

# Labour Bulletin

## Unions to Demand COLA to alleviate hardship caused by 41% fuel price hike

Most employers in the private sector have ignored workers' request for a cost of living allowance submitted two years ago. Following the hefty 41% fuel price hike announced on the 4th June 2008, trade unions are insisting that employers and Government can no longer remain indifferent to the extreme hardship imposed on millions of workers in the country.

Government has also approved TNB's request to raise electricity tariffs from 1st July. This will not only burden the individual consumers but all the industries in the country. To recoup their cost, industries will raise the price of their products.

Government expects the people to understand the necessity to raise fuel price based on global price increase. Similarly government should take definite steps to ensure that employers raise workers income level to keep up with the substantial increase in cost of living.

Trade unions are convinced that aside from making public statements, Government will not be able to control the price hike on food and other essential services.

Government should intervene and facilitate negotiations at national level to get private sector employers to pay a Cost of living allowance. MTUC has requested the Human Resource Minister to initiate discussion.

G. RAJASEKARAN  
Secretary General

## MTUC

mencadangkan agar kerajaan mengambil langkah segera mengurangkan 50% kadar toll bagi meringankan beban rakyat.

### Kandungan Isu ini

- 2 Pemecatan-Bukti syarikat tidak kukuh.
- 3 Amalan perburuan yang tidak adil
- 4 Fuel price increase
- 6 5 workers burnt to death
- 7 Sarawak unions call for a nationwide strike
- 8 International News

Wisma MTUC  
10-5, Jalan USJ 9/5T,  
47620 Subang Jaya,  
Selangor.  
Tel: 03-80242953  
Fax: 03-80243225  
email: mtuc@tm.net.my  
www.mtuc.org.my

Disediakan oleh:  
R. Rajeswari  
Setiausaha Penyelidikan



# Dismissal: Pos Malaysia failed to produce an iota of evidence for their allegation- Industrial court chairman-Siti Saleha Abu Bakar

Claimant was working as Pegawai Kerani Pos in stamp and Philately Division of Pos Malaysia Berhad. An audit was carried out at the stamp and Philately division by the company's internal auditors, the outcome of which determined that there was a shortage of stamp stock at the counter. Subsequently a Domestic Inquiry (DI) was convened against the claimant where she was charged with being irresponsible and dishonest in the discharge of her duties.

## Alasan Syarikat bagi Pemecatan:

- Yang Menuntut tidak bertanggungjawab dan tidak jujur dalam mengendalikan kerjanya yang telah mengakibatkan kekurangan dalam simpanan stem yang berjumlah RM17,840.75 atau dengan lain kata *"the claimant has committed a serious misconduct amounting to an act of gross negligence..."*
- YM tidak melakukan penyemakkan stok/pengiraan stok bagi mengimbangan.
- Mengaku bersalah semasa penyiasatan dalaman.

## Pertikaian oleh Yang Menuntut:

- Beliau tidak dimaklumkan untuk melakukan penyemakkan stok/pengiraan stok bagi mengimbangan. Malah ia tidak dimaklumkan oleh Penyelia.
- Stem-stem tersebut disimpan dalam bilik yang tidak dikunci malah sekembalinya dari cuti penyelia tidak mengarahkan beliau untuk melakukan pengiraan stok.
- YM telah melakukan penyemakkan stok beberapa kali dan memaklumkan perkara ini kepada penyelia.

## Keadilan yang diputuskan oleh Mahkamah:

- Syarikat gagal atau kurang berjaya membuktikan YM tidak bertanggungjawab dan tidak jujur dalam mengendalikan kerjanya yang telah mengakibatkan kerugian terhadap syarikat iaitu mahkamah berpendapat bahawa *the company had not produced an iota of evidence to support the allegation of 'dishonesty' against the claimant.*
- *"the company had failed to draft a proper charge and the charge against the claimant had been vague and defective".*
- Sekiranya benar YM tidak bertanggungjawab dalam melaksanakan tugasannya maka adalah tanggungjawab Penyelia untuk menasihati dan memberi amaran lisan serta bertulis kepada YM.
- Di samping itu syarikat juga tidak melakukan audit selama 3 tahun dijabatannya walaupun mengikut peraturan Audit Dalaman harus dilakukan setiap 6 bulan sekali. Ini jelas menunjukkan bahawa pihak pengurusan sendiri telah melanggar prosidur syarikat.
- Malahan mengikut salah-satu bukti syarikat pula menunjukkan bahawa terdapat lebih stok stem yang gagal di perelaskan oleh syarikat.
- Syarikat juga gagal membawa ke mahkamah **SAKSI UTAMA** iaitu penyelia yang seharusnya memberi penjelasan berkaitan cara penyimpanan stem dan penyemakkan stok dilakukan.
- Mahkamah juga berpendapat bahawa adalah tidak munasabah syarikat menyalahkan YM seorang dalam perkara ini.

Oleh yang demikian mahkamah memutuskan bahawa ***"the company has not produced an iota of evidence to support the allegation of 'dishonesty' and being irresponsible against the claimant"***.

Award: 142 of 2008

Syarikat : Pos Malaysia Berhad

Pengerusi Mahkamah: Siti Saleha Abu Bakar



## PLANS TO MAKE SOCSO MORE CARING

Human Resources Minister Datuk Dr Subramaniam announced on Sunday (NST June 1, 2008) plans to introduce changes to SOCSO to enable injured and disabled workers to get their benefits without too much hassle.

This is good news for thousand of workers who are made to run around and even deprived of adequate compensation.

Often workers complain that SOCSO spends more time and energy to find fault with injured workers application for relief rather than find ways to assist them.

Socso often appeals against medical officer's assessment of an injured workers' disability. Socso utilise workers' contributions to engage high priced lawyers to challenge workmen's claims, whereas, more often than not, workmen are not represented to counter SOCSO's arguments.

Dr Subramaniam has rightly identified the need to have trained staff to man socso counters. Many workers complain that counter staff are intimidating and treat them with contempt.

Trade unions and workers in the country would like to see Datuk Subramaniam's plans realised soon.

### Foreign workers minimum wage and levy

***"Deputy Human Resources Minister Datuk Noraini Ahmad said the imposition of levies and fixing foreign workers' minimum wage came under the Federal Government's jurisdiction"***

***NST June 3, 2008***

Commenting on Datuk Noraini's statement, MTUC Secretary General G. Rajasekaran said he was pleased to note that the Federal Government has the authority to determine minimum wages of foreign workers. Unfortunately the Ministry of Human Resources has not exercised such authority.

Is Noraini aware of the widespread exploitation of foreign workers in the country? Thousands are paid as little as RM450 a month?

MTUC is pleased that the State Government of Selangor with the largest number of foreign workers has come forward to regulate the wage rates to a decent level. Ministry of Human Resources should work together to collectively find a solution instead of imposing unreasonable opposition.

[www.grajasekaran.blogspot.com](http://www.grajasekaran.blogspot.com)

## Widespread abuse of VSS by employers

*"Human Resources Minister Datuk Dr. S. Subramaniam has warned companies not to use voluntary separation schemes (VSS) to replace staff with foreign workers" -*

***NST 4 June 2008***

Employers, especially MNCs are taking undue advantage of Government's flexible policies. French multinational company Lafarge Cement in Rawang announced a voluntary separation scheme (VSS) to reduce the workforce. When the company found that applicants for so called VSS fell short of two persons, despite numerous appeals by the union, company terminated the two long serving employees as well.

Having eliminated 23 workers the company invited contractors to bring in 30 workers and run the operation.

### British American Tobacco

Tobacco giant, British American Tobacco carried out VSS exercise to eliminate 15 employees from the maintenance section. Eight employees did not apply to leave under the VSS and expressed their preference to continue working.

BAT terminated the 8 and appointed a contractor to bring in workers to manage the maintenance section. Union believes that the outsourced system cost BAT more.

HR Minister must make good on his promise to stop such abuse.

In 1998 Govt established procedures under the Employment Act to require employers to notify the nearest Labour Department of any termination, including under VSS.

Are the employers complying with this requirement? What does the Labour Department do to ensure that retrenchments are genuine? Trade unions have complained that the Labour Department does not make a genuine effort to investigate the termination exercise. Labour Department's indifference over a long period of time has encouraged unscrupulous employers to act in breach of Labour Laws and policies.

**5<sup>TH</sup> June 2008**

[www.grajasekaran.blogspot.com](http://www.grajasekaran.blogspot.com)



# Increase in fuel price

## Fuel hike: 78 sen more to RM2.70 per litre

The government has announced that petrol price will go up by 78 sen at mid-night - a 40.6 percent jump from RM1.92 per litre to RM2.70. The price of diesel will increase by a whopping 63.3 percent - from RM1.58 per litre to RM2.58.

The price hikes are among government measures to drastically cut the spiralling bill for oil subsidies, which is expected to amount to RM56 billion this year. Abdullah said that under the new scheme, the government will maintain a 30-sen fuel subsidy, which is independent of the market rate of fuel prices. For example, if the market rate is RM3 per litre, the local pump price will be RM2.70 per litre with the 30-sen subsidy.

He said that the government would review the market price on monthly base and announce the subsidised price accordingly. Abdullah also said that he was confident the economic growth could be maintained at 5% and inflation at 4-5 %. (5 June 2008,)

## TNB: Power rates to be linked to oil prices

Soon Li Tsin Jun 5, 08

National power supplier Tenaga Nasional Berhad (TNB) said its electricity tariffs will now be linked to oil prices and this will be reviewed whenever the government does the same for petrol prices.

TNB chief executive officer Che Khalib Mohamad Noh said the increase in the electricity tariffs was to reflect the government's decision to reduce the petrol subsidies.

"When there is a revision of fuel prices, there will be a revision in the tariff," he said at a press conference in TNB's headquarters in Kuala Lumpur.

The new electricity tariff rate revealed on 4 June by Prime Minister Abdullah Ahmad Badawi will take effect on July 1 and will only apply to Peninsula Malaysia.

## Penang CM: Fuel hike 'socially unjust' Jun 5, 08

The government's move to oil prices from RM1.92 to RM2.70 per litre is "economically insufficient and socially unjust," said Penang Chief Minister Lim Guan Eng today.

In a statement, he said the increase does not deal with the basic problems of increasing productivity and energy conservation.

"It also does not deal with ensuring that fuel subsidies fulfil the intended objectives of the poor instead of benefiting the rich," he added. (Malaysiakini)

*Our Deputy Prime Minister asked us to change lifestyle? How to change? Don't eat Don't work? Don't send children to school and study?*

Secara purata pendapatan sekeluarga di Malaysia kurang dari RM3000 manakala perbelanjaan yang tidak dapat dielakkan seperti bil-bil air, telekom, perumahan, kereta(toll, parking, minyak cukai jalan, penyelenggaraan) insuran, pendidikan, perubatan, makan dan minum dan sebagainya.

Kenaikan harga petrol ini memberi kesan yang ternyata kepada semua perbelanjaan diatas yang menjurus kepada pelbagai masalah... Kerajaan hendak kita tukar cara hidup? makan roti kosong hari-hari? Tidak perlu hantar anak-anak ke tuisiun, tidak perlu tonton ASTRO, DVD, tidak dapat beli makanan yang khasiat dan lain-lain lagi

Komen dan Persoalan dari ahli kesatuan: Sdr. Kenneth Stephen Kesatuan Pekerja-pekerja Penang Tektil

## New electricity tariffs

### Less than 400 kilowatts

Kilowatts	Old price	New price	Increase
1 - 200	21.8 sen	21.8 sen	-
201 - 400	28.9 sen	34.5 sen	19.4%

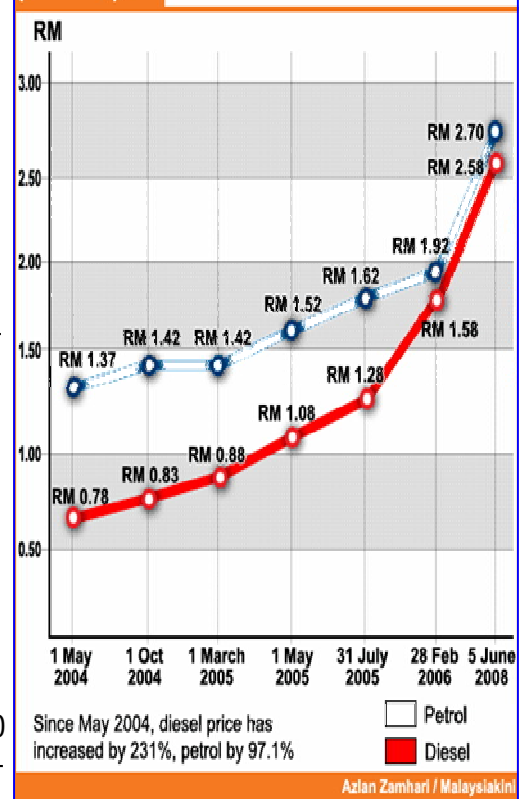
### More than 400 kilowatts \*

Kilowatts	Price (sen)
1 - 500	30
501 - 600	39
601 - 700	40
701 - 800	41
801 - 900	43
> 900	46

\* Only those using below 400 kW get to enjoy 21.8 sen for first 200 units.

Azlan Zamhari / Malaysiakini

## Fuel price hike (2004-2008)



# Mass anti-fuel hike rally on July 12

Thousands of people would be mobilised for a mass protest against the shocking increase in fuel prices at the iconic KLCC Twin Towers on July 12. Organisers Coalition Against Inflation (Protes) hopes to gather 100,000 people to call for the government to reduce fuel prices to its original levels before the hike today.

"We believe that with such a drastic hike in fuel prices, we will get the support of the masses..."

"This is not similar to the Bersih rally. It's going to be bigger. The impact would be bigger," said Protes coordinator Dr Hatta Ramli at a press conference today.

Hatta explained that the KLCC Twin Towers was selected as the rally point because it was the headquarters of Malaysia's oil company Petronas.

He argued that Malaysia was an oil producing country and record profits from Petronas should be used to relieve the public from being burdened by the fuel hike.

Yesterday Prime Minister Abdullah Ahmad Badawi announced that the pump price for petrol would increase by 78 sen - from RM1.92 per litre to RM2.70.

The price of diesel increased by a whopping 63.3 percent - from RM1.58 per litre to RM2.58.

The price hikes were among government measures to drastically cut the spiralling bill for oil subsidies, which is expected to amount to RM56 billion this year.

Andrew Ong | Jun 5, 08, Malaysiakini



## Harga Petrol bagi Negara-Negara Pengeluar Minyak/Petrol Price in Oil producing countries

Jadual disebelah menunjukkan senarai harga petrol bagi negara-negara pengeluar petrol. Ia amat mengejutkan sekiranya dibandingkan dengan negara-negara tersebut. Malaysia menduduki tangga yang teratas. Harga Petrol naik 41% manakala Diesel pula 63% di Malaysia amat membebankan penduduk berpendapatan rendah. Kenaikan yang mendadak(overnight) seperti ini harus ditapis dan bukanlah sesuatu yang sihat. Pengumuman yang dilakukan secara tiba-tiba telah menyebabkan masyarakat tidak bersedia untuk menghadapinya malah pelbagai pihak cuba mengambil kesempatan yang tidak diduga yang merumitkan lagi keadaan.

Pengumuman 5 jam sebelum kenaikan harga minyak...Adakah wajar? Dan dikatakan kerajaan telah mengadakan perbincangan ini lebih dari 4 jam(wawancara, siaran langsung TV1). Persoalannya sekiranya ia benar kerajaan telah bermesyuarat beberapa kali maka mengapa ia harus dibuat secara tiba-tiba?

Apakah dengan memberi rebet yang diumumkan boleh mengatasi atau mengimbangi kesan inflasi yang giat mara? Bukankah ia akan menjurus kepada gejala sosial seperti rasuah yang akan memberi impak sebaliknya? Penelitian dan penganalisaan yang teliti dan mendalam amat penting diperlukan dalam hal-hal ini.

Negara	RM/ litre
Malaysia	2.70
Arab Emirates	1.19
Egypt	1.03
Bahrain	0.87
Qatar	0.68
Kuwait	0.67
Saudi Arabia	0.38
Iran	0.35
Nigeria	0.32
Turkmenistan	0.25
Venezuela	0.16





# Migrant Worker's safety in dilemma

Five foreign workers were killed in a fire that broke out at a furniture factory in Kampung Melayu Subang early Wednesday. It was reported that the five were among seventeen workers who were living in the factory premises. Fire Department should investigate why so many workers could not escape.

Malaysian Trades Union Congress (MTUC) urged the Labour Department to ascertain whether the company has covered the employees under workmen's compensation Act. Labour Department should assist the families of the five deceased workers to get adequate compensation for their tragic loss.

Labour Department should also investigate to find out whether the living facilities at the factory premises were suitable. Did the employer notify the Department of such facilities to enable them to investigate the premises?

An increasing number of employers with foreign workers are compelling them to live within factory premises often under poor condition.

They resort to such practice in order to cut cost on rentals and transportation. Ministry of Human Resources has often highlighted the unhygienic and inadequate living conditions and advised employers to comply with standards required.

*New Straits Time: May 28, 2008*

## Five foreign workers killed in factory blaze

By KULDEEP S. JESSY

*PETALING JAYA: Five foreign workers were burnt to death after being trapped in a furniture factory during a pre-dawn fire in Subang Permai here. The four Bangladeshis and a Myanmar were believed to have been fast asleep on the first floor of the three-storey building when the fire broke out at about 2am Wednesday. Petaling Jaya OCPD Asst Comm Arjunaidi Mohamed said the foreigners, aged between 20 and 30, were unable to escape as the fire spread quickly. Their charred remains were sent to the University Malaya Medical Centre for post-mortem. Selangor Fire and Rescue Department (operations division) Supt Ramli Yusoff said 43 firemen and two officers in five engines from the Bukit Jelutong, Shah Alam, Subang Jaya and Port Klang stations went to the scene at about 2.18am...*

## MTUC International Affair Committee study tour to ILO Bangkok

The objective of this visit was to exchange knowledge on ways to improve the living standard of workers, fringe benefits and pensions, current situation on national minimum wage, employment trend, international affairs policies, international labour standards and ILO conventions.

Committee had discussions with ILO Bangkok officials on 28<sup>th</sup> April 2008 on structure and functions of the ILO, ILO Priorities and Decent Work Programme, ILO Conventions, Labour admin and labour relations on the governance in labour market, social security, gender equality and issue of migration.

In addition to that they also had meeting with the State Enterprises Workers' Relations Confederation Mr Sawit Kaew-Waen Secretary General of SERC/Chair of the ITUC Council in Thailand. Finally they visited to Thai Labour Museum on the history of Thai labour movement and learned that only 3% of the labour force in Thailand are members of labour unions and they have low bargaining power too.



Participations: Bro.Wan Naim (Chairman) Bro.Abu Hussin, Bro.Tharmaraju, Bro.Samuel Devadasan, Bro.Shaami Shuhaimi, Bro.Kamarudin, Bro.Abd. Halim, Bro.Mohd Faisal, Bro.Azhar, Sis.Christina, Sis Sutida(ILO) and Sis.Elsa Ramos(ILO-Bangkok)



# MTUC SARAWAK DIVISION & SARAWAK BANK UNION

## Call for Nationwide Strike to Protest against Fuel Prices Increase

As expected, consumers are made to pay the price of decades of failed economic policies and mismanagement. The 78 sen increase in the price of petrol now means that the price has increase by more than 300% compare to 87 sen in May 2005.

Failed economic policies include a suppressing of exchange rate to make our country competitive (to favour exporters which are mainly oil & gas, timber and oil palm. The government also suppresses wages by encouraging the influx foreign workers.

This fuel increase will surely lead to another round of price increase from anything and everything from Taxi fares to Bus fares, from cooking oil to a packet of nasi lemak.

Our experience point to the fact that in Malaysia, prices increase in commodities and basic items always benefit businesses, not ordinary workers. As a result ordinary Malaysians simply cannot afford to pay market prices for petrol. Already the prices of our cars and toll (due to one sided deals signed with toll concessionaires) is among highest in the world. Public transport is hopeless in cities and non existent in the rural areas. People have no choice but to own cars. Many owners have to take a nine-year loan just to pay off a basic car and their car value is now less than the loan outstanding.

This is a result of economic mismanagement that has marginalized the poor, created billionaires and has income disparity that is the second highest in Asia, behind only Papua New Guinea.

### PETROL CHEAPER IN SINGAPORE

Contrary to government claims, Petrol is actually cheaper in Singapore, Japan or even the US when we take into account one of the fundamental principles when comparing prices across different countries - **PPP - Purchasing power parity**.

Put it simply, Singaporeans still pay much less for their petrol because Singaporean workers earn Singapore dollars not Malaysian Ringgit. Even in absolute terms, for example, a typical clerical employee in Singapore earns SGD1200 per month compared to RM900 in Malaysia and 600 in Sarawak. And Singaporeans only pay about SGD2.00 per litre.

Per capital of income of Spore is RM100,000.00. Malaysia is only \$20,000.00. Singapore does not produce a drip of its own crude oil.

Even in Japan & US (even with their high cost and standard of living), you will find the petrol price is relatively cheaper. Please note that minimum wage in US is about USD4 per hour and a high school teacher makes at least USD40, 000 a year. And petrol price there is only about 1.20 per litre.

We should ask question as to why the production cost, plus distribution cost, plus profit amount to 20% of the pump price. Malaysia is a net exporter of crude oil. And Petronas is rich enough to sponsor one of the most expensive sports – Formula 1

We also call on the government to give a full transparent and detailed disclosure of the fuel subsidy. As well as the billions of profits of Petronas, independent power producers and other oil companies, oil palm and timber companies makes every year.

The government has forced the public to own cars by mismanaging the public transport sector, inflicted a high prices for cars, burdened the motorists with extensive toll roads and suppressed wages, now wants market price for petrol.

### UNIONS WANT SALARY TO GO UP BY 50%

Unions now have no choice but to demand for salary increase of at least 50%. Unfortunately employers are going to use the higher cost of business as an excuse to NOT grant salary increases.

*By: Bro. Andrew Low*



# International news

## **American unions bring Tesco fight to UK**

Tesco was yesterday accused of "arrogance" and "hypocrisy" for refusing to recognise shopworker unions in the United States, where it has built a chain of 60 supermarkets and has plans to open hundreds more.

American union leaders, in London to launch a pressure campaign, said they hoped to highlight the "stark contrast" between the way the supermarket chain treats its British workers and staff at its US business, which operates under the Fresh & Easy brand.

It emerged that both Barack Obama, the Democratic presidential candidate, and Hillary Clinton wrote to Tesco in November calling on it to engage with the union. "We are absolutely continuing a dialogue with [Obama] about this campaign and have complete confidence in his support moving forward," said Emily Stewart, campaigns director at the United Food and Commercial Workers (UFCW) union.

Stewart said Tesco had refused all attempts to open a dialogue in the US. "Over the past two years they have consistently played delaying tactics, rebuffing us and finally absolutely refusing to even meet with us. It is an incredibly reasonable request, just to begin a discussion."

Source: Labourstart [Guardian] 05-Jun-2008

## **Russian Nestlé workers still being denied the right to negotiate wages!**

*6 months into the conflict at the KitKat candy bar plant in the Russian city of Perm, the company still refuses to recognise the right to negotiate wages!*

The biggest food company in the world is taking the tiniest possible steps toward settling a conflict which began 6 months ago when the Nestlé Perm Workers Union first sought to negotiate a wage increase through the collective bargaining process. The company has finally come forward with a proposal for a modest wage increase which, however, remains below the rate of inflation over the past 6 months. This nevertheless represents some progress - due to the union's determined struggle and the support of the international solidarity campaign.

However, Nestlé remains unwilling to fully respect the trade union's information and communication rights, by demanding that the union chairperson accept restrictions on these rights before restoring access to electronic resources. Even more importantly, management is trying to insert language into the settlement under negotiation that would reduce industrial relations to a process of "consultations" rather than negotiations leading to mutually agreed wages and wage scales.

Source: Labourstart: IUF 6 June 2008

## **ILO Conference puts Decent Work Under the Spotlight as new Website for World Day for Decent Work launched**

Brussels, 30 May 2000: A new website for the World Day for Decent Work was launched <http://www.wddw.org> as a special ITUC-organised event on Decent Work took place at the annual conference of the International Labour Organisation (ILO), involving ILO Director General Juan Somavia, ILO Workers' Group Chair Sir Roy Trotman, CTNG Guinea General Secretary Rabiattou Sérah Diallo who is Vice-President of this year's ILO Conference, and ITUC General Secretary Guy Ryder. The panel focused on the preparations of the World Day for Decent Work which will take place on October 7 this year, initiated by the ITUC. Trade unions around the world will be holding events leading up to October 7 and on the day itself, focusing on the themes "Rights at Work", "Solidarity" and "Ending Poverty and Inequality".

## **Globalisation is working for some, but hundreds of millions of women and men are missing out**

"Globalisation is working for some, but hundreds of millions of women and men are missing out. With the global system incapable even of dealing with that most fundamental of needs, affordable food, the need for a completely new approach to globalisation is more evident than at any time. The World Day for Decent Work will be a major international mobilisation in the campaign to make decent work and regulation of the world economy a reality in place of the current fixation with so-called market solutions", said Ryder.

Source: ITUC Online