

COMPANIES OFFERING AT LEAST 5%
THIS YEAR, SAY MEF AND MTUC

Better pay rises

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PETALING JAYA: Malaysian workers – both executive and non-executive categories – are looking at better salary increases and fringe benefits than that forecast by an international human resource firm’s survey.

Feedback from both Malaysian Employers Federation (MEF) and the Malaysian Trades Union Congress (MTUC) shows that employees stand to gain a minimum 5% pay rise and benefits this year.

This figure is significantly higher than the ECA International’s Salary Trends Survey 2006/2007 forecast of a 2% to 3.5% salary increase this year for Malaysian employees released on Tuesday. The survey puts Malaysia and South Korea at 8th-9th spot worldwide.

MEF executive director Samsuddin Baradan said the 2% to 3.5% figure was usually adopted by companies, who were unsure of what is transpiring (in the economic front), as an average forecast.

“Our own survey shows a higher figure,” he said when contacted yesterday.

He said one of the reasons for an expected higher salary range was that the Consumer Price Index (CPI)

for this year was expected to be below 3%.

Samsuddin said from The Salary & Fringe Benefits Survey Report which MEF conducted last year, he expects the salary and fringe benefits increase for executives for this year to be between 5.5% and 5.9%, whereas for non-executive it would be between 5.4% and 5.6%.

MTUC secretary-general G. Rajasekaran said salary and fringe benefits increase was only natural following the higher cost of living. He cited price and rate increases in petrol, electricity and toll as examples.

“There is a lot of pressure from the workers and unions to increase salary by 8%,” he said.

ECA’s survey said that real wage increases, which represent workers’ annual salary rises after taking inflation into account, are expected to climb an average 3.6% in Asia this year, a 50% jump from 2.4% last year.

Salaries for Asian workers may get a bigger boost because Asian economies are growing faster than the supply of talent – especially for senior managers – and because falling inflation rates are lifting purchasing power, Lee Quane, ECA’s Hongkong-based general manager, told Reuters.

According to the survey, which

compares 45 countries, workers in India are set to enjoy the sharpest jump in real wages across the globe this year at 7%. Workers in Indonesia and China come in a close second and third, with real wage increases forecast at about 6%.

Rajasekaran said feedback from some unions showed that employers’ response to pay rise requests had been encouraging. He said early negotiations of some collective agreements saw employers offering about 5%.

Rajasekaran agreed this figure was somewhat higher than the previous years’ initial opening figures which were 2% to 3%.

He attributed this to employers understanding the position their employees were in.

Rajasekaran said he was confident that follow-up negotiations would see pay adjustments higher than 5%. “It would not make us rich but would enable us to keep pace with costs.”