



# Companies struggling, not trying to rip off workers, says MEF

By **Sean Augustin** - May 2, 2021 10:30 AM

PETALING JAYA: The nation's largest employers' group said it was unfair for Cuepacs to imply that companies refuse to raise their workers' salaries in order to make more profit.

The Malaysian Employers Federation (MEF) said most employers were already struggling to keep their businesses afloat in an economy affected by the Covid-19 pandemic.

MEF executive director Shamsuddin Bardan said companies had to also depend on a government wage subsidy programme to partly pay their employees' wages.

"The majority of employers are still struggling to sustain their businesses even though the government had lifted restrictions for companies to operate, especially staff in the management and supervisory positions.

"And last year most companies were not even talking about making profit but trying hard to keep the business going and trying to retain employees," he told FMT.

Shamsuddin said more than 32,000 companies had closed last year, while more than 107,000 employees lost their jobs.

While the priority now was to sustain their businesses, companies faced difficulties in financial and cash flow constraints, he said. Employers were trying to control the cost of doing business, which also included salaries of its staff.

"One of the factors to be considered in making any review of the minimum wage is the ability of employers to pay. By and large employers do not have the capacity to absorb the cost incurred in increasing wages," he said.

Yesterday, Cuepacs president Adnan Mat said the assumption that the cost of living would increase if salaries were raised could not be accepted, saying it was an excuse espoused by capitalists to rake in more profits at the expense of the employees.

He said this when calling on Putrajaya to update the salary system for civil servants to ensure it is relevant with current times.