

PM: Minimum wage issue needs careful scrutiny

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■ From Kamrul Idris in Rome

THE issue of a minimum wage has to be examined carefully for any added costs that could detract from Malaysian workers' competitiveness, the prime minister said.

"Any proposal on this matter must be discussed without resort to actions that would in the end cause workers to lose out," Datuk Seri Abdullah Ahmad Badawi told a press conference here on Monday at the end of the first day of his

official visit to Italy.

He was referring to the pickets staged in some parts of the country on Monday in support of the Malaysian Trades Union Congress' call for a RM900 minimum wage as well as a RM300 cost living allowance.

MTUC had on June 18 presented a memorandum to the Prime Minister's Office, giving the government a one-week ultimatum to respond, failing which it would resort to picketing.

Private sector unions have been

stepping up the pressure for a de facto pay rise since the recent announcement on the salary increases for the civil service.

"We know that employers are very concerned about labour costs. They are deciding whether or not to relocate.

"At the same time, investors intending to set up factories and hoping for a Malaysian workforce will have to think long and hard about the costs involved," Abdullah said.

Complicating the issue further is

the country's excessive reliance on foreign labour.

"Then there is the question of foreign workers. Would a minimum wage also cover them? Or would they be willing to work at current wage levels, which would make our workers even less competitive?"

"All these factors have to be thought through," he said.

The prime minister said he would ask Human Resources Minister Datuk Fong Chan Onn to present his views on the subject.