

PM: CHECK WAGE INCREASES

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It'll ensure nation's competitiveness, says Dr M

By NILESH TIMBADIA

KUALA LUMPUR: There is a need to limit wage increases to ensure the nation's competitiveness in the international market, said Datuk Seri Dr Mahathir Mohamad.

The Prime Minister said unchecked wage increases would affect production costs which could hinder the nation's ability to compete with other countries.

"Industries would be unable to compete with the industries of developed nations and fail if production costs increased. This would leave many jobless," Dr Mahathir said on RTM's *Wawancara Bersama PM* (Interview with the PM) programme last night.

He said the Government was concerned over the

workers' well-being but felt that their future lay in their employers' performance, not "high wages."

However, he said wage increases must commensurate with improved productivity.

Dr Mahathir said Malaysia's relatively low production costs had enabled the country to maintain its unemployment rate at only four per cent.

He said it was also important for corporations to limit their dividends to shareholders and also limit perks to its senior executives and chairmen.

Instead, he said, the funds should be used for research and development to ensure that the company would have a future.

"If the shareholders only expect short-term returns without investing in research and development, then the company will fail," he added.

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