

Marginal rise in salaries next year, says MEF

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PETALING JAYA: Despite the global economic downturn, the Malaysian Employers Federation (MEF) predicts an increase of 5.53% and 5.59% in salaries for executives and non-executives, respectively, next year.

“Sixty-nine percent of the respondent companies forecast that there will be a salary increase for their executives and non-executives in 2009,” MEF president Datuk Azman Shah Haron said at the launch of MEF’s newest publications yesterday.

Originally forecast at 5.78% for executives and 5.85% for non-executives, the revised figures were slightly reduced after MEF conducted a follow-up survey among the 202 participating member companies following the economic crisis. The estimate is lower compared with those of previous years.

It was revealed that industries forecasting a high salary increase for its executives in 2009 are:

- » Machinery manufacturing (7.50%)
- » Pharmaceutical/ Medical/ Textile Products (7.00%)
- » Logistics/ Port/ Warehouse/ Transport Services (6.30%)
- » Banking/ Insurance/ Investment (6.25%); and
- » Business Services (6.19%).

Industries forecasting a high salary increase for non-executives are:

- » Banking/ Insurance/ Investment (6.75%)
- » Business Services (6.06%)
- » Non-Metallic Mineral Products (5.92%)
- » Food and Beverage (5.86%); and
- » Petroleum/ Chemical and Wholesale/ Retail and Trading/ Direct Selling (5.81%).

Overall, compared with the manufacturing sector, the non-manufacturing sector is expected to see a higher salary increase for

both its executives and non-executives.

On bonus payment, 72.1% of the respondent companies forecast that bonuses would be granted to non-executives as opposed to the 59.8% of companies who forecast granting bonuses to executives in 2009.

After adjustment to the receding economy, non-executives can look forward to an estimated 1.78-month bonus while executives will be looking at a 1.98-month bonus.

Asked for MEF’s expectations regarding next year’s retrenchment rate, its executive director, Shamsuddin Bardan, said: “If it does happen, the first to go will be the foreign workers ... in some ways, Malaysian workers are a little more protected.”

He said that based on recent trends,

retrenchment numbers can reach an estimated total of 2,000 to 3,000 workers if the economy failed to recover.

“In the initial period, we expect the manufacturing sector to be hit the hardest, especially those in the export-oriented and electronic and electric sectors,” he said.

Most of the forecasts are based on MEF’s latest publications:

- » MEF Salary Survey for Executives 2008;
- » MEF Salary Survey for Non Executives 2008;
- » MEF Medical Benefits Survey 2008; and
- » Analysis of Collective Agreements and Awards on Terms and Conditions of Employment 2007.