

KERATAN AKHBAR

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PUTRAJAYA: The government does not rule out the possibility that the enforcement of RM1,500 minimum wage for employers with fewer than five workers, which began on July 1, would have an impact on the country's inflation rate.

Economy Minister Rafizi Ramli said the government had carried out assessments before deciding to enforce it.

"The enforcement of the minimum wage order comes with a risk (of inflation), but we (the government) always make sure that the increase in wage rate can help balance the salary and the cost of living of workers. That's our focus.

"The nature of the economy is such that there is always inflation. We hope to keep inflation at a healthy level of around 2%."

The minimum wage order was gazetted on April 27, 2022 for implementation the following month, while the enforcement of the RM1,500 minimum wage for employers with fewer than five workers took effect on July 1 this year.

Rafizi said the inflation rate in May continued to decline to 2.8% compared with 3.3% in April, marking a nine-month consecutive decrease.

"What's important is that inflation can be absorbed by a wage increase commensurate with the value of work and an increase in prices of goods."

He said the order could also ensure that workers' income increases periodically, in line with the rising cost of living. - Bernama