

EMGS Strongly Denies DAP MP's Allegations That It Restricts Competition
Bernama
16 Sept, 2013

KUALA LUMPUR, Sept 16 (Bernama) -- Education Global Services Malaysia has come out strongly to deny allegations by DAP MP Dr Ong Kian Ming who had called for EMGS to be dismantled and accused it of restricting competition, increasing costs and creating disincentives for foreign students to study in Malaysia.

Yazid Hamid, its Chief Executive Officer, refuted these allegations and called Dr Ong to review competition laws carefully before making misleading and sensationalist statements.

In a statement today, Yazid said that in 2008, the Department of Higher Education required all foreign students to have medical insurance cover from approved insurers which foreign students were required to purchase from their respective education institutions directly.

He said these institutions were free to charge whatever premium at whatever level of cover as long as the premium cost was a minimum of RM300 per annum, covering in and out-patient treatment and accident, and repatriation including in the event of death.

He said the government was concerned that whilst there was a minimum level of cover, it may not have ensured that students were able to receive the necessary medical care without having to turn to the public health service or having to bear this cost themselves.

He said many of the institutions only ever offered one choice of insurer - usually offered through an agent and the fee and coverage offered differed from one institution to another depending on the insurer and agents and there was no defined limit of cover and no independent vetting or approval of the adequacy of the cover.

He said this gave rise to a revision in the policy direction towards a standard and adequate cover to reduce the burden to Malaysian taxpayers and to provide students with adequate healthcare protection.

Yazid emphasised that EMGS does not and will not deal with agents -only with the insurer directly.

"On the appointment of AXA - appointing one provider is not in itself in breach of competition law, there is only one insurer providing professional indemnity to the Malaysian Bar - therefore exclusive appointments are not in themselves anti- competitive.

"EMGS had invited 13 insurers to quote on the provision of insurance and official responses were obtained individually and as well as through consortium proposals from AXA Affin General Insurance, AIA, Allianz General Insurance, Hong Leong Assurance, Etiqa Insurance, AmAssurance and Great Eastern Life.

"AXA Affin was chosen because they were able to meet the level of cover set for the best price - this process was therefore, without question, a competitive process. In addition the premium with AXA has been fixed for four years so whilst health insurance costs will continue to rise annually - foreign students are protected from this increase until 2017," he said.

He said EMGS has yet to be provided with the details of any insurance policy - currently on

the market - that matches the terms of cover for less than the RM500 charged to the foreign students - despite inviting institutions to come forward with this information.

On the time taken to process student passes, he said, the Ministry of Education was informed in September 2012 that applications for student visas were routinely taking 8 to 12 weeks to process.

Yazid said EMGS has since managed to reduce that time to an average of 16 working days since the beginning of operations in February 2013.

He said that while there were teething problems initially, these are fast being addressed and the charter for the issuance of a student pass within 14 working days will soon be achieved.

He stressed that EMGS and other government stakeholders are also working on a number of initiatives to ensure that foreign student applications are processed in an efficient and transparent manner including integration with Immigration systems, priority lane privileges and the issuance of biometric student cards.

"This has only been possible because EMGS as a government company and as the sole party responsible for the receipt of student pass applications is able to liaise with the Department of Immigration, Ministry of Home Affairs and Ministry of Education to facilitate improvements to the process.

"A major factor in creating a centrally controlled and managed student pass application process is the need for a robust, auditable and transparent system to ensure that the foreign students and private higher education institutions in Malaysia are monitored and performance managed for compliance."

"This need becomes even more apparent when we consider the ever increasing numbers of foreign students applying to study in Malaysia - and the need to assess the suitability of these students," he added.

He said the rationale for EMGS is based on proven models that are in use in other major education hubs around the world - including the UK, Australia and the US.

An EMGS online survey of fees showed clearly that many institutions charge prospective foreign students processing fees far in excess of the RM1,830 fees charged by EMGS.

"One well-known institution charges a new international undergraduate student RM3,420 as an International Student Service Fee which is inclusive of EMGS fees of RM1,830 plus an additional Registration Fee of RM4,500, a deposit (refundable) of RM1,500, a yearly University Resource Fee of RM1,000, a yearly Student Trust Fund fee of RM110, and Smart card fee of RM50, all which excludes tuition fees.

"This institution's up-front fees for a new international student in Year 1 (including an advance tuition fee of RM 8,000) totals RM18,580 - EMGS fees amount to less than 10% of this total charge which includes student pass processing fees of RM1,000, medical screening fees of RM250, immigration fees of RM80 and annual insurance cover at RM500.

"The fees charged by EMGS would not discourage a prospective foreign student from choosing Malaysia as an education destination as it assured them of a place in a legitimate and reputable institution of higher education approved by the Ministry of Education," he said.

With regard to the medical screening, Yazid, said that since Qualitas Health Care Group has been managing the medical screening process, between Feb 1, 2013 and Aug 30, 2013, 140 students tested positive for Hepatitis B and C, 93 students for prohibited drugs, 3 students for active tuberculosis, 2 students were found with suspected malignancy and 4 students were found to test positive for HIV.

He said if these tests were not managed centrally and within Malaysia, it would be impossible to ensure the accuracy of the results and it would be a monumental administrative task to manage thousands of individual clinics.

He said Qualitas was chosen since it maintains high standards and allows EMGS external control and the right and ability to audit and inspect and the fees charged reflect the cost of administering and managing this system.

He said any clinic can join the EMGS panel, if they are able to demonstrate that they can meet EMGS requirements for turnaround times, quality control and standard operating procedures.

He stressed that the revenue generated by EMGS from foreign students was being used to fund the processing services and to develop, operate and manage the International Students Visa Management system and operate the one-stop-centre as well as to market Malaysia as an education destination as opposed to these costs being borne by the Treasury as was previously the case.

"EMGS is envisioned to be a completely self-funded entity that will not burden the Malaysian government or taxpayer," he said.

He said EMGS believes Dr Ong has not been correctly briefed on the facts and thus invite him to contact EMGS directly to verify any facts in future and to clarify any issues.

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Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=978006>