

Employers oppose penalty on minimum wage

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PETALING JAYA: The RM10,000 fine to be imposed on employers who fail to comply with the minimum wage requirement would drive away foreign investments while hampering efforts to make Malaysia a high-income nation.

Malaysian Employers Federation executive director Shamsuddin Bardan said the proposed law would not be solely on the minimum wage but the formation of the National Wages Consultative Council (NWCC).

"The clause on the fine seems odd. It's like putting the cart before the horse. Although the minimum wage has not been fixed yet, the penalty for employers has been spelt out," he told *The Star* yesterday.

He added that the proposed fine would also drive away potential investors seeking to set up operations here.

Under the proposed Act, employers would be liable to a fine of not more than RM10,000 for each employee if they fail to pay the basic wage once the amount is determined by the Government.

Shamsuddin also said imposing a

minimum wage would be counter to the Government's effort in turning Malaysia into a high-income nation.

Rather than setting a minimum wage, he said the Government should look at ways to enhance employees' income while remaining competitive.

Shamsuddin added that some employers may take advantage of the law by keeping workers' wages at a minimum.

"There may be some employers who will be happy to pay their workers the minimum wage as long as they comply with the law," he said.

The NWCC bill was tabled before Parliament on Tuesday by Deputy Human Resources Minister Datuk Maznah Mazlan.

Among the provisions in the Bill are the roles and functions of the 23-member NWCC which is to convene four times a year.

The council would be responsible for collecting, analysing and researching data and make recommendations to the Government on the minimum wage.

The Bill also states that the council must consult the public on the minimum wage rate before making any recommendations.