

# Smaller pay jumps ahead

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**KUALA LUMPUR:** Pay rises and increments next year are likely to be smaller because of the global economic downturn, according to the Malaysian Employers Federation (MEF).

Executives can only expect a 5.53 per cent average increase in salaries and non-executives 5.59 per cent, according to an MEF survey of 202 companies.

An earlier forecast, which did not take into account the latest economic environment, had anticipated a 5.78 per cent increase for executives, MEF president Datuk Azman Shah Haron said yesterday.

Industries that had forecast high executive salary increases were those in machinery manufacturing, pharmaceutical, medical or textile products, and logistics, port, warehouse and transport services.

The salary increase for non-executives was forecast at 5.59 per cent compared with

## EARNINGS FORECAST FOR 2009

**5.53 per cent**

Average wage increase for executives

**1.98 months**

Average bonus for executives

**5.59 per cent**

Average wage increase for non-executives

**1.78 months**

Average bonus for non-executives

an earlier estimate of 5.85 per cent.

"The forecast was reduced slightly in light of the global economic downturn

"Generally, employers need to retain talent and would cut

other costs during the slowdown unless they have no choice. Retrenchment would be the last option," Azman said at a media briefing.

The salary increase for this year was 6.09 per cent for executives and 5.69 per cent for non-executives.

About 71 per cent of the companies surveyed said they expected to give bonuses to their executives next year.

The forecast average bonus for executives, after taking into account the tougher economic conditions, was 1.98 months compared with an earlier forecast of 2.1 months.

Non-executives, on average, can expect 1.78 months' bonus, lower than the earlier estimate of 1.99 months.

The average bonus payments this year were 2.25 months for executives and 2.05 months for non-executives.

The survey, completed in August, covered 15,163 executives and 43,499 non-executives.