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Decision on minimum wage scheme will consider all factors

THERE is no question of anyone, including the Malaysian Employers Federation (MEF), influencing a final decision on the imposition of a minimum wage scheme, Human Resources Minister Datuk Dr S. Subramaniam said.

He added that any decision on a minimum wage would be done in the best interest of the people and the country's economy.

"We will not be swayed by demands of any party on the matter," he told Abdullah Sani Abdul Hamid (PKR-Kuala Langat).

Subramaniam said all relevant factors and views in the drafting of the bill on minimum wage would be taken into account before it is tabled in Parliament.

He added that the ministry had held discussions with groups representing both the employees and employers.

"The Bill would also include punishment for employers who

fail to abide by the minimum wage standards," he said.

Subramaniam said the economic impact was also being studied by the ministry and the World Bank.

The study will address fears that foreign companies here will shift operations elsewhere due to a higher labour cost.

However, he said the minimum wage should not be seen as the primary tool to tackle the issue of poverty in the country.

"Most of those living below the poverty line are the unemployed, elderly and disabled persons who are not wage earners," he added.

He admitted that the annual increase in wages of about 2.9% was below the increasing cost of living over the last decade.

Government intervention is necessary to ensure that wages are in line with living costs, Subramaniam added.