

Minimum wages to be implemented gradually- PM

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KUALA LUMPUR, Aug 14 (Bernama) -- The implementation of the RM1,500 minimum wage will be carried out gradually to allow a recovery in the country's economy, said Prime Minister Tun Dr Mahathir Mohamad.

He said if Malaysia starts spending money which it does not have, it would not be good for the country in the long run.

"If we push for higher minimum wages, cost of production will go up and we will not be competitive. The cost of living will also increase, hence people cannot buy what they used to buy," he told reporters during a media conference in the Parliament here today.

Dr Mahathir instead suggested the country to have a minimum wage which correlates with productivity.

"Productivity must improve with higher wages. If it does not improve then the cost of living will go up and higher wages will not give you additional purchasing power," he said.

On August 10, the Prime Minister said that the increase in minimum wages in Malaysia would be done gradually and that there would be no salary review for civil servants for now, as the government needs give priority to repaying the nation's debts.

The nationwide standardisation of the minimum wage (RM1,500) was part of the Pakatan Harapan coalition's election manifesto.

Currently, the minimum wage in Peninsular Malaysia is RM1,000 and RM920 in Sabah and

Sarawak.

Dr Mahathir said that priority to increase the minimum wages would be given to residents in Sabah and Sarawak.

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