

HOTEL ASSOCIATIONS JOINT STATEMENT FOR INCLUSION IN FOREIGN WORKER EMPLOYMENT EXPEDITION PLAN

SELANGOR, 17 January 2023 – The Minister of Human Resources in a Press Statement on the 17th of January 2023 released the ministry's plans to expedite the application and approval process of the hiring of foreign workers for critical sectors. Through this plan, employers from the five critical sectors can submit their application through the FWCMS platform and have their request processed and approved within 3 working days. Evidently, this will greatly help the affected sectors.

Following the Minister's Press Statement, Malaysian Association of Hotels (MAH), Malaysian Association of Hotel Owners (MAHO) and Malaysia Budget & Business Hotel Association (MyBHA) have jointly released our Press Statements in response to express our disappointments that the Hotel sector is not included in this plan as one of the recipient sectors.

Before the pandemic, the hotel sector has always been consistently ranked as the top three tourism receipt contributors every year and ranked in the top 5 for total employment in the larger Tourism Industry. Our sector was one of the worst hit during the pandemic as businesses are unable to operate due to the declined patronage and strict pandemic SOP of the time; displacing many employees from the hospitality industry which then were snapped up by other industries.

The hotel sector has found it to be difficult to replenish our workforce as hotel jobs are perceived as 3D - dirty, dangerous and difficult works which has long been considered unappealing by locals. We also have a problem recruiting new talents as the younger generations, Gen-Z who prefers gig economy jobs and tend not to prefer working long hours despite overtime pays. Previously-employed hotel staffs that was displaced due to the pandemic also are not keen on rejoining as they have built their career in other sectors during

the lapsed period. Locals also do not tend to stay long on hotel jobs and their high turnover rate adversely affect hotel operations as it means we cannot maintain a consistent standard of service for our patrons.

Hotels also have to contend with additional work post-pandemic such as to comply with a high standard of safety & hygiene SOP like the MAH Clean & Safe label to ensure the safety of guests and staffs. This increased workload requires additional staffing and extra hours in areas of security and housekeeping to maintain compliance and service standards.

Additionally, the hotel sector lies squarely in the hospitality industry which is labour intensive due to the services we rendered. Without sufficient manpower to man the amenities we offer, we cannot provide adequate services to the patrons. Eventually, this will affect the country's tourism reputation as our hospitality standard declines. This decline, undermines the government effort to have Malaysia to be the destination of choice for tourism especially in South-East Asia particularly our competitiveness in comparison to countries like Thailand, Indonesia and Vietnam.

Crucially, we want to make it clear that the hotel sector is not giving priority to foreign workers to fill our rosters compared to locals. However, faced by the acute manpower shortage in critical position such as housekeeping and F&B areas, necessitates hoteliers to resort to employing foreign workers just to continue their business. Which is why, our sector heavily relies on foreign workers employment and depends dearly on how fast our applications can be processed and approved.

MAH, MAHO and MyBHA hope in light of the above grounds, MOHR will review their plan and include the hotel sector in their recipient list to expedite the application for employment of foreign workers. The hotel sector was the first to be hit and the last to recover by the pandemic. Our Associations appeal to the Ministry to help us in our recovery. We welcome any opportunity to engage with the ministry to ensure the future success of the hotel sector in Malaysia.

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