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Finance Minister Lim Guan Eng (centre) at the launch of 'Belanjawanku – Panduan Perbelanjaan untuk Individu dan Keluarga di Malaysia' event held in

Bangi, Selangor today. Pix by NSTP/Aizuddin Saad

BANGI: The government has proposed the creation of an index to accurately measure the cost of living to assist employers in determining appropriate salary increases for their workers.

Finance Minister Lim Guan Eng said the current Consumer Price Index (CPI) does not accurately portray the day-to-day situation faced by the rakyat, as it comprises several factors which do not apply to them, such as estimates on business production costs and input costs.

“If we still use the CPI as a reference point (we will not be able) to determine (adequate) salary hike amounts,” he said in his speech during the launch of “Belanjawanku – Panduan Perbelanjaan untuk Individu dan Keluarga di Malaysia” here, today.

“I have brought this matter to Bank Negara Malaysia.

“Maybe, the Employees Provident Fund (EPF) can do the same, because (then there would at) least be two index models for us to (reference in order) to accurately measure the cost of living,” he added.

“Belanjawanku” provides the minimum measurement of monthly expenses on various goods and services needed by every household in the Klang Valley to achieve a comfortable standard of living.

It also provides an overall financial guide for the rakyat, including on the provision of basic needs, social involvement, recommended savings, social repayment and the practicality of managing expenses.

At present, Belanjawanku takes into account household spending in the Klang Valley only – but it will soon be expanded to other states.

Meanwhile, EPF chief executive officer Tunku Alizakri Alias said that the creation of such an index would be a good first step towards a social security infrastructure.

“I am really hoping that the data we have collected would be (factored into) the policymaking.

“I emphasise that this is not prescriptive in the sense that it should be an indicative and input point in the development of this index,” he added.

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