MEF: Raise minimum wage to RM1,500, but do it gradually

Published 3 hours ago on 24 July 2018
By Reena Raj

The current minimum wage is RM1,000 per month for Peninsular Malaysia and RM920 for Sabah, Sarawak and Labuan. — Picture by Saw Siow Feng

KUALA LUMPUR, July 24 — Implementing the RM1,500 minimum wage for the private sector nationwide has to be done gradually as there are many factors involved, says Malaysian Employers Federation (MEF) executive director Datuk Shamsuddin Bardan.

He said there are many who are with the ‘assumption’ that the RM1,500 amount must be implemented as soon as possible.

“There are so many factors to be taken into account before the minimum wage of RM1,500 is implemented. It must be sustainable,” Shamsuddin told Malay Mail.

He was commenting on reports where Deputy Human Resource Minister Datuk Mahfuz Omar clarified that the minimum wage was not one of its promises to be fulfilled within 100 days after PH won GE14, but part of a five-year plan.

Shamsuddin said this year the minimum wage was set for a review and the new rate was supposed to be enforced effective July 1, but that failed to pass, with the government addressing other more pressing matters.

He however said the federation has constantly proposed increasing the minimum wage.
“The mechanics into how the government will subsidise 50 per cent of the increase of the minimum wage in the private sector is still not made clear yet,” he said.

He said the streamlining of wages between the states in peninsular Malaysia and East Malaysia is also yet to be completed.

“It will be too much of a pressure for the companies in Sabah and Sarawak to catch up with the minimum wage of RM 1,500 now, so doing it gradually will be better,” he said.

The current minimum wage is RM1,000 per month for Peninsular Malaysia and RM920 for Sabah, Sarawak and Labuan.

Malaysian Trades Union Congress (MTUC) president Datuk Abdul Halim Mansor said the congress has several times proposed to the National Wages Consultative Council that the minimum wage be raised to RM1,500.

Abdul Halim said when the PH government announced its plan to increase the minimum wage to RM1,500, MTUC felt that their call will finally be realised but the congress was not in the loop about the government’s five-year proposal.

“We did not think it will be stretched up to five years. Since it’s being reviewed every two years, it will be better if we can reach the target faster,” he said.

“There is a meeting scheduled with the consultative council somewhere this month, we will raise this matter again,” he said when contacted.