

TO: ALL MEMBERS

### **EXTENSION OF THE 80:20 EMPLOYMENT REQUIREMENT FOR THE MANUFACTURING SECTOR**

Reference is made to the [PRESS RELEASE](#) by the Ministry of Investment, Trade, and Industry (MITI) dated 16 December 2024.

MITI has announced the extension of the deferment of the 80:20 employment requirement for the manufacturing sector until the full implementation of the Multi-Tier Levy Mechanism (MTLM).

This deferment allows manufacturers greater flexibility in managing their workforce while ensuring that industry operations remain uninterrupted. The government, however, continues to emphasise the importance of transitioning towards automation and advanced technology in line with the objectives of the New Industrial Master Plan (NIMP) 2030. MITI will also continue to focus on enhancing local workforce skills, aligning with industry needs to ensure competitiveness in a high-tech global economy.

#### **Multi-Tier Levy Mechanism (MTLM):**

1. To be implemented in early 2025.
2. The MTLM will replace the current 80:20 employment requirement in the Manufacturing License conditions.
3. The collected levy will be reinvested into the industry to support adoption of technology and automation, improve productivity, and reduce dependence on foreign workers.

#### **What This Means for the Plastics Industry:**

1. Manufacturers may continue to benefit from the deferment of the 80:20 employment policy until the MTLM is fully implemented.
2. Members are encouraged to plan and prepare for the eventual introduction of the MTLM in early 2025 by exploring automation solutions and upskilling initiatives.

The Malaysian Plastics Manufacturers Association (MPMA) remains committed to assisting members during this transition period. We encourage all members to stay informed and take advantage of available programmes to enhance productivity and workforce capabilities.

Thank you.

**MALAYSIAN PLASTICS MANUFACTURERS ASSOCIATION**

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