

PM to bosses: Raise earnings of 'underpaid' middle-class

KUALA LUMPUR — Malaysia's middle-class are paid significantly less than the developed nations that the country aspires to join, Prime Minister Datuk Seri Najib Razak said yesterday.

In a Facebook post detailing measures in Budget 2016 to boost the income of the country's middle 40 per cent (M40), Najib said private firms must do their part in helping to raise the earnings of the group he dubbed the "quintessential measure" of Malaysia's prosperity.

"Currently in Malaysia, wages as a percentage to GDP stands at 34 per cent in 2014, and this is considerably lower than the levels of developed nations, which we aspire to become," he wrote.

"As such, I call for employers to be more inclusive in the sharing of the economic pie and company success so as to achieve the target of having our employees' compensation of at least 40 per cent to GDP by the year 2020."

Najib said such a move would allow workers to receive "more equitable" pay, on the condition it did not harm productivity.

He said it was impossible for any country to grow both economically and socially without the full participation of the middle-class, whose habits and values could fundamentally set the country's course.

Najib listed the measures he proposed in Budget 2016 to benefit the middle-class, including added tax reliefs and making homeownership easier for the group.

He said it was crucial for Putrajaya to ensure the middle-class was able to fully realise its potential to allow it to obtain the financial independence needed to raise their purchasing power and save for



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their retirement.

"To have a strong and growing economy, we need a strong and growing M40," he said.

The government tabled its 19th consec-

utive deficit Budget in October, but aims to reduce its overspending to 3.1 per cent of GDP from the expected 3.2 per cent this year despite falling revenue. — Malay Mail Online