



Media Statement

(FOR IMMEDIATE RELEASE)

Hefty FWTA Charges: STA Calls for Action to Alleviate the Burden on Industry

STA is taken aback by the implementation of the Foreign Workers Transformation Approach (FWTA) system, which is owned by the Sarawak Government. The system took effect on 15 January 2025, coinciding with the first briefing session organised by the Immigration and Labour Management Unit (ILMU) in Sibul.

This session, along with the subsequent briefing sessions scheduled for Bintulu and Kuching on 17 and 22 January respectively, only marks the beginning of the State-wide consultation with industrial stakeholders. While these sessions are intended to provide a platform for learning about the new system and offering feedback, implementing the system concurrently has not only left stakeholders with no viable options but also provided limited opportunity to prepare adequately or address critical concerns and potential shortcomings of the new system.

The introduction of the RM1,854.00 per worker charges has a drastic impact on the business environment. This sudden imposition, coupled with inadequate prior notice, consultation and transition period, has sparked widespread concerns across various industries in Sarawak.

This additional cost, unique to Sarawak (not applicable to Sabah and Peninsular Malaysia), poses a significant threat to the industry's competitiveness in the national, regional and international markets, particularly as industries are already burdened by charges imposed by the Federal Government. The collection of RM1,854.00 per worker could hinder industry's ability to remain sustainable in an increasingly challenging economic environment.

For the industry to remain sustainable, there is an urgent need for a regulatory environment that supports long-term growth and fosters a conducive atmosphere for development. In light of this, STA appeals to the Premier to intervene and urges the Sarawak government to defer the implementation of the FWTA charges until meaningful consultations with stakeholders, including STA, are conducted and their concerns are fully addressed.

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