' ability to fulfil orders.

"The labour shortage problem affects our operations as a majority of local workers are heading to other countries for better offers and prospects.

"We hope that the government will allow more foreign workers to solve the labour shortage," he said, adding that foreign workers make up 70% of industry staff.

Lai, who is also Kein Noodles Manufacturers Sdn Bhd founder, said the manufacturing industry was seriously affected by the Covid-19 lockdowns and business had declined, although performance is improving slowly with the reopening of the economic sector.

Lai said he hopes the government would expedite the process of getting migrant workers to Malaysia.

"We require approximately two million foreign workers for our country's industries," he said.

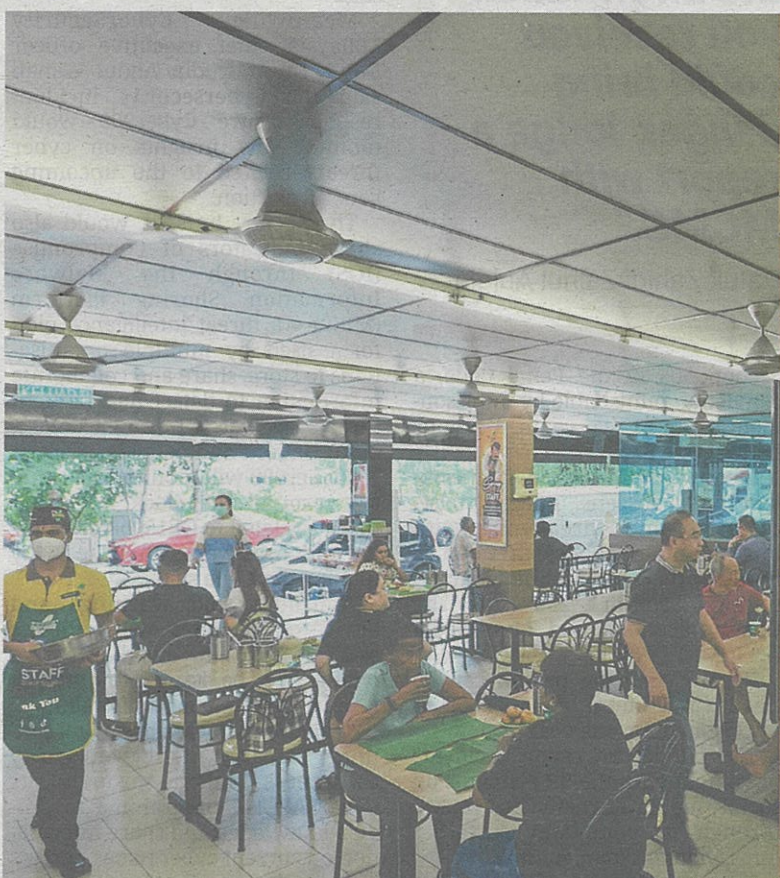
Vivian Lee, 48, who runs several small businesses, including a fruit and vegetable shop, said she has a shortfall of four foreign workers.

"Locals don't want to work despite the attractive salary and incentives offered such as accommodations and meals.

"Approvals for foreign workers have been really slow.

"So, I have no choice but to survive with what little staff I have," she said.

Lee, who received the Geran Khas Prihatin (GKP) during the pandemic, said the RM3,000 one-off



**Please bear with us:** A banner indicating staff shortage at Kanna Curry house in Petaling Jaya. — GLENN GUAN/The Star



**Barely coping:** Yoga is hoping the labour shortage issue will be resolved soon for all sectors.

financial assistance for MSMEs such as hers had really helped her business to survive.

"Now that sectors have reopened, we are doing better although business costs have gone up. But now we have another issue, which is not having enough workers.

"As long as it is not solved, our recovery will take a longer time," said Lee.

Despite lifting a Covid-19 freeze on recruiting foreign workers in February, the return of foreign workers to Malaysia has been slow due to bureaucracy and issues negotiating with source countries over worker protections.

National Recovery Council (NRC) chairman Tan Sri Muhyiddin Yassin had earlier warned the government that its failure to give urgency in dealing with the lack of foreign labour in the country would risk derailing the economy.

He said the NRC was informed that there had been a request for 1,152,276 foreign workers from all industries from January to September 2022 but only 76,000 were brought into the country as at Sept 12.



**Help needed:** Lai says the lack of foreign labour has disrupted manufacturing operations.

"This was despite the requests for 467,223 foreign workers having been approved.

"This shows that the foreign workers brought in is way too low for the usage of industries," he said in a statement on Sept 27 after chairing the ninth NRC meeting of 2022.

Muhyiddin added that the Prime Minister must address the problem which was affecting the SMEs adversely.

The NRC had previously sent 95 recommendations to the government to consider.

He lamented the fact that despite the endorsements of the Cabinet, only 16 of the recommendations had been implemented fully but the implementations were not satisfactory, such as the issue of lack of foreign workers in SMEs, which affected national recovery.

"If no action is taken to implement these recommendations, the country may face bigger economic problems, as predicted by economists worldwide," he added.

Muhyiddin also said specific recommendations by the NRC to assist SMEs such as moratoriums

with restructuring of loans were also not implemented properly.

"This was taken to the Cabinet and endorsed on May 18.

"I raised this again on Sept 12 and Prime Minister Datuk Seri Ismail Sabri Yaakob said he would consult the ministries concerned.

"The Entrepreneur Development and Cooperative Minister said he will consider this.

"Did the Cabinet then not discuss this recommendation (which they endorsed) four months ago? Or are these recommendations presented to the Cabinet but not discussed in detail?"

"This is very disappointing, as such a recommendation to assist the recovery of SMEs which contribute 37% to the gross domestic product (GDP) does not get the attention of the government. Such delay in taking action is not acceptable," he said.

Muhyiddin had also said the NRC is an advisory body to the government with no powers of enforcement.

Recommendations of the council are brought to the Cabinet and upon endorsement, they must be implemented by the relevant ministry or agency, he said.

"As the chairman, I have no powers to instruct ministers or secretaries-general or department heads," he said.

"This is the power of the Prime Minister and the NRC has done its part."

Muhyiddin also said the NRC has, from its very formation, proposed these recommendations to ensure no disruption of supply which will disturb productivity, increase inflation and decelerate national recovery.

The NRC consists of multiple Cabinet ministers along with top civil servants, experts from all fields and industries as well as representatives of Opposition parties.