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**Minimum Wage to be RM1,050 Nationwide**

| by Amardeep Singh Toor |

Since 1 July 2016, the Minimum Wages Order 2016 made pursuant to section 23(1) of the National Wages Consultative Council Act 2011 has provided that an employee shall be paid an average minimum wage of not less than RM1,000 per month or RM4.81 per hour in Peninsular Malaysia. For Sabah, Sarawak and the Federal Territory of Labuan, the minimum wage is RM920 per month or RM4.42 per hour.

One of the 10 promises in Pakatan Harapan's election manifesto for GE14 that it pledged to fulfil within the first 100 days in office was to standardise the minimum wage of employees nationwide and to start the process to increase the minimum wage. Harapan also promised to raise the minimum wage to RM1,500 per month nationwide in the first term of its administration and to subsidise the increase by 50 percent to reduce the burden on employers. <sup>[1]</sup>

Yesterday, the Prime Minister's Office released a written statement that Malaysia will have a standardised minimum wage of RM1,050 per month or RM5.05 per hour. This raise in the minimum wage is effective 1 January 2019. The Prime Minister's Office has also confirmed that it would not be providing any subsidies to employers due to the financial constraints faced by the government.

For now, the Minister of Human Resources has not made a new order or an order to amend or revoke the Minimum Wages Order 2016 as required under section 23 of the National Wages Consultative Council Act 2011. This is likely to happen in the coming weeks to give effect to the amendments announced by the Prime Minister's Office.

Source: [Press statement from Prime Minister's Office](#)

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[1]

See pages 14 and 75 of Pakatan Harapan's Buku Harapan manifesto [http://kempen.s3.amazonaws.com/manifesto/Manifesto\\_text/Manifesto\\_PH\\_EN.pdf](http://kempen.s3.amazonaws.com/manifesto/Manifesto_text/Manifesto_PH_EN.pdf)