



PRESS STATEMENT | 22 OCTOBER 2024

For Immediate Release

SERI Applauds Minimum Wage Increase in Malaysia's 2025 Budget: A Balanced Approach for Workers and Small Businesses

Kuala Lumpur, 22 October – Social Economic Research Institute (SERI) supports the government's recent announcement regarding the increase in the minimum wage as part of Malaysia's 2025 Budget. The government looks to raise the minimum wage from RM 1,500 to RM 1,700, applicable to all workers, including non-citizens in the private sector, with the exception of domestic workers and apprenticeship contracts. This is a significant step toward enhancing the quality of life for workers across the country while also recognizing the challenges that small businesses face by introducing smaller, incremental changes.

No undue burden

The government's plan to raise the minimum wage is vital for ensuring that all Malaysian workers receive fair compensation. To support small businesses, a temporary postponement of the minimum wage requirement for enterprises with fewer than five employees has been mooted, which would be effective until August 1, 2025. This strategic decision aims to strike a balance between safeguarding worker rights and enabling small businesses to adapt without undue burden.

Prime Minister Dato Seri Anwar Ibrahim also highlighted specific starting salaries for various professions, including RM2,290 for industrial and production technicians, RM3,380 for mechanical engineers, and RM2,985 for creative content design professionals. Additionally, PM Anwar announced plans to enforce a progressive wage policy starting next year. These figures illustrate the government's commitment to establishing clear and fair wage standards across different sectors. The budget also reports forecast federal revenue rising 5.5% to 339.7 billion ringgit in 2025 from 322.1 billion ringgit this year, further indicating a positive economic outlook.

SERI believes that providing comprehensive minimum wage guidelines for all sectors, as promised by the Ministry of Human Resources, will empower workers with the knowledge they need to advocate for fair pay. SERI encourages small business owners to engage with these guidelines to foster a supportive work environment while continuing to thrive in a competitive market.

As we move into 2025, SERI is committed to monitoring the impact of these changes and advocating for further policies that promote social equity and economic sustainability.

SERI is a non-partisan think-tank dedicated to the promotion of evidence-based policies that address issues of inequality. For more information, please visit www.seri.my or email us at hello@seri.my.