

TEEAM'S PRESS STATEMENT

Kuala Lumpur

22 July 2024

“GOVERNMENT TO RECONSIDER IMPOSITION OF THE HRD CORP LEVY ON E&E INDUSTRY”

Regarding HRD Corp Levy, The Electrical and Electronics Association Malaysia (TEEAM) representing electrical contractors, electrical distributors, and electrical manufacturers, is voicing concerns over the mandatory HRD Corp levy. Similar to property developers, our members find this levy to be a significant financial burden.

Since its implementation in 2021, the HRD Corp levy, set at 1% of employees' monthly wages, has adversely affected our industry's financial health. This levy is particularly unfavourable, as companies are already managing other financial obligations.

Electrical contractors for example are not only subject to this levy but also other industry-specific fees and levies. For instance, firms in our sector contribute to the Construction Industry Development Board (CIDB) with a 0.125% levy on the total value of construction work. Additionally, professionals in our industry, such as engineers, wiremen, chargemen, and competent servicing engineers, are required to pay annual renewal fees and participate in compulsory training programs under the Continuing Professional Development (CPD) initiative.

The introduction of the HRD Corp levy adds to the increasing operational costs, which is detrimental to the electrical and electronics industry. In the current economic climate, where our sector is striving to remain viable, it is imperative to reassess this requirement.

TEEAM urges the Government to reconsider the imposition of the HRD Corp levy on our industry. Exempting our sector from this levy would help reduce the cost of doing business, allowing companies to focus on delivering quality services and products without additional financial strain. We are ready to engage with the Government and relevant entities to discuss this matter further and advocate for a more favourable regulatory environment for our industry. TEEAM remains committed to supporting the nation's development by ensuring the provision of reliable and affordable electrical and electronic solutions.



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ABOUT TEEAM

The Electrical and Electronics Association of Malaysia (TEEAM) is the national representative body of the Electrical and Electronics (E&E) industries in Malaysia. TEEAM was established in 1952 and it aims to work closely with all Government departments, statutory bodies and the private sector to ensure and promote orderly growth and development of the E&E industries. Our members are the backbone of the E&E essential products & services. TEEAM participates actively in national development through assisting the Government to shape policies and regulations that affect the combined E&E industry. As the industries' leading body, TEEAM is well represented in various Government Ministries and related Agencies. TEEAM plays a key role in supporting our members' diverse needs by representing their views. TEEAM has over 1,900 members who have created many job opportunities and have positively contributed to the Malaysian economy.

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