



# Labour Bulletin

## MTUC SEEKS MEETING WITH PRIME MINISTER AND LABOUR FRIENDLY STATE GOVERNMENTS

MTUC is seeking to meet with Prime Minister YAB Datuk Seri Abdullah Ahmad Badawi to pursue their proposal for a RM900 minimum wage. Last June, MTUC submitted a 5 page memorandum to Prime Minister YAB Datuk Seri Abdullah Ahmad Badawi urging him to take urgent measures to stipulate a legal minimum wage.

MTUC is disappointed that Prime Minister did not respond to MTUC's proposal up to now.

MTUC will now seek the support of labour friendly State Governments. A fair minimum wage is important to ensure decent work and improve standard of living. If government is sincere in their efforts to eradicate poverty, setting a minimum wage will serve as an important first step.

Last year more than 20,000 workers took part in nationwide pickets organised by MTUC to pursue their minimum wage proposal.

MTUC wants the State Governments to abolish the practice of allowing recruiting agencies to import foreign workers to be hired out to employers. Although the Ministry of Home Affairs is fully aware of abuses and exploitative working conditions practiced by recruiting agents, they continue to permit the outsourcing system. We will urge the Prime Minister to review this unacceptable practice: MTUC suspects that this system promotes corruption.

In the past year MTUC has highlighted series of cases where foreign workers brought in by labour suppliers were deprived of work and earnings. We see this as one of the main cause leading to increase in illegal foreign workers in the country.

G. RAJASEKARAN  
Secretary General

*Tahniah !  
Setiausaha Agung  
Kesatuan Pekerja-  
pekerja Kelab  
Sdra. Abdullah  
Sani telah berjaya  
memenangi kerusi  
parlimen Kuala  
Langat*

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# Transfer to a non-existent post tantamount to Dismissal

says Industrial Court Chairman, Jalaldin Hj Hussain

## Dismissal unjustified-court awards RM132,500

Disputes arose out of transfer-the claimant was transferred to another department.

The claimant had been employed by the company as a Senior Purchasing Executive. He was transferred through an internal transfer to the KPO office where he reported for duty despite being unhappy with the transfer. His request to be reinstated to his former post was denied stating that his transfer had been within the company's prerogative.

### Claimant's arguments:

- Claimant was not informed of real reason for transfer - Reason given to claimant was poor performance;
- Claimant transferred on basis of request and e-mails;
- Company not following own standard operating procedures;
- Claimant not given opportunity to explain himself.

### Company's justification:

- The claimant's bound by the company's rules and regulations;
- The claimant's transfer was within the company's prerogative.

### The chairman noted that:

- The company had acted *mala fide* and as such had committed a fundamental breach of mutual trust and confidence implied in the contract of employment and such breach had amounted to a repudiation of the contract of employment and thus there had been a dismissal by the company ;
- COW under cross-examination had admitted that the company had not followed the company's policy and procedure when they had transferred the claimant out and no reasons had been forthcoming as to why there had been such a departure from the company's standard operating procedures;
- **The claimant had been transferred to a non-existent post.** The claimant's evidence on a balance of probability showed that the transfer had not been in the company's or the claimant's interests bearing in mind the claimant's contributions to the company and the fact that the claimant had not had any experience in the said field as he had been an accounts graduate with experience in financial matters as opposed to technical matters.
- **The claimant had been left on the production floor to do menial work, unattended and alone with no training programme.** Thus his contention that it had been done to frustrate him on a balance of probability was probable.
- **The claimant's responsibilities had been greatly reduced.** Prior to his transfer he had had 10 staff working under him but in KPO he had been alone. He had been the Head of Department prior to his transfer but upon transfer, he had no longer been the head although his status remained E3. He had had a partitioned office prior to his transfer but at KPO he had been given a desk and a chair and seated on the production floor. At KPO, the claimant had only been given menial tasks to perform.

*The Court found that on a balance of probability, the company's subsequent conduct had been a harassment to the claimant and showed that the company no longer intended to be bound by the essential terms of acting fairly to the claimant.*

Award No:1735 of 2007

Company : Asian Composites Manufacturing Sdn. Bhd.

MTUC Rep: Mr Peter Kandiah

# Isu semasa

## NUTE to Picket Against Telekom Malaysia (TM)

Telekom Malaysia will be facing a nationwide picket by the National Union of Telecommunication Employees (NUTE) this Tuesday 18 March 2008. The picket is as a mean to protest against TM's implementation of the Employee's Share Option Scheme (ESOS). Together with NUTE, the picket will be also joined by Sabah Union of Telecommunication Employees (SUTE) and the Union of Telecommunication Employees Sarawak (UTES) who will be staging the protest in their respective states.

According to NUTE president, Mohamed Shafie BP Mammal said the picket was due to the unfair allocation of shares where TM's management had no clear formula for allocation. TM was also said to have failed in disclosing the information about the whole process, and did not discuss the terms and conditions of allocation with the unions.

The unions are also not satisfied with the overall 'outsourcing' handling by the company.

"The decision made by TM shareholders during the extraordinary general meeting was well-received by the three unions. However, the three unions unequivocally and wholly reject the manner and procedure of the ESOS exercise," said Shafie.

25 pickets will be held in the Peninsular Malaysia and three in Sabah and Sarawak.

In October 2006, more than 500 members of NUTE organized a picket in front of Telekom Malaysia HQ in Kuala Lumpur in protest of their 'insourcing' activity of the call centers to VADS Berhad, a company majority-owned by TM. The employees were the staff of TM Call Center at the Retail Customer Contact Center (TMRCC). During the same time, about 800 employees in Sabah and Sarawak picketed in the respective states.

Source: <http://skorcareer.com.my/blog/nute-picket-mogok-telekom-malaysia-tm/2008/03/16/>

## MTUC welcomes the labour department's move to penalise employers. We hope they will be persistent in this matter.

By Suganthi Suparmanian :

NST, 2008/02/19

KUALA LUMPUR: The Labour Department will go all out this year to prosecute employers who mistreat their foreign workers as they have tainted Malaysia's good name. Its legal and enforcement chief, Khamis A. R. Majid, said each of its 300 officers were expected to prosecute at least two cases this year. To date, the department has 45 cases pending. They include unpaid wages, unfair deductions of salaries and abusive employers.

He acknowledged that outsourcing companies, which bring in workers in large numbers before contracting them out to work with different employers, have caused many problems.

"We will do our best to inspect the outsourcing companies," he said, adding that cancelling the permits of such unscrupulous companies was not under his jurisdiction. "We are serious. We are going all out to investigate those who employ foreign workers," he said at a conference on "Developing a Comprehensive Policy Framework for Migrant Labour" here yesterday.

The conference, jointly organised by the Bar Council and the International Labour Organisation, was attended by about 300 participants. Khamis said his department had also proposed that employers pay for the insurance for their domestic workers, failing which they would be fined a maximum of RM20,000 or jailed for two years.

He said foreign workers should seek the help of the labour department if they were mistreated by their employers

COMPLAINTS RECEIVED FROM FOREIGN WORKERS (2005-2007)					
No.	Country	Number of cases			Total
		2005	2006	2007	
1.	Bangladesh	39	32	59	130
2.	Cambodia	0	1	0	1
3.	China	5	1	1	7
4.	India	44	63	53	160
5.	Indonesia	289	307	209	805
6.	Japan	0	2	0	2
7.	Myanmar	15	15	15	45
8.	Nepal	32	22	34	88
9.	Pakistan	5	23	9	37
10.	Philippines	48	49	30	127
11.	Singapore	1	1	0	2
12.	Thailand	4	0	2	6
13.	Uzbekistan	2	0	0	2
14.	Sri Lanka	0	4	4	8
15.	Vietnam	24	28	15	67
TOTAL		508	548	431	1487



# Indek Harga Pengguna

**Jadual 1**

**Index Harga Pengguna (Consumer Price Index)(2005=100)**

2005	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CPI
Malaysia	98.6	98.7	98.7	98.9	99.7	99.9	99.9	100.6	100.8	101.0	101.4	101.5	2.9
S'jung	98.6	98.7	98.7	98.9	99.8	99.9	100.0	100.7	100.8	101.0	101.3	101.5	2.9
Sabah	98.6	98.8	98.9	99.0	99.5	99.6	99.8	100.5	100.7	100.9	101.7	101.8	3.2
Sarawak	98.5	98.6	98.7	98.9	99.7	99.8	100.0	100.6	101.0	101.2	101.4	101.5	3

2006	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CPI
Malaysia	101.8	101.9	103.4	103.4	103.6	103.8	104.0	103.9	104.1	104.1	104.4	104.6	2.8
S'jung	101.8	101.9	103.3	103.2	103.6	103.8	103.9	103.9	104.0	104.1	104.4	104.6	2
Sabah	102.0	102.4	104.1	103.7	103.7	103.6	103.8	103.9	103.8	104.2	104.5	104.4	2.4
Sarawak	101.7	102.1	104.3	104.2	104.2	104.2	104.4	104.5	104.0	104.7	104.8	104.7	3

2007	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CPI
Malaysia	105.1	105.1	105.0	105.0	105.1	105.3	105.7	105.9	106.0	106.1	106.8	107.1	1.9
S'jung	105.1	105.0	104.9	104.9	105.1	105.3	105.6	105.8	106.0	106.1	106.8	107.1	2
Sabah	105.0	105.2	105.3	105.4	105.3	105.6	105.9	106.1	106.3	106.5	106.9	107.2	2
Sarawak	105.1	105.2	105.3	105.3	105.4	105.6	105.9	105.9	106.1	106.2	106.8	107.2	2

Sumber: Jabatan Statistik Negara

**Jadual 1** menunjukkan Indek Harga Pengguna(IHP) bagi tahun 2005- 2007. Pada setiap penghujung jadual diatas telah di kirakan peratusan IHP bagi tahun tersebut. Tahun 2005 secara keseluruhan adalah 3% manakala tahun 2006 agak ber-beza mengikut negeri dan tahun 2007 pula secara purata adalah 2.0.

**Jadual 2** pula menunjukkan peningkatan peratusan IHP secara purata bagi lima tahun(2003-2007) untuk keseluruhan Malaysia. Nilainya agak tinggi sehingga tahun 2006 dan sekata mulai tahun 2007 iaitu berada pada paras 2% untuk seluruh Malaysia, walaupun pada tahun ini kenaikan harga barangan pengguna tidak dapat dinafikan.

**Jadual 2 CPI for the period of 2003-2007**

Year	Peningsular	Sabah	S'wak	M'ysia
2003	1.0	0.3	0.6	1.0
2004	2.3	1.1	1.6	2.1
2005	3.0	3.2	3.0	3.0
2006	2.8	2.4	3.0	2.8
2007	2.0	2.1	2.0	2.0

## Percentage Changes:

Index Point difference divided by the previous index, multiplied by one hundred

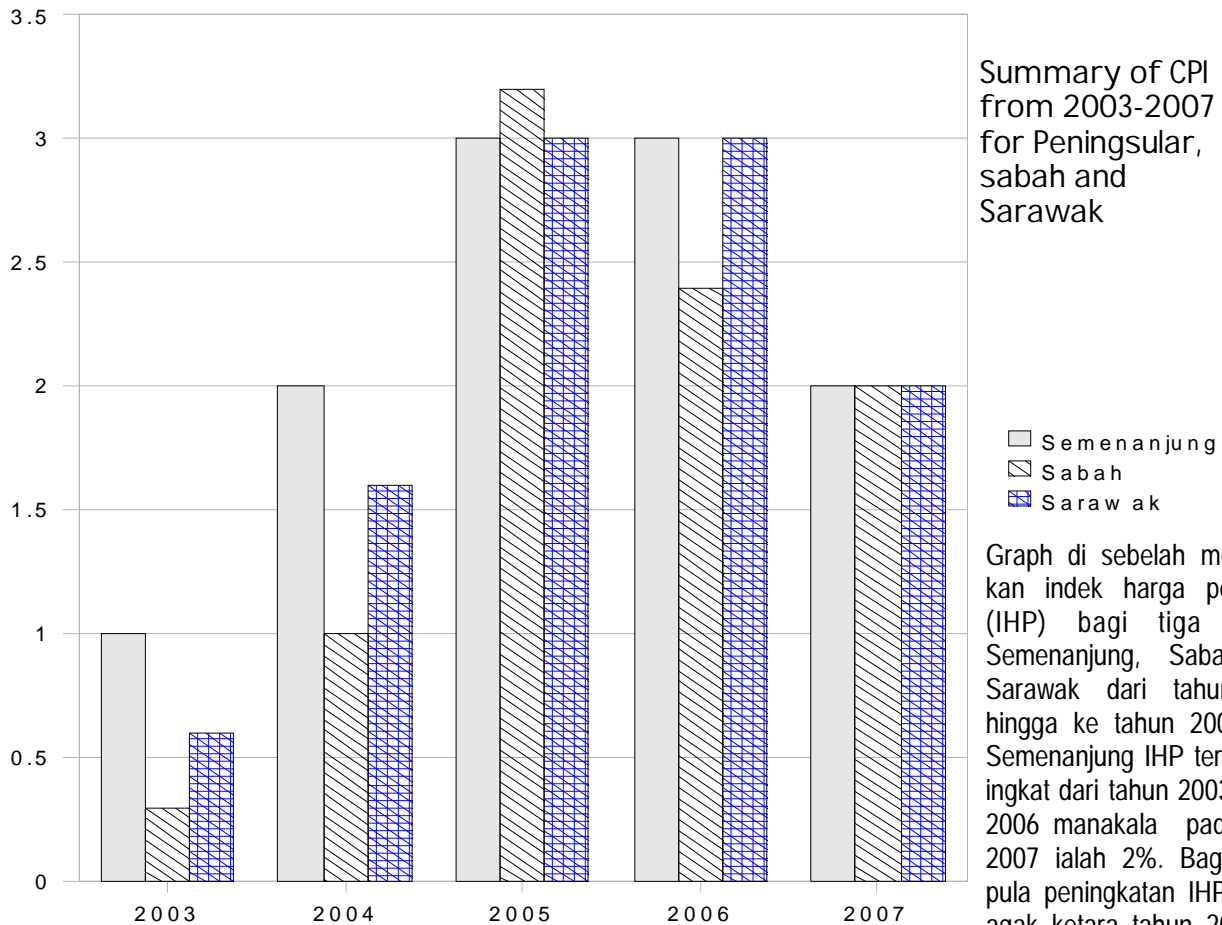
$$\frac{125.4 - 124.3}{124.3} \times 100 = 0.9\%$$

## Calculating Index Changes:

Index Point Change  
Consumer Price Index : 125.4  
Less previous index : 124.3  
1.1



# SUMMARY OF CPI



Graph di sebelah menunjukkan indeks harga pengguna (IHP) bagi tiga negeri-Semenanjung, Sabah, dan Sarawak dari tahun 2003 hingga ke tahun 2007. Bagi Semenanjung IHP terus meningkat dari tahun 2003 hingga 2006 manakala pada tahun 2007 ialah 2%. Bagi Sabah pula peningkatan IHP adalah agak ketara tahun 2005 dan menurun secara berterusan tahun 2006 and 2007. Bagi Sarawak pula IHP berada pada kadar 3% sehingga tahun 2006 dan 2% pada tahun 2007. Kenaikan harga barangan pengguna kurang menggambarkan keadaan sebenar bagi tahun 2007.

## Politik Malaysia

Politik Malaysia atau lebih dikenali sebagai Tsunami politik 2008 Malaysia telah bergegar kuat susulan kemenangan besar-besaran parti pembangkang di beberapa kawasan, termasuk merampas Pulau Pinang, Selangor, Kedah dan Perak.

- PKR menang 31 kerusi parlimen-diikuti;
- DAP 28 kerusi dan;
- PAS 23 kerusi manakala;
- Barisan Nasional (BN) pula menang 140 daripada 222 kerusi parlimen.

Kegagalan kerajaan BN untuk mengekalkan 2/3 dari majoriti menggambarkan bahawa **kerajaan untuk rakyat** seharusnya mengambil berat pandangan rakyat. Keutamaan rakyat perlu diberi perhatian yang serius berbanding dengan permintaan ekonomi.

### Political Tsunami

*"this is the results of a massive dissatisfaction, frustration and recognition that BN component parties inadequately represented the people within the coalition."*

Tricia Yeoh, Director for Public Policy studies of Asli





# Education and Training

## MTUC/ACILS Basic Trade Union Leadership Course

MTUC training centre

Subang Jaya, Selangor Malaysia.

11-15 Feb 2008

**Participation** – 31 trade union activists participated in this course among them seven were women. The course mainly focused on issues related to trade union rights. It covered areas like organizing which is paramount for all the unions to strengthen their member-

ship; labour laws and ILO principles– laws that govern the workers rights at national and International level; apart from that training also emphasized on human capital development by introducing subjects on leadership skills, basic computer knowledge, public speaking in order to be a good negotiators. In fact they will be able to deliver inputs efficiently from the course to their own leaders and members. Finally the dialogue session with the MTUC leadership gave them deeper understanding on the challenges confronting union movement in the globalised world.



### RapidKL pecat 10 pemandu menyertai mogok

Rangkaian Pengangkutan Integrasi Deras Sdn. Bhd. (RapidKL) mengambil tindakan tegas dengan memecat 10 pemandu bas syarikat itu yang didakwa menjadi dalang mogok di depoh syarikat itu di Shah Alam, pada 27 Januari 2008.

Ketua Pegawai Operasi RapidKL (Bahagian Bas), Mohd. Ali Mohd. Nor berkata, hasil siasatan pihaknya mendapati dalang punca mogok tersebut dilakukan oleh 10 pemandu bas syarikat berkenaan.

Mengikut laporan Utusan Malaysia "Mereka yang terbabit itu telah dibuang kerja kerana telah menghalang

pemandu lain daripada bekerja pada Ahad lepas dan menghasut rakan-rakannya untuk turut sama mogok,"

Beliau berkata demikian ketika diminta mengulas tindakan RapidKL untuk menyelesaikan masalah yang dihadapi oleh pemandu bas syarikat berkenaan yang melancarkan mogok tersebut.

Kesemua 200 pemandu terbabit berkumpul secara aman di hadapan pejabat pengurusan syarikat itu kerana tidak berpuas hati mengenai soal gaji dan pembayaran bonus.

Mogok itu telah melumpuhkan perkhidmatan pengangkutan awam di Lembah Klang dan kawasan sekitarnya lebih tiga jam.

Sumber: 8 Feb 2008, Utusan Malaysia



# Economics & Social Indicators

## Historic payout by Tabung Haji

Lembaga Tabung Haji has declared the highest dividend in its 44 years of existence-7%, representing a payout of RM1.05 billion last year.

This is recorded that the first time the payout has exceeded the TM1 billion mark.

Minister in the Prime Minister's Department Datuk Dr Abdullah Md Zin said better earning last year came from profits in the sale of shares (67%), dividend income(15%), currency market(9%), rentals (4%),Islamic bonds(3%), financing(1%) and others(1%).

Source: NST 6 Feb 2008

## Malaysian Workers third in productivity

The country's workforce has been ranked third among Asian countries in terms of productivity, ahead of Japan, South Korea and Taiwan.

Based on the Global Competitiveness Report for 2007/2008, the salaries and productivity level of the local workforce was ranked just below Singapore and Hong Kong, scoring 5.6 out of 7.

In term of labour-employer relations Malaysia was ranked in the top 10.

Source:NST 13 Feb 2008

### Productivity champs

1. Singapore
2. Hong Kong
3. Malaysia

**BAT profit rises(RM731.93 million for 2007) on better sales mix, higher pricing and yet BAT is practising union busting tactic to kill the 44 years old union.**

## 'Phenomenal' growth benefited everyone

Malaysians earned 40 % more last year compared with 2004 due to a booming economy.

Second Finance Minister Tan Sri Nor Mohamed Yakcop said per capita had grown from RM15,819 in 2004 to RM22,345 in 2007. He attributed this to a robust economic growth that had helped pay higher salaries and investment funds declare higher dividends. He said the annual growth rate was 5.9 % over the last four years, inflation 2.5% and unemployment rate technically zero.

Source: NST 10 Feb 2008

### PER CAPITA

**RM15,819**  
**In 2004**

**RM22,345**  
**In 2007**

## System to screen foreign workers

The system developed from local technologies for RM9000 each would be supplied to the Immigration Department and the People's Volunteer Corps for use during enforcement was initiated on 19 Feb 2008.

If Malaysian have to have their MyKad, foreign workers, students and expatriates must also have their I-Kad. And the machines will be effective in verifying the authenticity of their cards and the details contained in the embedded chip.

Source: NST, 20 Feb 2008



# International News

## Denial of free trade union existence in Brunei

Brussels, 27 February 2008: A new ITUC report on core labour standards in Brunei Darussalam issued today to coincide with the country's trade policy review at the WTO condemns the lack of trade union activity in this country.

Brunei, which became an ILO member at the end of 2007, has ratified none of the ILO core labour standards. According to the report a great deal of work needs to be done to put Brunei legislation in conformity with ILO standards.

Trade union activities are virtually nonexistent in the country and there is no legal basis for either collective bargaining or strikes. In addition the suspension of democratic rights precludes effective trade union activity, the report argues.

The report finds the situation of non-Brunei citizens particularly worrisome as they are excluded from coverage of most labour laws including freedom of association.

The rights of women domestic workers are frequently abused and women's access to legal remedies is scarce. "Female domestic workers are entitled to decent work and working conditions as much in Brunei as anywhere else in world.

*Source: ITUC online, 035/270208*

## United Arab Emirates: workers sentenced to six months' imprisonment

Brussels, 14 March 2008 : Forty-five Indian construction workers have been sentenced to six months' imprisonment under charges of holding illegal gatherings, vandal-

ism, and violating public security following their participation in a strike last year for better working conditions.

The ITUC strongly protests against the verdict of the Dubai Criminal Court, a verdict that constitutes a strong violation of Convention 87 on freedom of association. According to the ITUC, Head Judge Jassem wanted to create a precedent and send a strong message to workers "who resort to illegal methods to get their rights from employers."

"These workers must be released with no delay," declared Guy Ryder, ITUC General Secretary. "Workers, and especially migrants workers in this particular case, must be free to exercise their rights to freedom of association and expression," he added.

*Source: ITUC Online*

## Murder of Spanish Trade Unionist

The ITUC has denounced the murder by ETA separatist terrorists of Isaías Carrasco in the northern city of Mondragón. Carrasco, a member of the ITUC-affiliated UGT-Spain, and former Socialist municipal councillor, was shot several times early in the afternoon of 7 March outside his home, in front of his wife and daughter.

Following the killing, both main political parties suspended campaigning for Sunday's Spanish general election, and the government has summoned the political parties to a meeting at the country's Chamber of Deputies this evening.

"The best response to this crime is for all the workers of the country to take part in Sunday's general elections", according to the UGT, which has called for full support for the government's anti-terrorist policies and unity amongst all the political parties against terrorism. *Source: ITUC online 043/070308*

## Federation of Korean Trade Unions denounced 2.6pct wage hike guideline

On 10 March 2008: South Korea's top umbrella labor union denounced the 2.6 percent wage increase guideline made by the Korea Employers Federation (KEF) for this year. The Federation of Korean Trade Unions (FKTU) said the rate being suggested by the employer's federation ignores the difficulties facing the majority of workers. "The increase falls short of the 4.7 percent GDP gain being forecast for the year, and more importantly, it's below the 3.3 percent annual rise in consumer prices,".

It added that the 2.6 percent gain represents an unacceptable de facto drop in earnings. The FKTU, in addition, said a unilateral wage freeze in large conglomerates should not be set, and emphasized that any such action must improve working conditions and wages of workers employed by subcontractors of big companies. The gap in wages between large and small companies has hurt the cohesiveness of the country's labor activities in the past few years.

*Source: Korean International Labour Federation (KOILAF)*

FKTU has proposed wage increase this year : 8-9 percent