

When a  
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wage  
rise is  
healthy  
— Dr M

KUALA LUMPUR, Mon. — Datuk Seri Dr. Mahathir Mohamad said today a wage increase is not bad for the economy because this would promote greater consumer spending and generally contribute to wealth creation.

The Prime Minister, however, cautioned that a wage rise without commensurate or improved productivity would almost certainly result in a wage-price spiral, making the salary increases meaningless.

"Workers and managements must always bear this in mind. Inflation as a reason for wage increases is suicidal, but wage increases because of increases in productivity should not be resisted by management.

"The Government would like to see Malaysian wages rise with increasing productivity," he said.

He was speaking to the Press after opening the "Project Appraisal and Risk Analysis Management for Bankers" programme at the Petronas Management Institute in Bangi.