Price of goods to stay with new minimum wage: Miri MEF

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MIRI: The implementation of RM1,050 new minimum wage per month beginning Jan 1 next year will not lead to a price hike in essential goods in the country.

Malaysian Employers Federation (MEF) Miri branch chairman John Teo Peng Yew said business owners would not choose to increase the pricing of goods due to the present economic situation as some of them had yet to fully recover after the drop in oil prices at the end of 2015.

"Business owners will choose to absorb the difference in the increase of the minimum wage hoping that their business would not be affected," he told Bernama here today.

Supporting the federal government's decision on the new minimum wage, Teo said initially the proposal for the new minimum wage was to increase to RM1,200 per month but the federal government was willing to reconsider with the intention not to financially burden the employers.

"MEF, Malaysian Association of Hotels (MAH), Malaysia Chinese Chamber and Commerce and others wrote in to the federal government to reconsider it to be lower due to the present economic downturn," he said.

Teo said presently the majority of the employees in the private sectors in Sarawak are receiving more than RM1,000 with some of them receiving a salary more than the new minimum wage after being confirmed by their employers upon completing the probation period.

"So a difference of topping up of RM50 for those receiving RM1,000 at the moment will not affect employers in Sarawak as any Sarawakian receiving less than RM1,000 at this very moment will really find it tough to make a living," he said.

Teo, who is MAH Sarawak Chapter honorary secretary-general, said hoteliers would not be affected with the new minimum wage as some of the hoteliers were already paying the minimum wage of RM1,050 to their staff.

Presently the Minimum Wages Order 2016 provides a minimum wage of RM1,000 per month for Peninsular Malaysia and RM920 per month for Sabah, Sarawak and the Federal Territory of Labuan. — AFP