



# Labour Bulletin

## Suspend recruitment of migrant workers

Government should impose an immediate ban on recruitment of migrant workers. If the government is serious about reducing retrenchments and job losses, then all permits issued to employers to bring in migrant workers should be suspended. The immigration department should make a serious attempt to communicate with employers holding approved permits and direct them to suspend recruitment.

Government's reluctance to act firmly shows that their statements on job losses are mere rhetoric. It would be fairer and easier to stop migrant workers recruitment rather than to send them home in the event of retrenchment.

Government must bear in mind that workers brought in on a three years contract, have a right to seek compensation for the remaining period of contract. This will lead unscrupulous employers to retrench Malaysians first. Going by past experience, our Labour Department has allowed such discriminatory practices.

### Suspend foreign Labour Suppliers

The Immigration Department should suspend licenses issues to all 270 foreign labour suppliers.

### Training schemes will not address unemployment problem

We applaud Human Resource Minister's efforts to occupy retrenched workers with training on alternative skills. This, we believe, will offer help to a limited number of unemployed graduates but will not adequately reach out to majority of the workers affected by retrenchment.

Workers with five to ten years of seniority will not be able to survive without a stable income. They need to provide for their dependants and repay loans for housing and motor vehicles or risk foreclosure and repossession.

Government's repeated statements that, despite global economic melt-down, Malaysian economy remains stable, seriously contradict the feedback we get from industries.

G.Rajasekaran  
Secretary General

*Kerajaan Negeri  
Selangor harus  
mengambil alih  
Jabatan Air daripada  
Syabas dan Puncak  
Niaga.*

*MTUC percaya  
kerajaan baru mampu  
mengendalikan  
perkhidmatan asas  
yang penting ini  
dengan lebih cekap  
dan menguntungkan.*

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# Collective Agreement should give the same benefits to all its subsidiaries

**Trade dispute** : The subject matter of the trade dispute were on the terms of the collective agreements between the union and Muda Paper Mills Sdn Bhd(MPMSB) with respect to employees at the North Malaya Paper Mills in Seberang Perai.- 5 articles were disputed.-shift allowance, special leave, bonus, proposed salary adjustment and salary structure.

MPMSB had been one of the twelve subsidiary companies in the Muda Holdings Bhd group and had been in the process of streamlining the terms of CA for its 12 subsidiaries. The employees of its subsidiaries which had been located outside the Klang valley had been given lower shift allowances and bonuses than its employees who had been located in the Klang Valley.

## Union arguments and Court findings:

- The cost of living had been a relevant consideration in determining the shift allowance, salary adjustment and salary structure. There had not been any evidence to show that cost of living in the Klang valley had been higher than the cost of living in Seberang Perai.
- On whether the Tasek mill and the Kajang mill had been separate establishments, the employees at the Tasek mill and at the Kajang mill had been employed by the same employer but the factory operations at the

Tasek mill and the Kajang mill had been separate.

- On whether MPMSB had been **financially viable**, the **financial statements for the Tasek mill for 2006 had shown a dividend of RM5.20 per share being paid**. Dividends would only have been paid if MPMSB had made profits. Thus MPMSB had been financially viable.

## Court findings

- On whether the employees at the Tasek mill should have been given the same shift allowance as employees at the Kajang mill, the court found that there *had not been any evidence to suggest that the cost of living in Seberang Perai had been lower than the cost of living in Kajang and that the principle of rate for the job applied should apply*. Thus the court awarded an increase in the shift allowance from RM1.50 to RM4.00 per shift for the second shift and an increase of RM3 to RM6 per shift for the third shift.
- On the issue of *special leave to enable more trade union officials to attend courses and conferences for longer periods of time*, the court accepted the union's proposal *in toto*. **In an era of global competition, trade union officials should be given every opportunity of enhancing their knowledge and skills so that the manufacturing industry as a whole and MPMSB in particular becomes more competitive**. Further there had not been any jus-

tification to give better terms on special leave for the employees at the Kajang mill.

- On the issue of bonus, the employees at the Tasek mill and the Kajang mill had been employed by the same employer. MPMSB had given a bonus of 1.25 months to its employees at the Kajang mill pursuant to the recent CA. There had not been any justification for its to discriminate against its employees at the Tasek mill.

*bonus: it had to be emphasised that it would be the audited annual accounts of MPMSB and not the financial statement of the Tasek mill that would have to show that MPMSB had incurred a loss in a particular year..*

- On the issue of salary adjustment. The salary adjustment, which had been given to the employees of the 3 other companies in a similar industry, had been higher than the sum calculated based on the Harun formula on the increase in the consumer price index(CPI). The increase in the CPI from 2001-2005 had been 8.9. If the Harun formula had been applied, 60% or 2/3 of 8.9% would be 5.34 and 5.93 respectively. MPMSB's proposal which had been an increase of 7.4% had been generous and the court allowed it in respect of the employees at the Tasek mill.

Court chairman: Susila Sithampiram  
Union: Paper&Paper products manufacturing Employees' union  
Award No: 851 of 2008



# Kursus & Latihan



Kursus Asas Dua Hari Keselamatan dan Kesihatan Pekerjaan telah diadakan di Sungai Petani, Kedah pada 3 - 4hb Disember 2008. Seramai 29 pemimpin kesatuan sekerja dari negeri Kedah telah menyertai kursus ini.

One day leadership course on 10th December and two days MTUC/SOCSO OSH course in Kota Kinabalu Sabah.



Seminar Gender Audit telah diadakan di MTUC pusat dari 18-19 Disember 2008. Ketua dari Bahagian Wanita ITUC-AP Sdri Josephine dan En Padmanathan dari KPWKM(Kementerian) telah menyertai kursus ini. Dirasmikan oleh Presiden MTUC Tuan Syed Shahir. Seminar ini menekankan aspek *gender mainstreaming* dan *gender equality* dalam proses pengubalan polisi dan penguatkuasaan sepenuhnya.

## 7<sup>TH</sup> MTUC/SOCSO OSH NATIONAL CONFERENCE

National Conference on OSH was held from 24-26 Nov 2008 in Genting Highland Malaysia. The theme for this year was Occupational Health – Current Status in Malaysia. The conference highlighted some of the important element that need to be considered by all the stake holders looking at the finding from Dr. Krishna Gopal Rampal, from University Kebangsaan Malaysia study and analysis as follow:

- Include OSH law and regulation in all CA's under the union.
- Government-Liaise with MTUC on matters relating to Safety Advisory committee – meeting, discussion etc.
- Employers-Joint meeting with MEF as to ensure all employers/employees comply to the OSH Act 94.
- MMA-Enforce employers appointed panel doctors are also OHD panel of doctors. Impose fines for non compliance.
- Collaboration with NIOSH/SOCSO and other related agencies to promote safety and health campaign, seminars and courses thus creating awareness amongst workers;
- Enforce affiliates participation in MTUC's Safety and Health program.
- MTUC to highlight safety matters at the National Safety Council and provide feedback on the status to participating affiliates on issues raised.



# Memo Bantahan terhadap penurunan caruman KWSP

MTUC Executive Committee at its meeting on 17<sup>th</sup> November 2008 discussed at length the strong objections raised by 230 affiliates representing 550,000 workers against YAB Finance Minister's arbitrary decision, to reduce the rate of workers' contribution to the EPF by 3%.

Matlamat penubuhan KWSP adalah jelas iaitu untuk keperluan hari tua pekerja. Tujuan skim persaraan ialah untuk menyediakan manfaat persaraan bagi membolehkan orang yang dilindungi, sama ada pekerja atau setiap rakyat/penduduk membiayai kehidupan persaraan mereka tanpa bergantung kepada orang lain.

**Penilaian Semula Hala Tuju KWSP**

## Government's Decision Unfair And Unreasonable

We believe Government's decision was taken in great haste without taking into consideration the serious implications to the old age benefits of close to 6 million workers.

We quote here Government's reply to a question raised by a member of Parliament on 24 November 2008

*"Menggalakkan permintaan dalam negeri melalui inisiatif meningkatkan pendapatan boleh guna rakyat. Ini dicapai melalui pengurangan caruman wajib pekerja dalam Kumpulan Wang Simpanan Pekerja (KWSP) daripada 11% kepada 8% yang dapat meningkatkan penggunaan dalam negeri yang menjana pertumbuhan ekonomi. Ini dijangka mampu menjana pertambahan pendapatan boleh guna kira-kira RM4.8 billion setahun di peringkat nasional jika semua pencarum memilih caruman 8%. Sebaliknya, jika separuh daripada pencarum memilih berbuat demikian, jumlah pertambahan pendapatan boleh guna ialah RM2.4 billion setahun".*

From the above statement it is obvious that the unilateral decision was taken to add to the profits of the corporate sector at the expense of workers' old age benefit.

## Low Retirement Age

More than five million workers in the private sector are entirely dependant on their savings with the EPF for their survival on retirement at the age of 55 years. It is relevant to point out that although Government has raised the retirement age for public sector employees, Government has rejected repeated calls to intervene and direct the private sector to follow the retirement age set by the Government.

Jangka Hayat Pada Umur Kelahiran di Malaysia			Jangka hayat lelaki pada tahun 2000 ialah 72 tahun dan wanita adalah 75 tahun. Dengan umur persaraan 55 tahun, setiap pekerja memerlukan hampir 20 tahun lebih untuk meneruskan hidup persaraan mereka iaitu 17 tahun bagi lelaki dan 20 tahun bagi wanita.
Tahun	Lelaki	Wanita	
1950	55.1	55.1	Dengan peningkatan jangka hayat, tempoh bersara bagi ahli juga akan turut meningkat daripada <b>20 tahun</b> kepada <b>30 tahun</b> . Ini secara tidak langsung akan menjejaskan kecukupan manfaat persaraan pekerja kerana simpanan mungkin tidak cukup bagi membiayai tempoh bersara yang panjang.
1980	63.5	67.1	
1990	68.7	72.9	
2000	71.3	75.9	
2010	73.3	78.0	
2020	75.4	80.4	

Daripada analisis ini dapatlah dirumuskan bahawa kebanyakan ahli KWSP mempunyai simpanan yang rendah untuk membiayai kehidupan persaraan. Ahli KWSP tidak mempunyai jaminan persaraan sepanjang hayat seperti yang dinikmati oleh pesara perkhidmatan awam. Masalah kewangan ini akan menjadi lebih rumit jika pesara KWSP menghadapi penyakit kritikal yang memerlukan kos rawatannya adalah tinggi.

**Penilaian Semula Hala Tuju KWSP**

## Discriminatory Practices Against Women

Many companies, including multinational corporations, require women workers to retire at the age of 50 years. Government has turned a deaf year to complaints of such discriminatory practices against women workers.

On 17<sup>th</sup> November 2008 New Straits Time reported as follows:-

*Second Finance Minister Tan Sri Nor Mohamed Yakcop said the Malaysian habit of saving had prevented the country from*



*being hit hard by the global financial crisis. He said Asian values like thrift, trade, investment and saving had protected the economy from the turmoil in international financial markets. He said Malaysia's high savings rate of 37 percent, compared with the United States' zero percent, had cushioned it from the global credit crunch.*

MTUC fully endorse the Minister's conclusion that Malaysian habit of saving had indeed prevented an economic meltdown. However Government's decision to compulsorily reduce workers' contribution to the EPF is in direct contradiction to the Minister's support for the habit of saving.

### **EPF's Study**

Five years ago EPF carried out a study to ascertain the adequacy of workers' savings in the EPF to ensure that they can maintain a decent standard of living on retirement.

The study concluded that more than 70% of the workers exhausted their entire EPF savings within four years. This is a clear indication that EPF savings at current rate of 11% by employees and 12% by employers is drastically inadequate for the vast majority of EPF contributors.

Therefore is not difficult to understand that there is a great need to give better savings security in retirement, particularly since the retirement, has been set so at 55 and at 50 for majority of women.

Adalah didapati kebanyakan ahli KWSP yang berumur dalam lingkungan 50 tahun pada masa ini mempunyai simpanan yang rendah untuk menyara persaraan mereka. Selain itu, berbanding dengan pesara perkhidmatan awam, pesara yang menerima simpanan KWSP tidak mempunyai perlindungan kesihatan. Oleh itu, jika mereka mengidap penyakit kritikal pada umur tua mereka akan menghadapi kesulitan kewangan yang lebih berat.

***Penilaian Semula Hala Tuju KWSP***

### **Government's Unilateral Decision Violates Principle Of Tripartism**

We are deeply disappointed with Government's decision to completely ignore the existence of registered trade unions in the country and the Malaysian Trades Union Congress as the National Centre of Trade Unions. Worse still Government even ignored the EPF Board consisting of representatives of the workers, employers and Government.

### **Abuse Of Power**

We see that the YAB Minister of Finance has invoked powers vested in him under Section 74 of the EPF Act 1991. For the reasons stated here above we are of the view that YAB Minister failed to consider the impact of the compulsory reduction on the old age benefits of six million workers.

### **Reduction Of Contribution To Be Voluntary**

Initial announcement by the YAB Finance Ministry stated that the proposed reduction up to 3% would be voluntary. Disappointingly subsequent clarification contradicted the initial announcement.

Based on the clarification given by the EPF Management the reduction is compulsory. Those who wish to maintain their contribution at the current rate are required to submit written application by completing a specific form obtainable from the EPF.

### **Don't Burden Employers**

We wish to state that most employers have responded favorably to workers request to maintain workers' contribution at 11%. As a consequence of Government decision Employers are now burdened with the additional responsibility to change million of entries in their computer records and where records are maintained manually the work load to compute thousands of employees new rates will be time consuming.

Government must be mindful that that worker's are free to submit requests to raise their contribution at any stage in the period of 24 months. Again employers will be required to draw up a new contribution list which may not be at a uniform rate. This exercise definitely does not contribute towards better productivity.

In view of the numerous reasons stated here above, we request that YAB Minister of Finance reverse the procedure – i.e. the rate of contribution for all contributors be maintained at the current rate and those who opt to reduce be required to apply in writing.



3rd December 2008



# Impact of Global Economic Crisis Kesan Krisis Ekonomi global

Over 4,700 to lose jobs in next 3 months

More than 4,700 will lose their jobs in the next three months as the electronics sector is hit by the global economic downturn, the country's human resources minister has warned. S Subramaniam told state news agency *Bernama* that 102 companies had informed the Labour Department that 4,749 workers would be put out of a job between January and March, with most coming from the electronics sector.

"We cannot stop companies which are making losses from retrenching their workers. But we will do all we can to aid these workers to receive their compensation," he told *Bernama*. "I am very thankful that the workers' unions here have not been violent, unlike in other countries, that they have been quite calm about all of this," he added.

## Action centre set up

Subramaniam told *Bernama* his **ministry had set up an action centre at every district to monitor companies or employers who might be facing financial difficulties**. "Our officers will visit these companies and compile a weekly report which would be sent to the state and finally be compiled at central level.

"This would enable our ground force to ensure that the employers will meet their obligations towards their workers," he added. He said the workers included 1,500 at hard-drive manufacturer Western Digital, which announced the losses last week at its plant in Sarawak.

Malaysia's electronics sector has been hit hard by a drop in global demand for electrical and electronics goods, with the government announcing a RM7 billion stimulus package to reinforce the economy and maintain growth momentum.

*Source: Malaysiakini, Dec 23, 08*

## Malaysians in recession-hit Singapore face retrenchment

Johor Bahru: Tens of thousands of Malaysian workers from the services and manufacturing sectors in Singapore will be retrenched when employers, hit by the recession, start downsizing in the island republic.

Though the recession has not translated to retrenchment, Malaysian workers in Singapore are starting to feel jittery over the prospect of losing their jobs if the country's economy takes a turn for the worse.

At the same time, Johor is taking early steps, including playing job matchmaker, to ensure those retrenched can quickly be matched with jobs available locally.

For many Malaysians working in Singapore, the main concern is how to continue supporting their families if they are retrenched. Some said they were willing to take a pay cut and return to Malaysia. Others were even prepared to take up two jobs back home to supplement their income.

*Source: the star online, October 22, 08. Nelson Benjamin, Gladys Tay and Mohd Farhana Shah*

## MTUC CONDEMN WESTERN DIGITAL CLOSURE-May resort to Industrial Actions

MTUC Sarawak is very angry that Western Digital is closing down its plant in Kuching and moving its operations out of Sarawak to other parts of West Malaysia. More than 1500 employees will be retrenched and thrown out of their jobs..

We are not convinced that the closure is due to the global economic situation. It would make better economic sense for the company to close down one of its other plants in West Malaysia as it is easier to relocate employees to other plants.

The plant in Kuching is very cost competitive as far as labour cost is concerned. The State Government must ensure that other cost of doing business in Sarawak especially power tariffs and logistic costs are reduced.

MTUC division Secretary Andrew Lo said that he will be meeting all employees of the Company to decide on appropriate response including industrial action.

# MTUC: Scrap IJN takeover plan

Two unions have lauded the government's move to defer the privatisation plan of the National Heart Institute (IJN). And not only that! The Malaysian Trades Union Congress (MTUC) also wants the government to scrap altogether the idea of allowing conglomerate Sime Darby Bhd to buy a 51 per cent stake in the country's premier heart institute.

MTUC secretary-general G Rajasekaran said IJN was an important health care institution and it was the government's responsibility to maintain it for the benefit of the people, especially the poor.

On Thursday, Deputy Prime Minister Najib Tun Razak announced that the government had, in principle, given the green light to Sime Darby for the company to acquire a controlling stake in IJN Holdings.

However, he explained yesterday that the government has decided to postpone the deal until an in-depth review was undertaken by the relevant ministries.

*Source: Malaysiakini. Dec 20, 08.*

## Tarif Air Selangor, KL, Putrajaya Mungkin Naik 37 Peratus

PUTRAJAYA, 12 Dis (Bernama) -- Seramai 1.5 juta pengguna di Selangor, Kuala Lumpur dan Putrajaya mungkin terpaksa membayar kenaikan tarif air sebanyak 37 peratus jika Kerajaan Selangor tidak menyerahkan aset perkhidmatan airnya kepada Pengurusan Aset Air Berhad (PAAB) Mac tahun depan.

Menteri Tenaga, Air dan Komunikasi Datuk Shaziman Abu Mansor memberi jaminan tiada langsung kenaikan tarif air di kawasan-kawasan tersebut pada tahun depan sekiranya aset itu diserahkan.

Ini kerana perjanjian konsesi antara Kerajaan Persekutuan, Kerajaan Selangor dan Syabas selama 30 tahun antara 1 Jan 2005 hingga 31 Dis 2034 boleh dibatalkan dan tarif air boleh distrukturkan semula setelah penyerahan aset itu, katanya kepada para pemberita di pejabatnya di sini.

Beliau berkata aset perkhidmatan air Selangor bernilai RM5.5 billion termasuk paip utama, loji rawatan serta kawasan tadahan air dan aset itu adalah milik kerajaan Selangor dan empat pemegang konsesi air di negeri itu iaitu Syabas, Puncak Niaga, Splash dan Abas.

Penyerahan aset perkhidmatan air Selangor kepada PAAB, di bawah Kementerian Kewangan, bertujuan meringankan beban kewangan pengurusan air di Selangor yang turut membekalkan airnya kepada Kuala Lumpur dan Putrajaya.

Shaziman berkata masalah beban kewangan itu dapat dikurangkan kerana PAAB akan mengambil alih pengurusan aset termasuk bebanan hutang mereka melalui perpindahan aset itu dan kemudian menyewakannya semula kepada Kerajaan Selangor dan pemegang konsesinya pada kadar yang rendah.

Beliau menjelaskan PAAB boleh mengambil risiko tersebut kerana kadar faedah pinjaman Kerajaan Persekutuan yang rendah dan tempoh bayar balik pinjaman yang fleksibel berbanding dengan kerajaan negeri yang terpaksa membuat pinjaman bank bagi menguruskan aset perkhidmatan air mereka.

Mengikut perjanjian konsesi itu, tarif air di ketiga-tiga kawasan itu sepatutnya dinaikkan sebanyak 37 peratus pada 1 Jan 2009.

*Sumber: Laman Web Kementerian Tenaga Air dan Komunikasi( 12/12/2008 )*



# International news

## Swiss Government must protect its workers and Liechtenstein must join the ILO

Brussels, 15 December 2008: A new ITUC report on core labour standards in Switzerland and Liechtenstein issued today to coincide with the trade policy review at the WTO denounces the lack of adequate protection for workers in Switzerland.

The ITUC calls upon the Government of Liechtenstein to join the ILO and through it, to protect its own workers and to add its efforts towards the promotion of decent work throughout the world." With regard to Switzerland, although it has ratified all the ILO core conventions some aspects of its legislation are not in conformity with international standards. In particular the law does not provide for the reinstatement of trade unionists abusively dismissed. According to the report, in practice workers' right to negotiate collectively encounters significant difficulties that the Government is failing to address. In addition the persistence of limitations on the right to strike has not been adequately tackled by Swiss Federal authorities.

## Human Rights Day: Another Long List of Violations in 2008

Brussels, 10 December 2008: The Universal Declaration of Human Rights celebrates its 60th anniversary this year. Trade unions from across the world are taking part in the commemorations, and in so doing strengthening the links between fundamental rights at work and other human rights. While the Universal Declaration has had a very major effect ever since it was created, the tendency in recent years has been one of diminishing respect of human and trade union rights.

"Everything must be done to reverse the tendency seeking to reduce the importance of fundamental rights", declared ITUC General Secretary Guy Ryder. "It is vital that the global financial crisis not serve as a pretext for prolonging this harmful trend." These funda-

mental rights are scorned in many countries, in particular the Philippines, Colombia and Guatemala. 57 trade unions have been killed in the Philippines since 2001. With 39 deaths in 2007, Colombia remains the most dangerous country in the world for trade union leaders. Even if the number of murders is down slightly, other forms of violence and intimidation are growing.

## Korea: ITUC Condemns Arrest of KCTU President

Brussels, 8 December 2008: The ITUC has condemned the arrest by the Korean authorities of Lee Suk-haeng, president of the Korean Confederation of Trade Unions (KCTU), on 5 December. Lee was arrested for organising a general strike on 2 July 2008 and for organising solidarity action for workers from the E-Land retail company. The general strike was in protest at the government's decision to resume imports of beef from the USA in the absence of the necessary food safety guarantees, while the E-Land solidarity action was in support of workers employed under precarious and exploitative employment arrangements in violation of protections introduced into law in July 2007. The arrest, for "obstruction of business", was pursuant to warrants issued against Lee on 24 July 2008, along with ten other officials of the KCTU and its metals-sector affiliate the KMWU.

"The arrest of Lee Suk-haeng is a flagrant violation of Korea's international legal obligations to respect freedom of association. We call on the authorities to release him immediately and withdraw all the arrest warrants," said ITUC General Secretary Guy Ryder. Following the issuing of the arrest warrants in July, KCTU General Secretary Lee Yong Shik, and First Vice-President Jin Young Ok were arrested and subsequently released on bail. The KCTU headquarters building was surrounded by police, people entering the premises were subjected to searches, and homes and family members of KCTU leaders were subjected to police surveillance.

*Source: International Trade Union Confederation*