

Najib: Minimum wage the right thing to do
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PETALING JAYA: The recently-announced national minimum wage is justified and took into consideration factors proposed by the World Bank, Datuk Seri Najib Tun Razak said.

"In principle, I am clear this is the right thing to do," wrote the Prime Minister on his blog.

"The minimum range was decided after taking into consideration several factors as proposed by the World Bank, such as cost of living, poverty-line index and unemployment rate," he said, adding that it will be reviewed every two years to account for changes.

Set at RM900 (RM4.33 per hour) for employees in the peninsula and RM800 (RM3.85 per hour) for workers in Sarawak, Sabah and the Federal Territory of Labuan, the minimum wage has received mixed reactions from workers but Najib insisted it was necessary.

However, he said the Government, in practice, has to carefully consider the correct balance between "guaranteeing workers a decent wage" and "encouraging employers to hire workers".

"Some international studies indicate that higher minimum wage can potentially affect demand for workers, especially youths lacking experience," he said, adding that the Government had identified measures to ensure a smooth transition towards implementing the new floor wage.

"In calculating this minimum wage, we have taken into consideration the need to maintain overseas investment in our country, which provides needed capital for generating jobs.

"We are also creating more job opportunities through the Economic Transformation Programme (ETP) in various industries such as tourism, wholesale and retail."

He added that the Government's target was to create 3.3mil jobs by 2020.

"In the meantime, I encourage Malaysians to keep tuned to the ETP to find out which industries they can look towards for more opportunities.

"This is a day for recognising the role played by our workers," said Najib, in reference to the annual Labour Day celebration on May 1.

"I'm confident this new policy will benefit many workers across the country."

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