



LABOUR MIGRATION TRENDS AND POLICY IN MALAYSIA

MINISTRY OF HUMAN RESOURCES MALAYSIA
24 JANUARY 2019

This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.



Malaysia at a Glance

Located between 2 and 7 degrees north of the Equator, Peninsular Malaysia is separated from the states of Sabah and Sarawak by the South China Sea. To the north of Peninsular Malaysia is Thailand while its southern neighbour is Singapore. Sabah and Sarawak are bounded by Indonesia while Sarawak also shares a border with Brunei.

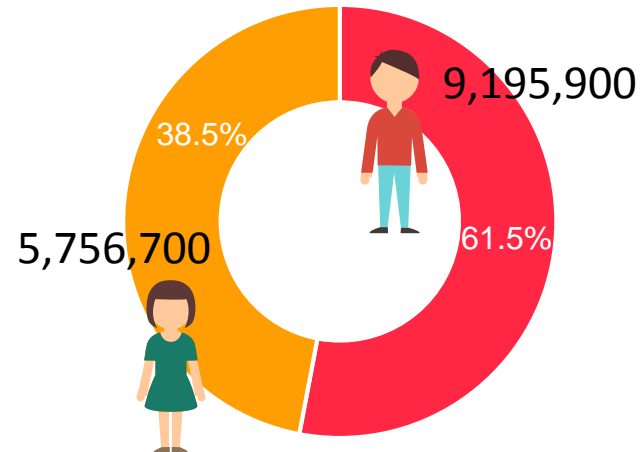
Population
32.3 million

Size
330,345 km²

GDP (RM million)
1,353,380



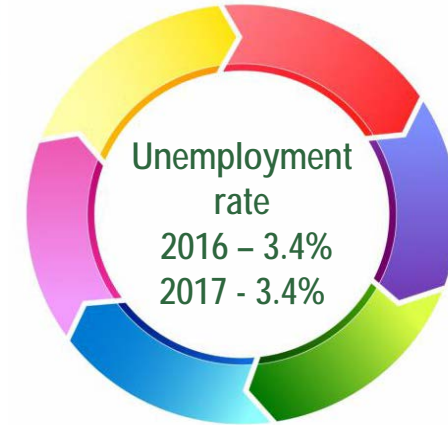
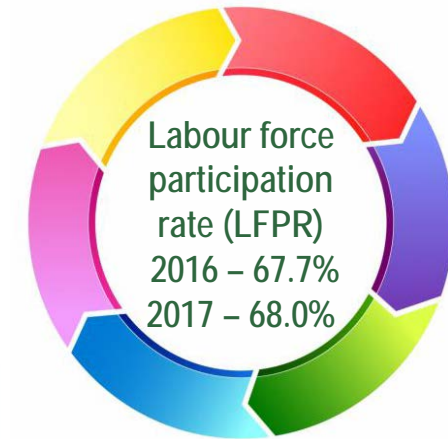
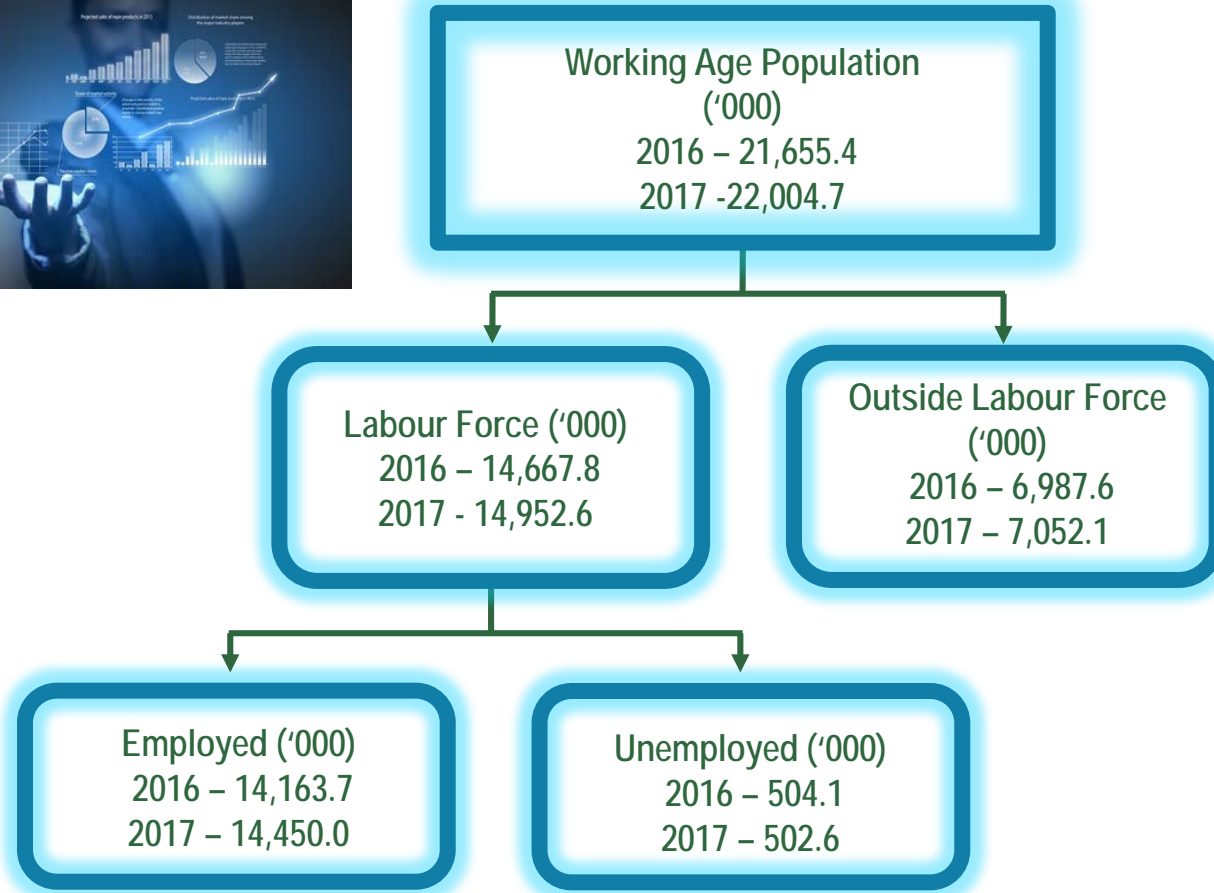
Labour Force
14,952,600



Labour Productivity
2.9%

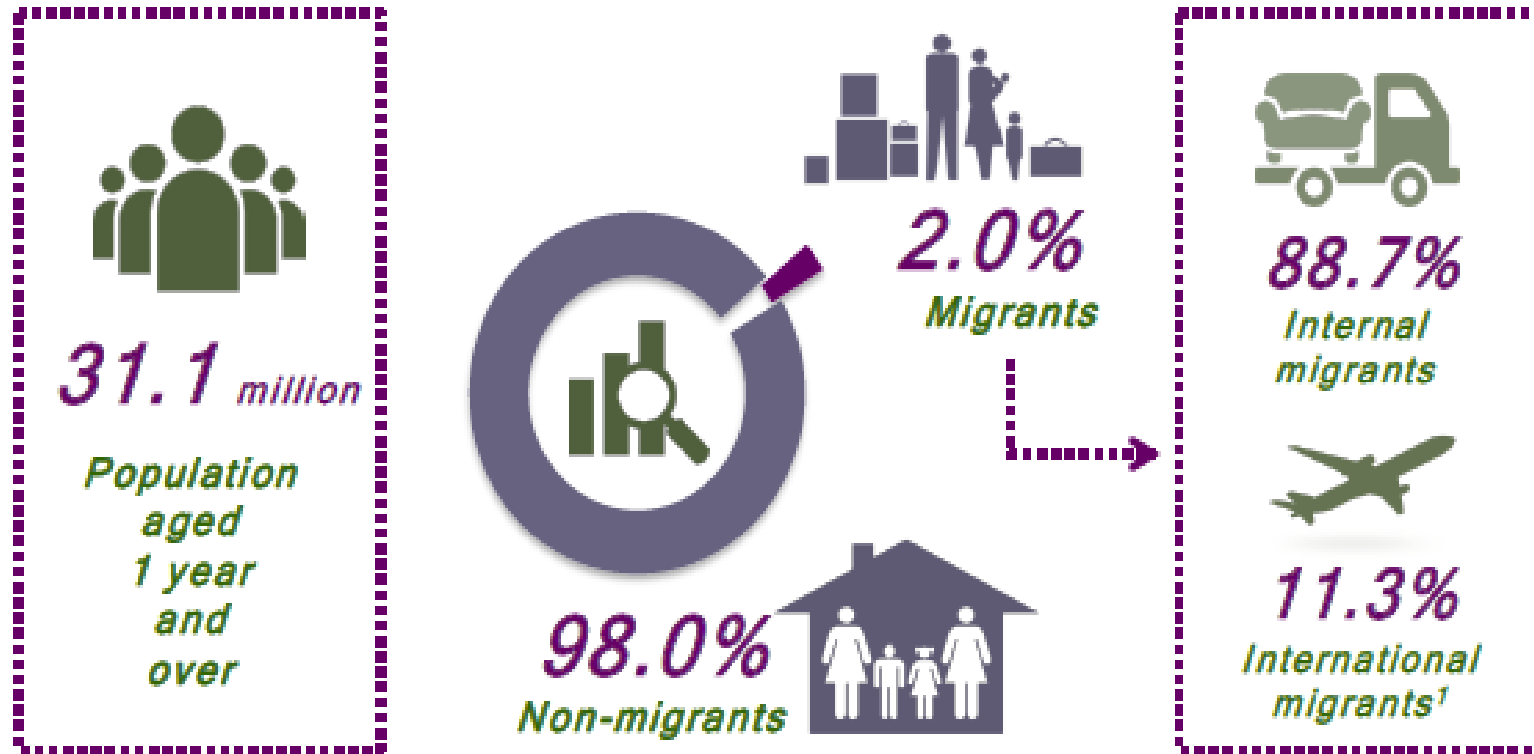


LABOUR MARKET LANDSCAPE





Migration in Malaysia

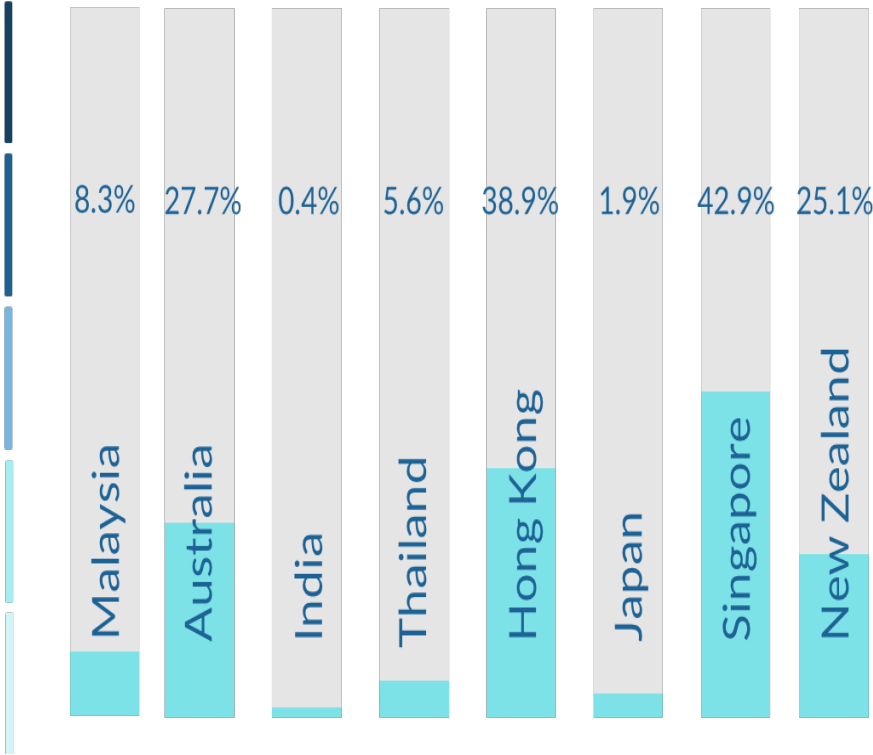


Benchmarking Malaysia versus Other Countries

Total International Migrants

% from Total Population

 Malaysia 2,469,173	 Hong Kong 2,804,753
 Australia 6,468,640	 Japan 2,437,169
 India 5,338,486	 Singapore 2,323,252
 Thailand 3,721,735	 New Zealand 1,132,828



Source: Asia-Pacific Migration Report 2015

Approved Sectors for Foreign Workers Hiring


Manufacturing


Construction


Domestic Worker


Services

Restaurant	Resort Island
Cleaning & Sanitation	Theme park
Hotel	Golf Caddy (Man)
SPA	Reflexology
Cargo Handling (Port / Airport)	

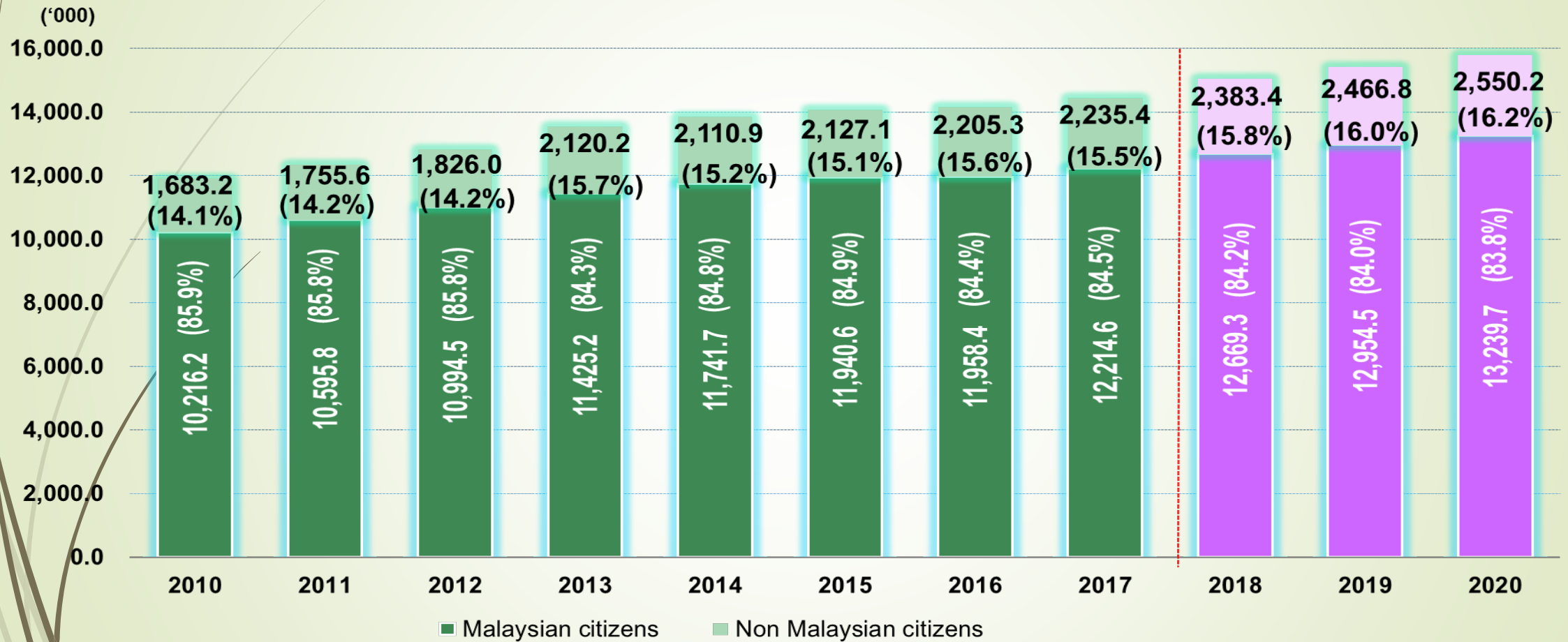



Plantation


Agriculture


Mining & Quarrying

EMPLOYED PERSONS BY CITIZENSHIP, 2010-2020

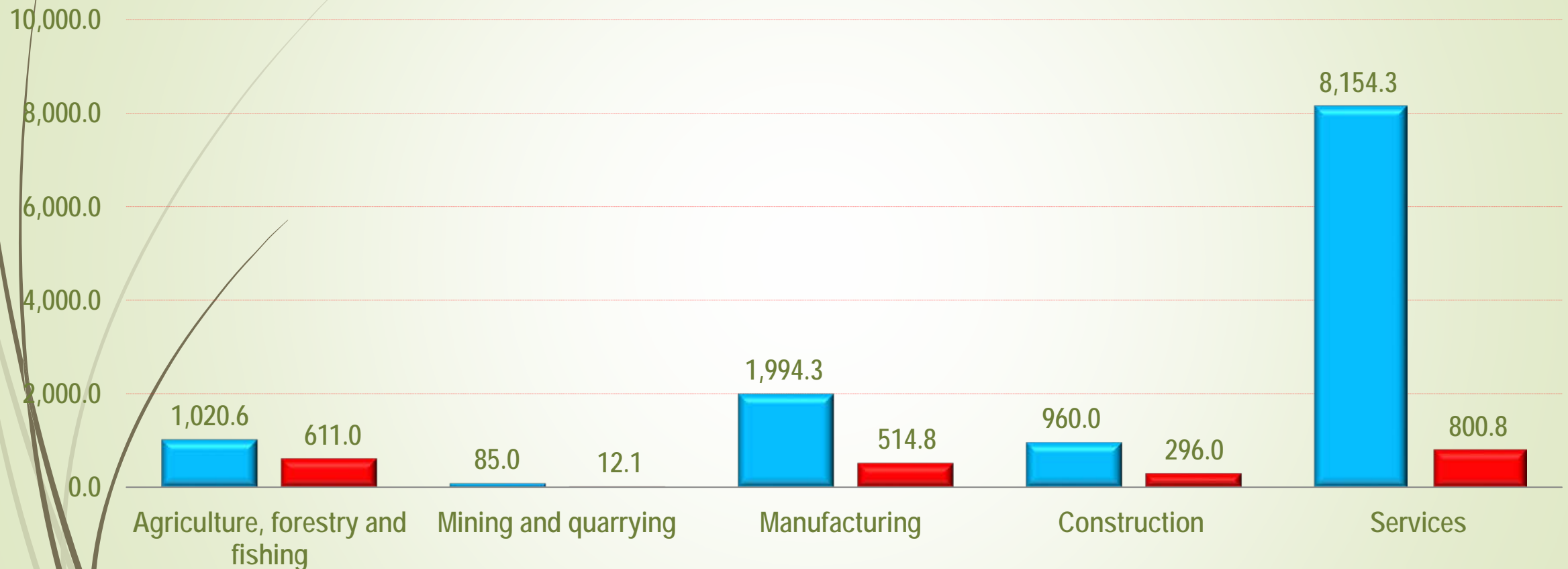


Source: Labour Force Survey Report 2010-2017 Department of Statistics Malaysia; and 2018-2020 is based on ILMIA, MOHR estimation..

EMPLOYED PERSONS BY INDUSTRY AND CITIZENSHIP, 2017 ('000)

8

■ Malaysian citizens ■ Non-Malaysian citizens



Source: Labour Force Survey Report, Department of Statistics Malaysia

STATISTIC ON FOREIGN WORKERS WITH PLKS AS OF 31 DECEMBER 2018

NO.	NATIONALITIES	SECTOR												TOTAL		OVERALL TOTAL	%
		MANUFACTURING		CONSTRUCTION		PLANTATION		SERVICES		AGRICULTURE		DOMESTIC WORKERS		L	P		
		L	P	L	P	L	P	L	P	L	P						
1	INDONESIA	32,970	103,424	149,065	13,356	173,345	31,832	24,971	18,354	56,842	19,048	453	90,265	437,646	276,279	713,925	35.42
2	BANGLADESH	206,584	259	197,529	267	34,644	13	84,885	465	19,834	50	34	88	543,510	1,142	544,652	27.02
3	NEPAL	241,419	10,084	7,914	13	3,041	4	73,695	197	9,637	249	28	32	335,734	10,579	346,313	17.18
4	INDIA	2,860	42	10,989	44	28,326	277	50,799	343	25,482	757	46	1,013	118,502	2,476	120,978	6.00
5	MYANMAR	62,494	16,692	11,244	460	752	154	13,818	2,333	3,048	741	9	57	91,365	20,437	111,802	5.55
6	PAKISTAN	3,324	5	27,433	31	5,753	11	8,972	126	16,855	88	4	25	62,341	286	62,627	3.11
7	PHILIPPINES	4,086	513	2,819	120	2,622	823	3,627	2,505	2,607	1,140	83	32,071	15,844	37,172	53,016	2.63
8	VIETNAM	5,231	8,964	2,587	217	28	23	968	1,044	342	218	4	428	9,160	10,894	20,054	0.99
9	THAILAND	144	49	937	14	381	166	6,400	5,856	1,472	724	3	315	9,337	7,124	16,461	0.82
10	CHINA	1,246	91	9,151	442	7	5	1,583	3,689	21	3	0	196	12,008	4,426	16,434	0.82
11	SRI LANKA	2,319	996	232	8	169	17	1,049	78	128	26	11	542	3,908	1,667	5,575	0.28
12	CAMBODIA	517	694	99	31	70	31	132	515	289	57	3	1,444	1,110	2,772	3,882	0.19
13	LAO PDR	6	3	0	0	0	0	5	8	4	0	0	15	15	26	41	0.00
TOTAL		563,200	141,816	419,999	15,003	249,138	33,356	270,904	35,513	136,561	23,101	678	126,491	1,640,480	375,280	2,015,760	100.00
OVERALL TOTAL		705,016		435,002		282,494		306,417		159,662		127,169		2,015,760		SOURCE: JIM	
%		34.98		21.58		14.01		15.20		7.92		6.31		100			

RECENT CHANGES IN LABOUR MIGRATION POLICY IN MALAYSIA

- ❖ Expansion of SOCSO Employment Injury Scheme to foreign workers (January 2019) - Workmen Compensation Act 1952 to SOCSO Act 1969
- ❖ Single online system for foreign workers recruitment
- ❖ Establishment of Independent Committee for the Management of Foreign Workers - report to be tabled in mid February 2019
- ❖ Labour laws reform:
 - I. Private Employment Agency Act 1981 – in force since 2018;
 - II. Children and Young Persons (Employment) Act 1966 – in force Feb 2019;
 - III. Employment Act, Minimum Standards of Housing and Amenities Act and Occupational and Safety Health Act – to be tabled in second quarter 2019;
 - IV. Trade Union Act and Industrial Relation Act – to be tabled in third quarter 2019;
- ❖ Payment of levy by employer – since January 2018.
- ❖ Circumvention of debt bondage and forced labour through better monitoring of private employment agencies in CoD and CoO and temporary freeze on recruitment of foreign workers from Bangladesh.
- ❖ Application of Status of Residence of Specified Skills Worker for Malaysian Citizen to Government of Japan – to allow Malaysian workers to be considered as sending country for skilled workers to Japan

National Policy

1

- ❖ Appointing a single authority for Management of non citizen
- ❖ Ratification of international instruments
- ❖ Re-negotiate MOU for better management of foreign workers

Recruitment

2

- ❖ Develop an end-to-end single online system as key component of FWMS
- ❖ Implementation of Multi-Tier Levy System.
- ❖ Expatriat policy

Employment

3

- ❖ Maximum length of **continuous** stay of a PLKS worker should not exceed 10 years.



Repatriation

4

- ❖ Portability of social security payments and benefits.

5

Regularisation of undocumented workers

- ❖ A new amnesty program with flexible terms and incentives to enhance attractiveness and effectiveness.
- ❖ Strengthening enforcement activities

6

Refugees and Stateless person

- ❖ Refugees and stateless persons should be given identities, the opportunities and the right to work.

7

Access to justice

- ❖ Foreign workers should have meaningful access to justice and barriers for such access addressed.

THANK YOU

www.mohr.gov.my

www.ilmia.gov.my