MEF stands by ‘100,000 could lose jobs’ statement

PETALING JAYA: The Malaysian Employers Federation (MEF) stands by its statement that about 100,000 people could be laid off this year, and said the figure could be even bigger depending on other factors.

Its executive director, Datuk Shamsuddin Bardan, said yesterday the number he provided was “a very conservative estimate” based on the national retrenchment average and the current market outlook.

He said MEF’s data showed that about 7,000 employees were retrenched in January this year alone, at a time when the impact of the novel coronavirus (Covid-19) has yet to be as widespread in the country.

“That 7,000 were just those who were retrenched due to other factors.

“If you look at the Covid-19 impact on businesses today, it is very severe.

“And looking at the current situation, this coronavirus issue could persist even longer than SARS (Severe Acute Respiratory Syndrome), which lasted about eight months.

“So, to say that 100,000 Malaysians could lose their jobs until the end of the year is not an exaggeration, but is actually a very conservative estimate.

“I stand by what I said,” he told theSun.

Shamsuddin was responding to remarks by several quarters refuting MEF’s estimation of 100,000 lay-offs in 2020 should the Covid-19 outbreak prolong until the end of the year.

He had told theSun on Monday that the number of those retrenched this year could be well over double the 40,000 Malaysians who were laid off last year, noting that many businesses were already seeing significant reduction in their revenues.

The National Occupational Safety and Health had earlier said there was no credible report or research to indicate that MEF’s estimate was accurate, and that the country was prepared to manage the coronavirus situation.

Its chairman, Alice Lau Kiong Yieng, also urged employers to take initiative to provide employees with accurate information about Covid-19 and not to create panic.

On Wednesday, Deputy Human Resources Minister Datuk Mahfuz Omar said the figure was just a rough estimation, and that the ministry was still studying the effects of the coronavirus.

In a statement yesterday, the ministry said the 100,000 figure was made on a speculative basis and did not consider the government’s initiatives to protect and enhance the workforce.

Shamsuddin, however, pointed out that the impact to the job market does not only depend on the measures taken by the country, but also other external factors beyond the government’s control.

“I would say Malaysia is doing well to cushion the impact of the virus, but what about the rest of the world. Many international airlines, for example, have relooked at their flights, because people are too afraid to travel.

“These are external factors that are beyond our control, and that is the biggest issue we need to look at.”