

MEF Welcomes Proposals to Enable Direct Hiring of Foreign Workers, Calls for One-Stop Labour Governance Under KESUMA

Petaling Jaya: MEF welcomes the Human Resources Ministry's initiative to develop a pathway that would allow Malaysian employers to directly hire foreign workers, a move aimed to eliminate third-party agents and curbing worker exploitation.

MEF President, Datuk Dr Syed Hussain Syed Husman expressed appreciation to Human Resources Minister Dato' Sri R. Ramanan for his proactive leadership in addressing one of the most persistent and complex challenges facing employers and foreign workers alike.

"MEF thanks the Human Resources Minister Dato' Sri R. Ramanan for his strong involvement and commitment to resolve this long-standing issue. The move to allow direct hiring is timely and necessary to address excessive recruitment costs, lack of transparency, and the exploitation of foreign workers through intermediaries," Datuk Dr Syed Hussain said.

Datuk Dr Syed Hussain noted that MEF has consistently advocated for all labour-related matters to be placed under the purview of the Ministry of Human Resources (KESUMA), with immigration requirements remaining under the Home Ministry (KDN).

"Human resource management, including approvals, regulation, and enforcement, rightfully comes under KESUMA. We fully support KESUMA being empowered as a one-stop center for the management of foreign labour matters," he said.

“We hope members of the Cabinet will take into consideration the needs of employers and support the proposal to allow Malaysian employers to directly hire foreign workers, a move that will eliminate third-party agents and curbing worker exploitation.”

Datuk Dr Syed Hussain said. highlighted that frequent policy shifts arising from changes in ministerial leadership over the years have resulted in inconsistent and ‘flip-flop’ hiring rules, creating confusion not only among employers, but also employees and foreign embassies involved in labour-sending countries.

“These constant changes have made workforce planning extremely difficult. Employers face uncertainty, workers are confused, and foreign embassies struggle to manage expectations and compliance. At the same time, the cost of hiring foreign workers keeps changing, with no single, transparent formula,” Datuk Dr Syed Hussain said.

Datuk Dr Syed Hussain added that MEF has held numerous engagements with foreign embassies, which have raised similar concerns and expressed support for a system that is more efficient, transparent, and cost-effective.

“There is broad agreement that Malaysia needs a recruitment framework that reduces unnecessary costs, removes middlemen, and ensures that workers fully understand and genuinely agree to their terms of employment before arrival,” Datuk Dr Syed Hussain said.

MEF emphasised that foreign labour remains a critical resource for Malaysia’s economy, particularly in sectors where local participation remains low.

“As a developing nation, Malaysia requires foreign workers to meet the operational needs of key industries. This is not a question of preference, but economic reality. Businesses must be able to access labour in a lawful, ethical, and predictable manner,” he stressed.

In line with broader labour reforms, MEF also proposed that the Government simplify and humanize the process for undocumented foreign workers to return to their home countries, in order to reduce enforcement burdens and encourage voluntary compliance.

“A clear, dignified, and simplified return mechanism would benefit both enforcement agencies and employers, while addressing humanitarian and social justice concerns,” Datuk Dr Syed Hussain said. MEF reaffirmed its strong commitment to social justice and fair treatment of all workers, regardless of nationality.

“MEF upholds the principle that Malaysia respects the rights of employers and employees alike, both local and foreign. All workers must be treated with dignity, equality, and respect,” he said.

Datuk Dr Syed Hussain also underscored MEF’s active role at the international level.

“MEF has always supported the Government on labour matters. As President of MEF, I serve on the Governing Body of the International Labour Organisation (ILO), which enables constructive engagement on these issues at both national and global levels,” he said.

“I am also Co-Chair with the Director-General of the ILO for the Global Social Justice Programme, representing employers worldwide through the International Organisation of Employers (IOE).”

MEF expressed confidence that the proposed government-to-government, technology-enabled recruitment model, including digital verification and secure payment mechanisms, will significantly improve Malaysia’s labour governance ecosystem if implemented with consistency and stakeholder consultation.

“MEF stands ready to continue working closely with KESUMA, KDN, and all relevant stakeholders to ensure that this initiative is sustainable, transparent, and aligned with international best practices,” Datuk Dr Syed Hussain concluded.

For further information, please contact the MEF Secretariat at 03-7498 7200 or email mef-hq@mef.org.my.

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