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TOGETHER WE PROGRESS





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Foreword



We are honoured to present our 50th Anniversary Magazine.

It is impossible to record in detail the numerous activities, endeavors and progress of SBEU the past 50 years in one publication. Nevertheless we do hope that the magazine will be a meaningful chronicle of our progress and development of SBEU and will provide an aspiration towards the next 50 years.

The vast majority of SBEU members are less than 50 years old and to many of us, we hope that this magazine is an eye opener and will make us realize that the success we enjoy today should not be taken for granted and that they are due to the toil and sweat and tremendous sacrifice of our past leaders and members who had dedicated themselves the past decade.

While SBEU has achieved considerable success the past 50 years, the last 20 years has been difficult for us. We experienced severe job losses due to the mergers of the banks and finance companies and the ongoing and constant restructuring and migrating to new delivery channels for banking products and services. The new era of digitalization will make it worse.

Despite the job losses, we are proud to maintain our record of not having a single member

been forcefully retrenched. We addressed the redundancies through voluntary separation scheme where employees are by and large free to make their own decisions. We have mitigated the losses in our membership through job empowerment, taking on additional duties and embracing performance pay.

However banks must not set ambitious targets for employees. When banks, as custodians of public funds, set unrealistic targets they make staff worry about their own employment security rather than serving customers needs. This may be a breach of our fiduciary duties.

We must recognise that SBEU owed our success not just to the dedication of our leaders and unwavering support of our members but to the tremendous support, assistance understanding and tolerance of SCBA and its members banks.

We would like to thank SCBA, MCBA and the management of all banks and financial institutions. We would also like to thank all our trade union friends, locally and internationally, our business associates and partners and government agencies.

We express our gratitude to our past leaders who laid down the foundation of our Union and we salute each and every member for their undivided support the past 50 years. As we prepare for the challenges ahead, we must not forget our past. We must do what we are set up to do, to ensure that bank employees get decent wages and to be employed in meaningful jobs.

The future is very challenging, yet SBEU is positive there are opportunities. We must adapt and change and we call on the banks and the government to allow unions to change.

I am confident that with the hard work, dedication, vision and professionalism of SBEU Officials, together with the solidarity of all members, SBEU will look forward to the next 50 years with confidence!

HADIAH LEEN
PRESIDENT



Challenges of the Workplace of the Future in the Banking Industry

The Evolving Present Landscape



As you know, advances in technology and digitisation are changing the world and shaping our future. That and globalisation is here to stay, impacting beyond just business resulting in increases in movements of people, ideas, information as well as influencing livelihoods, lifestyle and cultures.

We need to be prepared to capture the opportunities it presents ahead of time or else become irrelevant. Companies have collapsed due to their ignorance, stubbornness or inability to adapt to these changes. Past economic, financial, energy and subprime mortgage crises have impacted global and regional economies leading to bankruptcy of renowned institutions resulting in job losses and livelihoods compromised. Given the unpredictable financial market upheavals, volatility is the new norm today where governments and businesses need to anticipate and be a step ahead to weather the challenges, to ensure sustainability and growth.

Statistics tell us that the Millennial population is majority in this part of the world, hence are shaping the new normals. In the US too, they form the largest workforce with one in three workers being a Millennial (PWE Research Center, 2015). It is estimated that by 2025, the Millennial will comprise 75% of the global workforce (Brookling Institution, 2014). In ASEAN alone, a staggering 60% are Millennials. Their dominance will affect the way of work and the workplace in the future.

These shifts have an immediate impact on all of us, as individuals. Our mindsets, behaviours

and relationships with each other needs to embrace the speed and levels of innovation that will keep us relevant moving forward especially with the new and unfamiliar disruptions in the environment and society.

We need to work together to find breakthroughs that make us relevant and successful in the future.

Responding to the New Normals

If we listed down what the new normals are, we will see clearly they do not threaten the values and principles that are time tested that we hold dear over the centuries. Issues of accessibility, getting value, good service, accountability, integrity, honesty, immediate recognition, respect for diversity in preferences, flexibility, corporate responsibility and many more, make good sense and guarantee positive & good outcomes.

Having said that, what worked for individual and organisational growth in the past requires that with the quicker pace of change that technology has enabled, comes an even more rapid, accelerated need for individuals and businesses to plan and execute well to stay ahead of the curve. And, I have not even started to anticipate into the further future with greater engagement with artificial intelligence.

The luxury of time to change for the better is no longer there. Failure to change lead organisations to lose their competitive edge against those who are quick to offer new products, leverage on technologies or adapt their business models to stay relevant and meet the needs of the consumers. The successes of new business like Amazon, Uber and Airbnb, give us a glimpse of the future of businesses, and the workplace of the future. Mahatma Gandhi said wisely, "The future depends on what you do today."

Therefore, work and workplace will see rules, methods and approaches that correspond and respond to the new normal expectations. There are many examples today of what the future is like. One is how the organisation is structured and work allocated. A hybrid between the traditional

and a flat project-based approach has emerged. As the organisations constantly reinvents, we will find staff expertise not tied to one job but can be assigned to different projects with different timeframes and reporting to different managers in a normal 12 month period. That will be the new normal whether or not we like it.

Pay for performance will take a new form with the rigid 12 months performance goal setting and appraisal being replaced by a variable one to accommodate the changing structure of work as teams and project based set different goals that can range from weeks to a few months. Since 2015, global organisations such as Accenture, Deloitte, Microsoft and General Electric have adopted the variable performance appraisal. The emphasis is on higher levels of engagement for growth and development to improve performance than spending time talking about fixed ratings. This had led to greater collaboration and agility of their workforce. When Microsoft removed its rating, employee collaboration skyrocketed.

Digitisation is becoming a part of the DNA in society, impacting businesses and consumer behaviour. We need to extract the value of efficiency and customer centricity from it as it offers agile work tools, access to knowledge instantly, instant collaboration and services at the finger tips on the go making the world a lot connected in many respects for the better.

Surviving the Future: a Change Capable Organisation

The lessons of collapsed renowned brands are stark reminders of the consequences of failure to change quickly and adapt to the environment. Many organisations are realising the need to be a change capable organisation at all times. A change capable organisation is one that is truly agile, resilient, solution oriented, nimble and adaptive to the fast changing environment to stay reliable and relevant. This applies to businesses and their co-partners such as the unions.

In Malaysia, many businesses with regional presence and their union partners were formed 50 years ago. For the businesses, many are

transforming their business model along with systems, processes and people policies. To attract and retain the right talents, businesses are incorporating progressive, responsible and forward looking practices in rewards & remunerations, performance management, diversity & inclusivity agenda and work-life balance programmes. It is more critical than ever to upskill the workforce to prepare them to be future ready. Learning and development programmes nurture staff to take on stretch or new roles as well as beyond business needs to larger skill sets that offer mobility and multiple pathways in their careers.

For businesses with unions partnership, it is important for all parties to align to common goals and partner to make decisions quicker.

In this regard, we are honoured to have had the pleasure of partnering with Sarawak Banking Employees Union (SBEU) over the years. We look forward to charting many more milestones into the future together. SBEU has worked with the banks to together take a leap of faith to invest in the future of Banks and the workforce. It is the first union in the banking industry in Malaysia to adopt variable pay for performance bonus that has been instrumental in differentiating performance and enhancing productivity of staff. In allowing their members to take on new roles such as sales, SBEU again paved the way in shifting mind-sets to adapt to change. And as John Scully, former CEO of Pepsi and Apple once said "The future belongs to those who see possibilities before they become obvious." We look forward to continuing with this strong relationship as we navigate through uncharted territories into the future and take the necessary actions to sustain livelihood.

We have the hindsight of lessons of failed and successful organisations at different eras. It is important to gain wisdom from them and take action today to adapt and change to ensure a successful future for the organisation and all stakeholders.

Nora Abdul Manaf
President Malayan Commercial Banks Association.



Working in Partnership, Racing to the Top

Christopher Ng, UNI Apro Regional Secretary



The global environment has been changed significantly by the process of rampant globalization and rapid technological innovations. We are now living in an era of job insecurity, of a terrible imbalance in economic development, with one fifth of the global population living in absolute poverty.

The UNDP 2013 showed that “the unfettered market economy has made the poor poorer and the rich richer”. Free trade and free capital without a framework of regulation at national and international levels are unstable and unsustainable. It has not improved the peoples’ living standards but increased inequalities between people, within and between countries.

In the last three decades or so, labour rights have been eroded in the battle of industries to secure niches in the global market. Businesses and employers claim that the issue is survival. Thus, their justification to deny trade union rights to workers and hamper collective bargaining, to cut labour cost resulting in the race to the bottom. A Race, which punishes everyone and sow the seed of the global financial crisis and the contributory cause for the growing inequality everywhere.

The Asian Development Bank pointed out that strengthening labor’s share in the economy is vital in raising labor’s consumption of goods and services to enable a better balance in the economy. This is the economic rationale behind the universal demand for the observance of minimum living wages and workers’ rights such as the freedom of association and collective bargaining. And this is why protective labour laws are indispensable and labour institutions, particularly trade unions are essential component of the enforcement mechanism.

I believe that global competition need not be a zero-sum game for labour and capital. There is and indeed, there ought to be a better way. This way is the race to the top – at the industry, national, regional and yes, global levels.

Let me start with a reminder. Business cannot go into business without fulfilling its responsibility to society, without according labour and the host community the respect that they are entitled and deserve.

In this connection, there is a need to deepen the meaning of CSR. As a trade unionist, my critical concern is that very few CSR policies or statements have commitments to labour related issues. If there

are, it avoids commitment to critical issues such as respect for employees’ rights to join trade unions and collective bargaining.

To the trade union movement, this is essential to enable Corporations to discharge one of their basic social responsibilities, which is to ensure that their employees are able to enjoy an ILO defined decent standard of work and employment and to work in partnership with their trade union.

Rights come with responsibility. I believe that CSR should be matched by Union Social Responsibility (USR). This means trade unions should have the capacity not only to assert their rights and make collective demands based on the employees’ interests; they should also have the capacity to understand the position of the company, national economy and make reasonable demands and adjustments, if needed. Trade unions cannot avoid, if need be, accept and implement difficult and painful decisions.

Employers and trade unions must recognize that social partnering must be based on the fundamentals of a progressive industrial relations system, where labour and management:

- Recognize and respect each other basic rights and interests under the Country Constitution, laws, ILO conventions and the UN Guiding Principles on Business and Human Rights.
- Accept that there are areas where the interests of both labour and management converge and diverge and that both parties endeavor to accommodate each party’s interests to the maximum possible and resolve conflicts in a harmonious win-win fashion.
- Collaborate closely to develop appropriate confidence and capacity-building mechanisms and nurture an environment supportive of the foregoing principles and processes.

In this connection, the Governments have a key role to play in creating an institutional framework to reconcile the needs of enterprises for flexibility with that of workers for decent jobs and income security. Such a framework will help to manage employment changes efficiently and fairly. Equally important, to reap the potential benefit of globalization and technological innovations.

Let me end with another reminder. The tripartite partners have a vital role to play in fostering a strong spirit of partnership to facilitate business expansion, create better jobs, and promote decent work on sustainable terms and conditions of employment.

This will lead to a ‘race to the top’ instead of a ‘race to the bottom’ with business, labour and the community benefiting and sharing in the prosperity derived from an economy where people really matter.

Towards Greater Efficiency, Better Customer Service and World Class Performance in the Banking Industry

How Representation of Non Executive Officers by SBEU Can Facilitate This

The Financial Sector Blueprint reinforces the Government's initiatives to drive Malaysia to become a fully developed nation. The financial system will have a key role in facilitating our economic transformation and economic development that has to be inclusive and sustainable. The enactment of the Financial Services Act 2013 is an important step.

A strong, comprehensive and progressive financial system underpins Malaysia's vision to become a developed nation by 2020 with sustainable and efficient financial institutions and with sufficient flexibility to adapt to market needs and opportunities. At the same time the rapid changes in the global economic and financial environment, greater regionalisation together with technological advances has contributed towards transforming the operating landscape of the Malaysian financial system.

Through all these transformation the Banking Unions have played a critical part in working closely with the Banks in managing the impact on employees in a holistic manner with minimal disruptions and social cost. It is not a coincidence that the financial sector is the most densely unionized. There are 17 unions representing more than 60% of employees ranging from security guards to Assistant Managers.

The ongoing mergers and structural changes in the bank has resulted in the overlapping of duties between the clericals and the non executive officers. There is a need to facilitate job empowerment and adoption of new and additional value added duties to all employees. This will bring about much higher efficiency, better customer service, reduced cost and world-class performance to benefit shareholders.

The transition towards a high value-added, high-income economy will place greater demands for a wider spectrum of financial products and services. The financial needs of consumers will become more varied and sophisticated, leading to increased demands for more high-quality and innovative retail financial services and delivery channels under a more facilitative regulatory environment.



These will result in greater restructuring of jobs duties, functions and responsibilities for all level of bank employees. It is imperative that financial institutions will need to be more progressive, dynamic and mature to meet these challenges.

Every bank should recognise the need for readiness of its people for changing mind sets to embrace strategic evolution and reinforce commitment to achieve the organisation's overall long term goal.

Banks employees need to reaffirm commitment to a service and sales culture. The increasingly borderless economy and the liberalisation of the financial services sector is expected to generate keener competition among financial institutions. A motivated sales force is necessary to support the push for business growth.



Banks' management need to promote the ongoing process of integration and assimilation of employees and intensify efforts to promote professionalism. Banks must recognize that cohesion among the work force is pivotal in harnessing the energy, skills, judgment and commitment of staff to attain organizational goals.

With all these transformations, it is imperative for banks to move away from archaic industrial relations model that has been based on separation of duties and responsibilities through different and disparate trade union representations.

It is with these aspirations that SBEU believe that it is time for banks to do away with the current artificial distinction between clerical, sales and supervisory staff and non-executive officers. Such separation of duties and responsibilities are not cost effective, a barrier to team work, create suspicions, hinder job empowerment and greater professionalism.

Some banks may have concerns that by having officers as members of the same union as the clerical members may compromise on discipline. This is a myth as the obligation and responsibility of an employee is independent of his status as a union member. The laws of Malaysia do not discriminate either for or against a union member or officials in matters relating to employee misconduct.

We believe that granting recognition to SBEU will lead to greater job empowerment which will reduce operational cost. It will also facilitate performance pay systems that the banks are promoting. SBEU has over the past

50 years worked closely with the Banks in creating a mutually beneficial relation that have contributed to the growth and profitability of the Industry. We have worked closely to improve efficiency and productivity of Bank employees in Sarawak.

The Country have signed the Trans Pacific Partnership Agreement (TPPA) that has a very comprehensive labour chapter which provides for freedom of association across industries and job scope. This is in recognition that our country, being a major trading nation, has to adopt international core labour standards.

The banks are the most unionised sector in Malaysia. Despite disputes and protests now and then, the end result is that productivity levels and efficiency is amongst the highest in the country. Management-union relationship can be considered mature. Because banks are used to working with unions, granting recognition to SBEU to represent non-executive officers does not posed any new risks.

We believe that granting recognition to SBEU to represent non-executive officers before such statutory imposition will enable both SCBA and SBEU to develop and strengthen relations. It will avoid multiple recognition claims in the future. It will give the financial industry a head start and great advantage in developing industrial relations and world class employee engagement and take it to the next level.

LAW KIAT MIN
GENERAL SECRETARY

SBEU Milestones





Roll Of Honour

Presidents

1st	Fred Yeo Leong Hai	1966 - 1967
2nd	Albert Cheyne	1968 - 1970
3rd	Lee Khiok Fah	1971 - 1973
4th	Peter Yik Lik Huat	1973 - 1976
5th	Robert Tiong	1976 - 1978
6th	Ling How Ting	1978 - 1983
7th	David Shim	1983 - 1985
8th	Henry Gan	1985 - 1989
9th	Shephard Muol	1989 - 1991
10th	Paul Wong	1991 - 1992
11th	Paul Lee	1992 - 1993
12th	Joseph Chua	1993 - 1997
13th	Dominic Engkabang	1997 - 2001
14th	Hadijah Leen	2001 -

General Secretaries

1st	Micheal Lee	1966 - 1967
2nd	Liaw Mui Fah	1968 - 1970
3rd	Albert Lee	1971 - 1973
4th	Annie Chong	1973 - 1979
5th	Chew Kah Khoon	1979 - 1980
6th	Abg Iskandar	1981 - 1985
7th	Micheal Wong	1985 - 1989
8th	Dominic Ch'ng	1989 - 1990
9th	Andrew Lo	1990 - 2010
10th	Law Kiat Min	2011 -

1st Committee

(Kuching Bank Employees' Union)

President	MAHMOOD BIN DAUD
Minute Secretary	NELSON LIAP KUDU
Chairman	TAN CHIN EK
General Secretary	ALBERT CHIN
Hon. Treasurer	LEONG THEN YAW
Committee Members	SUNG NAI BOO
	WEE SENG CHEE
	GLADYS LIM
	YEO LEONG HAI

1st EXCO

(Sarawak Bank Employees' Union)

President	FRED YEO LEONG HAI
Vice President	TAN CHIN EK
General Secretary	MICHAEL LEE
Ass. General Secretary	PETER SIM
Hon. Treasurer	LEONG THEN YAW
Committee Members	HENRY CHONG
	CHONG SIEW MING
	YEO S. K.
Advisor	LIM SEE MENG

First Chairman & Secretary of Branches

Kuching Branch Formed On 24th April 1964

Chairman	MAHMOOD DAUD
Secretary	ALBERT CHIN

Sibu Branch Formed On 31st October 1971

Chairman	NGU HUA LEE
Secretary	LEE CHUA FONG

Miri Branch Formed On 3rd June 1972

Chairman	YEO CHUN NYEN
Secretary	LO CHUN KUAN

Bintulu Branch Formed On 20th January 1980

Chairman	SHIE CHI WEI
Secretary	MICHEAL LENG

Sarikei Branch Formed On 16th February 1992

Chairman	TING MING HING
Secretary	EDDIE LOH LEH CHIENG



Bank Employees (50's)



SBEU Members (60's)



First area Representatives & Organizers of
Miri Branch in 1970
(left to right): Lo Syn Koh, Henry Gan Khoo Hin,
Lo Chuan Kuan



SBEU Branch Committee (1972 - 1973)



SBEU officials (70's)



SBEU officials (80's)



SBEU officials (90's)



SBEU officials (2000's)



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- AFFINBANK Prince Commercial Centre Branch
Tel: 082-613 455
- AFFINBANK Sibu Branch
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SBEU Officials

Executive Committee 1981



PRESIDENT
Ling How Ting
1979/1981
1981/1983



VICE PRESIDENT
Henry Gan Khoo Hin
1979/1981
1981/1983



GENERAL SECRETARY
Abg. Iskandar B.
Abg. Latip
1980/1981
1981/1983



GENERAL SECRETARY
Chew Kah Khoo
1979/1980



ASST. GEN. SECRETARY
Micheal Wong
Ngee Khih
1979/1981



ASST. GEN. SECRETARY
Anthony Liman
1979/1981



GENERAL TREASURER
Dennis Teng Hai Sing
1979/1981
1981/1983

Branch Representatives



(KUCHING)
Anthony Liman
1979/1981



(KUCHING)
Betty G. K. Chang
1981/1983



(SIBU)
Ong Beng Chui
1979/1981



(SIBU)
William Kanyan
1981/1983



(MIRI)
Peter Yek Tiew Chan
1980/1981



(MIRI)
Langat Maran
1979/1980
1981/1983

Principal Officials 1991-1993



PRESIDENT
Paul Wong
Kuong Chieh



GENERAL SECRETARY
Andrew Lo
Kian Nyan



GENERAL TREASURER
Andrew Jong
Min Hian



VICE PRESIDENT
Joseph Chua
Then Hong



ASST. GENERAL SECRETARY
William Kanyan



Through The Years

1993-1996



1996-1999



1999-2002



2002-2005





2005-2008



2008-2011



2011-2014



2014-2017



Compliments

to

Sarawak Bank Employees' Union

on your

50th Anniversary Celebration

From the management and employees of



ALLIANCE BANK

Executive Council 2016

The Executive Council is initially made up of The President, Deputy President, General Secretary, Assistant General Secretary, and General Treasurer and the secretaries from each of the 5 SBEU branches. In 2002 the constitution was amended to include 3 Vice Presidents and to create the Assistant General Treasurer position in 2011. Officials are directly elected by the general membership every three years.



Sukhdeep Singh (**Southern Branch Secretary**), Chiong Yew Hock (**Assistant General Treasurer**), Robert Thong (**General Treasurer**), Joseph Kong (**Deputy President/Central Branch Secretary**), Hadiah Leen (**President**), Law Kiat Min (**General Secretary**), Faizal Dennis Aidan Abdullah (**Assistant General Secretary**), Agnes Tang (**Vice President-Non Executive officers**), Unau Anak Manggau (**Vice President-Clericals**), Zaidi Sirat (**Vice President-Non Clericals**), Sherry Lai (**Northern Branch Secretary**)



SBEU Officials 2016

SBEU

PRESIDENT	HADIAH LEEN <i>HLB, Kuching</i>	GENERAL SECRETARY / CHIEF OPERATING OFFICER	LAW KIAT MIN <i>HSBC, Kuching</i>
DEPUTY PRESIDENT	JOSEPH KONG YING LUNG <i>RHB, Auto Finance, Sibu</i>	ASST. GENERAL SECRETARY / HEAD TRAINING	FAIZAL DENNIS AIDAN ABDULLAH <i>UOB, Kuching</i>
VICE PRESIDENT / DIRECTOR (SPECIAL GRADE)	AGNES TANG YOU KEONG <i>HLB, Sarikei</i>	GENERAL TREASURER / CHIEF FINANCIAL OFFICER	ROBERT THONG MENG HON <i>HLB, Miri</i>
VICE PRESIDENT / DIRECTOR (CLERICAL)	WONG KIING HOCK <i>HLB, Miri</i>	ASST. GENERAL TREASURER/ ASST. CHIEF FINANCIAL OFFICER	CHIONG YEW HOCK <i>PBB JTO Sibu</i>
VICE PRESIDENT / DIRECTOR (N-CLERICAL)	DOUGLAS AK NINGKAN <i>MBB, Salim, Sibu</i>	CHIEF EXECUIVE OFFICER	ANDREW LO KIAN NYAN <i>SBEU HQ</i>
INTERNAL AUDITORS	JULIANA LAU SING YE <i>PBB, Li Hua Branch, Sibu</i>	ANNIE CHANG <i>HLBB, Boulevard, Miri</i>	

SOUTHERN REGION

CHAIRMAN
FLORA ANAK BANGGA
CIMB, Kota Padawan

MANAGER
SUKHDEEP SINGH
RHB, REG OFFICE, KUCHING

FINANCE EXECUTIVE
FABIAN ANAK OLIVER
PATRICK MUNAN
HLBB, Serian

INTERNAL AUDITORS
JOHN KEPLY AK FRANCIS KALING
ABB, Jln Abell, Kuching
FOONG SUH JANE
PBB, Saberka, Kuching

BRANCH EXECUTIVES
HALIM VICTOR LI MOHAMAD
CIMB, Twin Tower
LI FERN FANG
RHB, Jln Kulas
LINDA KHONG MEI PING
MBB, Kuching Selatan
NUR AZALIA IRENE SII BTE ABDULLAH
RHB Tabuan Jaya
SUPARDI BIN HAMSAWI
HSBC, Kuching

CENTRAL REGION

CHAIRMAN
AGNES TANG YOU KEONG
HLB, Sarikei

MANAGER
JOSEPH KONG YING LUNG
RHB, Auto Finance, Sibu

FINANCE EXECUTIVE
CHIONG YEW HOCK
PBB Sibu

INTERNAL AUDITORS
RICKY LING SOON WU
PBB, SIBU
CHIONG CHEN CHAI
PBB, SIBU

BRANCH EXECUTIVES
MOHD NADZAN BIN HAJI ROSLI
RHB, Sarikei
JULAIHE BIN JUNAIDI
MBB, Sibu
NGU KEK TIUNG
HSBC, SIBU
JULIANA LAU SING YE
PBB, Li Hua
YOUNG JIN TIONG
PBB, Jln Central, Sibu
DOUGLAS ANAK NINGKAN
MBB, Salim, Sibu
ALLEEZUIN TAY SANDAK
HSBC, Sibu

NORTHERN REGION

CHAIRMAN
CHUNG NGET MUI
MBB, Medan Jaya, Bintulu

MANAGER
SHERRY LAI HUI KHIM
CIMB, GIOD Hub, Miri

FINANCE EXECUTIVE
DEXTER GOH KEE HOCK
OCBC, Miri

INTERNAL AUDITORS
REKHA DORAH
HLBB, Boulevard, Miri
LING CHONG KING
HLBB, Miri

BRANCH EXECUTIVES
WONG KIING HOCK
HLB, Miri
LAU SII WEN
PBB, Medan, Bintulu
ANNIE CHANG
HLBB, Miri
THERESA WONG HUNG KIONG
PBB, Bintulu
DEXTER GOH KEE HOCK
OCBC, Miri
MOHD KHAIRUL ARIFFIN BIN BOLHADI
HLBB, Boulevard
ANNE SABUT
SCB, Miri



Northern Branch



Central Branch



Southern Branch



SBEU was first established as Kuching Bank Employees' Union in 1964 and registered as Sarawak Bank Employees' Union on 22 September 1966. It then expanded throughout Sarawak with the formation of Sibul Branch in 1971, Miri in 1972, Bintulu in 1980 and Sarikei (1982).

MEMBERSHIP

SBEU had just 72 employees from 4 banks when it was first formed 50 years ago. Membership grew to 1542 by 1990. It reached a peak of 3238 members from 25 commercial and 10 Finance companies in 1997.

SBEU initially represented employees in Commercial Banks only. We finally achieved 100% representation of all Commercial Banks in Sarawak when we were accorded recognition by Kong Ming Bank later EON Bank, now Hong Leong Bank in 1991. In 1992, we expanded our scope to represent Bank owned Finance Companies and within 2 years recruited all 500 employees in 10 Finance Companies. In 1995, we further expanded our scope to represent employees in all Financial Institutions registered under Banking & Financial Institution Act 1989 (BAFIA), including merchant banks. We are now seeking to represent employees in the whole financial services sector with the coming into force of the Financial Services Act 2013.

Since the aftermath of the Asian Financial Crisis in 1998, fewer employees have joined the Union reflecting falling employment in the Banking and Financial Industry. The Finance Companies have since merged into their parent Banks. Local banks have merged into 10 anchor banks under the Financial Masterplan 2001-2010.

At the same time more members left the union due to promotions, retirements, resignations and, sadly, redundancies. A total of 328 members have opted for the Voluntary Separation Scheme (VSS) since 1996 and another similar number left the past 10 years.



As a result, membership in benefit declined to 2598 in 1996 and to 2282 in 2016.

Females outnumber males by 1351 to 931, and account for 59% of total membership. 82% of members are under 40 years old and 27% under 30 years in 2016. However with redundancies and low employment rate, the average age of members has gradually increased.

Whilst we also have members from amongst non-executive officers, we have yet to obtain recognition for the purpose of collective bargaining. Our efforts have been frustrated by the Director General of Trade Unions which continue to hang on to archaic views that even customer service officers are executives. In some banks non-executive officers outnumber non-executive employees.

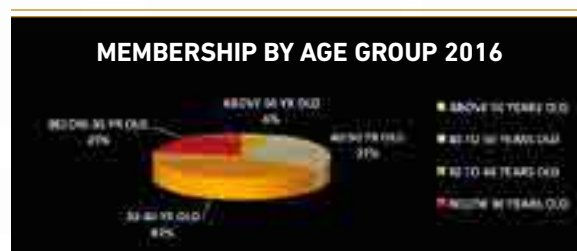
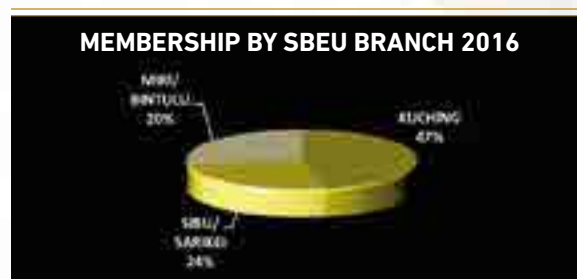
The employment situation in the banking industry in Sarawak continue to consolidate as banks continue to outsource jobs and employing outsourced sales agents which have an impact on the potential growth in SBEU's membership.

SBEU managed to minimise the losses by organising all eligible employees and all banks and financial institutions. Despite this, we managed to maintain our membership by making organizing our core focus. We achieve a remarkable 98% membership concentration i.e. 98% of eligible employees are our members.

While outsourcing of non core operations can be an effective tool in improving operational efficiency, we are concerned about data confidentiality, mis-selling and accountability if the Banks use labour contractors.

Fortunately we minimised this and apart from a few expatriates, there are no foreign workers in the banks.

What is most disappointing is that the government continues to make it very difficult to organise outsourced workers. We are not



against outsourcing provided outsourced employees are allowed to become our members. Again our application to expand our scope to cover all employees in the financial sector has been rejected by Minister of Human Resources. This is unacceptable as all players in the financial sector are offering integrated financial services and products, including bank assurance within the ambit of the Financial Services Act 2013.

We hope to address this under Freedom of Association framework when Malaysia ratify that under the Trans Pacific Partnership Agreement in 2018.

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Organisation

TRIENNIAL DELEGATES CONFERENCE

The Triennial Delegates Conference is the supreme decision making body of SBEU. It consists of EXCO and delegates elected by members from all SBEU Branches. It was held every two years until 1993 when it was changed to every 3 years. The TDC reviews the work of the Union the preceding three years and formulate the general policy and direction of SBEU for the next three years.





BRANCHES

Each branch has a Branch Committee of up to 11 members elected during the Branch Biennial General Meeting (BGM). The Branch committee manages the affairs of the branch with the assistance of the Inter Relations Committees.

All branches continue to be very active with numerous activities organized, apart from taking up issues and grievances at their level.

All BGMs were held on schedule with attendance way above the required quorum. SBEU is proud that all branch BGMs since 1991, average 60% attendance - way above the quorum of 1/3. This is commendable, especially when taking into account that a large number of members are from outstation locations.

To be more cost effective, SBEU rationalised the 5 Branches into 3 regions in 2009/2010. Southern Region covers Kuching and the towns of Lundu, Bau, Kota Samaharan. Siburan, Serian and Bandar Sri Aman. Central Region covers Betong, Saratok, Sarikei, Bintangor, Sibu, Kanowit, Kapit, Dalat & Mukah. Northern Region covers Bintulu, Batu Niah, Miri, Marudi, Limbang & Lawas.





INTER RELATIONS COMMITTEE (IRCs)

Members in each Bank elect the IRCs as their representatives. The IRCs are a crucial link between the Union and members. They are at the forefront in addressing members' issues and problems at the workplace. The IRCs meetings held every 3 months enable IRCs & Branch Committees to share information and resolve various issues affecting members of the workplace.





Pioneering Change

Who We Are

Established in 1983, Bank Islam is the first Shariah-based banking institution in Malaysia and has been instrumental in driving the rapid development of the country's Islamic economic landscape. The Bank's vision to become a 'Global Leader in Islamic Banking' is reflected by its continuous drive for innovation as it offers a comprehensive list of Islamic financial and banking solutions. As one of the leading banks in Malaysia, Bank Islam has been recognised by a slew of awards by its peers, which include "Islamic Bank of the Year" Asia by The European Global Banking & Finance Awards 2015, Strongest Islamic Retail Bank in Malaysia by Islamic Retail Banking Awards 2015 (Cambridge IF Analytica – UK), "Best Islamic Bank Malaysia" and "Innovation in Retail Banking Malaysia" category from The International Banker Asia & Australasia Banking Awards 2015.

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For other available vacancies, visit our career portal at www.bankislam.com.my



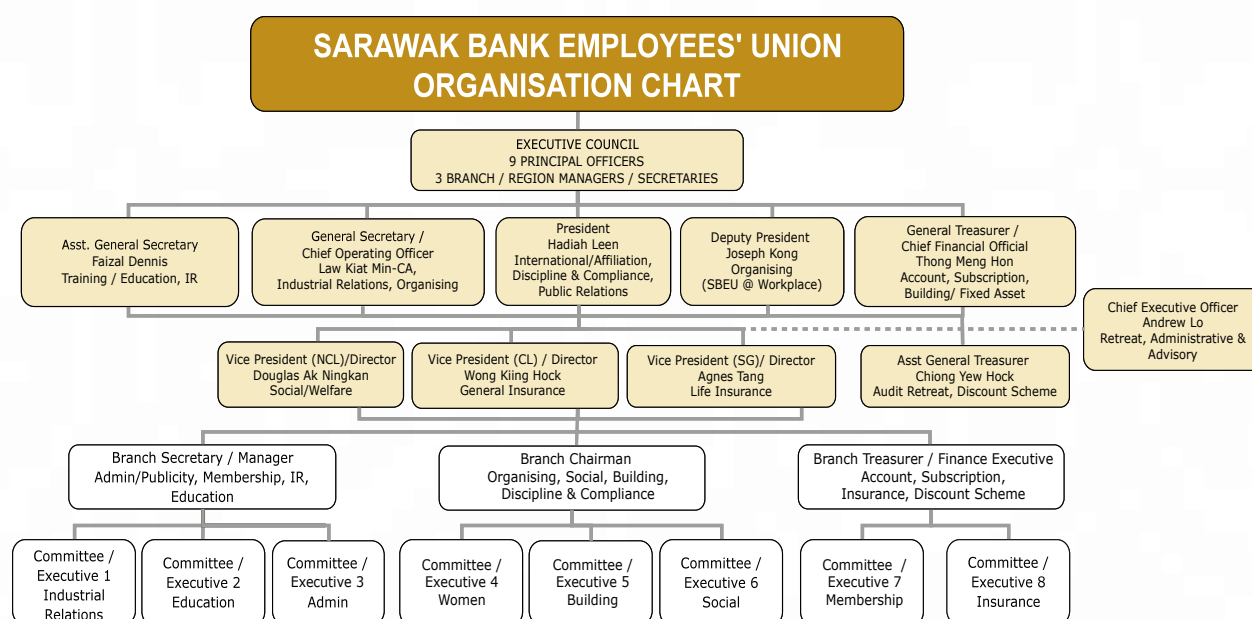
Management

MANAGEMENT WORKSHOPS



The key feature in SBEU's administration is the annual Management Workshops held in the 1st quarter of each year. The workshops, now in their 20th year, attended by all key officials of SBEU, are very useful in reviewing the work of the Union for the previous year and to lay out the programs for the coming year. The workshops have enabled SBEU to manage our budget in a prudent and cost-effective manner.

The SBEU Management Handbook, now in its 19th edition, was produced as a guide and reference to assist officials to carry out their duties in a professional and effective way. SBEU introduced a Functional Organisation Structure in 1996. There are clear duties and responsibilities for each official both at HQ level and at branch level. Going forward we may develop a more lateral organisational structure to better suit the varied demands and requirements of our members.





OFFICE



SBEU 1st Office



Library - 1998



HQ - 2013

In the early years SBEU officials used to operate from their own homes or from a corner in the bank branches. SBEU's 1st office was a rented office shared with other Unions at Lot 192 Jalan Ang Cheng Ho, Kuching in 1982.

Following the election of Abang Iskandar and then Michael Wong as General Secretaries, the HQ was move to Kampong Dato in Sibu in 1987 which also housed the Sibu branch. Kuching branch moved into its own office at King Centre in 1989, Bintulu to Medan Jaya in 1995 and Miri to Boulevard Centre in 1996. We moved into our new HQ at Queens Court in Kuching in 1999. The office for Sarikei was completed in Dec 2006.

All branches are fully equipped and are all linked on line. This has improved our effectiveness in reaching out to members and in communications between Branches & HQ. We also have our own specialized software applications to manage our Memberships & Subscription Register, Benevolent Fund and Financial Accounts.

SBEU maintains a library at HQ equipped with all Law Journals and the Industrial Law Reports as reference, materials/publications on Industrial Relations, Human Resources Management and Banking.



OFFICIALS & STAFF

Ever since its formation, from the time of the 1st President of SBEU Fred Yeo Leong Hai to the Current President Hadiah Leen who was elected the 1st Woman President; from Michael Lee the 1st General Secretary to Andrew Lo who has the distinction of the longest serving (20 years); from EXCO to Branch Officials, SBEU is fortunate to have dedicated leaders.

Whist all SBEU leaders are volunteers they all seek to manage SBEU in a professional and structured manner, always listening to the views of members and making decisions for the long term interest of SBEU.

To instil greater professionalism and effectiveness for SBEU, 9 officials graduated with IPMA Diploma in Business Management. They have earlier obtained their Certificates in Personnel Management. 4 went on to obtain their Masters including current General Secretary, Law Kiat Min. The CEO obtained his law degree in 1997.

In 2005, SBEU changed the titles of our officials to reflect their job functions and duties more accurately, Deputy/Vice Presidents are now known as Directors, General Secretary as Chief Executive Officer, Assistant General Secretary as Chief Operating Officer, General Treasurer as Chief Financial Officer. Branch Secretaries are now Branch Managers, Branch Treasurers are Finance Executives and Branch Committee are Branch Executives.

SBEU first employed a part time clerical employee in 1988. Currently SBEU has 18 employees, 6 at HQ and 12 at the Retreat.

SCBA's member Banks have graciously seconded the General Secretary on a full time basis since 1998 and General Treasurer since 2015. The President, Assistant General Secretary and Branch Secretaries are seconded on a part time basis. This tremendously increases the effectiveness of SBEU in resolving grievances and disputes with the bank and in building professional industrial relations with the Banks.



General Treasurers 1991/1989



Deputy President / Assistant General Secretary 1990



HQ Staff 2012



Handling over to 1st Women President



TRADE UNION PRESENCE AT WORKPLACE (TUPAW)

Apart from recruiting new members, one key element in SBEU's organising strategy is the TUPAW programme. Under this programme, Branch Officials visit members at their workplaces to listen to their views and to attend to their grievances and other issues that may arise at the workplace.

Since the programme was introduced in 1995, Branch Officials at SBEU branches have conducted an average of 2 visits a week-averaging 150 visits every year. This means that each bank branch will be visited at least once a year.

A total of 3019 such visits made illustrates the extensive reach of SBEU to our members.

Trade Union Presence at Workplace (TUPAW)

	2008		2009		2010-Mar 2011		TOTAL	
BRANCH	NO. OF VISIT	MEMBER	NO. OF VISIT	MEMBER	NO. OF VISIT	MEMBER	NO. OF VISIT	MEMBER
KUCHING	21	262	18	196	36	390	75	848
SIBU	13	210	20	242	26	408	59	860
MIRI	15	237	14	118	15	228	44	583
BINTULU	11	123	18	205	22	205	51	533
SARIKEI	15	117	15	140	11	123	41	380
TOTAL	75	949	85	901	110	1354	270	3204

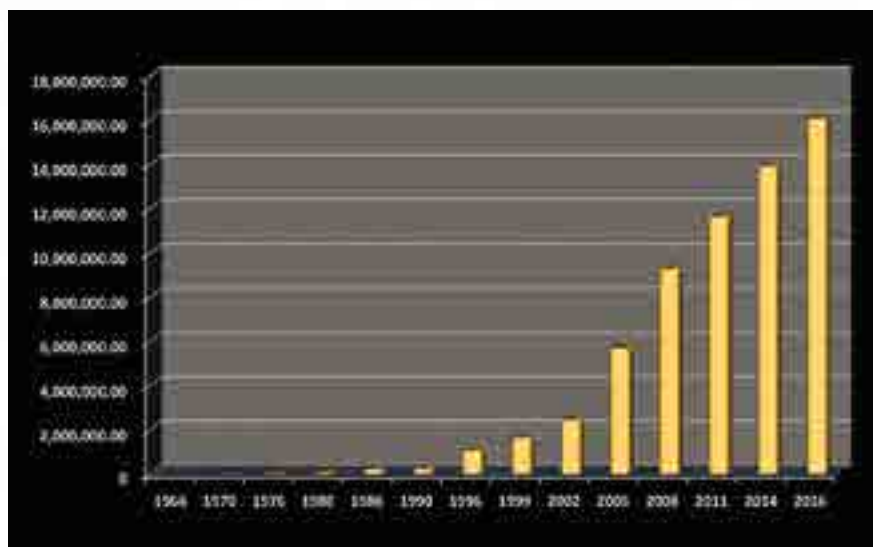


Finance

GENERAL FUND

From our humble beginnings the financial position of SBEU has grown steadily. From \$104,987.56 in 1990, our assets jumped to \$5.5 million on 2006 and \$16,043,941.00 as at 31/3/2016 before capital appreciation.

SBEU strives to strike a prudent balance between the need to provide adequate services and support to our current members with the need to build up our financial asset for future generations.



The computerized accounting system allows SBEU to keep a tighter control of spending and ensure that the expenses are within the budget.

BENEVOLENT FUND

The Ben Fund was implemented in 1995 to encourage our members to save for their retirement.

This is due to the unwavering support from members who not only diligently pay their subscription fees but contribute 10% of their arrears after each Collective Agreement. Despite a drop in membership since 1990, assets continued to rise.

The main source of income remains our monthly subscription (1% of Salary). Other sources are group insurance scheme & general insurance commission and FD interest, rentals and our Retreat & Training Centre. We have built up our finances such that membership fees is just 53% of our annual income.

This reduced reliance on membership fees allows us to withstand the threat by SCBA to withdraw check-off facilities during the major dispute in 2011.

Under the Fund, members pay a monthly premium to the fund which is then invested on their behalf. They will get back their premiums plus dividend when they cease to be a member of SBEU upon retirement, leaving the banking industry or falling outside the membership scope of SBEU.

Initial monthly premium was \$4. This was increased to \$10 in 1999 and then to \$20 in 2003. Assets are \$8,581,087.00 as at 31 March 2016. The fund declared dividends averaging from 4% to 5.5% annually. The fund invests in Fixed Deposits, properties and the Union Yes Retreat to provide stable and secure investments with decent returns.

Total withdrawal since the inception of the Fund amounted to \$2,205,720.62 by 718 members.

SBEU PROPERTIES

SBEU currently has 10 landed properties/buildings purchased over the years.

	Date of Purchase	Location	Property Type	Description Property Held	Tenure (Lease)	Expiry Date	Purchase Price
A	03 Apr, 1990	3 rd Floor, Lot 32 Blk D King Centre, 93350 Kuching	Strata Title 3 rd Floor of a 4-Storey Shophouse	SBEU Dormitory	Leasehold 60 Years	24 Sept 2038	RM84,190.03
B	05 July 1994	Lot 3672-3-2 2 nd Floor Medan Jaya Comm. Centre Blk 31 Kemena Land Dist 97000 Bintulu	Strata Title 2 nd Floor of a 3-Storey Shophouse	Bintulu Branch Office	Leasehold 60 Years	27 Feb. 2052	RM100,507.94
C	28 Feb 1995	Lot 2441 Blk 5 Miri Concession Land Dist. 98000 Miri	Commercial 3-storey Shophouse	Miri Branch Office & Rental Income	Leasehold 60 Years	21 Jan 2050	RM453,487.20
D	17 Nov 1998	2 nd Floor, Lot 79 Queen's Court, Jalan Wan Alwi 93350 Kuching	Strata Title 2 nd floor of a corner Unit 4-Storey Shophouse	SBEU HQ, Retreat Marketing Office MTUC Office	Leasehold	Pending Title	RM200,000.00
E	29 Jun 2001	Lot 371 Blk 5 Gading Land Dist. Siar Beach, Lundu Kuching	Beach Front Land 1.7 acre	Union Yes Retreat	Freehold Perpetuity	-	RM355,000.00
F	23 Apr 2004	Lot 317 Blk 4 Matang Land District, 11th ML Matang Rd Kuching	Country Land Adjacent to mountain stream	Vacant Pinic/Camping Retreat	Leasehold 60 Years	12 Aug 2074	RM140,000.00
G	3-May-05	Sublot 10 Lot 16 Blk 24 Sarikei Land District, Tiang Soon Heights, Sarikei	3-Storey Corner Shophouse	Rental Income Sarikei office	Leasehold 60 Years	-	RM485,000.00
H	26-Feb-08	Lot 9 Block 5 Gading Land District, Lundu, Kuching	Beach Front Land	Union Yes Retreat	Leasehold 60 years	12 Jan 2036	RM500,000.00
I	11-Jul-08	2 nd Floor, Lot 78 Queen's Court, Jalan Wan Alwi 93350 Kuching	Strata Title 2 nd floor of a intermediate Unit 4-Storey Shophouse	Kuching Branch & MTUC Office	Leasehold	Pending Title	RM245,000.00
J	18-Jun-10	Lot 2351 Blk 9 Seduan Land District, Sibul	Vacant Land	Proposed Recreational & Childcare Centre	Leasehold 99 Years	17 Oct 2098	RM912,042.00





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Collective Agreement



A Union's primary role is to bargain for better terms and conditions of employment for its members to be incorporated into a Collective Agreement (CA).

SBEU's first ever CA was with the Chartered bank on 6/12/1966 with a starting salary of RM120. CA with OCBC & with HSBC were signed in 1967. The second CA with Chartered Bank was concluded in 1971 after 15 rounds of negotiation and conciliation. The 1st CA with Hock Hua Bank was signed in 1974.

1976 saw the formation of the Sarawak Commercial Banks Association, a trade union of employers representing Bank Bumiputra, Ban Chiang Bank, Kwong Lee Bank, Chartered Bank, Hongkong & Shanghai Bank Corp & Overseas Chinese Banking Corp. SCBA provided a platform to standardise the terms and conditions of employment for the banking industry in Sarawak. The SCBA/SBEU's CA was eventually extended to all banks & finance companies in Sarawak. We have concluded 14 Collective Agreements with SCBA since then.

The 1st CA (1967 to 1977) with SCBA was concluded in 1978 after long drawn negotiations necessitated by the need to standardise the terms and conditions amongst the various member banks of SCBA. It provided for an annual Bonus of 2 months' salary. The second CA was concluded in 1979, again after long drawn negotiations. Hock Hua Bank and Overseas Union Bank were included.



1st CA with Hock Hua Bank



Negotiations for the 3rd CA (1982-1984) was deadlocked despite more than 3 years of negotiations. The dispute was referred to the Industrial Court. The Industrial Court standardised the salary scales for bank employees throughout Malaysia. In addition employees in Sarawak are paid a monthly Sarawak allowance that ranges from 15% to 25% of their salary. Salaries of members jumped almost 50%.

Retirement benefits in the form of gratuities were abolished in favour of additional 4% in EPF Contribution.

In 1987, a successful challenge to the Supreme Court resulted in the Banks having to contribute at 16% of gross salary instead of the statutory 12% to the EPF as retirement benefits.

The 4th CA (1985-1987) provided for paternity leave. Salary Increase was 11%.

Over the years, the industrial court & collective bargaining practice has established the wage fixation principle that salary increase should not exceed 2/3 of the increase in the Consumer Price Index for the relevant period.

For the 5th CA (1988-1990) in 1989, SBEU and NUBE, after taking the nationwide protest action successfully challenged this principle. As a result, the industrial court awarded the salary increase that is more than 2/3 of the CPI. This landmark decision was subsequently upheld by the High Court.

The banks agreed to extend medical benefits to family of employees in a significant breakthrough for the 6th CA (1991 to 1993). Members also enjoyed a 12% to 16% salary increase.

A long outstanding issue was resolved in the 7th CA (1994-1996) when the bank agreed that tellers do not have to pay for cash shortages anymore. Salary increase range from 22% to 34%, one of the highest ever. The new CA also includes provisions for part time employees.



Occupational Safety and health provisions and Childcare Allowance for employees with children below 7 years old were incorporated into the 8th CA (1997 to 1999). Members enjoyed 12% to 16% salary increase.

SBEU is the 1st Union to initiate the reduction of sick leave entitlement in our efforts to improve the productivity of our members. We are also the 1st Union to agree to a reduction in benefits to assist our employers to cope with the aftermath of the 1997 financial crisis.

For the 9th CA (2000 to 2002) the Banks wanted to have complete freedom to outsource and contract out jobs. SBEU rejected the demands and went to Court to maintain these crucial safeguards in our job security.

Our decision was vindicated when the Industrial Court handed down its award No792 of 2005 maintaining the safeguards and at the same time awarding a 12% salary increase and backdated to 1st January 2000. As a result SBEU members got up to 38 months arrears worth more than RM20 million.

Since then, SBEU has been taking the lead in negotiating for CA that has paved the way for a nationwide agreement.

It allows us to develop proactive proposals on job empowerment and performance pay in our continuous efforts to enhance the job value of our members.

Code of Conduct for prevention of sexual harassment along with a 9% salary adjustment and a new benefit-increase in delivery charges for female employees was achieved in the 10th CA (2003 to 2005).



PERFORMANCE PAY

As early as 2004, SBEU has been working with the banks for a performance pay system for bank employees. We believe that a PPS that is equitable, transparent and within the framework of the CA will address the need to improve productivity and efficiency of banks and at the same time increase the value of our members' job and their income.

Salary revision based on the CPI will not lead to an increase in the standard of living, as any salary increase will be offset by the higher cost of living. It is also generally accepted that CPI does not accurately reflect the actual increase in the cost of living, especially for the lower and middle income group.

Together with job empowerment, PPS will encourage our members to improve their performance and increase their job value so that their income will increase above the CPI rate and lead to a higher standard of living.

Our drive towards performance pay took a significant step in the 11th CA (2006 to 2009) when it was agreed that the 2-month contractual bonus be abolished and incorporated into the basic salary. Annual bonus will be henceforth based on performance of the Bank and the employee. Performance of the employee shall be based on an open appraisal system. Any employee not satisfied with his performance, targets, appraisal or bonus pay-out have the right to refer to the Union in the dispute handling process. As a result, employees get a salary increase of up to 32.76%.

The introduction of performance bonus has spurred the drive to higher performance, productivity and efficiency. Since the introduction, members were paid up to 6 month salary as performance bonus. The average was 2 to 3 months.



PERFORMANCE BONUS PAID BY BANKS

PERFORMANCE BONUSES AND DT BANKS																						
			2007	2008		2009		2010			2011		2012		2013							
No	Bank	No of Members	Average payout X Salary	Profit Before Tax for 2007	Average payout X Salary	Profit Before Tax for 2008	Average payout X Salary	Profit Before Tax for 2009	Total bonus payout 2010	Average bonus per member	Average payout X Salary	Profit Before Tax for 2010	Total bonus payout 2011	Average bonus per member	Average payout X Salary	Profit Before Tax for 2011	Total bonus payout 2012	Average payout X Salary	Profit before tax for 2012	Total bonus payout 2013	Average payout X Salary	Profit before tax for 2013
			RM'000		RM'000		RM'000				RM'000				RM'000				RM'000			
1	Affin Bank	44	2.50	251,209	2.47	409,553	2.46	385,139	340,000	7,727	3.23	474,794	281,006	5,854	2.45	536,371	217,823	1.69	595,555	360,525	3.02	672,529
2	Alliance Bank	33	2.00	508,410	0.44	314,052	1.53	253,220	122,791	3,721	1.63	433,848	149,395	4,527	1.98	518,997	165,343	2.00	260,884	132,626	1.56	347,246
3	AmBank Bhd	160	2.60	784,290	2.60	759,194	1.65	952,683	850,040	5,986	2.39	1,865,498	-	-	0.00	2,081,700	662,099	2.02	570,188	686,484	2.22	962,613
4	Bank Muamalat	21	1.00	65,542	1.35	42,385	4.29	140,634	214,055	10,193	4.07	204,786	92,842	3,868	1.54	204,300	216,942	4.20	101,891	45,804	1.52	234,978
5	Bank Islam	65	2.00	236,660	1.73	308,267	2.55	233,096	427,463	6,576	2.94	313,035	361,241	5,826	2.61	470,100	554,400	3.51	600,303	619,353	3.22	683,018
6	CIMB Bank	242	1.90	1,767,939	2.93	2,184,696	2.77	1,937,069	1,581,860	6,537	2.67	2,365,868	1,779,350	7,353	3.00	3,186,293	1,696,300	2.58	2,489,372	1,766,067	2.60	2,729,015
7	EON Bank	177	0.94	264,980	1.76	231,629	3.80	378,796	2,283,220	12,900	5.36	476,877										
8	Hong Leong Bank	185	2.00	759,444	1.94	949,021	1.97	886,395	1,082,069	5,849	1.95	961,005	1,714,416	9,267	3.09	1,078,566	1,665,220	1.86	1,777,917	1,709,289	1.69	1,973,692
9	HSBC Bank	62	1.74	1,031,619	2.12	1,185,416	1.12	805,303	428,406	6,910	2.35	983,854	422,269	7,157	2.43	1,292,987	445,876	2.23	1,407,812	411,943	1.93	1,324,521
10	Maybank	473	2.00	3,118,575	2.05	383,079	2.97	4,786,544	3,674,269	8,093	3.25	4,561,429	1,928,214	4,285	1.72	2,670,185	3,416,048	2.50	5,498,158	4,143,715	3.33	6,126,940
11	OCBC Bank	13	0.78	717,525	1.14	848,420	1.60	784,920	55,850	4,296	1.74	920,274	57,953	4,829	1.81	704,736	70,697	2.48	1,025,107	86,154	2.48	1,113,310
12	Public Bank	421	1.25	2,850,783	2.78	2,897,716	3.28	2,789,170	3,015,243	7,162	2.97	3,677,657	2,903,995	7,260	3.01	4,085,281	2,682,173	2.44	4,626,986	2,971,885	2.46	4,646,632
13	RHB Bank	351	1.30	885,267	1.47	1,285,004	1.65	1,357,344	2,294,560	6,537	2.54	1,740,757	1,593,760	6,037	2.35	1,886,540	1,334,830	1.89	2,164,986	1,463,550	1.88	2,037,172
14	Standard Chartered	46	1.45	744,709	1.18	957,878	1.24	382,406	229,769	4,995	1.50	507,670	186,360	4,778	1.43	765,036	172,251	1.37	854,207	125,469	0.90	647,748
15	UOB Bank	32	0.37	664,475	0.81	515,209	1.17	701,117	103,726	4,149	2.01	794,694	98,280	4,095	1.99	1,007,322	120,270	2.21	1,182,714	157,080	2.50	1,303,899
Average industry bonus/bank profit			1.59	976,762	1.77	884,768	2.27	1,118,256	16,703,321		2.71	1,448,718	11,569,081		1.96	1,485,793	13,420,272	2.20	1,654,006	14,679,944	2.09	1,771,665

The 12th CA (2009-2011) provided a salary increase of 9%. Banks also provided insurance cover for hospital and surgicals for spouse and children of employees.

The 12th CA unfortunately created one of the biggest dispute when SCBA refused to extend higher benefits that it subsequently granted to employees in Peninsular Malaysia and Sabah, to SBEU. This is despite signing a Memorandum of Agreement with SBEU.



It is unfortunate that the Court of Appeal ruled that SCBA is not legally obligated to extend the benefits as the MOA was not submitted for cognizance at the Industrial Court. It does leave a sour taste in the relations.

The 13th CA (2012 to 2014) provided a significant breakthrough in recognising job empowerment, apart from the monetary benefits and salary increase.

Banks can and should assign non-clerical members to perform clerical duties as their secondary functions. This will enhance the job value of the non-clericals and also prepare and train them for career advancement.

We do not want our non-clericals to remain as non-clericals. We want them to learn new skills and to gain experience so that they can be upgraded. It is our longstanding policy to enhance the job value of our members in order to enhance their income and living standards. And this has led to a positive increase in the salary as reflected in this CA.

The CA also provided for Clerical members to perform sales functions, including related supportive roles, as assigned by the Banks.

SBEU Members, including non-clericals, look forward to performing higher valued jobs and taking on new responsibilities, higher authority limits, CSR, Service Ambassador, sales, marketing and numerous other jobs functions.

We can also view this as a positive move for SBEU members to maintain our relevance in the banking industry that has seen a steady decline in clerical functions and increase in sales and service functions.

To ensure that the additional duties are reasonable, an employee who is dissatisfied with the duties assigned to him has the right to refer to SBEU. Of course the banks must provide adequate training and equal opportunities.



SBEU members throughout Sarawak has voted overwhelmingly to ensorsed the Agreement. They turned out in full force at EGMs held in Kuching, Bandar Sri Aman, Sarikei, Sibul, Kapit, Bintulu, Miri and Limbang. Members from other towns voted by postal ballots.

The CA also provided for members to enjoy a salary increase between 12% to 17% equivalent to \$202 to \$824 extra a month.

The **increase in Retirement Age to 60** after the implementation of the National Minimum Retirement Age Act benefited those who are due to retire at 55 before 1 July 2013. Maternity Leave is increased from 60 - 90 Days.

The 14th CA (2015-2017) provided for a 10%-12% salary increase.

The starting salaries of SBEU members is \$1489 a month and maximum is \$6613 a month - compared to \$120 and \$220 a month 50 years ago.

AM FINANCE COLLECTIVE AGREEMENT 2003-2005

For 4 long years, Ambank/MBF Finance refused to conclude a CA until members picketed and threatened to call for strike. Subsequently, the dispute was referred to Industrial Court on 20th December 2004.

The court handed down an Award that is based on SCBA/SBEU CA (including effective dates) with Salary increase of 15%. Members received averaging \$10,000 in arrears each.

When Am Finance merge into AMbank, the terms and conditions were subsequently standardised with the SCBA/SBEU CA.

For the 2006-2009 CA, Ambank members got 33% to 46% salary increase backdated to 1 Jan 2006.



HSBC CSB

IN 2007 SBEU obtained recognition to represent Customer Service bankers in HSBC Bank. This is a higher grade than existing clericals and is a significant step in our efforts to represent all non-executive officers in the banking and finance Industry.

We have executed 3 Collective Agreement with HSBC for the CSBs with terms and conditions that are better than officers in some other banks.



MEMBERS DECIDE

One of the key initiative by SBEU is that we only execute Collective Agreements after all members have the opportunity to review the terms and decide by secret ballot. This empowerment of our members is not mandated by our constitution but is fundamental to the transparency of the negotiations and in the final analysis, decisions are always taken in the best interests of the members and employees.

SBEU officials meet with members from all towns, big or small in Sarawak.

We believe that our results speaks for itself.



Heartfelt Congratulations

on Sarawak Bank Employees' Union
50th Anniversary Celebration

From the management and employees of

 **HongLeong Bank** and  **HongLeong Islamic Bank**

Industrial Relations

50th ANNIVERSARY



With more than 16 different Banks and 12 Finance Companies at one time, run by dynamic Human Resource management and over 2000 well informed members, industrial relations issues remained at the forefront of SBEU activities and services to our members over the past 50 years.

Collective agreements are only negotiated every three years. In between, industrial relations issues will arise. The issues and employee grievances include, but are not limited to:

- Interpretation/ non-compliance of Collective Agreements
- Non payment of staff benefits including overtime & medical expenses
- Employee misconduct including dismissal & other disciplinary actions
- Transfer of members
- Redundancies/VSS
- Mergers, rationalization & branch closure
- Staff management/ arrogant managers
- Working environment, occupational health and safety including stress and pressure
- Outsourcing
- Cash shortages
- Performance appraisals and Bonus
- Whether husband and wife can work in the same bank



By and large, SBEU and the banks resolve the issues and disputes amicably within the Grievance Handling procedure as provided for in the Collective Agreement.

Beyond that, the dispute resolution mechanism and the Industrial Relations system under the Industrial Relations Act is cumbersome. The long time it takes for cases to be referred to the Industrial Court, for hearing to be completed and for decisions to be handed down has contributed to this great sense of frustration that must be resolved.

There have been numerous instances where the dispute resolution mechanism has failed to address the issues to the satisfaction of SBEU. This is where the union had to resort to protest actions and industrial actions.





Over the years we have picketed against all banks over the CA, in 1981, 1988, 1991 and 2001; in 2012 over extension of benefits, against SCB in 1978 over the dismissal of an employee and in 2006 over demotion and non-payment of allowances; against Maybank in 2003 over non-payment of medical claims; against BCB over dismissal of an employee; against Bank Utama on dismissal; RHB bank on dismissal, against Hock Hua bank over Employee share option scheme; against Hong Leong Bank over branch closure; Am Finance over CA; Amanah Finance and Maybank Finance retrenchment; Affin ACF Finance over CA, HSBC over closure of Commercial Banking.

Members have also shown their displeasure at the management by wearing protest badges on numerous occasions. Thankfully SBEU has never had to resort to strike actions in our history, though on rare occasions, we have threatened to do so.

Credit must also go to the human resource management for adopting a proactive and mature stand when dealing with employee grievances.

Since 1966, more than 70 cases of members who were dismissed were referred to us. The dismissals are due to various misconducts, fraud & misappropriation, including cash shortages, missing cash, absent without leave, non confirmation of probation, insubordination, even sexual harassment and conflict of interest. One case involved the obesity of a probationer and another concerns whether staff can marry each other.

We took up the matter in 29 cases where we feel that the dismissal is without just cause or excuse. The banks reinstated 8 members after negotiations/conciliation/protest actions. 10 were settled amicably, 2 were withdrawn and 14 were referred to the court resulting in amicable settlement in 7 cases. The Industrial Court ordered reinstatement in 2 cases and ordered compensation in one, while 2 are still pending. 3 cases were not referred to the Court.

While, SBEU do not condone any dishonesty or misconduct by members, we will not tolerate any discrimination by the banks and insist on proper and transparent investigations and proper inquiry.

SBEU is also proud that we have moved away from industrial actions such as go slow (a favourite in the 70s) because we believe that whatever differences we have and issues that we may have with the management, our customers and account holders must come first and we must continue to provide the best services to them even when we picket ourselves against the Bank.



Of course there have been isolated incidences when ill advised human resource managers have taken actions that escalated disputes and made matters worse instead of finding a resolution. Such actions actually make the Union stronger and more determined in fighting for members rights.

A case in point is the ongoing dispute with HSBC Bank over the closure of Commercial Banking in Sarawak. Instead of working with SBEU to manage the difficult situation, it discriminate and target only employees in CMB for redundancies, It forced employees to accept VSS or to be retrenched.

Good sense would dictate that all VSS should be open to all employees of the bank, not just CMB as they are not specialised employees and can easily perform a non-executive jobs.

After intervention by the Bank Global HQ, the bank came to an agreement with SBEU to resolve the issue but the Malaysia CEO rescinded it, Such unethical behaviour is unheard of in any industry, much less the banking industry where honesty, transparency and integrity is of utmost importance.

The Bank senior managers intimidated employees into applying for VSS.

As a result, SBEU threatened strike action before the matter was referred to Industrial Court.

We reproduce in the following pages our newsflash on the Dispute. It is indeed a very sad episode in our History.





NEWSFLASH!

Published by Sarawak Bank Employees' Union For Members Only Vol 3/2014
 2nd Floor 19 Bldg B Queens Court 91150 Kuching Sarawak. Tel: 433033 Fax: 461829 DATE: 2 May 2014

www.sbeu.org.my



DO NOT TRUST HSBC! CLOAK & DAGGER BANK

- HSBC exits Commercial Banking Business(CMB) in Sarawak
- Force employees to leave
- Refuse to Honour Agreement with SBEU

1. In Oct 2013 the Bank announced that it will close down CMB in Sarawak.

2. It told staff in CMB only that if they do not apply for a so called Voluntary Separation Scheme, they will be transferred out of Sarawak. If they refused to be transferred they will be retrenched. What is so sad is that almost of CMB employees are ladies who are in their 40s with school going children. They are now under so much emotional stress and pressure by the bank.

3. SBEU tried to find a reasonable solution and request the bank to follow industry practice and to open VSS to all employees of the bank in Sarawak, instead of targeted employees. This will ensure that there will be enough applicants. The bank then does not have to transfer excess employees outside Sarawak or to retrench them.

4. This will remove any perception of discrimination and coercion. SBEU members are clerical and non executive staff and are not specialised employees. Over the years they have been easily and readily transferable between both retail and commercial banking. Those in CMB have previously worked in retail before and will be able to perform retail functions.

5. The bank adamantly refused. It claims that it does not want to disrupt retail business and wants keep retail staff even though there are some retail staff who want to apply. Essentially it is saying that it does not want CMB staff anymore, not matter what.

6. The VSS is the worse ever offered by any bank ever! When Standard Chartered closed down some

Business in Sarawak, it paid up to 2.75X salary plus an additional 10 months, with no capping. Currently CMB is offering 2 month salary for each year of service up to a maximum of 48 months.

7. As a result SBEU embarked nationwide protest actions. After presentation to the bank HQ in London, HSBC on 24 February 2014, gave an assurance through its TOP level Executives that those who did not apply will not be transferred or retrench as the bank will be able to find a role for them in their home town.

8. As such SBEU cease all actions against the bank and leave it to the members to decide. We now are satisfied that the VSS will be voluntary as employees now have a choice of staying or leaving.

9. In a Despicable move, on 16 April 2014 the CEO, inform the union that it will not honour the commitment given on 24/2. He even had the audacity to claim that there was no such commitment. (It is fortunately that SBEU has the transcript to show that there was a commitment).

10. It is unprecedented and unbecoming for CEO of a Global bank to refuse to honour its own univocal commitment. AND then resort to gross misrepresentation (if not outright lies) to that there was no such commitment. This will undermine trust and confidence of the staff and public in not only the bank but to the entire Banking industry.



NEWSFLASH!

Published by Sarawak Bank Employees' Union. For Members Only Vol. 1/2014
 2nd Fl East 79 Jln 18 Queens Court 93350 Kuching Sarawak Tel: 433027 Fax: 461829 DATE: 27 January 2014
www.sbeu.org.my

BLATANT DISCRIMINATION BY HSBC!

CLOAK & DAGGER BANK

- HSBC exits Commercial Banking Business in Sarawak
- Resorts to Cloak & Dagger scheme to force targeted employees to apply for VSS or be Transferred and Retrenched.



Bank sent a private email to those CMB employees who did not apply for the VSS, to extend the closing date "inviting" them to submit their application. Instead of doing the decent thing and let other staff in Retail apply, HSBC deliberately, intentionally and wilfully resort to all means to hoodwink long serving staff in Commercial Banking out of their job.

Use of the cloak and dagger was tantamount to a "bribe" method of transfer because of its deceptive nature.

HSBC GLOBAL VALUES

"We recognize that we have responsibilities not only towards our customers, employees and shareholders, but also the countries and communities in which we operate."

communities in which we operate

We believe that a sustainable bank must be consistently profitable, but not solely concerned with making a profit.

Success for HSBC means providing our customers with the products and services they need and want, understanding and managing the impact we have on society and the environment, and investing in the future of our employees and the communities we serve.

These measures help us to carry out our work in a way that is both commercially astute and ethically sound.

At HSBC, we take pride in managing our business responsibly while addressing the expectations of our shareholders, customers and employees to maximize positive impact on society."

Douglas Flint, HSBC Group Chairman



IN MALAYSIA THESE VALUES DO NOT APPLY

Bank takes instruction from Hong Kong communist China

HSBC pressure and coerce employees in commercial banking to apply for the VSS by threatening that they will be transferred outside Sarawak or shall be retrenched. The VSS package offered was the worse ever by any Bank.

While SBEU accept HSBC Bank's right to make a business decision to exit Commercial Banking business in Sarawak, we would expect the bank to manage the staff issues in a sincere, transparent and responsible manner.

HSBC REJECTED SBEU's REQUEST to open VSS to all employees of the bank in Sarawak, instead of targeted employees. SBEU's request will ensure that there will be enough applicants. The bank then does not have to transfer excess employees outside Sarawak or to retrench them.

This will remove any perception of discrimination and coercion. SBEU members are clerical and non executive staff and are not specialized employees. Over the years they have been easily and readily transferable between both retail and commercial banking.

HSBC REJECT our request to improve the VSS package to be in line with previous offers and to be at par with market practice. This will also encourage more employees to apply so there is no need for retrenchment. The additional cost is a manageable and justified in the overall scheme of things.



WHAT PRICE JOB EMPOWERMENT?

SBEU is only national union that agreed with all banks to assign additional duties including sales functions to its members. This is done to



improve business efficiency, customer service and to create added value and productivity of bank employees.

HSBC Bank's decision to retrench those who take up additional duties will adversely compromise these efforts as our members are now very reluctant to take on any new duties or functions.

No employee will want to take up additional duties if they will be the ones to be retrenched.

As such customer's service in all banks will be badly affected by HSBC's action

MORE DISCRIMINATION AGAINST SARAWAK EMPLOYEES

HSBC recently paid additional Bonus in addition to the bonus Clause in their Collective Agreements to employees in Sabah & West Malaysia but not to Sarawak. This is another blatant discrimination against SBEU members.

OTHER BANKS TAKE PART IN SIMILAR DISCRIMINATION

SBEU simply cannot allow such destructive and repressive actions by the bank to discriminate, victimize and threatened to retrench targeted employees and the bank's blatant attempt to coerce, pressure and threaten Sarawak employees.

SBEU HAS NO CHOICE BUT TO CALL FOR STRIKE ACTION AGAINST HSBC AND ALL BANKS!



NO TO
HSBC!



AHLI SBEU PIKET DI PREMIS BANK HSBC DI SARAWAK

Protest against the HSBC bank premises in Sarawak. The image shows a group of people gathered outside the bank, holding signs and banners. The text is in Malay, discussing the protest and the bank's operations.



聯合日報

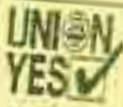
United Daily News



HSBC laundered billions of dollars for Mexican drug cartels, Senate investigation finds

A Senate investigation has found that HSBC Bank has laundered billions of dollars for Mexican drug cartels. The investigation was conducted by the Senate Committee on Banking, Finance and Insurance.





SBEU

NEWSFLASH!

Published by Sarawak Bank Employees' Union. For Members Only Vol. 1/2007
2nd Fl Lot 79 Blk B Queens Court 93350 Kuching Sarawak Tel: 433027 Fax: 461829 DATE: 8 February 2007
www.sbeu.org.my

SBEU MEMBER REINSTATED!!!

Court rules that Dismissal by Hong Leong Bank TOTALLY WRONG

The Industrial Court has ordered Hong Leong Bank to reinstate an SBEU member Josephine Hawn whom it dismissed 5 years ago back to her job as a teller with no loss of pay, security and benefits. The Court also ordered the Bank to pay her compensation totalling more than \$37,000.00.

In a judgment handed on 12 January 2007, the court strongly reprimanded Hong Leong Bank holding that "Bank has dismissed the claimant arbitrarily and the manner of dismissal is harsh... the Bank to be accordingly reprimanded as that it would not take similar action readily but justifiably".

Brief facts of the case

1. On 01 October 2001, Josephine, who is a teller in Miri branch attended to a customer, who came to cash a cheque for RM1500. After she keyed in the relevant details she noticed that the signature on the cheque does not match the specimen on the computer screen.
2. She alerted the transaction and referred the cheque to her officer and proceeded to serve other customers as there was a long queue.
3. The officer did a balance inquiry which showed that the balance was insufficient to cover the amount. The officer did not realise that the amount had already been debited to the account. He then instructed Josephine to return the cheque to the said customer.
4. The next day they discovered that the account was debited but she did not pay the cash to the customer. By right she should have a cash receipt on the day in question if there is no compensating entry.
5. The bank immediately charged her with misappropriation of the RM1500. The Bank's domestic inquiry found her guilty and dismissed her on 03 November 2001.

SBEU proven Right all along

SBEU tried to convince bank that there is simply no ground to find the member guilty of misappropriation. However the management just refused to listen to SBEU's reasoning. SBEU must make state wide protest action and picketing against the bank. It was a long battle until the case was finally referred to the Industrial Court on 16 August 2004.

During the hearing, dismissal was recommended by SBEU COO Andrew Lai & while the Bank is recommended by management Lee Kim East (President & CEO, HLB Bank).

BANK BLAMED EMPLOYEE WHEN IT WAS A SYSTEM ERROR

From the evidence the court concluded that:

"It is the system error is the total answer to the issue at hand as to why a debit entry of RM1500 had taken place when the claimant did not pay out the amount and had returned the cheque to the customer."

"Misappropriation is a criminal misconduct and thus proof by the bank has to be crystal clear. The bank has to afford proof premised on reasonable grounds for the Court to believe that the offence against the employee has been established."

"From the evidence adduced both in this court and at the disciplinary inquiry, there is not even a trace of suspicion that the claimant has misappropriated the funds in question."

On the contrary the court even praise the employee stating, "her conduct in the alleged transaction and her honest explanation is laudable and consistent with her express imputed of employment with the bank" and "she has also at all times especially during the alleged transaction maintained a standard of conduct and integrity which is beyond reproach".

The Court also commended SBEU as follows:

"In this regard the task undertaken by the SBEU representative is commendable. He has represented the case for the employee candidly and effectively by demonstrating before this Court through the cross examination of witness for the Bank the occurrence and existence of the computer system error through no fault of the employee which has caused her livelihood."

SBEU wonders just how the DP panel of David Chuang, Bernard Yee and Ho Min Khiong as well as the Head Human Resources Michelle Chow Lai Fung & IT Manager Devo Maragan come down to such baseless and illogical decision that Josephine is guilty of misappropriation without a shred of evidence. Their unground reasoning and flawed judgment has caused the bank to suffer financial loss and pay legal fees for nothing. While Michelle & Devo & Bernard have left the bank, one wonders whether we can still trust the judgment of those who are still at the bank.

Josephine will report back for duty on 5 March 2007.

SBEU PROTECTS YOU AND ME!



Education

SBEU has always placed great emphasis on Training & Education. We organise training courses for members and send officials for training as early as the 70s. Since 1991, we have conducted an average of more than 15 courses a year. That is more than 450 courses. We constantly review our education programmes which are geared towards developing leadership qualities and training members not only to be effective union members, but as responsible and productive employees in the finance industry.

We also organise joint courses with SCBA on Performance appraisal, sales/marketing, customers service and Industrial Relations.

The education programme consists of:

- Induction Programme (IP) for new members
- Grievances Handling, Misconduct/Domestic Inquiry and Industrial Relations
- Leadership/Team Building
- External Courses conducted by MTUC, UNI & Management & Training Consultants
- Professional Courses in Law, Human Resources and Management
- Joint SCBA/SBEU Training
- Bilateral Exchange Program- with Spore Bank Employees Union





Officials were also sent to national level courses conducted by SBEU, UNI, MTUC and professional organisations in Sarawak & West Malaysia. Key officials were also sent overseas to attend Regional Training Courses & Conferences in specialized fields.

10 Officials graduated with the IPMA Diploma in Business Administration in December 2006. This should instil greater professionalism and effectiveness for SBEU. 4 went on to obtain Degree and Masters qualifications including the General Secretary.

Training Programme has assisted SBEU instil a more professional approach in managing the union and when attending to the needs of our members.



Employers have extended their crucial support by granting paid leave for members to attend our programmes which we believe also contribute to the human resource development of the Banks.

Our own Union Yes Retreat and Training Centre at Siar Beach, Lundu will further enhance cost effectiveness of our Training programmes.





Value Added Services

The aspiration and needs of bank & finance employees today are much different compared to 40 years ago. Due to the success of SBEU, bank employees enjoy attractive terms and conditions of employment. The quality of life and standard of living has increased tremendously. Bread and butter issues can no longer be the sole preoccupation of the Union. Trade Union in the 21st Century cannot succeed if we do not provide value added services to our members.

We must give value added services to our members & their families. Our future success will depend very much on our ability, courage & vision to adopt new initiative for the benefits of our members.



INSURANCE

The SBEU/ Great Eastern Life Insurance Ltd. Group Multiple Benefits Insurance Scheme (GMBIS) was first introduced in 1985. GMBIS is a life insurance scheme for members and their families, including children.

The specially designed scheme provides additional savings for members and coverage for permanent disabilities, accidental and natural death, as well as comprehensive coverage for critical illness.

Under the scheme, every RM10 a month in premium provides coverage of RM20,000 for accidental death and RM10,000 for natural death or any of 36 critical illnesses or disabilities. Members can choose to insure up to \$200 a month.

The scheme declare annual bonus averaging at 8% for the past 31 years - one of the best returns of any insurance scheme in the country.

To give members more choices, we introduce another group scheme with ING (later AIA) insurance and a new investment linked insurance scheme in 2004 to provide an alternative for members to participate in investment linked insurance products to better match their savings profile.

As at 31/3/2006 a total of 2601 members and their spouses participated in this scheme. Average yearly premiums was \$1,144,410.00 and has increased to RM2,622,580.90 in 2016 covering 5602 members, families & bank officers. This increase is despite the declining membership of SBEU.

The Schemes paid out a total of RM6,369,610.59 for 185 claims since 1985.



GENERAL INSURANCE

Under General Insurance, SBEU is an authorised agent for MCIS Zurich Insurance (now Pacific Insurance) and LONPAC Insurance to sell General Insurance (mainly Motor Insurance) to employees of the Bank and Finance Companies and their immediate families. This specially tailored scheme provides benefits such as zero loading, guaranteed repairs and faster claims. We also provide Fire Insurance and Home Content Insurance. Annual sales for 2015 is \$421,735.87.

EMPLOYEE MEDICAL BENEFIT INSURANCE

SBEU had worked with ING (now AIA) to provide employee medical benefits to companies in Sarawak. This is part of our effort to assist employers and workers in Sarawak to more cost effective medical and health care within the framework of the union.

HOSPITAL & SURGICAL INSURANCE

Spouses & children of 1040 SBEU members also covered by our Etika & AIA Hospital & Surgical Schemes for families. The yearly premiums are paid by the banks under the family medical benefit entitlement under the Collective Agreement.

SBEU DISCOUNT SCHEME

SBEU first introduced the discount scheme in 1989 where members can enjoy discounts at numerous participating outlets by presenting their membership cards. This scheme was initially successful; but was discontinued when the outlets started to offer similar discounts to all other customers as well.

With the ever increasing cost of living, we reintroduced the scheme in 2010 in a bid to mitigate members' financial burden.





Retreat

UNION YES RETREAT & TRAINING CENTRE

Tucked away in a secluded cove with lush surroundings and right by the clear blue waters of the South China Sea at Siar Beach is Sarawak Bank Employees' Union very own Retreat, a beach front property at Siar Beach, Lundu. Lundu is just 1-hour drive from Kuching. From Lundu it is another 15 scenic minutes away.

The Retreat is equipped with resort style facilities and hotel standard accommodation to suit all family or group requirements. The exquisite Resort is the perfect escapade for an enjoyable and relaxing holiday.

The Retreat offers a perfect mix of 50 Chalets, Deluxe/ Superior Room, Hostels Penthouse Suites and Cozy Cabins & Beach Houses. Our two-bedroom Penthouse Suites & 3 bedroom Beach House comes complete with Kitchen and Dining Facilities and private BBQs.

Our **Rafflesia Café** serves Local, Chinese and Western cuisines right by the beach at our **Tree Top Terrace**. Guest can unwind and enjoy a drink at the Lobby bar with live entertainment. Sing to your hearts content at the Karaoke or catch the live sports action on the big screen.



CONFERENCES & MEETINGS

We offer competitive packages for conferences, meetings, seminars, training workshops, wedding banquets and social events. Our 4 fully equipped function rooms can cater up to 200 guests.

ACTIVITIES

Our feature **swimming pool** is designed for serious swimmers or novices alike. Children have their own wading pool with water slide or enjoy our therapeutic **spa pool**.

Our beach front with soft clean sand offers fun-filled activities for everyone. Have a resplendent swim in the warm waters of the South China Sea or just lay back, relax and enjoy a traditional massage at our Spa House.

We can arrange excursions to the **nearby Gunong Gading National Park**, home to the Rafflesia, the world's largest flower and where hiking trails and cascading waterfalls abound.

A full range of public services and amenities, including Banks, Hospitals & eateries with fresh seafood are available in Lundu town.





Women & Social Welfare



WELFARE

Through our history we have always taken it upon ourselves to assist the less fortunate members of our society. SBEU Social Welfare activities mobilized significant contributions for charity and community development.

The 1991, 1995 & 2005 May Day Fund Raising raised more than half a million ringgit for charity. In addition, members have contributed 10% of their arrears received after each CA salary revision. We have made donations and contributions to various charitable organizations including children of the Iraq war, victims of the Asian Earthquake, Tsunami and Typhon Haiyan that struck the Philippines in 2014.

We organized Annual State-wide blood donations, visits to old age homes and participated at open day sales at charitable organisations such as Blind Centre and Cheshire Home and assisted the Social Welfare Council in their welfare activities as well as activities that are geared at protecting the environment.



SOCIAL

Our Social and recreational activities include dinner and dance; sports and games such as football, badminton, archery and bowling competitions, mass aerobics, treasure hunts, beauty contest, picnics and outings for members and their families. Our Ms SBEU 1997 received nationwide coverage.

An average of 10 activities a year, participated by most members and families were organized since the formation of SBEU. These activities promote interaction and rapport amongst members and contribute greatly to the solidarity of SBEU.



WOMEN

Women make 59% of the total SBEU membership. This is a drastic change from the 60s when the overwhelming majority of bank employees were men. At one time the President and Deputy President and 2 Vice Presidents are women, as well as 2 Branch Secretaries, one Branch Chairman & 2 Branch Treasurers. 20 of the delegates to the 15th TDC were women. Women will continue to play a leading role in SBEU.

We also participated in activities organised by the Ministry for Social Development for Women Organisation and other Non Governmental Organisations.





PICTURE GALLERY



Miss **SBEU**



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MEMBER



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Sarawak Bank Employees' Union



SBEU UNION NITES 1994

SBEU members and their families turned up in the hundreds to join in the Annual Union Nites celebration organized in all Branches.

900 turned up in Kuching on 25 Oct, 400 in Sibu on 3 Dec, 200 in Sarikei on 10 Dec, 200 in Bintulu on 17 Dec and 350 in Miri on 21 Jan 1995.

The Celebrations this time around are much more merrier as members celebrate the successful conclusion of the Collective Agreements.

Besides sumptuous food, members displayed their talents, personalities and beauty not forgetting solidarity.



Sibu - Miss SBEU winners with the Secretary Melinda Tan - Organising Chair Lady, Halimah Haniff



Bintulu - Ideal Couple with General Treasurer Philomena Tong



Presentation by SBEU members in Bintulu



Minister Of Finance, Datuk Dr. George Chan with FET General Secretary, P. Jennings in Kuching



An Minister of Tourism, TB David with the Secretary Albert Tong in Sarikei





40th
UNION
YES
anniversary
1966 - 2006

40th Anniversary Dinner & Dance







Social Welfare





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Affiliation

MTUC

SBEU had always played an active role in MTUC since the 70s with SBEU officials holding post in MTUC Sarawak Division. Today we remain at the forefront of the Labour Movement in Sarawak through MTUC. SBEU CEO, General Secretary and President are MTUC's Secretary, Assistant Secretary and Head of Women respectively.

In 1990 SBEU together with the Sabah Banking Employees' Union joined NUBE in forming the Malaysian Labour Organisation. We pulled out of MTUC. The main reason was that MTUC, at that time, was becoming involved in political movement which we feel the trade unions must remain free of. SBEU was also concerned that MTUC in Sarawak was ineffective especially in getting the Government to extend the Employment Act/amend SLO.

When MTUC returned to its true Trade Union roots and objectives, affiliates of MLO agreed to move back into MTUC in 1999. We continued our active role in MTUC and SBEU officials hold various positions in MTUC Sarawak Division.

MTUC and SBEU finally succeeded in getting the Government to amend and implement the Sarawak Labour Ordinance in 2005 which gave statutory protections to all workers in Sarawak. MTUC launched a picket against The Malaysian Employers Federation and the Government on 1st May 2005 for reducing the threshold from \$2500 to \$2000.00.

We are assisting the affiliates and other workers in conciliation meetings at Industrial Relations Department and in cases before the Industrial Court and will continue to provide whatever assistance to other Unions and Workers.

FEDERATION OF TRADE UNIONS IN BANKS & FINANCIAL INSTITUTIONS

SBEU is the founder member of the Federation. We hosted the 2nd Convention at our Retreat in Kuching in 2006. We are confident that the Federation will enhance the trade movement in the Financial Services Industry especially with the impending Trans Pacific Partnership Agreement (TPPA).





FIET/UNION NETWORK INTERNATIONAL (UNI)

SBEU first joined the International Federation of Clerical Technical and Professional Employees (FIET) in 1973.

FIET merged with MEI (Media and Entertainment International), IGF (International Graphical Federation) and CI (Communications International, formally PTI) in 1999 to form Union Network International (UNI). On March 2, 2009, it changed its name to UNI Global Union.

UNI Global Union is a global union federation for skills and services, gathering national and regional trade unions with more than 900 affiliated unions in 140 countries representing 20 million workers. The head office is in Switzerland.

UNI has provided crucial technical and funding support to SBEU in carrying out and developing our Education programme until the 90s when we graduated and became self reliant in conducting our own educational programme.

We continue to participate fully in its activities and training programmes. SBEU President is on the UNI Apro Women committee and together with other SBEU officials has contributed to their training programmes in Sri Lanka, Thailand, Indonesia and Malaysia.

Affiliation to UNI has brought significant benefits to SBEU in terms of International Solidarity, access to a good global network as well as to information and research relevant to Trade Union Movement.





NON GOVERNMENTAL ORGANISATIONS/ GOVERNMENT AGENCIES

SBEU also participated in activities of NGOs and government agencies that complement our efforts to promote a more caring, equitable and transparent society. We work with Universiti Malaysia Sarawak (UNIMAS) faculty of social sciences and provide internship for students. We also work with the Malaysian Society of Labour and Social Security Laws to promote the development of social security and Labour laws.

SBEU CEO was a member of the SOCSO Appellate Board from 1990 until 2012 and was Board Member of the EPF from 1998 until 2011 and was the Chairman of the Board Audit Committee. He was a council member of the EPF Chair on Old Age Protection at University Malaya from 2011 to 2015 and served as a Director of Project Bandar Samariang Sdn Bhd from 2006 to 2010.

He was the Deputy leader of the Performance Management Unit (PEMANDU) Lab on Human Capital Development, as part of the Strategic Reform Initiatives under the Economic Transformation Programme. He was a Cleared Advisor to the Government on the TPPA Negotiations.

He is a member of the National Labour Advisory Council and as well as the National Wages Consultative Council. He is part of the Government efforts to implement the Minimum Retirement Age & Minimum wages.

General Secretary Law Kiat Min serves in the SOCSO Appellate Board since 2004. President is appointed director of EPF since 2011. Several SBEU officials were appointed as workers panel members of the Industrial Court.



Standard Chartered Foundation

Standard Chartered Foundation (SCF), the charity arm of Standard Chartered Bank Malaysia, identifies and channels financial support to deserving communities based on three pillars: Youth, Health and Education. Since its 2005 inception as the Standard Chartered Trust Fund, it has actively supported community-based programmes. Besides aligning to the Bank's sustainability agenda, SCF also identifies local issues which need to be addressed.



Embrace Autism

Standard Chartered Foundation is working strategically with various government agencies and NGOs to increase autism awareness and to provide better education accessibility, as early intervention is key. We are working with Universiti Kebangsaan Malaysia on an Autism Educational Learning Series and supporting the expansion of their autism lab. Our latest collaboration is with Permata Kurnia Autism Centre, with our employees volunteering on the weekends to care for children with autism.



Seeing Is Believing

In eight out of ten cases, blindness can be prevented or treated with proven, cost-effective interventions. Through Seeing is Believing (SiB), we've partnered with the International Agency for the Prevention of Blindness (IAPB) and international eye-care NGOs to improve access to eye-care across our markets. We are committed to raising USD100 million for SiB between 2003 and 2020, with the bank matching every dollar. In Malaysia, over 4000 cataract patients from the rural areas of Sabah, Sarawak and the East Coast underwent cataract surgery and regained their eye-sights through SCF - Ministry of Health's mobile cataract clinic programme. SCF donated RM1.5million worth of Intraocular Lenses for this programme.



Financial Education Programme

Standard Chartered Bank's Financial Education program, delivered by employee-volunteers, teaches young people about inculcating savings habit and managing their money. Over 100,000 Malaysian Youth received financial capability training since 2006. This includes students from schools, colleges and universities nationwide.



Positive Living

Every day across the world, more than 6,000 people will contract HIV. Our HIV and AIDS education programme, launched in 1999, is an education and awareness programme that aims to reduce new HIV infections. Through HIV and AIDS education, we are providing the facts to promote safer lifestyle choices and to change society's perception of AIDS and those living with HIV.

Publications

SBEU newsletters and Triennial Reports are instrumental in disseminating information to members on union activities. Editorials and articles in the publications reflect SBEU's view and stand on various issues.

We have moved into digital media and disseminate union news and information through our website.

SBEU launched our website at www.sbeu.org.my in 2001 as a gateway for members to access up to date information about their own union including their Benevolent Fund accounts. We can also communicate with all our members instantly via corporate SMS.

Chief Executive Officer writes a weekly Union Yes Column in the Star Newspaper since 2011. It provides a trade union's perspective on contemporary social economic issues.



Union Yes Column - The Star • Every Sunday





**Time changes
everything
except our
values**



RIGHT BY YOU
FOR 80 YEARS & BEYOND



The Case for Setting Retirement Age at 65

To set Minimum Retirement Age to Completed 60 years by 1 January 2012 and increase it by 1 year in every 3 years to reach 62 years by 2018 and 65 years by 2027.

retirement age in public & **private sector** in Malaysia be increased to 60 and such proposal is written in law because employers in the private had shown that they refused to increase retirement age despite the public sector raising theirs.

CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
RETIREMENT AGE	55	58	58	58	59	59	59	60	60	60	61	61	61	62	62	62	62	62	62
AGE NOW	58	57	56	55	54	53	52	51	50	49	48	47	46	45	44	43	42	41	40
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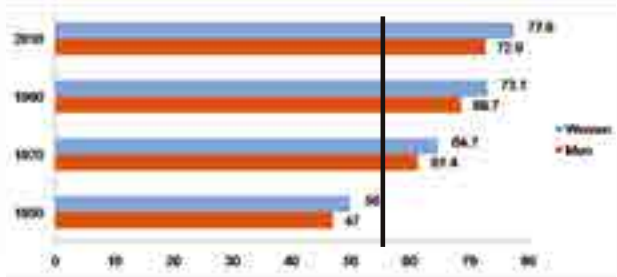
EMPLOYEE WILL RETIRE UPON COMPLETING AGE OF RETIREMENT. IF HE IS 53 YEARS OLD IN 2011 HE WILL RETIRE IN 2019

BACKGROUND

- For decades until 2005 the retirement age for public sector employees is upon attaining the age of 55. This was raised from 56 in 2005 and to 58 years 2009. The Malaysian retirement age was set before the 2nd World War to enable British Officers serving in Malaysia to return home to England with a pension. The Retirement age in UK at that time was already 60.
- Private sector employees by practice had followed 55 and had not increased despite the government raising the public sector retirement age to 58. There are some employers who retire their employees at 60 but these are for senior employees only. Certain specific sector retire their employees much younger e.g. airlines stewardess. Quite a lot of private sector employers also retire their female employees at 50. There is therefore is gender inequality and discrimination against lower ranked employees and private sector employees.
- Contributors to the EPF can only withdraw their EPF savings upon attaining the age of 55 to reflect the retirement age in the private sector.
- Of late there has been increasing calls to increase the retirement age. MTUC HAS demanded that the

55-59	60	61-64	65	65+
Bangladesh, 55 Benin Burkina Faso Central African Republic Fiji Gambia Guinea Kenya Kuwait Malaysia, 55 Mali Nepal Nigeria Papua New Guinea Senegal Sri Lanka, 55	Algeria Antigua & Barbuda Bahrain Brunei Cambodia China Dominican Republic Ghana Guatemala India Indonesia Jordan South Korea Laos Lebanon Philippines Thailand Vietnam	Armenia Azerbaijan Bulgaria Colombia Costa Rica Cuba Kazakhstan Kyrgyzstan Latvia Lithuania Malta Moldova Nicaragua Panama Romania Serbia Seychelles Singapore	Albania Andorra Argentina Australia Austria Bahamas Barbados Belgium Brazil Cape Verde Chile Croatia Denmark Finland Georgia Germany Greece Honduras	Belize Bermuda Canada Iceland Norway

grouped with Nigeria and Burkina Faso, Guinea, Bangladesh & Nepal, unacceptable in a country that aspire to be a fully develop country in 9 years time.



- Just 2 months ago, UK abolish Mandatory Retirement Age i.e. Companies cannot retire their employees on account of age. They can still terminate if the employee can no longer perform the job they were hired to do. Amongst the reasons cited in support for the change are
 - "Everybody stands to win from scrapping forced retirement. People over 65 will have full employment rights for the first time. The economy will benefit from older workers' precious skills and experience and their increased buying power.
 - "Public finances will receive a boost from more people paying taxes for longer
- Empirical evidence and studies have shown overwhelming support for an increase in retirement age to address the following issues.

a) Rapid Increase in the life expectancy.

Decade by decade, life expectancy for older people has risen at unprecedented rates. Rises in life expectancy surely signal better health. Malaysia now has life expectancy of almost 79 for women.

b) **Reducing the cost of pension** and burden on governments to provide healthcare and old age welfare.

c) **Boosting public finance** through increase tax collection as people work longer and thus pay taxes longer.

d) **Changing Demographic patterns and family structure**

As the country moves towards a high value economy, Malaysians are entering the workforce at a later date after having completed tertiary and professional education. They are also marrying and having children at a later age which means that at age 55 they will still have to support their children who will be still studying.

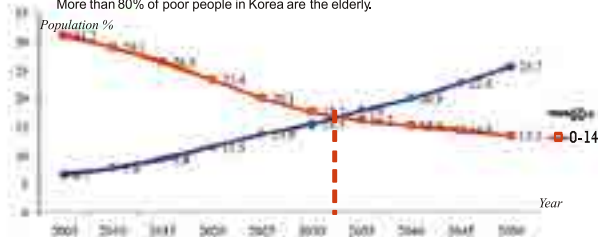
DEMOGRAPHIC TRENDS MALAYSIA

1. Demographic Trend

Malaysia is forecasted to become an aged nation by 2030 when 15% of population are the elderly.

Malaysian households headed by the elderly experienced high incidence of poverty at 22.7 per cent. (UNESCAP Report).

More than 80% of poor people in Korea are the elderly.



e) **Increasing the overall productivity of the workforce.**

This is achieved as more people will stay in employment longer. It can boost enterprise productivity by encouraging better human resources performance management, facilitate introduction of performance indicators and as productivity link wage system. This is because companies can no longer rely on retirement as a manpower attrition tool.

It will also help in restructuring employment to allow younger workers currently in low value added jobs (example; toll attendants) to higher value jobs.

NEAC's recommendations and PEMANDU's initiatives to strengthen HR management in Malaysian companies to manage their workforce for productivity improvements will address performance concerns. Khazanah has already put in place its own transformation programme for GLCs that should supposed to address employee performance issues.

f) **Attracting and retaining talents.**

The government through Talent Corp is making a concerted effort to convince Malaysians abroad to return home. A lot of those talents are aged 50 and above and are working in countries with retirement age that are much higher than Malaysia. It is unlikely that they will want to uproot their families and return home to work if they are force to retire at 55. We are also losing a lot of talents when employees retire at 55 and quite a number of them migrate to other countries to continue working.

g) **Raising income levels of household income.**

Allowing employers to continue in gainful employment longer (on similar terms and benefits) will increase household income and reduce poverty incidence level as household income is a key indicator of poverty line index.

h) **Contribute to Domestic demand and GDP.**

Studies in UK have shown that increase retirement age by 5 years would increase the GDP growth by 0.2% per year. The economy will benefit from older workers' precious skills and experience and their increased purchasing power.

i) **Ensuring adequate retirement savings when workers finally retire.**

EPF figures shows that 82% of contributors do not have enough retirement savings to live at poverty line. This can be drastically reduced to less than 25% if retirement age is increased to 65 years. **A higher retirement age reduce the pressure to increase EPF contribution rates.**

j) **Reducing reliance on foreign workers.**

Just compare Changi airport in Singapore where Singaporeans in their late fifties and early sixties are efficiently maintaining the airport, while KLIA is flooded with Bangladeshis.

CONCERNS ON INCREASE IN RETIREMENT AGE

UNEMPLOYMENT

- The only concern is that increasing retirement age may deny another younger person entry into the workforce. Our Unemployment rate is 3.9% & considered as full employment in accordance with world banks standards. We have almost 2 million legal foreign workers (and at least another million illegal ones). As such, this concern is misplaced,
- The issue of unemployed graduates is a structural & sectoral issue caused by mismatch in qualifications and needs of the industry. It must also be noted that

not all jobs are for graduates. Statistics showed only 25% of jobs are for graduates.

10. The UK government argued that older workers remaining in the workforce longer actually create more employment opportunities for younger people through increase in domestic demand and through good and services needed by larger working population.
11. Studies in some countries indicate increased in retirement age has minimal impact on youth unemployment.

PROMOTION OPPORTUNITIES

12. SBEU do not believe that increasing retirement age will deny promotional opportunities for younger employees. Such views are only valid in the old fashion human resources thinking that promotion should be based on age and seniority. Promotion must be based on relevant skills and competencies and relevant experience.

PRODUCTIVITY AND DEADWOODS

13. Amongst the group that are publicly against increase in retirement age are some employer organization such as MEF and some Government linked Companies. MEF's rational for not increasing retirement age is Malaysian workers nearing retirement age are **deadwood**.

(MEF) said the problem with the blanket extension in retirement age was that the employers would have to continue giving employment to the sick, unproductive workers and problematic employees

14. It is very insulting to all Malaysian workers and implies that those who are 54 years are all and sick, unproductive and problematic. We also do not see any valid arguments that increasing retirement age will reduce enterprise productivity. Productivity and efficiency is not an age issue. It is a human resources performance management issue. This must be addressed whether retirement age is increased or not.
15. If we were to accept MEF's argument, then there should not be a retirement age at all; everybody will have to be on a yearly, monthly even daily contract so that they can throw sick problematic and unproductive deadwoods away anytime.
16. If at all there are deadwoods then it reflects a sorry state of affairs and dismal human resources management in these companies that allow employees to remained deadwoods. There are so many other companies in Malaysia that retire their employees at 60 that do not have "deadwood" or "clock watchers".

17. Physical strength clearly declines with age. So too, do some cognitive abilities. Older workers perform worse than younger ones in tests of working memory and the ability to process complex new information rapidly. However, declines in such capabilities are not crucial for most jobs, especially as physically strenuous ones become the exception in a service-based economy.

18. What matters in today's work place is the mix of skills, experience and character that individuals bring to bear. "Older workers are generally as good as younger workers," says Mr. Peter Warr of Sheffield University. And older employees show less absenteeism, lower turnover, fewer accidents, higher job satisfaction and more positive work values than younger workers", adds Amanda Griffiths, an occupational psychologist at Nottingham University.

19. The benefits of an increase in retirement age to the country cannot be hijacked by those employees who have failed to manage their workforce in accordance with robust human resources management that they now have so many deadwoods within their organisation.

COST AND PERFORMANCE PAY

20. The belief that older employees cost more than younger workers and are less productive is not substantiated by empirical evidence.
21. Studies have shown that workers over 55 are 5 times less likely to change jobs than those age 20-25. This increased rate of retention will result in dramatic savings in recruitment cost and greater investment returns on training. Mature workers also help maintain corporate memory and showed much lower rate of absenteeism.
22. Higher life expectancy clearly signals better health and debunk the myth that older workers are sickly. Studies have shown that older workers are less prone to work related injuries, substance abuse and lifestyle health issues.
23. Indeed any perceived cost increase can be mitigated by performance pay. Even in non performance pay structure, employees reach their maximum salary typically between 15 to 20 years ie. when they reach 40 to 45 years.

EMPLOYEES WHO MAY NOT WANT TO CONTINUE WORKING

24. Some claim that mandatory retirement age may force employees to continue to work when they themselves don't want to. This is based on the flawed assumption that Malaysia has a pension system (defined benefit) for private sector workers. We do not.



25. Anyone who does not want to continue to work can easily terminate their employment with the requisite notice as stipulated in their contract. There is no substantial material difference to their retirement benefits between employees who resigns or retire as almost all private sector employees retirement scheme is EPF Contributions. EPF also has pre retirement withdrawal (age 50) to facilitate this.
26. It is an irony that in many countries where governments want to raise retirement age, they faced huge protest from workers worried about quality of life; here Malaysian workers want (and need) to work longer, but the government has dragged its feet.

ALTERNATIVES?

27. Re-engaging retirees on year to year contract.

- This is often limited to high ranking employees only. Given the unequal bargaining power, employees are often forced to accept inferior terms and conditions of employment.
- This actually denies those immediately below them promotion opportunities. Example;

Director of a Department is 56 and retires this year. His deputy is 54, retires in two years. So if the Government extends the contract of the director for another two years the Deputy would have retired by then, without the chance to be promoted to Director.

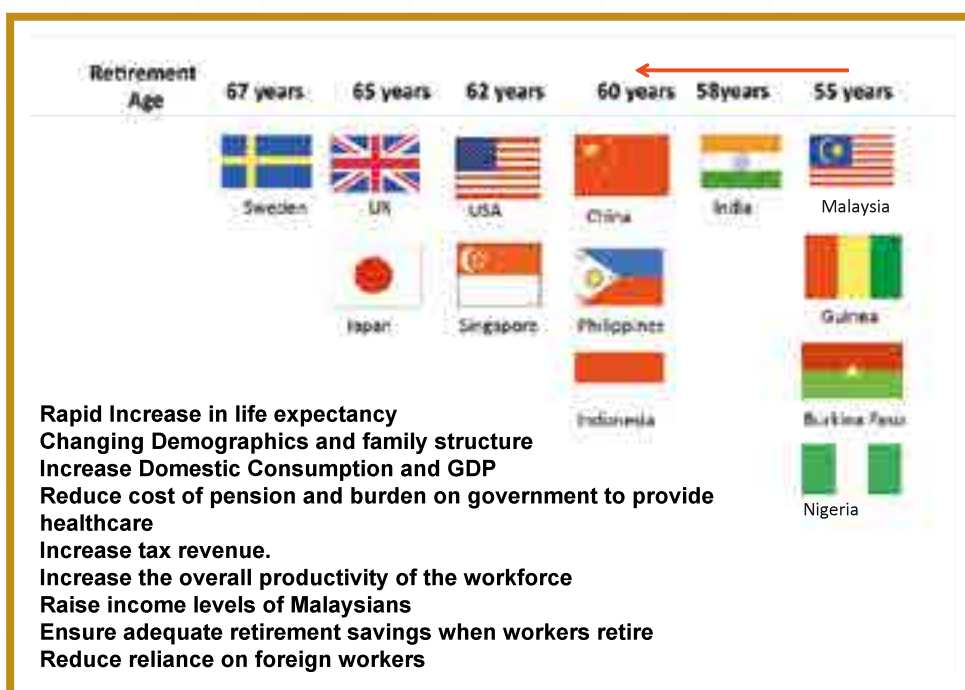
28. To set the retirement age at 55 and allow a 5 year extension to 60 years if both employers and employees agree.

- In the 6 years since the public sector raise the retirement age, the number of employers in private sector employees offered even one year extension is minimal. It is therefore unlikely that employers will voluntary offer a 5 year extension. It will also lead to abuse as workers will work harder just to get the 5 year contract and be "deadwood" after that.

RECOMMENDATION

29. In conclusion it our strong belief, supported by all empirical evidence that setting the retirement age at 60 by 1 Jan 2012 and increase it by 1 year in every 3 years to reach 62 by 2018 and 65 years by 2024, is in line with the recommendation of the NEAC in our aim to be a high-income nation.
30. This will allow companies to make the necessary adjustments to their manpower planning and allow employees nearing retirement on their retirement planning.
31. We certainly do not want to be grouped together with Nigeria, Burkina Faso, Guinea, Nepal & Bangladesh.

- 1/5/2011





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Funeral Expenses	RM 6,000
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PROMOTION NOW IN PROGRESS

A large, textured red number '1' stands vertically against a clear blue sky. At the top of the '1', there is a bright sunburst effect. At the base of the '1', several hands of different skin tones are reaching up and touching the number, symbolizing unity and support.

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The Case for a Minimum wage in Malaysia

1. Of late there has been a growing debate on whether or not Malaysia should introduce a minimum wage policy. The call for a minimum wage has been on the ascendancy ever since MTUC first proposed a national wide minimum wage more than 12 years ago, when Tun Mahathir is still the Prime Minister.
2. However because of the undying objection by the business community led by the Malaysian Employers Federation (MEF), the Government at that time rejected the idea of a nationwide minimum wage asserting that it will lead in an increase in the cost of doing business and thus will hurt Malaysian competitiveness.
3. The business community convinced the government to adopt a market friendly policy and that wages levels must be determined by market forces.
4. Recently, the consensus has somewhat shifted and the idea of a minimum wage is not as pariah as it once was.
5. Even the Prime Minister, Datuk Seri Najib, has just stated that business must embraced Minimum wage as a business strategy and as an opportunity to revitalize their businesses. Even employers groups such as the respected Federation of Malaysian Manufacturers (FMM) has proposed a minimum wage model that is reasonable, workable and forward looking.
6. MEF, however, steadfastly declared that "Even if the world is to come to an end, and we are born again, MEF will still strongly opposed a minimum wage".
7. Such strong objections from MEF are not at all surprising as MEF sole interest is the maximizing of profits by its members. I will be the first to accept that employers are in business to make money and to generate profits. So whatever decision that employers make is built on this premise.
8. I will venture to add that minimum wage is **not just a social tool to reduce poverty, it is a fiscal tool to enhance economic growth** and productivity improvements, as the empirical evidence in countries that has minimum wage structure has demonstrated. More than 90% of countries worldwide have a minimum wage.
9. So the 1st question is how to convince employers that a minimum wage is in their economic interest in the long run and the second question is to convince the government that it is in the Malaysia's economic interest to have a minimum wage.
10. Our competitors in the 80s; Taiwan and Korea & even Hong Kong, the bastion of capitalism and free markets, have minimum wage systems while in Singapore the Head of the Trade Union movement is a Government Minister and thus the country is able to formulate an inclusive wage policy that has seen wage levels more than 3 time higher than Malaysia and productivity growth that has outstripped us.
11. These 4 countries, that were on par with us in the 1980s have overtaken us, became high income nations and members of the OECD while we are stuck in the middle income trap. Today we are competing with Thailand, Vietnam and Indonesia and Philippines. All these countries also have minimum wage and if we still stick to the archaic views expressed by MEF, we will be overtaken by them soon.
12. Essentially the debate on minimum wage hinges on:
 - workers want a minimum wage as a means to increase wage levels to provide sufficient purchasing power to enable a worker to have a basic standard of living.
 - Employers reject it as an increase cost of doing business and hurt competitiveness.
 - The government's aim to develop the country into a high-income nation and fully developed by 2020.

Wages to be determined by market forces?

13. The empirical evidence has clearly pointed to the fact that wage levels in Malaysia has been suppressed and has lagged behind by all measures. The World Bank has reported that wages in Malaysia has increased by only 2.6% pa. That is below inflation. The proportion of wages as a portion of GDP has also fallen.
14. The recently concluded National Employment Returns (NER) showed that 34% of Malaysians earned less than \$700-below poverty line. In Sabah and Sarawak, where the cost of living is much higher, the figures are a dismal 63% and 48% respectively. A further 37% nationwide earned between \$700 to \$1500. For a country to be a developed nation in 10 years time, it is alarming that 72% of workers earned than \$1500. These are collaborated by Employees Provident Fund's similar figures.
15. The starting salary of an associate professor in our Universities is the same in 1975 as it was today. MEF's own figures presented to the government stated that the starting pay of a Doctorate is just \$2370 a month. Maybe this is one of the reasons as to why the standards of our universities are dropping.



16. A clerk (with diploma) in Malaysia earns \$1131 while in Spore he is paid an equivalent of \$4747.00. 15 years ago, the salary for a part time worker at a fast food restaurant is \$3.80 an hour. Today in Sabah it is just \$2.50 while the price of a burger has gone up from \$1.20 to more than \$4 in the same period.
17. What is disheartening is the Government's recently issued recommendations for public servants to take part time jobs to make ends meet.
18. So clearly market forces as propagated by MEF has not worked. There are 2 reasons:

STIFFLED TRADE UNIONS

19. Market forces are controlled by business, and combined by the government policy of stifling trade unions movement by segregating trade unions, only 3% of private sector workers are trade union members and less than 2% are covered by collective agreements. MEF has a declared policy of challenging trade union membership, recognition. While the number of trade unions has increased, most of the unions are in-house unions with less than 100 members.

The presence of millions of foreign workers.

20. Malaysia is perhaps the only country in the world that made it extremely difficult for high value and knowledgeable workers to work here, but has welcome millions of low wage and unskilled workers. This has undoubtedly suppressed wages as Malaysian workers have to compete for low wages.

SECTORAL MINIMUM WAGE

21. In an attempt to placate demand for a national legislated minimum wage, the government in the past decade has tried to introduce a sectoral minimum wage by way of the Wages Council Act 1947, an archaic legislation. The last sectoral minimum wage was implemented in 1972, and as evident by the minimum wage for security guards, has not work at all.

MEF'S RATIONAL VALID?

22. Recently, MEF in trying to justify its strong objection to a minimum wage several reasons. See NST report 11 Aug 2010.

A Loss of foreign exchange

23. Malaysian Employers Federation (MEF) Executive Director Tuan Shamsuddin Bardan believes a minimum wage system will hurt the country, local businesses and workers as it tends to benefit low-skilled workers.

"Many of the low-skilled and low-income workers here are foreigners. If they were to get minimum wages, that will result in more money being remitted out of the country."

"A recorded total of RM18 billion was remitted in 2008. If foreign low-skilled workers have the benefit of minimum wages, then we can expect an even greater loss this year," Shamsuddin said.

24. I would rationalize that a minimum wage will reduced the need for foreign workers and the total remittances will actually reduced, not increased.

B MINIMUM WAGE INCREASE THE COST OF BUSINESS AND CAUSE RETRENCHMENT



"If companies are legally compelled to pay their employees more than they can afford, then naturally they would have to retrench their workers to cut costs, which would lead to higher unemployment." It is ironic that the model designed to protect employees will actually cause them to lose their jobs."

25. We can see here that MEF's reasons are mere emotional sensationalism and threats without any empirical evidence to support such statements.
26. First the presence of more than 2 million legal (and God knows how many illegals) foreign workers showed that there is no unemployment in Malaysia. Our official unemployment rate is less than 4% which by World Bank standards show full employment.
27. Second, going by MEF's argument that minimum wage only benefits foreign workers, then any retrenchment are the low wage earners, who they have admitted are foreign workers. Surely this will help our nation's objective to reduce foreign workers.
28. Frankly, if a firm cannot even provide a decent living wage to its workers - one that is enough to meet their basic needs - it has no business being in business.

WHAT STUDIES SHOWS

29. Numerous studies have tested the competitive model by examining the impact of minimum wages on employment. Most of these studies have used broad aggregate data such as the employment rates of teenagers or adults without high school diplomas. While earlier studies tended to find significant employment effects, more recent studies using improved econometric methods have found small, insignificant, or immeasurable employment effects.
30. The claim that higher minimum wages are the reason for labor market problems is an extreme version of a particular economic theory, namely that mandatory minimum wages cause employers to reduce the number of employees they hire. This assertion is based on an overly simple model that assumes that wages are set in the marketplace the same way as the price for tee-shirts or bananas.
31. When applied to the real world of low-wage work, this model makes several unrealistic assumptions, including:
 - Workers and employers have many options available to choose from
 - Employers do not incur cost when hiring and firing.
 - Workers can enter the job market, leave the job market, change jobs or get fired without incurring loss.
 - All employers have perfect knowledge of the productivity and ability of all workers.
 - All workers have perfect knowledge of the options available and the tastes and needs of all employers.
 - Each worker's productivity is identical and all workers work to their full potential without the need for guidance or supervision.
32. What happens if an employer cuts wages by one cent? Much of labor economics is built on the assumption that all the workers will quit immediately. Clearly, this scenario is not likely to happen. An alternative, more realistic model of the low-wage labor market states that:
 - Employers have power to set wages because workers incur substantial personal cost during unemployment.
 - Employers exercise that power by paying their employees less than what they would earn in a truly competitive market.
 - By paying lower wages, employers may cause higher turnover and incur higher costs to recruit, train, and supervise their workers.
33. Using these assumptions, an increase in the minimum wage may not have a substantial impact on employment because workers are being paid less than what they are really worth economically to the firm.
34. Rather than cause job loss, minimum wage would therefore correct a market imbalance by forcing employers to pay a fair wage. And by decreasing recruitment, training, and supervisions costs, increases to the minimum wage may not have a substantial impact on the cost of doing business for employers.
35. The case for the minimum wage is that the labour market for the low paid is not a fully competitive one but rather one where employers hold the whiphand. In these circumstances, employers will find it more profitable to hire fewer people at a lower wage than the market clearing one: if they took on more, they would have to bid up wages which they would have to pay to all their employees. Under this scenario, the effect of introducing a minimum wage is benign: it will actually increase employment. The only loser is the employer who has been exploiting labour to gain excess profits.
36. This challenge to conventional theory has been buttressed by hard empirical evidence from the US and the UK. The US, land of the free market, has had a minimum wage since 1938. In the 1980s, this was left to atrophy, but in 1990 and 1991, it was increased. At the same time, states like New Jersey exercised their discretion to raise the minimum wage by more than the federal level.
37. US academics exploited these changes to assess the actual impact of the minimum wage. They found no evidence that it destroyed jobs, in a now-famous piece of research, evidence from New Jersey suggested that jobs increased in fast-food restaurants.

C Productivity linked wages System (PLWS)

- a. MEF suggested that a wage system that operates based on productivity would be more appropriate, rather than paying workers a fixed base amount. According to him the existing Productivity-Linked Wage System (PLWS) was already a functional one and so, there was no need to implement a new minimum wage system.

"Productivity levels cannot be increased by implementing a minimum wage model. In fact, it would cause the opposite to happen. PLWS is exactly how the country could become a high-income nation."

"Take salesmen for example. Their pay could be RM500 a month, but they could earn RM3,000 or more if they succeed in meeting their sales target." Not only do workers get better pay, it also improves their company's core productivity.



38. I fully support the idea of Performance pay and it is one way to improve performance productivity. However performance pay without a decent basic salary is exploitation at its worst
39. The fundamental principal of PLWS is a fixed component (meaning a basic salary/wage that can provide a decent living) and a variable component that is based on performance and productivity. So MEF's rational of using PLWS to justify rejection of a minimum wage cannot be reconciled with the fundamental principle of PLWS.
40. As to the claim by MEF that the existing PLWS is a functional one, we only have to look to the plight of the plantations (which are now full of foreign workers). Nowhere is the struggle for a minimum wage more pressing than in Malaysia's vast rubber and oil palm plantations. For decades, estate workers have been paid wages based on PLWS - on the number of days worked, the market price of commodities, harvested quantity, and other factors beyond their control.
41. MEF's views on productivity improvement are simplistic - the more cars you sell the more you earn.
42. You can tap rubber for 25 hours a day, but if you still use the same tapping tool your grandfather used, how do you increase output? Or the construction workers who still used hand assembled timber formwork to construct flyovers and buildings instead of pre-fabricated ones.
43. I would also say that PLWS does not increase Total Factor Productivity (TFP - a true measure of productivity), just nominal productivity. Example - if you increase the number of burger stalls workers, you produce more burgers, but the productivity of each worker does not increase. Even if you demand that workers to work 24 hours instead of 8 hours, you produce 3 times more burgers. But the output per worker per hour does not increase.
44. And how does PLWS increase the productivity of the young toll attendant who hands out entry tickets to motorists at toll plazas? Hand out more tickets in a given hour? Motorist will have to speed up and most likely cause more trashes into toll plazas.
45. The answer would be to automate the issuing of tickets. But employers would not invest in the machines because it is more profitable to employ cheap labour.
46. Another example, in Incheon Airport in Korea, 2 women in their sixties can effectively manage the luggage trolleys, while in KLIA we have an army of Bangladeshis. This is not because Korean women eat lots of ginseng, but they have a machine that

collect the trolleys magnetically and towed them along. Again Koreans have to be innovative and invest in R & D, hence increase productivity because they cannot rely on cheap labour.

47. Even in Malaysia the banking industry is a shining example. The banking industry is the most densely unionized, with even Assistant managers being union members. Yes once in a while you hear of picketing, but productivity, wage levels and more important profits are consistently the highest in the country. Investment in technology and management systems are the highest and business efficiency have improved to an extent that banking now is global, 24 hours a day, 7 days a week and 52 weeks a year. And you know what? Apart for some expatriates, not a single foreign worker.
48. So contrary to popular belief, **higher wages leads to higher productivity**. Higher wages will encourage employers to invest in research and development to increase overall productivity and efficiency.
49. The real reason that Malaysian productivity is low is not because Malaysian workers are not productive. It is due to the fact that employers were very successful in suppressing wages that there is no incentive to invest in research and development for productivity improvement.
50. It is more profitable for employers to pay \$12 a day for foreign labour rather than invest in modern equipments, production processes and better human resources managements. It must be noted that spending on Research and Development by the private sector in Malaysia is extremely low.

D Upgrade skills

51. MEF has always claimed Malaysian workers are unskilled and therefore cannot attract higher wages. It has called on the Government to continue to pour billions to set up training schools and certifications colleges. This is actually a subsidy. We have half a million highly skilled workers in Singapore (the majority of whom are trained by these government funded institutes). They worked in Spore because Malaysian employers refuse to pay high wages.
52. There is no point to spend billions to produce graduates when they earn less than \$1000 when they enter the job market.

E Subsidy rationalism

53. I have argued that the government must gradually reduce and eliminate most forms of subsidies but it must also allow wages to increase. A reasonable minimum wage will facilitate the subsidies rationalization.

54. MEF unashamedly argue that the government must maintain subsidy, saying that farmers in Japan and USA are subsidized. This show that it is well aware the government is subsidizing wages through the various subsidies of essential good and fuel.

F A minimum Wage will hurt Malaysia's Competitiveness

55. It would be illuminating how employers always use this age-old argument. In the debate during the introduction of a minimum wage in Hong Kong, business lobby and Hong Kong's executives argues that minimum wage legislation will hurt Hong Kong's competitiveness because global investors would see Hong Kong as being less competitive if such a law were passed. (The Hong Kong Legislation passed the the minimum wage law 54 votes to 1)
56. Hong Kong is constantly ranked the top 3 in the work in term of competitiveness. Malaysia is in the top 10. So nothing will satisfy the business' quest for more and more profits. Most countries that are ranked higher than us have minimum wage.
57. Again empirical evidence studies in more than 100 countries worldwide showed that there is minimal negative impact on competitiveness and unemployment where a reasonable value adjusted, and regularly reviewed minimum wage is implemented.
58. The Government is the largest employer in the country. Apart from Civil servants, the Government also either directly through GLCs and indirectly through GLIC controls large portions of private sector employers - from plantations, to banks, to trading corporations, SEDCs, privatized agencies, transport and heavy industries including airlines, oil & gas and infrastructure and hotels.

59. To be a high-income nation under New Economic Model, the government has to be serious and change our policy of being a low wage country, restructure employment to create decent and productive jobs. A minimum wage policy will go a long way to achieve this aim.

60. An immediate benefit to the country is that higher wages will lead to higher purchasing power which in turn will lead to increase domestic demand and reduce our reliance on exports which are at the mercy of other countries economic performance.

Conclusion

Despite very strong evidence to the contrary, those opposed to minimum wage continue to claim that such policies have and will eliminate jobs. The question of whether moderate minimum wage have an insignificantly positive or insignificantly negative impact on particular segments of the labor market will continue to be fruitful work for economists. In the meantime, policy makers should be aware that the facts clearly show that the benefits of a minimum wage outweigh any potential costs

- 1/5/2000

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INTEGRATING ILO 1998 DECLARATIONS ON FUNDAMENTAL RIGHTS IS POSITIVE FOR MALAYSIA

1. The Objective of the Trans-Pacific Partnership (TPP) Agreement is to create a platform for economic integration across the Asia Pacific region. The countries participating in the TPP intend to design a high quality, inclusive agreement that lays the foundations for economic growth that will facilitate the development and generation of employment in the member countries.
2. While this may be the first FTA that Malaysia is negotiating that include a Labour Chapter there are numerous other regional and international, whether bilateral or multinational, agreement which have or are beginning to have broadly similar labour chapters
3. This represents a significant recognition that to have free trade and economic integration, a labour chapter is needed to ensure a sustainable fair and inclusive FTA agreement. Labour not only underpins economic activities; the fundamental objective of economic activities and greater trade is the development and generation of employment and decent jobs
4. It follows therefore that a FTA without a labour chapter will put into question the very purpose of the FTA.
5. It is with this in mind that the 11 countries of the FTA negotiations have included a Labour Chapter which has a high level of obligations that require that TPP countries to integrate the four principles of the ILO Declaration of 1998, in the law of each country
6. The relevant parts of the 1998 ILO Declaration is as follows

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned, to claim freely and on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organization to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- a) *Freedom of association and the effective recognition of the right to collective bargaining;*
- b) *the elimination of all forms of forced or compulsory labour;*
- c) *the effective abolition of child labour; and*
- d) *the elimination of discrimination in respect of employment and occupation.*

Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

AREAL CHALLENGE

Only 6.6% of total workforce (4% of total) 2.32% workers in the private sector are union members. Between 1990 and 1995 there is a huge increase (120%) in the number of public sector union members but the actual membership increased by only 34% from 65,906 to 88,344. During the same period, membership actually decreased by 45% from 6,000,000 to 3,922,000. More than 80 nations with more than 10,000 members and majority have less than 100,000 members. Some have less than 10 members. Total number of workers covered by a collective agreement was estimated to be only 15.6 million, representing only a 4.6% of workforce in the countries.

7. Malaysia has ratified/adopted (b) to (d) above, partially ratify C 98- Right to collective bargaining but not Convention 87-Freedom of Association
8. As a result, Trade Unions are still under the current very restrictively Trades Union Act 1959 that segregate unions into almost 1000 unions divided by enterprise, industry, sectors, establishments, job functions; all at the absolute discretion of the Director General of Trade Unions without any recourse of appeal to the Minister of Human Resources.



9. This has contributed to suppression of wages in Malaysia (only 33.6 % of GDP) and real wages has fallen below productivity growth and inflation. Almost half of workers were paid less than \$700 in 2009 which is below the poverty line index.
10. The real reason why Malaysian's productivity is lower than Japan, Singapore, US, even South Korea and Taiwan is firstly, that the government has allowed employers to suppress wages by stifling trade unions until there is no economic incentive for employers to invest in technology and productivity enhancement methods of production.
11. As such we are trapped in this low cost and low productivity model with 6 million foreign workers. (as stated by the Human Resources Minister)
12. In Malaysia wages to gross domestic product (GDP) is only 33.6 percent. While in Singapore, it is 43 percent, Taiwan 46.2 percent, South Korea about 43.7 percent, Norway 51.3 percent, Australia 48.7 percent and Japan 51.9 percent.
13. The government finally recognises that such an economic model has left us behind our competitors such as Singapore, Hong Kong, Korea and Taiwan. We have embarked on an economic transformation with a policy trust of a high income nation for everyone, with a stated goal of USD15000 per capita income by 2020. More specifically the government aims to increase wages share of GDP from 33.6% to 40%.
14. This led to the implementation of national minimum wages in 2012. However Minimum Wage by itself will not ensure that wages increases will be at par with productivity. Workers must be empowered to negotiate for higher wages based on productivity and performance.
15. As such the obligation under the labour chapter will be very positive in that it will spur the drive towards a high income economy for everyone. It will help address the current imbalance between employer and workers that are skewed heavily in favour of employers so much so that there wages has fallen behind productivity growth.

16. With this transformation to a high income nation the fear that higher wages will lead to lower competitiveness is misplaced, misconceived and outdated. The most competitive countries are high wages economies with a relatively higher trade union density.
17. Employers have raised concerns that higher cost of doing business, due to Malaysia's large pool low-skill foreign workers, the transition to high skill high pay jobs may be costly if the 4 principles of 1998 ILQ declaration are adopted. Over empowerment of workers may increase wages and compel companies especially SMEs to adopt costly technology.
18. The transition to high skill high pay jobs is integral part of HIGH INCOME NATION POLICY objective. Adopting technology is in the national interest and ultimately in the employer's interest as they will be able to compete internationally and to take advantage of the increase trade opportunities with TPPA countries.
19. It will also reduce reliance on low wage unskilled foreign labour with is an ongoing national objective.
20. Empowerment of workers to increase wages and compel companies to adopt modern technology is an integral part of the objective of High Income Nation and should not be seen as a cost. It would give added impetus to this policy thrust.

WORLD COMPETITIVENESS RANKING 2010

2010 Ranking		Change from 2008	Overall Global Ranking		4 Factors		2010	2008
1	Singapore	0	2010 (n: 58)	2009 (n: 57)	Economic Performance	8	9	
2	Hong Kong	—			Government Efficiency	9	10	
3	USA	+	10	18	Business Efficiency	4	11	
4	Switzerland	—	Asia-Pacific Region		Infrastructure	25	26	
5	Australia	0			2010 (n: 13)		2009 (n: 13)	
6	Sweden	—	Countries with GDP per capita less than USD25,000		2010 (n: 30)		2009 (n: 29)	
7	Canada	0			2		1	
8	Taiwan	0	Population greater than 20 million		2010 (n: 28)		2009 (n: 28)	
9	Norway	+			5		6	
10	Malaysia	-						
11	Luxembourg	0						
12	Netherlands	+						
13	Denmark	+						
14	Austria	0						
15	Qatar	+						

21. World wide, the most competitive countries have higher trade union density. Adopting core ILO conventions of Freedom of Association is no barrier to productivity levels and efficiency that are amongst the highest in the world, eg S Korea.
22. In Malaysia the Banking Industry is shining example. Despite of being the most unionised of all industry in Malaysia where even Managers are union members, productivity, efficiency and profitability are amongst the highest. Adoption of technology and innovation has allowed banking services to be available 24 hours a day and 365 days a year. It has facilitated regional expansion by the countries banks. And apart for a few expatriates, not a single foreign worker.
23. Employers should recognize the need for readiness of its people for changing mind sets to embrace strategic evolution and reinforce commitment to achieve the organisation's overall long term goal.
24. Employers and businesses need to promote the ongoing process of integration and assimilation of employees and intensify efforts to promote professionalism.
25. Business must recognize that cohesion among the work force is pivotal in harnessing the energy, skills, judgment and commitment of staff to attain organizational goals.
26. With all these transformations, it is imperative for the country employers to move away for archaic and restrictive laws and industrial relations model that has been based on separation of duties and responsibilities through different and disparate trade union representations.
27. Such separation of duties and responsibilities are not cost effective, a barrier to team work, create suspicions, hinder job empowerment and greater professionalism.
28. Under the current stifling labor laws, our SMEs are not competitive as they rely on low wage, low cost foreign labour and therefore low innovation business model.
29. While there is a general concern by both trade unions and employers that compliance with the Labour Chapter will lead to multiplicity of unions.
 - i. However Malaysia already has multiplicity of unions as we have almost 1000 unions, most of whom are registered arbitrarily by DGTU. Some has less than 25 members.
 - ii. Experience in countries that ratify Convention 87 suggest that within a very short time, most unions will consolidate and merge into industry based unions.
 - iii. Regulations can be adopted to verify which union has the majority to qualify as the sole bargaining unit for the employees. So employers will negotiate with one union, not multiple ones as feared by employers.
30. Generally adopting the 1998 declaration will not impose Collective bargaining rights to the public sector. This is because civil servants are not engaged in trade and thus will not be considered a TPPA Treaty violation.
31. I must add that adopting the 1998 declaration does NOT mean that there will be absolute freedom of association. Trade unions must still conform to the general provisions applicable to all public meetings and must respect the reasonable limits which may be fixed by the authorities to avoid disturbances in public places.
32. Adopting the 1998 Declaration also does NOT give absolute freedom on the right to strike. It does not protect abuses and failure to comply with reasonable requirements regarding lawfulness, or consisting of acts of a criminal nature will still be subject to relevant laws.
33. Legal procedural restrictions are acceptable (are currently in place), if they do not place a substantial limitation on the right to strike.
 - (a) obligation of prior notice to employer;
 - (b) prior exhaustion of voluntary mediation and arbitration;
 - (c) obligation of secret ballot to validate strike decision.
34. Pressure from ILO and international community will compel Malaysia to adopt the core conventions in a matter of time. So it will be prudent for Malaysia to leverage on the TPPA negotiation by agreeing to Labour Chapter. This will strengthen Malaysia bargaining position on other chapters.
35. For the reasons above I believe that it will indeed be the best strategy to adopt the labour charter in the TPPA that call for integration of the 1998 declaration into our laws, and leverage on this to obtain benefit for Malaysia in other chapters.



36. Impact of the Trans Pacific Partnership Agreement (TPPA) on trade unions and workers. If Malaysia ratify the TPPA, we will for the first time have a free trade agreement that has a labour chapter that require Malaysia to integrate the principles of the 1998 ILO declaration into our laws. Of particular is freedom of association, right to collective bargaining and right to strike.
37. Long have I complain that our current laws relating to trade unions is stifling, draconic and severely limits the effectiveness of the trade union movement in the country. As a result only 2% of workers private workers are members of trade unions that wages constitute only 32% of GDO and that wages has fallen way below productivity growth. This in turn reduces domestic consumption and puts a damper on business prospect and economy growth.
38. To ratify TPPA, Malaysia shall enact the legal and institutional reforms to amend existing laws and practice to be line with the labour rights as stated in the ILO Declaration prior to the date of entry into the TPPA. These reforms are to:
- a) ensure that trade unions have a right to judicial review of administrative decisions regarding trade union registration; suspension, withdrawal or cancellation of trade union registration; and determinations of strike illegality.
 - b) ensure that decisions of the Minister are subject to judicial review.
 - c) remove discretion of the Director General of Trade Unions (DGTU) to refuse to register a trade union or cancel the registration when another exists, and replace it with a process for determining representation of workers for the purposes of collective bargaining in a particular establishment, trade, occupation, or industry.
 - d) remove the discretion of the DGTU to cancel a trade union's registration and to limit cancellation of a trade union's registration only to serious breaches of law.
 - e) remove the limitation on forming a union in only a "similar" trade, occupation or industry.
 - f) remove the prohibitions on dismissed, suspended and retired workers remaining as union members.
 - g) remove broad restrictions on the scope of collective bargaining, including the restrictions on terms and conditions of employment.
 - h) relax the quorum required to carry out strikes.
 - i) limit the discretion of the DGTU in determining whether a strike would contravene provisions of law.
 - j) remove penal sanctions for peaceful strikes, regardless of whether such strikes are inconsistent with IRA.
 - k) limit the range of industries in which strikes are prohibited on the basis that the industries are essential services.
 - l) ensure that subcontracting or outsourcing is not used to circumvent the rights of association or collective bargaining; and require that subcontracting and outsourcing arrangements be made in writing, and be subject to verification by the Ministry of Human Resources.
 - m) undertake necessary institutional changes and capacity building to implement the amended statutes and regulations; expanding and adequately training labour inspectors and relevant criminal system authorities to effectively enforce the amended statutes and regulations; and providing the necessary resources to implement these changes.
 - n) require the Enforcement Agencies Integrity Commission (EAIC) to report biannually statistics on the number of complaints received, investigations conducted and final disposition or remediation of those investigations that involve foreign workers.
 - o) shall launch an outreach program on the legal and institutional changes to inform and educate stakeholders, including employers and workers, of their rights and responsibilities under new laws, as well as related remedies and courses of action available to enforce those rights.
- For the reasons TPPA has positive impact for Malaysian workers in particular and the nation as a whole.

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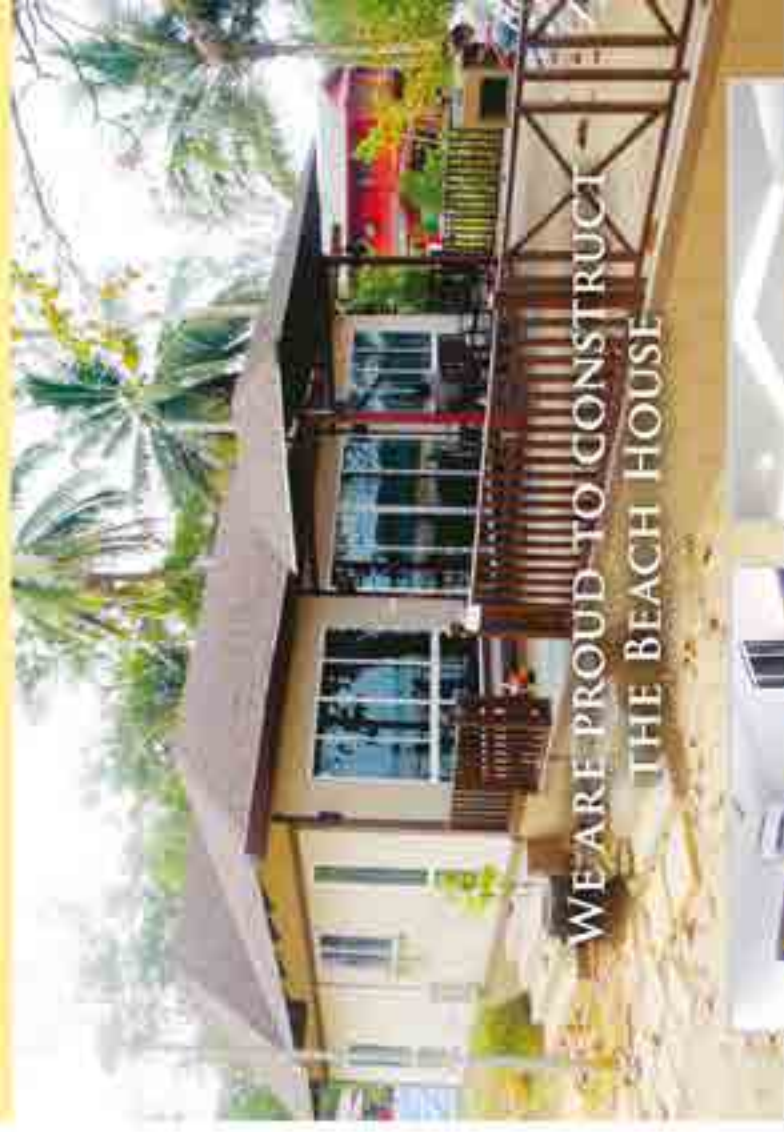
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Proposed Takeover of RHB Bank

SBEU'S POSITION PAPER

- ▶ SBEU call on BNM to stop pushing through the takeover of RHB by either Maybank or CIMB.
- ▶ SBEU call on Government to conduct an independent study on effect of bank mergers
- ▶ SBEU call for a competition watchdog to ensure mergers are not detrimental to the consumer and economy at large.
- ▶ SBEU call on the Prime Minister not to force EPF to relinquish RHB as its 11 million contributors may lose out in the long run
- ▶ SBEU CALL ON consumer and business group and EPF members to request the Prime Minister to direct BNM to review its decision.

1. REGIONAL CHAMPION

- I. Even before the dust has settled over the takeover of EON Bank by Hong Leong Bank, Bank Negara Malaysia has given approval for both CIMB & Maybank to begin takeover talks with RHB bank.
- II. This has made investment bankers who claim that the creation of a regional banking champion is essential in a competitive landscape and will raise competition. This is simply not true.
- III. The potential merger of either Maybank or CIMB with RHB Capital Bhd will still not create a regional champion as it will be behind DBS of Singapore. So what's next? Merging Maybank and CIMB, just so we can have a champion?
- IV. A regional champion does not necessarily translate into benefits for all stakeholders. Just look at the celebrated merger of Sime Darby that created the world's biggest plantation company. It has to back track and restructure its activities into separate business units just a few years post-merger.
- V. Japan used to have global banking champions created in the height of the Japanese asset bubble. These world champions never helped the Japanese economy out of the doldrums. In fact these banks were like albatross around the economy, saddled with loans. The biggest banks in the UK & US require government bailout just three years ago.

2. BIGGER BANKS POSED MORE RISKS

- I. **In banking, the bigger you are, the harder you fall and when you fall the shockwave will be massive and because of this big banks know that the government will not let them fail and consequently they take on bigger risks.**
- II. Of course investment bankers laughed their way to the bank with their fees. After all, bankers estimate the deal will generate around RM180.9 million in advisory fees to be split between the dealmakers of the RHB takeover.

3. ALL ABOUT SHAREHOLDERS

- I. Those who welcome the proposed merger talks only care about creating shareholder value. Even this is not a given. Remember 80% of mergers destroy shareholder value.
- II. What is alarming is everyone seems to forget that a bank has much more than simply shareholder value.
- III. Banks provide an essential service, play a critical part in the economy, and have varied stakeholders; customers, borrowers, depositors big and small, and staff.

4. MERGER WILL ELIMINATE, NOT RAISE COMPETITION

- I. A Maybank takeover will result in it having a market share post-merger of domestic loans to climb to 26% while domestic deposit will rise to 23%.
- II. The potential merger will substantially solidify Maybank's top ranking and take it way above the other domestic banking groups. Thus, the potential merger is for sheer size while enabling Maybank to eliminate competition in the domestic scene.
- III. **SBEU call for competition watchdog on financial services to ensure that such mergers are not detrimental to the consumer and economy at large.**

5. MERGER DOES NOT BENEFIT CONSUMER AND BUSINESS

- I. The evidence is also mixed on whether bigger banks actually bring benefits for customers. In terms of customer service, smaller banks typically rank ahead of bigger banks. A survey of US banks shows that bigger banks charge significantly higher fees than their smaller rivals.
- II. In Australia after merging most of these banks have decided to take the money and run. They're charging whatever they can get away with and it's meant higher fees.'
- III. Has BNM undertaken an independent study on the bank consolidation and its impact on banking charges and access to consumer and business credit? We have seen the mushrooming of moneylenders and credit companies, some of whom are even occupying ex-bank branches premises.

6. WHERE IS THE SYNERGY?

- I. SBEU is not convinced with the synergy of either Maybank or CIMB. It looks like either one is dragged into making a bid for fear of losing out to the other. This can only spell disaster.
- II. Market analysts have expressed opinions that they are no real synergy arising from the merger.
- III. They have highlighted that CIMB and Maybank are likely to have an overlap of their branch networks with RHB Capital, and the only cost savings are the rationalisation of branches and by cutting staff.



- IV. CIMB was relatively weak in the domestic SME loans segment, much like RHB. Both are relatively strong on corporate loans and government-linked loans, essentially indicating an overlap in both banks' core lending strengths and weakness.
- V. One analyst added that the similarity in CIMB and RHB Capital's core lending strength in the corporate segment may also give rise to increased volatility in individual assessment provisions under FRS139 (an accounting standard for valuing financial derivatives).
- VI. CIMB's overall loans to deposit ratio will be diluted by RHB Capital's weaker loans to deposit ratio (LDR), post merger.
- VII. Meanwhile, a foreign research analyst said that there seemed to be limited revenue synergies between CIMB and RHB Capital and was lukewarm on the deal as it could cause management distractions and slow its exciting build of a franchise across Asean.
- VIII. As for Maybank and RHB Capital merging, the analyst added that Maybank has yet to digest its takeover of banks in Indonesia and Pakistan, which caused it to make huge provisions.

7. WHERE IS THE IMPROVED EFFICIENCY?

- I. So it appears that the only real benefit is the rationalisation of the branches and cutting staff to make money. We expect at least 10,000 jobs to be affected.
- II. Efficiencies resulting from bank mergers and cost-savings resulting from mergers are two different concepts. Efficiency effects of a merger are typically measured by an expense ratio. Cost-savings are measured only by reference to savings in gross expenses. In terms of benefits to the community it is efficiency gains that have the greatest implications for the real long-term performance of the industry.
- III. In mergers, cost-savings are relatively easy to achieve e.g. folding together two IT systems. Efficiency gains are more difficult and require extensive managerial skills and made more because of different customer-bases, blending differing cultures and the managerial quality of the new institution.
- IV. For example, while an in-market merger is bound to result in cost-savings when neighbouring branches are closed down, this does not necessarily indicate improved efficiency in the long-run.
- V. **Therefore there will be no improved institutional efficiency and the Malaysian public may not benefit from the merger and any improvement to the bottom line is likely to be short lived.**

- VI. In the US a comprehensive study concluded, after reviewing 39 studies on post-merger performance, that the findings point to a lack of improvement in efficiency or profitability as a result of bank mergers. More telling is that efficiency indicators such as cost-to-asset and cost-to-revenue ratios remain steady or actually deteriorate.
- VII. A study published in the Federal Reserve Bank's Antitrust Bulletin concluded that mega-mergers were not very successful on average in improving cost efficiency in banking.
- VIII. There is also no clear advantage when it comes to cost to income ratio between big and small banks.
- IX. **It can be seen, therefore, that mergers does not necessary bring about improvement in efficiency.** Those who asserted that there would be should demonstrate them, before they are allowed to merge.
- X. It is alarming that BNM in pushing for more mergers, has not conduct any independent study at all to convince the Malaysian public that the bank mergers benefit the economy at large.

8. MALAYSIA NOT OVERBANKED

- I. 1997 figures Malaysia should that have only 1.36 Bank Branch per 10,000 people, while Australian have 3.8, New Zealand 3.6, Canada 3.3, UK 2.7 & USA 1.96. We have about the same as Singapore. It must be noted that Singapore with a 100% urban population with a first class transport system has about the same number of bank branch per 10,000 people when compared to Malaysia with a large portion of its population in the rural areas.

9. WHY SHOULD EPF BE FORCED TO SELL?

- I. The fact that Abu Dhabi sold off its 25% stake in RHB bank to a sister company shows the full confidence of foreign investors in the long-term prospect of RHB as an independent bank.
- II. We are not convinced at all that EPF can extract maximum value out of the merger, and this will not benefit EPF contributors, as it will be a share swap deal as both Maybank or CIMB is able to raise the cash without resorting to loans. How are we sure that shares in the enlarged bank will hold its value? Remember 80% of mergers destroy value.
- III. So it may well be possible that EPF could become penny wise but pound-foolish.
- IV. **So just let RHB Bank focus in growing its business, generating attractive returns for its shareholders, treating employees with respect and serving the Malaysian customers and economy well. EPF must not relinquish control of RHB as it has been generating good returns and dividends for EPF members.**

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