

Employment Act to be amended

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KUALA LUMPUR: Human Resources Minister Datuk Seri Dr Fong Chan Onn said yesterday the Employment Act needs to be reviewed, despite the concerns raised by both employers and a labour union, in order to make companies more competitive.

He said a retrenchment fund will also be set up as a social safety net for the affected workers.

Fong said the ministry has sent its officers and representatives from the Malaysian Trades Union

Congress (MTUC) and the Malaysian Employers Federation to visit the United Kingdom and Australia to study their revised employment acts.

"The consensus is that we need to look into removing some of the rigidity of the employment law so that the enterprises and companies in Malaysia can be more competitive," he told reporters after the groundbreaking ceremony for the new Federal Territory Social Security Organisation tower office.

Fong said a social safety net should be put in place through a

fund that can be used to provide temporary support to retrenched workers.

Both employers and employees will contribute to the retrenchment fund, Fong said. He was confident the system can take into consideration the interests of both parties.

Some employers are unhappy about having to contribute to the fund while the MTUC has said the current Employment Act is already adequate for companies to maintain global competitiveness.

Fong said while the

government has taken note of employers' request for changes to the law, they should also play a role in looking after the affected workers.

The minister also urged the

MTUC leadership to look at both sides of the issue.

"If they (companies) cannot expand, they cannot create more jobs."

