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Minister: Skilled workers still getting minimum wage, report shows

PUTRAJAYA: The minimum wage of RM1,500 should not be set as a benchmark by employers for the salary of fresh graduates, says Economy Minister Rafizi Ramli.

“The concept ... is that if minimum wage exists, then the starting wage for a degree (holder) should be higher because minimum wage is for unskilled workers, not skilled workers.

“However, preliminary findings of wage statistics show that the minimum wage is used as the reference wage to pay (salaries), especially to fresh graduates and young skilled workers.

“This ... requires an urgent policy for us to rectify the situation,” he said after launching the Employee Wages Statistics (Formal Sector) Report for the first quarter of 2023 here yesterday, Bernama reported.

The report found 10.2% of the 6.45 million formal workers were paid below RM1,500 in March 2023.

Rafizi said most Malaysians were paid low wages, whereby 82% of the 6.45 million formal workers were paid less than RM5,000 a month and 35% were paid RM2,000 and below in March 2023.

“With the publication of this

report, we know that we have salary issues – based on the data, over six million workers (are affected), and the government will focus on this matter,” he said.

He added that the report also revealed the median wages for formal workers in March 2023 stood at RM2,600, which is not far from the poverty line income of RM2,589.

“We do have a big problem. This is what restructuring is all about, it’s not just about getting investment and growth (but) making sure that whatever growth and investment that we plan or generate should be reflected in the daily livelihood of our workforce,” he said.

Rafizi said the progressive wage model, to be tabled at the National Economic Action Council (NEAC) on Monday, will be an important background for the government to deal with wage-related issues.

“I know it is also a big challenge for employers; we have to find a way to resolve these issues.

“We have held engagement sessions with employer groups and spoken and got their views. So far, small and medium-sized companies with fewer than 50 people have been informed basically,” he added.

Chief statistician Datuk Seri Dr

“The progressive wage model will be tabled at the NEAC on Monday.”

Rafizi Ramli

Mohd Uzir Mahidin said the median monthly wage for Malaysian formal employees increased by 8.3% to RM2,600 from RM2,400 in March 2022.

He said the number of formal workers who work under a contract of service or apprenticeship with an employer and receive remuneration for the work completed stood at 6.45 million in March 2023.

“Male formal employees constitute 55.5% or 3.58 million people of all formal workers, with median wages of RM2,664 per month. Female formal workers account for 44.5% or 2.87 million persons with median monthly wages of RM2,545,” he said.

The data, he said, was secured from the Employees Provident Fund (EPF) and the Social Security Organisation and did not consider public sector salaries.

“The wages estimated in this publication include bonuses, commissions and allowances paid to employees for work done during the reporting period,” he said.

He said the Chinese ethnic group earned the highest monthly median wage of RM4,000, followed by Indians at RM2,500, bumiputras at RM2,200 and others at RM2,000.

Mohd Uzir said the highest median wages in March 2023 were earned by formal workers aged 45 to 49 and 40 to 44, amounting to RM3,500.

The under-20 age group received the lowest median wage of RM1,500 that month.

He also said the highest median monthly wages in March 2023 were received in Kuala Lumpur (RM3,927), followed by Selangor (RM2,964), and Penang (RM2,627).

The states with the lowest monthly median wages that month were Kelantan, Perlis and Sabah at RM1,600, RM1,627 and RM1,782 respectively.

