

Wage hike for civil servants from Jan 1

By Azmi M. Anshar

KUALA LUMPUR, Wed. — Datuk Seri Dr. Mahathir Mohamad today announced a five per cent interim wage increase for 885,415 Government employees from Jan 1 this year.

The Prime Minister said the increase, which would cost the Government an additional \$409 million a year, would be based on the employees' last drawn salary prior to the on-going civil service restructuring exercise. (The exercise began on Jan 1, 1989.)

Dr Mahathir told a Press conference that the increase, which would also benefit pensioners, was part of a comprehensive restructuring exercise of the entire salary schemes in the public sector to be completed within this year.

When the exercise is completed, he said Government servants could expect an additional increase.

For example, he said if the review felt that there should be a two per cent increase, this would be topped up to the interim five per cent.

However, he said the five per cent award did not include those whose salaries were raised earlier under the restructuring exercise involving some 200,000 administrative, education and technical services officers.

However, those in these categories who did not get any increase or got less than five per cent will get the full increase under the interim awards.

Although Dr Mahathir did not disclose details, group A employees like engineers and architects are likely to earn from \$52.50 to \$144 more, group B executive and accounting officers \$33.50 to \$97.50, group C clerks and technicians \$21.75 to \$74.25, and group D industrial and manual workers \$15 to \$48.50.

Since the restructuring would take some time, the Prime Minister said the Government felt that its employees should enjoy an initial pay increase.

Dr Mahathir said the fresh exercise was necessary as it was unfair for only three Government sector bodies to enjoy up-grading.

For these employees, their salaries have been adjusted according to the grades into which they

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Cuepacs sought seven per cent pay hike

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were absorbed during the two-year exercise.

The last time Government servants got a pay increase was in October, 1988. This was followed by substantial increases in civil service allowances from Jan 1 last year.

The Prime Minister, who also announced that he now chaired a special Cabinet committee on salaries to supervise the restructuring, met senior leaders of Cuepacs and the four National Joint Councils on Jan 11, where he unveiled the five per cent offer and other details.

Cuepacs, after discussing the proposal with their members, submitted a letter on Monday to the Prime Minister seeking a seven per cent hike, a minimum \$25 wage increase and arrears backdated to Jan 1, 1989.

However, Dr Mahathir said the Government could not accept the request as it would affect the whole restructuring.

Dr Mahathir warned the business community against increasing prices of goods and services as it was not tied to any taxes or posed any financial burden to traders.

In fact it was due to the Government's improved revenue brought about by the robust economy.

"If traders raise prices, the pay increase would be meaningless.

"When oil prices went up, the Government resisted attempts to increase prices of petrol and petroleum products much as it wanted in order to control inflation."

On complaints by unions that the current restructuring exercise was unfair as many did not benefit, Dr Mahathir said the Government had handled the exercise as fairly as possible and dismissed claims it was fraught with problems.

He said it was natural for people to ask for more than they could get as even those earning \$20,000 a month would claim it was insufficient.