

# Help us retain employees instead of hiking minimum pay: MEF

*Wage review could even worsen economic crisis; address cost of living issue first, urges employers' group*

Published on 23 Oct 2021 7:47PM ·



Employers would be struggling to cope if minimum wage is increased as the Covid-19 pandemic has triggered a massive downturn across all economic sectors, says MEF president Datuk Syed Hussain Syed Husman. – Bernama Radio Twitter pic, October 23, 2021

---

**KUALA LUMPUR** – The economic crisis caused by the Covid-19 pandemic would see employers struggling to cope if minimum wages are increased.

In a statement today, the Malaysian Employers Federation president Datuk Syed Hussain Syed Husman pointed out that the Covid-19 pandemic has caused a massive drop in the performance of all economic sectors, causing the national economy to contract by 5% in 2020.

He said more than 32,500 companies have ceased operations, causing more than 107,000 employees to go jobless following the lockdowns imposed in 2020 and

2021.

Meanwhile, labour productivity had also taken a 16% hit last year.

Further, Syed Hussain says that although the government has allocated RM18 billion in wage subsidies benefiting 300,000 employers, many businesses face challenges to remain sustainable.

“We thank the government for its various subsidies but more is needed and we must do all we can to support existing business at this very critical juncture.

“Our top priority should be to provide more funding for businesses that were forced to shut down so that we are able to create employment for all those who lost their jobs during the lockdowns,” Syed Hussain said.

He added that given this grim economic scenario, a review of the national minimum wage would be detrimental, especially given that 98% of registered companies are SMEs and micro-enterprises.

Thus, instead of an increase in national minimum wages, Syed Hussain suggests that the government support SMEs and micro-enterprises to retain existing employees to allow stabilisation of the labour market.

Further, he points out it is futile to increase minimum wages if the issue of rising costs of living is not addressed first.

“To add to the cost of business now is unwise. It is more prudent to look into measures of controlling the cost of living, which will directly help the wage earners.

“The most valuable asset of employers are their employees and no employer wants to see their employees face difficulties.

“Productivity and performance will also improve when all parties are happy and safer. Employers are doing their best to ensure their employees are employed and

have a safe work environment.” – The Vibes, October 23, 2021