

**CABINET TO FINE-TUNE PROGRESSIVE SALARY POLICY FOR
IMPLEMENTATION – PM ANWAR
DATO' SERI ANWAR BIN IBRAHIM
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KUALA LUMPUR, Aug 7 — The proposed Progressive Salary Policy will be brought to the Cabinet for fine-tuning and to study the need to provide funds as incentives for its gradual implementation, said Datuk Seri Anwar Ibrahim.

The prime minister said this would be done according to the country's financial position and policy needs.

He said the policy was discussed at the National Economic Action Council (NEAC) meeting today as a shift towards job market recovery so that salaries can be increased more consistently and distributed more evenly.

“NEAC is of the view that the Progressive Salary Policy is one of the job market reforms to ensure Malaysian workers are not burdened by the cost of living and can enjoy work with decent salaries to guarantee the people's well-being and realise the agenda of uplifting the national economy,” he said in a statement today.

Anwar said this policy model was proposed after NEAC had considered the views and interests of employers and workers.

He said the incentive-based, productivity-linked policy is voluntary in nature and is meant to complement the Minimum Wage Policy, and it would come with guidelines on annual progressive salaries for every sector, occupation and level.

Anwar said preliminary engagements and surveys showed that 62 per cent of workers and 80 per cent of companies welcomed the proposed features of the policy and NEAC hoped it would be well received and involve the widest participation possible of companies and workers.

“The next step is to hold discussions and engagements with interested parties, especially industry players, businesses and workers,” he said.

The prime minister said salary was a fundamental issue which could no longer be neglected.

Anwar said based on the First Quarter 2023 Workers’ Wage Statistics Report (Formal Sector) which was tabled last week, more than two million Malaysian workers were still earning less than RM2,000 a month.

He said the situation was more worrying for youths aged 20-24 as their median salary was only RM1,682 a month, and most of the workers could only hit the top salary level of RM3,500 on reaching 40-49 years in their career.

At the same time, in view that the wage share ratio of Malaysian workers had dropped from 37.2 per cent in 2020 to 32.4 per cent in 2022, the government had set a target to raise this ratio to 45 per cent of total income, he added.

Anwar said the Gagasan Ekonomi MADANI: Memperkasa Rakyat (MADANI Economic Framework: Empowering the Rakyat) had set out the country’s direction for the medium term, especially to position the country as the leading economy in Asia and among the 30 biggest economies in the world.

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