

# AVOID DISPUTES

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## Dr M: Wage rows will lead to friction and scare investors

By STEPHEN THEN  
and A. LETCHUMANAN

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**KEMAMAN:** Blatant demand for higher pay could have more negative than positive effects on the people, Datuk Seri Dr Mahathir Mohamad warned yesterday.

He said the country's relatively low labour cost was the main attraction for investors.

If Malaysian workers emulated their western counterparts and demanded high salaries even to the extent of resorting to industrial action, foreign companies would be afraid to invest for fear of incurring high operational costs, the Prime Minister said.

"Today the economies of Europe and even the United States are deteriorating because of friction between workers and managements over wages.

"Workers there resort to strikes to demand for higher wages while employers ignore their requests in the hope that they would give up. As a result both parties go to the extent of fighting to see who can withstand more punishment. This is a very primitive way of settling disputes," he said.

Dr Mahathir said unfortunately there were some outside parties trying to sow the seed of discontent among Malaysians on the pretext that such moves represented "workers' rights."

"Because the salaries of their work-

ers are too high and their productivity low, they lose their competitive edge through fewer investments.

"Now they want our workers to demand salary increases by resorting to disruptive industrial action in the hope that we too will lose our competitiveness and become like them.

"The western countries would love it if we cannot compete with them," he told some 200 political and corporate leaders at the Perwaja Steel Mill here before inaugurating its direct-reduction plant.

The audience included Terengganu Menteri Besar Tan Sri Wan Mokhtar Ahmad, Perwaja managing director Tan Sri Eric Chia, its chairman Tan Sri Zainal Abidin Sulong, state executive councillors of Terengganu and Kedah and several foreign corporate leaders involved with Perwaja.

Dr Mahathir said Malaysia lacked the technology, capital and market to be a main competitor in the industrial world, but it had managed to make up for the handicap through sound political and economic policies and low labour cost.

"Our industrial peace is our major asset. If workers have any problems, they should be solved in a civilised manner through negotiations or arbitration through a third party," he said.

Dr Mahathir praised Perwaja for emerging as the premier steel mill in the country, saying that the company was a showcase of industrial harmony.