



ROLE OF MIGRANT WORKERS

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OUTLINE OF PRESENTATION

- Demographic structure
- Role of migrant workers
- Issues and challenges
- Conclusion

DEMOGRAPHIC STRUCTURE












(million persons)	2008	2009p
Population including non citizens	26.6	27.2
Employment - Government services	1,064.0	1,075.30
Employment - Private sector	5.07	5.2
Employment - Foreign Workers	1.9	2.2
Employment Expatriate	0.0401	0.0355
<i>P</i> - pliminary		

EMPLOYMENT BY SECTOR

Employment by Sector	2007	2008	2009
Agriculture	12.2	12.0	12.0
Mining & Quarrying	0.4	0.4	0.3
Manufacturing	28.9	28.8	28.4
Construction	0.7	0.7	6.8
Finance, Insurance, Real Estate & Business Services	6.7	6.6	7.0
Transport, storage and Communication	5.8	7.0	5.8
Government services	10.8	10.9	11.0
Other services	28.4	28.4	28.7

GROSS DOMESTIC PRODUCT

Malaysia's Economic Growth 2000 – 2009 average 4.3 %

Year	GDP growth (%)
	8.5
	0.3
	4.4
	5.4
	7.1
	5.3
	5.9
	6.3
	4.6
	- 3.0
	2.0 – 3.0

GROSS DOMESTIC PRODUCT (GDP) SHARE BY SECTOR (2007 – 2009)

Sector	Share of GDP (%)		
	2007	2008	2009
GDP	6.3	4.6	- 3.0
Agriculture	7.7	5.5	7.6
Mining & quarrying	8.6	8.1	8.1
Manufacturing	30.3	29.1	26.4
Construction	3.0	3.0	3.2
Services	53.2	55.0	57.9

EMPLOYMENT OF MIGRANT WORKERS

- Shortage of local labour force prompted Malaysian Government to allow private sector to employ migrant workers in the following sectors:

■ Manufacturing	31.1%
■ Agriculture /Plantation	26.9%
■ Construction	15.5%
■ Services	26.5%

MIGRANT WORKERS – COUNTRY OF ORIGIN

- Indonesia
- Nepal
- Vietnam
- Myanmar
- Sri Lanka
- India
- Thailand
- Philippines
- Laos
- Cambodia
- Pakistan
- Bangladesh
- Uzbekistan

Indonesians migrant workers formed the largest number of migrant workers 69.4%

FACTORS ATTRACTING MIGRANT WORKERS TO WORK IN MALAYSIA

■ THE PULL FACTORS

- Better economic performance and prospects;
- Offer higher wages and opportunities compared to home countries;
- Shortage of local workers especially in agricultural sector and the 3D jobs (dangerous, dirty and difficult);
- Due to greater industrialisation, urbanisation of economy and higher education levels;
- The Economic and political stability; and
- Geographical distance .

- **Push Factors** - Country origin's
 - Socio economic status very poor;
 - Unstable political climate; and
 - Natural disaster.

ROLE OF MIGRANT WORKERS

- GDP contribution :
 - 2002 - 5.1% or RM 11.2 bil. from overall GDP RM219.3 bil.
 - 2006 - 11.1 % or RM30.6 bil. from overall GDP RM275.8 bil.
- Shortage of local workers forced employers to recruit migrant workers;
- Migrant workers engaged low skilled jobs :
 - machine operators; and
 - 3Ds jobs
- Services sector especially foreign maids assist Malaysian women to participate in the labour market.

- Employers facing problems with local workers:
 - high turnover rate;
 - demand for higher wages;
 - refused to work overtime during peak period or week-ends; and
 - unhealthy work attitude;
- Migrant workers are willing to work overtime;
- Migrant workers are unskilled and given training they become semi-skilled workers; and
- Influx of migrant workers help to depress wages and maintain the wage rate at relatively low level.

ELIGIBILITY / CRITERIA EMPLOYMENT MIGRANT WORKERS

- Which sectors allowed to work;
- Approvals from various government agencies;
- Skills certificate;
- Induction course;
- Responsibility of Malaysian employers;
- Working terms and conditions for migrant workers;
and
- Other fringe benefits provided by employers to
migrant workers.

ISSUES IN HIRING MIGRANT WORKERS

- Employers become too dependent on migrant workers and deprive job opportunities for local workers;
- Influx of illegal migrant workers especially Sabah and Sarawak;
- Outsourcing companies over recruit migrant workers without looking at employment opportunities;
- High outflow of foreign exchange;
 - 2004 - RM 1.2 bil.
 - 2006 - RM 1.6 bil.
- Social and economic problems in terms of health facilities and housing facilities; and
- Some engaged in undesirable and criminal activities.

CHALLENGES IN HIRING MIGRANT WORKERS

- Malaysia needs to reduce the number of foreign workers to manageable level;
- Estimated number of migrant workers 1.5 million in 2010;
- Outsourcing companies should be stopped recruiting migrant workers;
- To remove illegal migrant workers has been ongoing problem;

- Migrant workers allowed to work for five years only. The issue of employers need to train again new migrant workers and productivity will be affected;
- As long migrant workers allowed to work in the country, companies will be reluctant to mechanize and automate;

- To increase women participation in the labour market. Currently, only 46% participated. The challenge is that the Government has to assist companies or provide incentive in building child care centre in the community.
- To encourage students who are not interested in pursuing higher education after Form V to take up skills training and work in manufacturing companies. Companies should prepare comprehensive package to attract youngsters to work in manufacturing companies. More promotion to schools should be done.

- Manufacturing companies should offer higher salary and better benefits to attract local workers;
- Government should give greater incentives or double tax deductions to manufacturing companies that shift to high value added activities and reduce dependent on migrant workers.

CONCLUSION

- Manufacturing companies should use migrant workers for 3D activities only;
- To limit the recruitment of migrant workers in phases so that companies will take steps to adjust accordingly;
- To limit the countries to source migrant workers; and
- Employers to provide proper facilities for migrant workers working in approved sectors.

- As foreign workers contributed to the economic development of the country, they should be treated equally like the local workers.

THANK YOU