

## MEF welcomes govt's move to defer minimum salary implementation

Group says delay helps over 500,000 microenterprises to stabilise ahead of 'challenging' 2023

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The Malaysian Employers Federation has applauded the government's move to defer the implementation of the RM1,500 minimum wage for companies with less than five employees to July next year instead of January to help them find their footing. – SADIQ ASYRAF/The Vibes pic, December 27, 2022

**KUALA LUMPUR** – The Malaysian Employers Federation (MEF) has praised the government's move to defer the implementation of the RM1,500 minimum wage for companies with less than five employees.

Its president Datuk Syed Hussain Syed Husman said the decision to postpone it to July next year would give ample room to the micro-enterprises, estimated to be about 560,000 in the country, to stabilise their businesses ahead of an expected challenging 2023 economic climate.

“MEF is optimistic that once they are stable, most micro-enterprise employers will honour the RM1,500 minimum wage,” Syed Hussain said in a statement today.

“Employers value their employees. They are their asset. This is an issue of sustainability and keeping their business alive and retaining all their staff and building back their financial position”

He also thanked Human Resources Minister V. Sivakumar for listening to the stakeholders and taking into consideration the requirements of businesses to stay afloat during these tough times.

This comes after Sivakumar announced the move to postpone the implementation of the new minimum wage of RM1,500 for businesses with less than five employees.

Previously, all employers were supposed to begin to pay their staff salaries in accordance with the new minimum wage implemented from May 1 this year.

“But after taking into account the readiness of employers who employ less than five workers, the government has made the decision to defer the enforcement of the RM1,500 minimum wage from January 1, 2023 to July 1, 2023 under this category,” said Sivakumar.

On another matter, MEF stressed that the government should maintain the recruitment and management of all foreign workers under the Human Resources Ministry to ensure efficiency and to prevent any overlapping services by other bodies.

Syed Hussain said that businesses across all sectors are facing a severe shortage of workforce since early 2020 due to the freeze on recruitment of foreign workers.

“As an example, palm oil plantations face acute shortage of harvesters that continue to result in loss of revenue for planters of more than RM 1 billion per month and income to the government due to loss in palm oil yield. The palm oil industry may not be able to compete with that of Malaysia's neighbours by virtue of higher cost of sales and wastage,” he said.

He said that the same issues have also impacted other industries as well but added that the issues have been dealt with after the Human Resources Ministry was given the mandate to handle the recruitment of foreign labour.

Syed Hussain added that reverting to the previous policies would only increase the cost of doing business as there are those who would look for opportunities to increase the price of bringing foreign workforces into Malaysia. – The Vibes, December 27, 2022