

Businesses to bear RM600m wage bill with May 9 holiday

Samantha Ho / The Edge Financial Daily April 12, 2018 08:57 am +08

This article first appeared in The Edge Financial Daily, on April 12, 2018.

KUALA LUMPUR: RM600 million is the estimated total daily wage bill in Malaysia and the price businesses will have to bear following the announcement of yet another public holiday on May 9.

"Those are just the wage costs. The [additional] production loss is tremendous," Malaysian Employers Federation executive director Datuk Shamsuddin Bardan told The Edge Financial Daily yesterday.

Even so, he said businesses will be able to adapt to the additional public holiday and adjust their operations because of the advance notice.

Yesterday, the Prime Minister's Office declared May 9-a Wednesday -a public holiday to enable voters to exercise their right to vote in the 14th general election.

"This is not just any occasion; it's only once in every five years," Shamsuddin noted, urging employers to also accommodate employees who may need more than a day to travel back to their hometown to vote.

Shamsuddin's views were echoed by industry players.

"There will be disruption [to factory operations], but it is still manageable," Federation of Malaysian Manufacturers (FMM) vice-president Jacob Lee told The Edge Financial Daily.

Lee said members of the federation would prioritise their employees' right to exercise their civic duty.

"FMM encourages its members to support the electoral process by sticking to the requirements of giving employees time off to cast their vote," he added.

Glove makers are also unlikely to see production being badly affected due to the announced holiday, according to Malaysian Rubber Glove Manufacturers Association president Denis Low.

"The industry has always practised a schedule that operates 24/7 regardless of whether it is a public holiday, so there is no issue on productivity," he said.

However, a single day off may not suffice for employees who need to travel long distance to go back to their hometown.

"Even with a day off for voting on Wednesday, I've had staff asking if they could take leave on Tuesday as they need to travel back to their hometown," lamented a director of a local consultancy, who declined to be named.

Low acknowledged that "it can be a little inconvenient to working individuals and particularly those who have to travel far to return to their home state to vote.

"However, there is no definite telling when and what is a better time to set the voting day," Low said, adding that the polling date as set by the Election Commission has to be abided by.

Meanwhile, retailers at shopping malls may be less affected by the midweek polling date as compared to other businesses since larger crowds are typically seen on weekends.

"The impact on them will not be so substantial; it will be more operational than financial," said Malaysia Shopping Malls Association founding member and adviser Richard Chan.