

Najib will announce minimum pay for private sector on Monday
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PUTRAJAYA: The highly anticipated minimum wage for the private sector will be unveiled on the eve of Labour Day by Prime Minister Datuk Seri Najib Tun Razak.

A statement from the Human Resources Ministry said Najib would make the announcement at the Putrajaya International Convention Centre on Monday.

Both workers' and employers' representatives have reached a consensus on the minimum wage rate said to be a "win-win situation" for all.

"It is a rate that is not so high that it will affect a business or cause enterprises to be out of business or lay off workers," said the statement.

It also credited the decision to the consultation process held by members of the National Wages Consultative Council with representatives from employers, employees and civil servants.

Studies were also conducted by the technical committee which comprises economists, social scientists and actuaries.

The minimum wage policy is expected to benefit some 3.2 million private sector workers in small and medium enterprises (SME), who earn less than RM700 a month.

They represent some 33% of the Malaysian workforce who currently live below the poverty line of RM763.

The minimum wage is a provision in the National Wages Consultative Council Act 2011, which was passed by Parliament in June last year.

Although the policy is expected to strengthen the purchasing power of those in the lower-income bracket, the ministry cautioned that the rise in consumer's buying power may result in the higher price of goods.

"This is a normal reaction in any economy worldwide," it said, adding that the Government would continue to monitor the price of goods and services to ensure they are offered to consumers at a reasonable rate.

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