



PERSATUAN MINYAK SAWIT MALAYSIA

MALAYSIAN PALM OIL ASSOCIATION

SARAWAK BRANCH

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FOR IMMEDIATE RELEASE

MPOA SARAWAK BRANCH CALLS FOR IMMEDIATE REVIEW OF FWTA IMPLEMENTATION AND OPERATIONAL IMPROVEMENTS TO THE SANSOLS SYSTEM

KUCHING, SARAWAK, 20TH MAY 2026 The Malaysian Palm Oil Association (MPOA) Sarawak Branch supports the concerns raised by the Sarawak Oil Palm Plantation Owners Association (SOPPOA) regarding the implementation of the Foreign Worker Transformation Approach (FWTA), and respectfully calls for an immediate review of the framework and operational enhancements to the SANSOLS system to ensure a practical, efficient and sustainable implementation for Sarawak's plantation sector.

MPOA acknowledges and supports the Sarawak Government's efforts to strengthen governance, transparency and digitalisation in foreign worker management through the FWTA and SANSOLS platform. These objectives are progressive and aligned with the industry's commitment towards responsible labour governance and regulatory compliance. However, the current implementation has introduced significant operational challenges and substantial additional costs to be incurred by employers, particularly within Sarawak's labour-intensive plantation sector.

The administrative fee of **RM1,854 per worker (excluding SST)** imposed under FWTA represents a substantial additional cost to be incurred by employers for every foreign worker recruited under the system. This cost is significantly higher compared to recruitment frameworks in Peninsular Malaysia and Sabah, where equivalent charges are not imposed, placing Sarawak-based employers at a distinct competitive disadvantage.

For plantation operators managing large-scale foreign worker recruitment, the cumulative cost to be incurred is considerable and further compounds existing financial pressures arising from the implementation of the **RM1,700 minimum wage**, the **mandatory EPF contributions for foreign workers**, increasing compliance obligations and broader rising operational costs across the sector.

MPOA is also concerned that operational inefficiencies within the SANSOLS system are resulting in additional indirect costs to be incurred by employers through delayed worker mobilisation, prolonged vacancies, productivity disruptions and workforce planning uncertainties.

Among the key operational issues identified are:

1. UPFRONT PAYMENT WITHOUT REFUND MECHANISM

Employers are required to make full payment at the initial application stage, with no refund mechanism where applications are rejected by Jabatan Imigresen Malaysia (JIM) or where Indonesian workers (PMI) are denied entry at the border. MPOA recommends the introduction of a structured refund or partial refund mechanism to mitigate financial losses beyond employers' control.

2. MANDATORY CLINIC ASSIGNMENT AND ADDITIONAL CHARGES

Additional charges are imposed where employers opt to utilise their own registered panel clinics for worker medical examinations. This creates unnecessary duplicated costs and contributes to delays caused by concentration of applicants at limited approved clinics. MPOA recommends expanding the pool of accredited clinics and allowing employers flexibility to select their preferred registered panel clinic.

3. DELAYS IN APPROVAL-IN-PRINCIPLE (AP) PROCESSING

Approval timelines remain prolonged and comparable to the previous manual system, undermining the objective of digitisation and efficiency enhancement.

4. LACK OF INTEGRATED PROBLEM RESOLUTION MECHANISM

SANSOLS currently serves primarily as a reporting platform without effectively resolving technical or procedural issues involving multiple agencies. A centralised coordination and issue-resolution mechanism should be established within the system.

5. ABSENCE OF CANDIDATE ELIGIBILITY PRE-SCREENING

The absence of a pre-screening module results in avoidable recruitment costs where candidates are later rejected due to blacklist or '*senarai syak*' issues. A centralised eligibility verification mechanism should be implemented before payment submission.

6. LACK OF COMMUNICATION INTERFACE

The platform does not allow employers to provide remarks or flag urgent cases for officer review. MPOA recommends introducing a remarks and escalation function within the system.

7. eVDR VALIDITY PERIOD CALCULATION

The validity period currently commences from the date of application rather than issuance, significantly shortening effective utilisation periods where delays occur. Validity should instead commence from the issuance date.

Sarawak's oil palm industry remains heavily dependent on foreign labour due to the state's unique terrain and peat soil conditions, which continue to limit mechanisation in harvesting activities. With approximately 1.67 million hectares under cultivation, efficient labour access remains critical to sustaining productivity and competitiveness.

The industry continues to contribute significantly to Sarawak's economy through export earnings, cess contributions, state tax revenues and employment generation. Labour policy reforms must therefore be carefully balanced against operational realities to preserve long-term sustainability and competitiveness.

MPOA Sarawak Branch respectfully urges the Sarawak Government and all relevant implementing agencies to engage closely with industry stakeholders to review the FWTA framework and enhance the operational effectiveness of the SANSOLS system.

MPOA remains committed to constructive collaboration with the Sarawak Government and all relevant authorities to ensure labour policies are implemented in a practical, transparent and sustainable manner that supports both regulatory objectives and the continued growth of Sarawak's palm oil industry.

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