

Minimum Wage: RM900 In Peninsula, RM800 In Sabah, Sarawak & Labuan
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PUTRAJAYA, April 30 (Bernama) -- The minimum wage for workers in Peninsular Malaysia has been set at RM900 a month or RM4.33 per hour while for Sarawak, Sabah and Labuan, the quantum is RM800 per month or RM3.85 an hour, Prime Minister Datuk Seri Najib Tun Abdul Razak announced.

He said the minimum wage would cover workers in all sectors of the economy except for the domestic help service or maid, gardener and similar employment categories.

"The minimum wage will take effect six months from the date the minimum wage order is gazetted," he said in speech when announcing the minimum wage for the private sector, here Monday night.

The announcement came in conjunction with the Workers' Day Tuesday and a gift from the federal government to the country's workers.

Najib said the government would provide an implementation mechanism so that the minimum wage initiative would not burden the employers or be detrimental to the workers, by allowing part of allowances or fix cash payments to be taken into account when calculating the wage quantum.

However, he said, for micro enterprises, the timeframe to implement the wage structure was 12 months from the date the minimum wage order was gazetted.

The prime minister said the 12-month exemption would not cover professional firms such as medical and dental clinics, legal firms, architectural firms and consultancy firms.

For these firms, he said, they would have to implement the minimum wage order in six months even if they only had five workers or less.

"Sufficient time is given to allow employers to restructure their business operations as well as the workers' salaries.

"The government also allows a flexible implementation mechanism so that employers who are genuinely unable to implement the minimum wage policy can apply for an extension of the transition period," he said.

Najib said the government was aware of the demand for the wage be set at between RM1,200 and RM1,500 but stressed that for a start, based on the recommendations by the National Wages Consultative Council and a World Bank study, the quantum should not be set too high.

"If the minimum wage is set at higher than RM900 (basic salary), this is expected to affect the economy, the labour market and the inflow of foreign investments.

"If this happens, the industry cannot operate properly and many workers will lose their jobs. The government cannot allow this to happen because it will be detrimental to the welfare of the workers as well as to the nation's interest," he said.

Najib said the government was also aware that setting a different quantum for the peninsula, and Sabah, Sarawak and Labuan would expose the government to accusations that it was being unfair to the workers in the two states and federal territory.

"The difference in the minimum wage between these two territories has to be put in place because of obvious disparities in the wage structure and cost of living," he said.

Najib said that within the next two or three years, however, the government hoped to be able to make adjustments to the minimum wage structure in the two states and bring it to be at the same level as that of the Peninsular Malaysia.

He stressed that the minimum wage would not remain static, stressing that it would be reviewed from time to time based on the country's ability, productivity and competitiveness.

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