

# Bosses predict lower pay rises next year

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**PETALING JAYA:** Executives and non-executives are expected to receive a slightly lower salary increase in 2008 compared with this year, the Malaysian Employers Federation's (MEF) latest salary and fringe benefits survey has revealed.

MEF president Datuk Azman Shah Harun said companies will be less generous because of an imminent increase in petrol prices and an uncertain global economic climate.

"An increase in petrol prices would mean an increase in costs and these uncertainties would be of concern to companies," he said.

## INDUSTRIES THAT FORECAST HIGH SALARY INCREASE FOR EXECUTIVES IN 2008

Construction, Infrastructure and Property	7%
Banking, Insurance and Investment	6.50%
Petroleum and Chemical	6.29%
Electrical/Electronics	5.97%
Diversified/Holdings	5.92%

## INDUSTRIES THAT FORECAST HIGH SALARY INCREASES FOR NON-EXECUTIVES IN 2008

Diversified/Holdings	6.5%
Wholesale, Retail and Trading and Direct Selling	6.25%
Business Services	6.21%
Electrical/Electronics	5.95%
Petroleum and Chemicals	5.89%

This phenomenon is not only affecting Malaysian companies but is a global concern, he said.

The average forecast salary for executives in 2008 is 5.69% compared with 6.25% forecast salary increase this year. For non-executives, the forecast salary increase is 0.03% lower than this year's actual salary increase.

Azman said companies looked at the performance of the employees, the company's capacity to pay, and the market rate to determine the quantum of salary increase.

About 86.3% linked salary increases to the performance of executives and 81.1% did so for non-executives.

"This is in line with MEF's efforts to promote the implementation of productivity and performance-linked wage systems in enhancing the country's competitiveness," he said.

A total 66.4% of respondent companies forecast granting an average 1.97 months bonus for executives next year - lower than the 2.28 months granted this year, 66.3% of respondents forecast 1.79 months for non-executives in 2008 compared to 2.05 months this year.

The survey also showed that the average for this year was higher than 2006 by 0.24% for executives and 0.23% for non-executives.

Azman said the turnover rate is expected to increase in 2008 with the development of the Iskandar (South), East Coast and East Malaysia economic regions.

"About 2 million job opportunities are expected to be created in these areas and this is expected to further increase the turnover rate of employees," he said.