

## **Government targets experienced Malaysians to return home**

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KUALA LUMPUR, April 12 — The revised Returning Experts Programme (REP) announced by Datuk Seri Najib Razak today will focus on attracting Malaysians overseas with at least 10 years of working experience to return home to work, even though only 750 Malaysians had actually returned home to work since 2001 under the original programme.

The newest version of the REP will place more importance on bringing home Malaysians overseas with proper working experience as opposed to those with high academic qualifications.

“The qualifying criteria now place a greater emphasis on relevant work experience as opposed to qualifications.

“Diploma holders with at least 10 years of overseas work experience can now qualify for the REP if they have the relevant industry experience in a National Key Economic Area (NKEA),” said a statement from Talent Corp today.

Under the previous version of the REP, the minimum qualification required to be eligible was a degree in a relevant field.

In an effort to plug the talent leak, the Najib administration launched Talent Corp last year which is tasked to lure back the Malaysian diaspora and scout for foreign skilled professionals.

Najib **(picture)** said Talent Corp will be taking the lead in the REP and has revised the programme parameters and qualifying criteria which will be announced in full at a later date.

The prime minister had announced revisions to the REP to encourage more Malaysian professionals working overseas to come home and help drive the nation’s economic transformation.

The government is hoping to lure Malaysian professionals working abroad with a flat income tax rate of 15 per cent for five years under the REP.

The prime minister said today that the new 15 per cent transitional income tax incentive will be introduced alongside other incentives for returning Malaysian experts.

Other changes in store include limiting the tax free incentive for two cars under the REP to locally-assembled vehicles.

According to the statement, the revised REP will serve to compliment the recent launch of the Residence Pass on April 1 for foreigners.

“The REP is targeted at attracting back highly-skilled Malaysians currently working abroad, while the Residence Pass aims at attracting and retaining top foreign talent. The Residence

Pass is an enhancement of the Employment Pass, providing expatriates with a longer tenure of up to 10 years and greater flexibility in changing employment.

"The Residence Pass has been introduced in conjunction with efforts by the Ministry of Home Affairs to enhance terms of the employment pass, including allowing for a tenure of up to five years," said the statement by Talent Corp.

Malaysia is considered one of the nations most badly affected by brain drain and the number of Malaysian migrants rose by more than 100-fold in a 45-year period, from 9,576 Malaysians in 1960 to 1,489,168 Malaysians in 2005, according to the World Bank which warned that a lack of human capital is a "critical constraint in Malaysia's ambition to become a high-income economy".

While the lower income tax rate is attractive, it risks alienating skilled talent already in the country and, if just taken on its own, could prove ineffective at overcoming push factors such as lack of meritocracy and perceived lower education standards that led to many Malaysians moving their skills and money abroad.

Najib has however expressed confidence in Talent Corp and said today that the new agency is already "starting to deliver".

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