

# Minimum wage 'does not mean more jobs'

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**KUALA LUMPUR:** Don't kill the goose that lays the golden egg.

This is Human Resources Minister Datuk Seri Dr Fong Chan Onn's advice to the Malaysian Trades Union Congress on its demand for a minimum wage of RM900 per month.

He said a minimum wage would invite an influx of foreigners from neighbouring countries who would rob locals of jobs.

He said foreigners could not be blamed for coming here as the minimum wage would be higher than the average wage in their countries.

Fong said the MTUC was mistaken if it thought that a minimum wage would mean more jobs for Malaysians.

"It's only a myth as foreigners will be flooding our land for jobs with many, especially in rural areas, being deprived of jobs," he told the *New Straits Times*.

Fong said a minimum wage also meant paying the amount to the 1.5 million legal foreign workers here. He said wage levels should ensure continued investment that creates jobs.

The Indonesian minimum wage ranges between RM136 and RM350 a month, which many employers do not honour.

Fong said the MTUC should work with the ministry on its sectorial approach to determine that wage conditions maintain the flexibility of the Malaysian economy and competitiveness.

He said a minimum wage would also affect secondary school students and undergraduates who would not be able to work part-time to support their studies.

Fong said the government was concerned about the welfare of local workers.

Last Tuesday, the MTUC held a picket to demand a RM900 minimum wage and a RM300 cost of living allowance for workers in the private sector.

Fong said the ministry was open to suggestions on sectors where the MTUC felt workers were underpaid.

He said the MTUC suggested that the wages of dock workers such as cargo handlers be re-



Human Resources Minister Datuk Seri Dr Fong Chan Onn says MTUC should work with the ministry

viewed.

"I have directed my officers to look into it and establish a commission of inquiry to ascertain if there is a need to set up a wage council for dock workers," he said.

On the Malaysia wage system, he said basic wages were determined by market forces.

"There is an efficient mechanism to determine wages in the industrial and construction sectors. These sectors have good union representation and collective agreements."

He said the half a million workers in the plantation sector had received a 9.7 per cent wage hike recently.

"The government does realise that there are sectors where an adequate market mechanism does not exist."

Recently, the ministry established a commission of inquiry to form a wage council for hotel workers. The councils will soon determine wages for about 1.2 million workers.

In May, the ministry embarked on a national employment census covering 570,000 employers nationwide.

Fong said the study, to be completed in October, would reveal the salary structure of workers at all levels in the private sector with the outcome determining if there was a need to form more wage councils.