



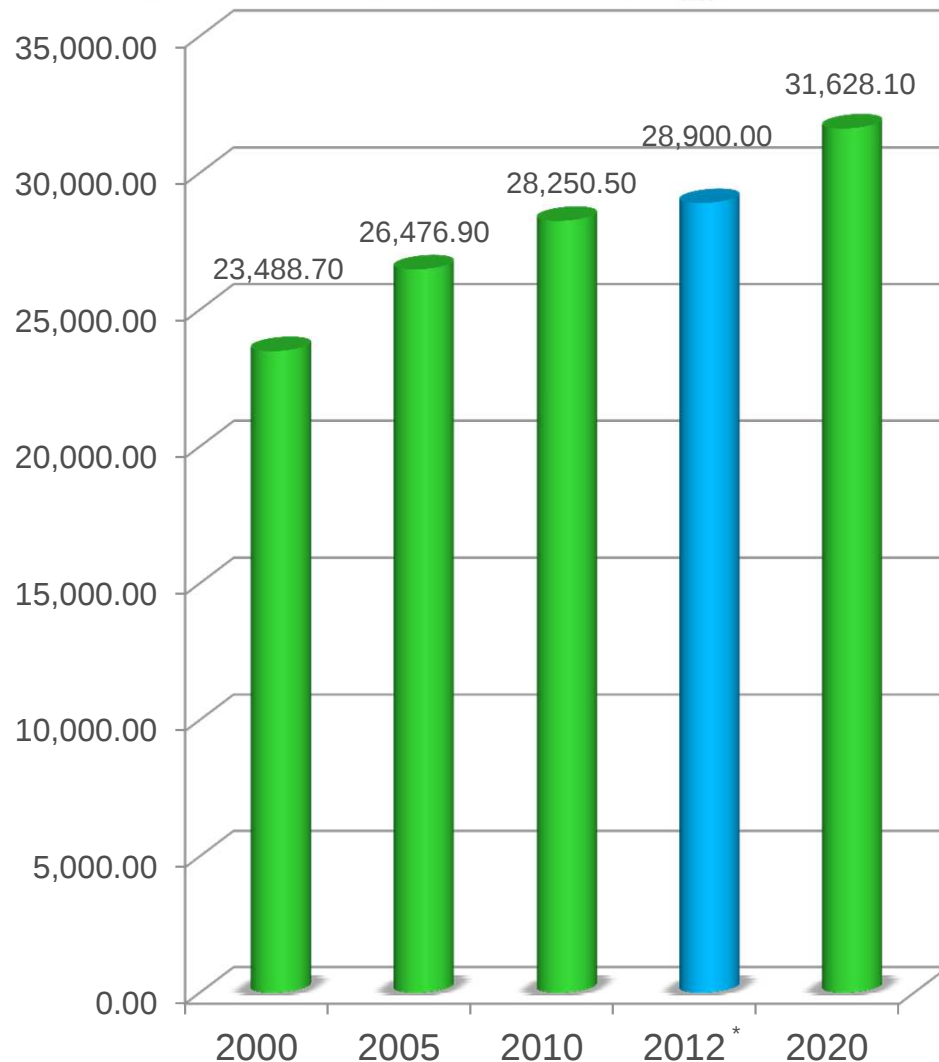
YOUTH EMPLOYMENT MALAYSIA

ASEAN Forum on Youth Employment

13th May 2013

The Gumaya Tower Hotel Semarang Indonesia

Malaysia Population Clock (As at December 2012)



- 1** **28,900,000** Current population
- 2** **14,900,000** Current male population (51%)
- 3** **14,000,000** Current female population (49 %)
- 5** **-3 896** Net migration this year
- 6** **-11** Net migration today
- 7** **157 451** Population growth this year

Note: * As at December 2012
Source: Statistic Department Malaysia

LABOUR MARKET IN MALAYSIA

Characteristics	2011			2012*		
	Total	Male	Female	Total	Male	Female
Population	28.6	14.7	13.8	28.9	14.9	14.0
Working age population	19,326.9	10,027.2	9,299.7	19,684.6	10,200.5	9,484.1
Labour force	12,303.9	7,955.5	4,348.4	12,675.8	8,129.5	4,546.3
Employed	11,899.5	7,707.8	4,191.7	12,284.4	7,889.8	4,394.7
Unemployed	404.4	247.7	156.8	391.4	239.8	151.6
Outside labour force	7,023.0	2,071.7	4,951.2	7,008.8	2,071.0	4,937.8
Labour force participation rate	63.7	79.3	46.8	64.4	79.7	47.9
Unemployment rate	3.3	3.1	3.6	3.0	2.9	3.3

Note: * As at December 2012
Source: Statistic Department Malaysia

DEFINING YOUTH



Youth is defined as those between 15 and 40 years old;



But in the main focus of development programs in the country are those aged between 18 to 25.

YOUTH EMPLOYMENT PARTICIPATION

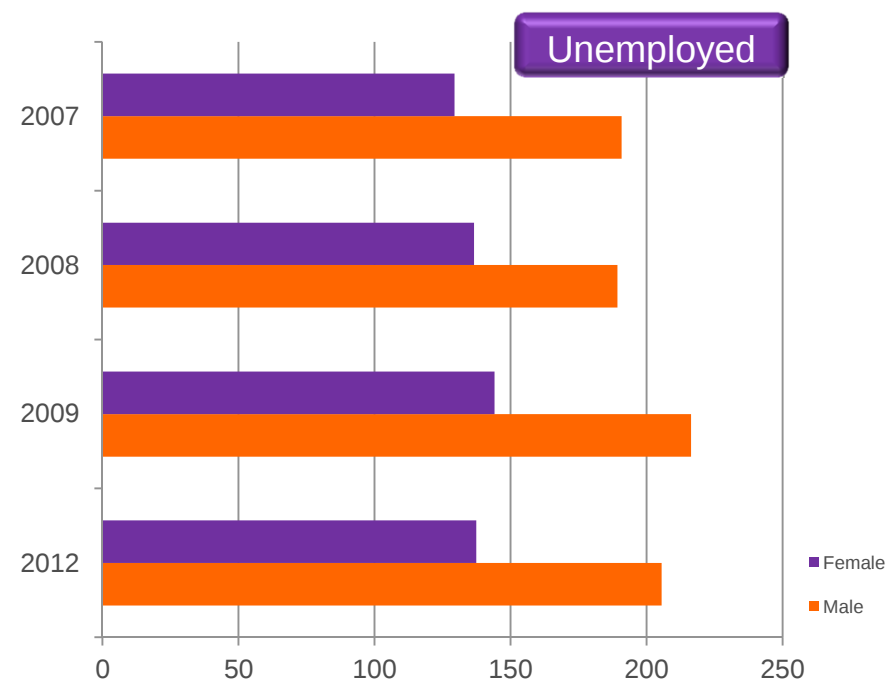
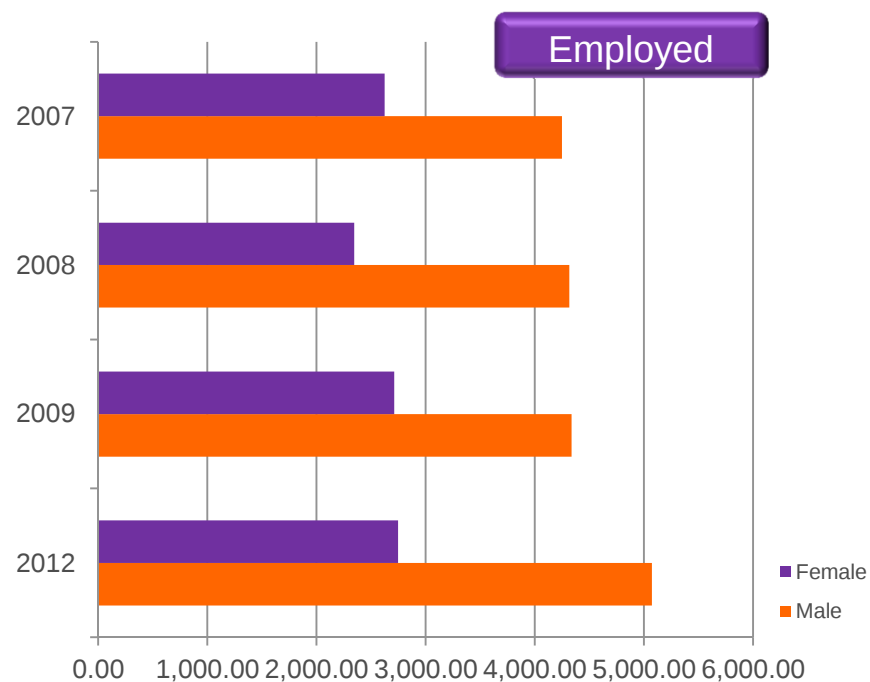
In year 2012, youth represents 61% or 8,171,200 of country's total 12,675,800 labour force.

Youth represents 64% or 7,820,400 of country's 12,284,400 total employment.



EMPLOYED YOUTH VS UNEMPLOYED

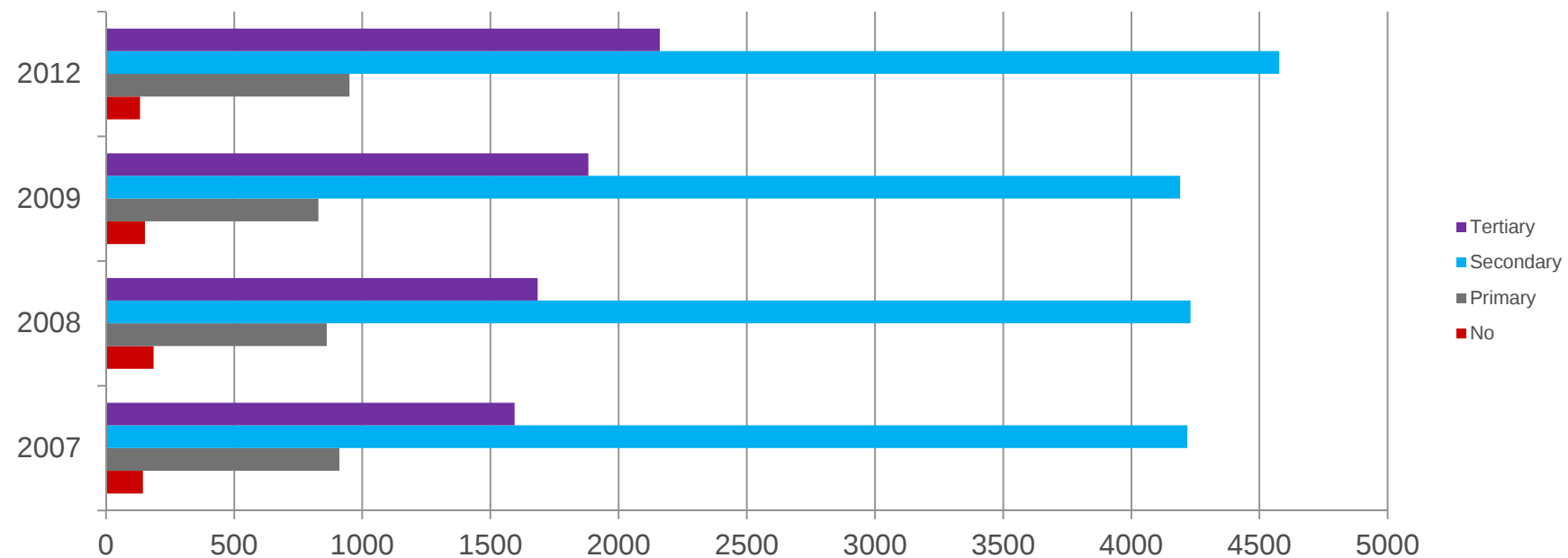
YEARS	EMPLOYED ('000)		UNEMPLOYED ('000)	
	MALE	FEMALE	MALE	FEMALE
2012	5,073.6	2,746.8	205.6	137.4
2009	4,337.8	2,713.2	216.4	144.1
2008	4,315.9	2,345.6	189.3	136.6
2007	4,248.7	2,625.7	190.9	129.4



Note: * As at December 2012
Source: Statistic Department Malaysia

YOUTH EMPLOYMENT BASED ON ACADEMIC QUALIFICATION

QUALIFICATION	2007 ('000)	2008 ('000)	2009 ('000)	2012* ('000)
No Formal Education	144.5	185.3	151.6	132.9
Primary	910.6	861.8	828.8	950.3
Secondary	4,218.2	4,230.5	4,189.9	4,576.6
Tertiary	1,594.4	1,683.9	1,881.7	2,160.6
TOTAL	6,874.4	6,961.5	7,051.0	7,820.4

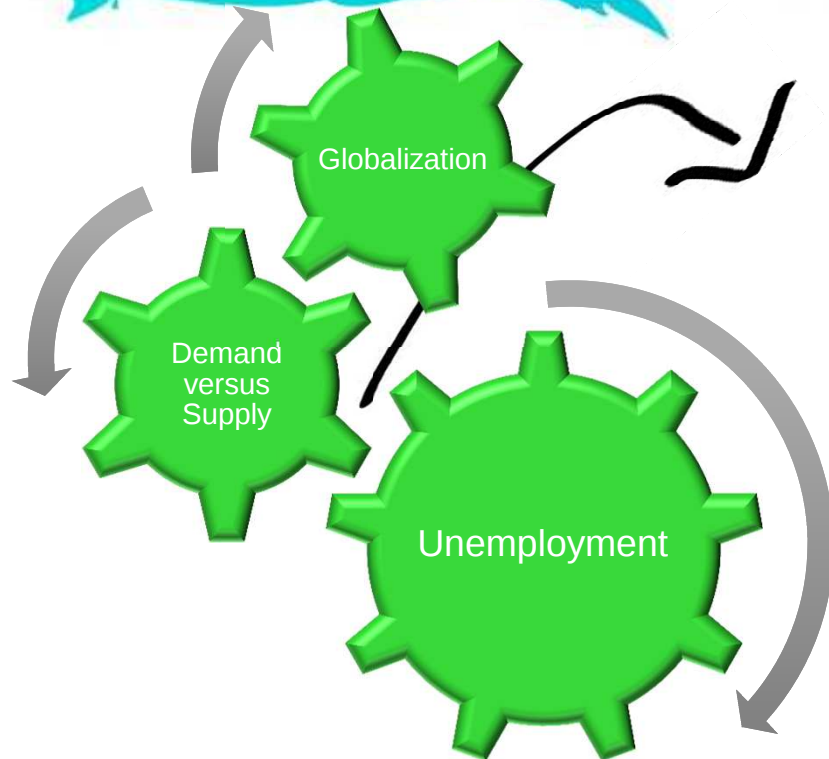


YOUTH EMPLOYMENT BASED ON EMPLOYMENT CATEGORY



EMPLOYMENT CATEGORY	2012 ('000)
	15-40
Law maker, senior officer and manager	506.8
Professional	587.6
Technician and professional	1,451.6
Clerical	871.5
Services, retail and sales	1,254.0
Agriculture and fishery	632.1
Handyman and other related	753.0
Operator and machine installer	1,020.6
General Worker	743.2
TOTAL	7,820.4

GAP AND CHALLENGES



Employment in Malaysia is set back by educational and skill mismatches.

Happens when institutes of learning produce a new workforce that cannot enter the labour market because of the differences in what they perceive is needed in the market and what is actually needed.

Market requires skills beyond subject knowledge to increase employability.

A degree is no longer adequate in today's ever-competitive job market.

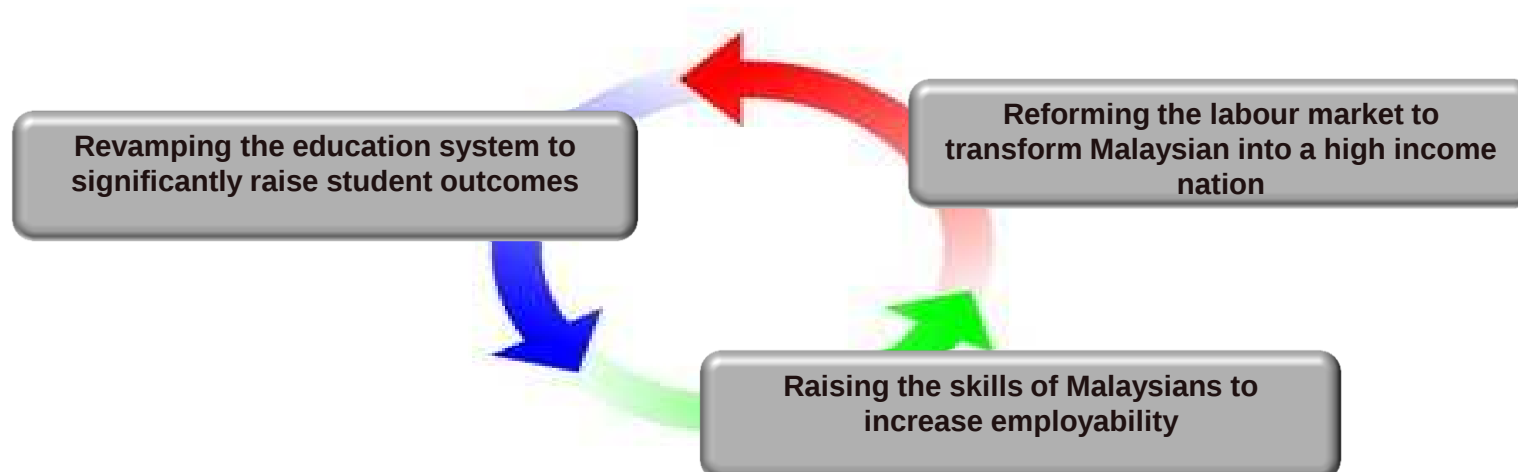
Youth often tend to underestimate the job market while the job market's preference for experience over qualification tends to aggravate the situation even more.

YOUTH EMPLOYMENT – ACTION PLAN

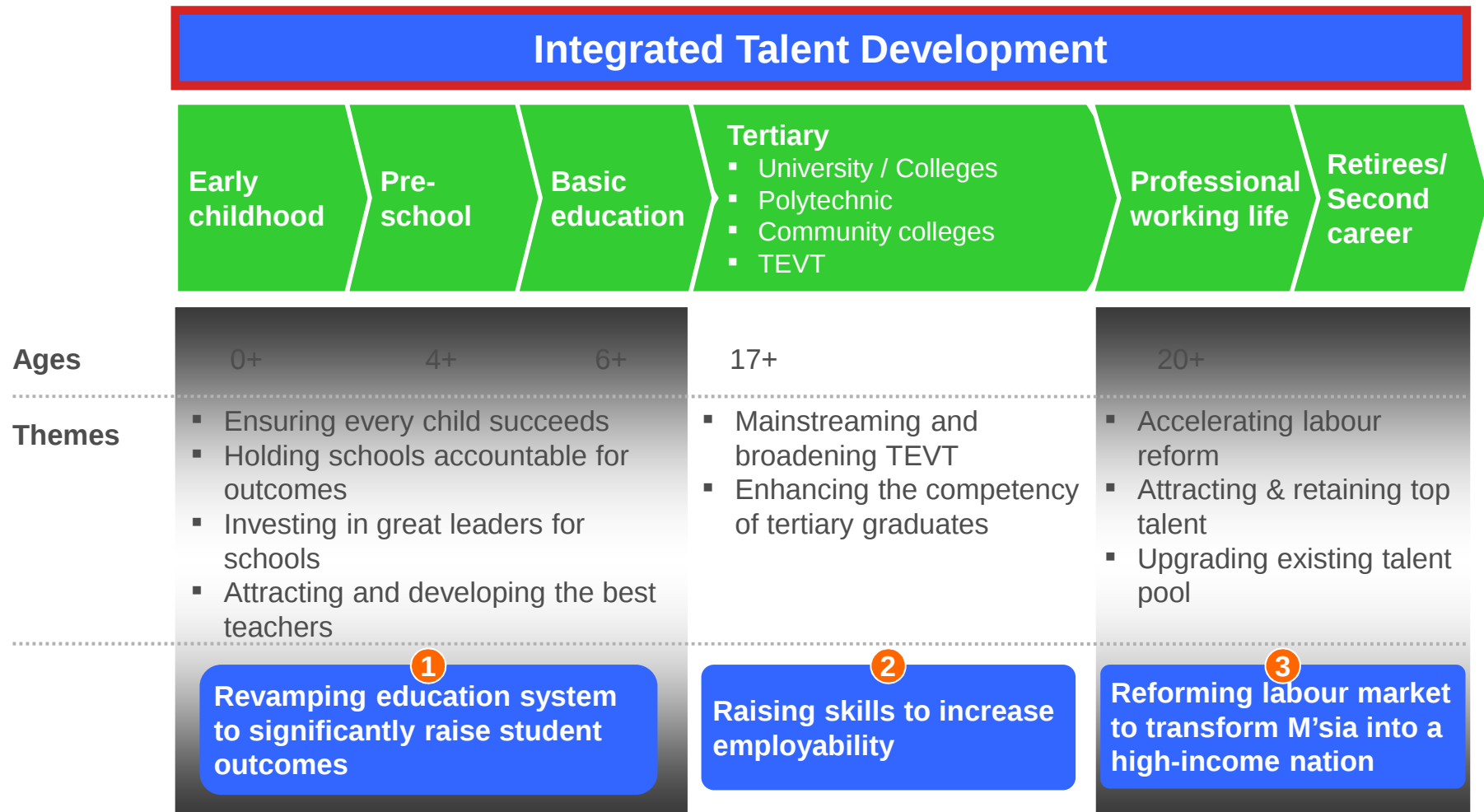
10th MALAYSIA PLAN

....the development of a first world talent base requires nothing less than a comprehensive, all-inclusive national effort from the public and private sectors as well as civil society, to lift the quality of the nation's human capital.

During the Tenth Plan period (2011 - 2015), the **Government will adopt an integrated human capital and talent development framework.** This approach will nurture and develop Malaysians across their entire life-cycle, from early childhood education, basic education, tertiary education and all the way to their adult working lives, specifically by:

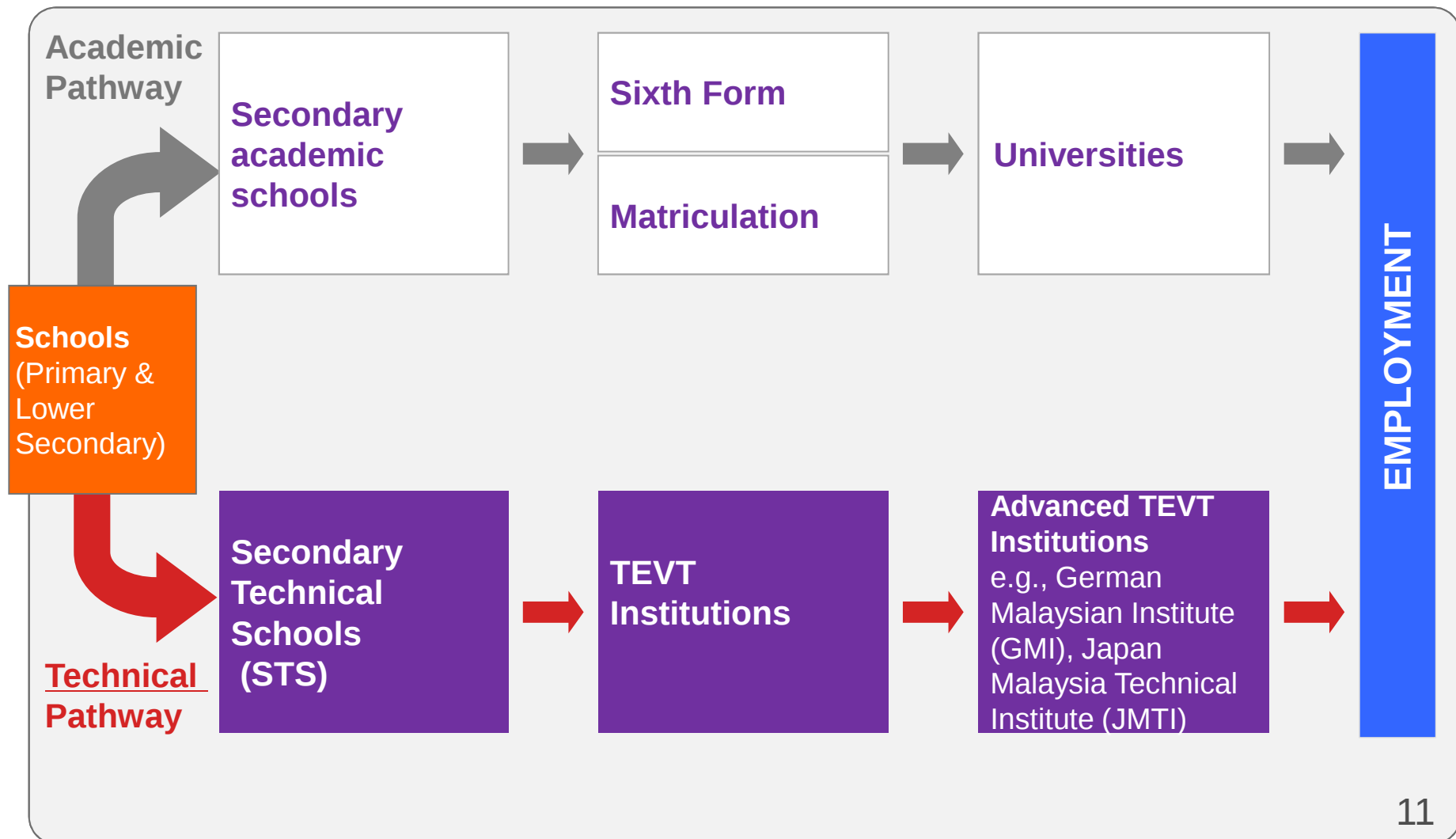


INTEGRATED TALENT DEVELOPMENT BY WORK AGE



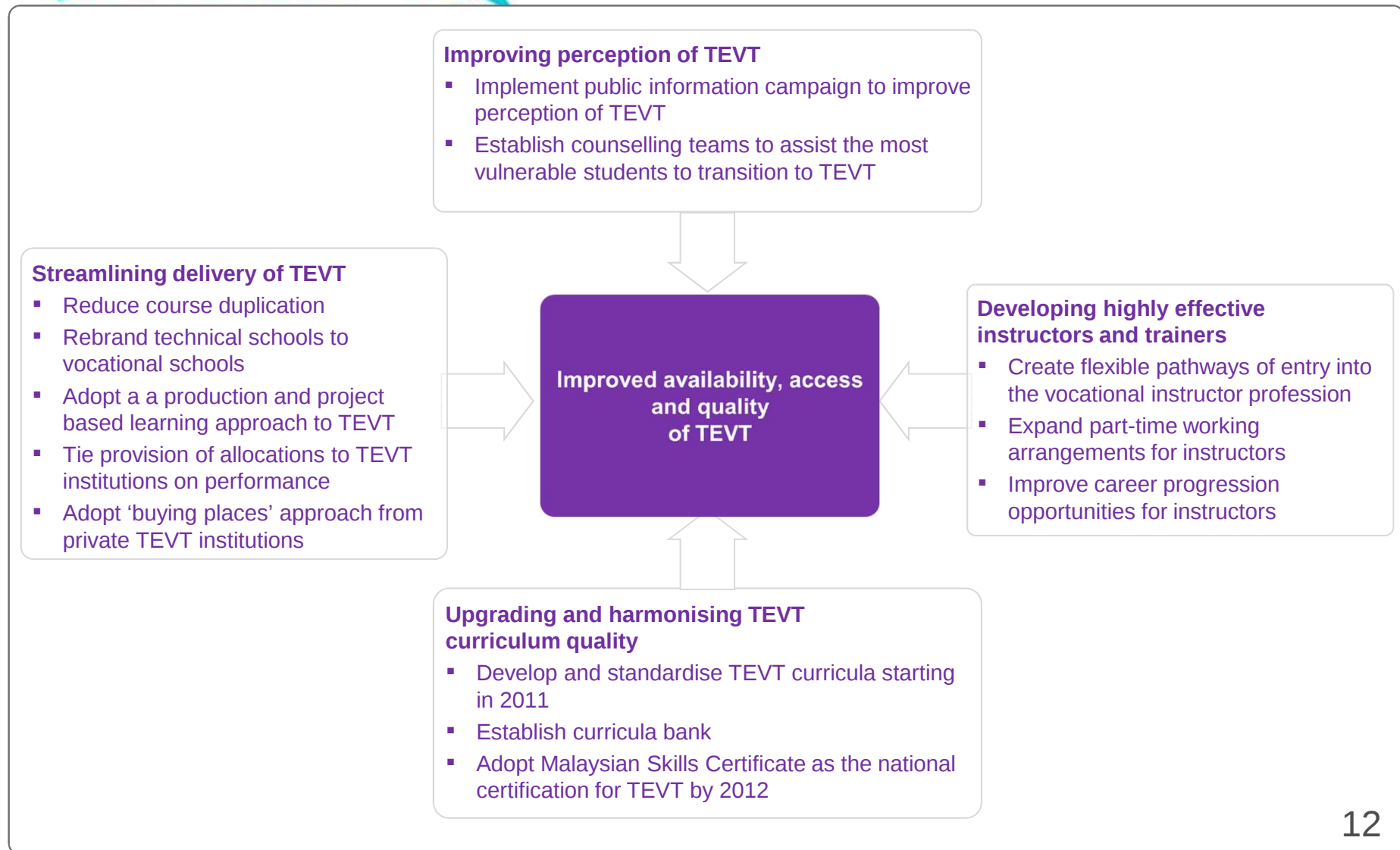
STRATEGY 2 (Ministry of Human Resources)

RAISING SKILLS OF MALAYSIANS



STRATEGY 2 (Ministry of Human Resources)

RAISING SKILLS OF MALAYSIANS



STRATEGY 3 (Ministry of Human Resources)

REFORMING LABOUR MARKET

A

Making the labour market more flexible

Unskilled foreign labour policy

- Impose progressive sectoral and multi-tier levies based on ratio of foreign worker to local worker and skill level of foreign worker to incentivize companies to upgrade their workforce

Revising legal framework to provide flexibility in hiring and firing

- Review labour legislation by 2011 to ensure more efficient settlement of labour disputes
- Provide flexible working arrangements to encourage labour participation of women, retirees & etc.
- Introduce the Relief Fund for Loss of Employment to provide financial assistance to workers upon retrenchment

B

Attracting and retaining talent

Better incentives to attract skilled foreign talent

- Reduce floor price of residential units from RM500,000 to RM250,000 for foreign talent
- Duration of entry for expatriate post with income level of RM8,000 and above per month will not be capped based on the current requirement.

Creating a pipeline for future talent

- Retain foreign students studying in local universities, especially those in science, technology and innovation
- Enforce stricter standards to ensure that students studying overseas on government scholarships return to serve Malaysia upon completion of their studies
- Retain top students in local universities

C

Upgrading the skills of existing workforce

Encouraging cost sharing for training

- Extend the coverage of the Human Resource Development Fund (HRDF) from 44 to 70 subsectors
- Create multiple channels for SMEs to upgrade employee skills, e.g. SME Corp, HRDF
- Introduce programme to encourage industry to co-sponsor employee to obtain industrial PhD

Leveraging the industry to enhance the skill of the workforce

- Support industry run and accredited courses, especially those related to NKEAs
- Adopt buying places approach
- Coaching and mentoring of graduates e.g. Graduate Employability Management Scheme

KEY PROGRAM HIGHLIGHTS

PROGRAM	OBJECTIVE	DETAILS
National Dual Training System	Aimed at producing K-workers and to improve delivery and quality of Technical Education and Vocational Training	Initiated in year 2005 with combined effort of Malaysian Government and industries
Human Resource Development Fund	From employer contributions to retrain, up-skill employees	To promote through skill training, the development and improvement a person's abilities which are needed for enhanced training, retraining and skill upgrading for workforce
Skills Development Fund	To grant skill training loans to trainees of approved skills training program	loans at preferential rates to support training and skills up-grading
Graduate Employability Management Scheme	Improve integration of graduates into workplaces	It is a program developed with the purpose of mobilizing human capital to support the country's economic growth by reducing unemployment among graduates.

LAWS AND REGULATIONS

Employment Act 1955

Children and Young Persons (Employment) Act 1966

Trade Union Act 1959

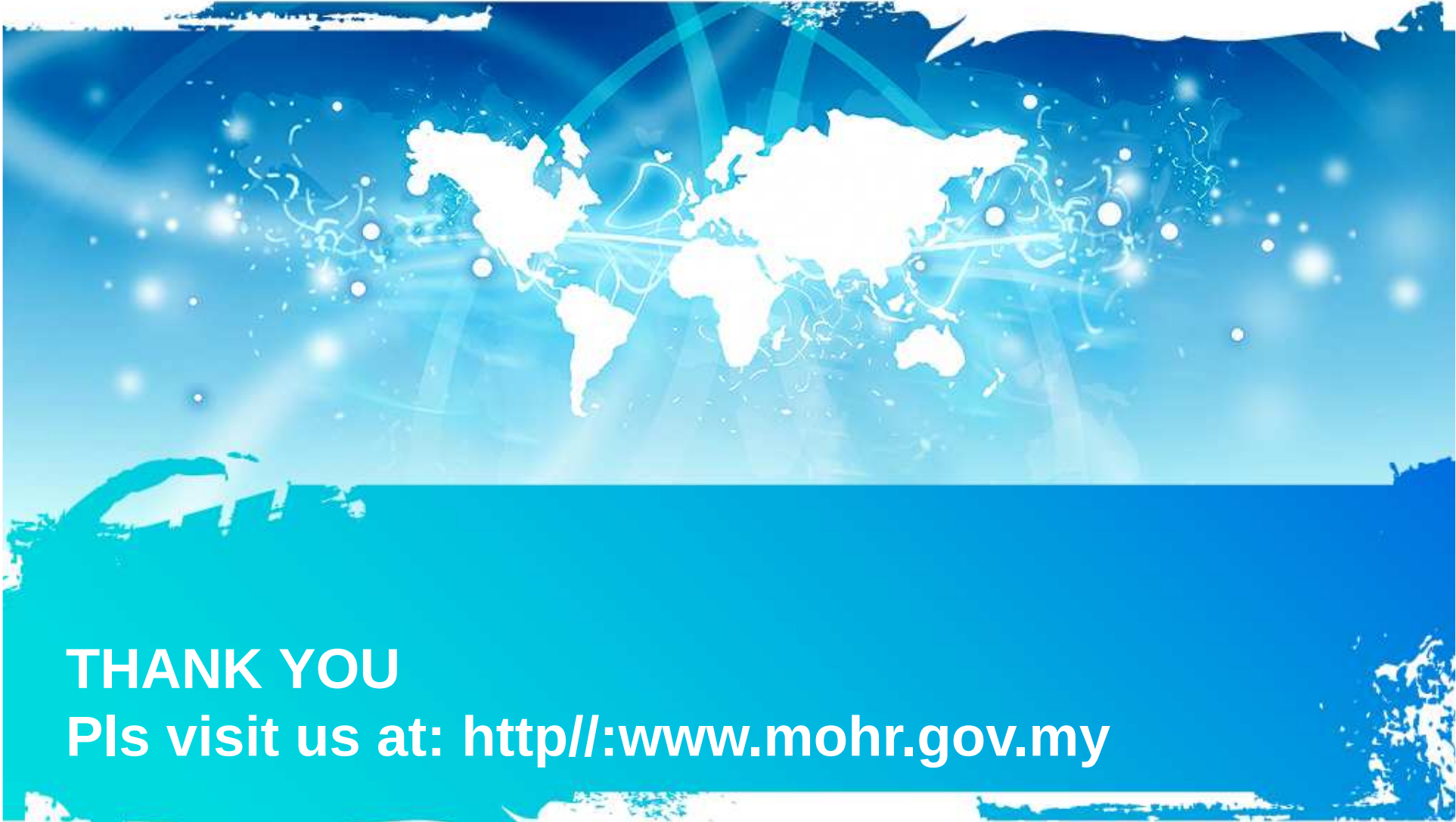
Industrial Relations Act 1967

Factories and Machinery Act 1967

Workmen' Compensation Act 1952

Employees Social Security Act 1969

Employees Provident Fund Ordinance 1951



THANK YOU

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