

MINIMUM WAGES ON ECONOMIC REALITIES

RISE ON MINIMUM WAGES? WHY?

Entry level wages have remained unchanged for at least 15 years as trade and workers' associations were not powerful enough to negotiate wages and non-wage benefits.



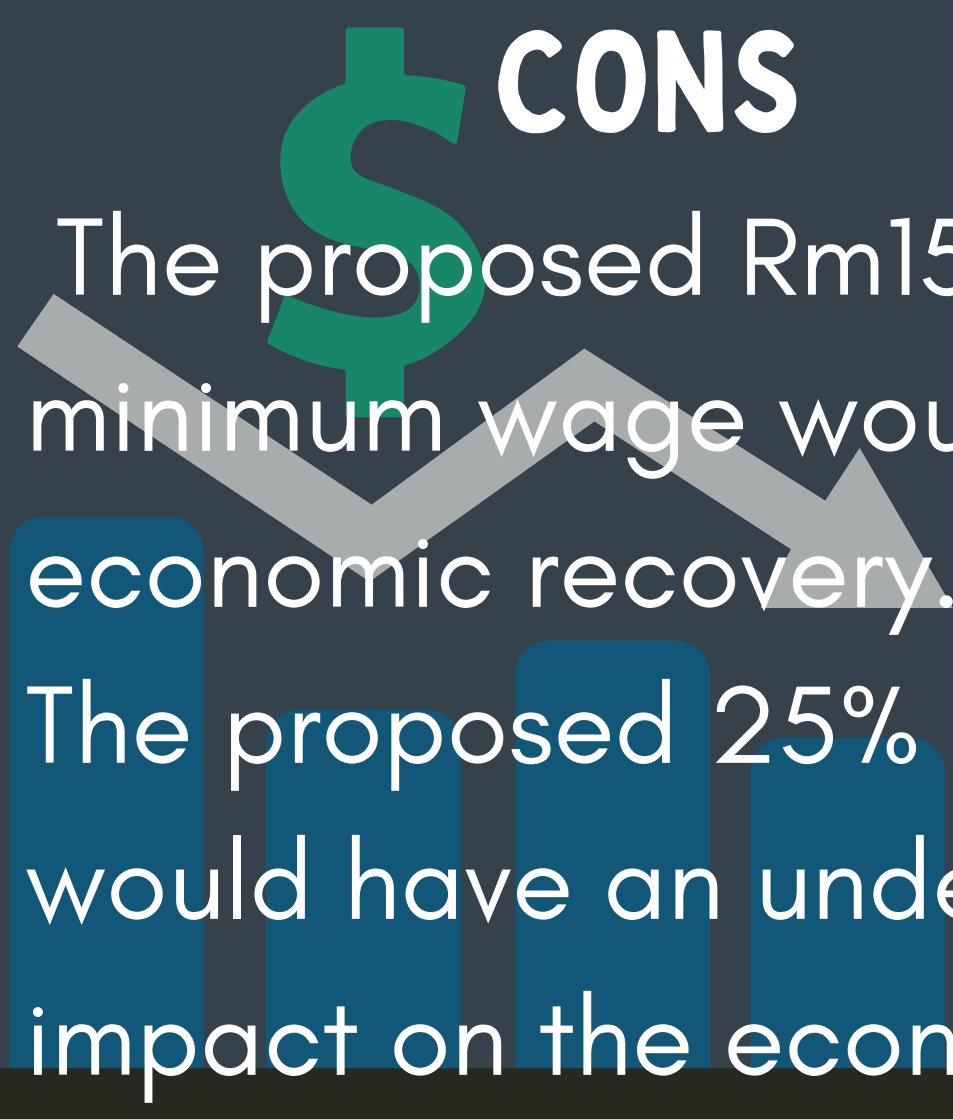
PROS

- Takes inflation and rising cost of living into consideration especially the rise in food and fuel prices.



CONS

- The proposed Rm1500 minimum wage would derail economic recovery.
- The proposed 25% increase would have an undesirable impact on the economy.



SUGGESTIONS

- Wages should increase according to provinces, occupations and sectors.
- Other instruments and policies need to be put in place to ensure that prices do not rise drastically aside from suppressing wages.
- Propose to hike the minimum wage from the current RM1,200, to increase progressively. For example, increase by RM50 - Rm100 every 2 years.

