

# **MALAYSIAN INSTITUTE OF HUMAN RESOURCE MANAGEMENT (MIHRM)**

**Meeting to be held at Santiago - Chile  
On 13<sup>th</sup> October, 2014**

## **1. Current economic and political situation in the country**

### **Economy and labour market situation**

Malaysia is gearing to be a developed nation by 2020. Towards this objective, the Government has launched comprehensive initiatives to facilitate the growth of key economic sectors. In particular, under the Economic Transformation Programme (ETP), strong emphasis is being placed on several key growth engines: namely, the 12 National Key Economic Areas (NKEAs). These NKEAs are expected to contribute substantially to Malaysia's economic performance, complemented by the prioritization of public investment and policy support towards these activities. It is envisaged that these NKEAs will generate RM1.4 trillion (approximately equivalent to USD466 billion) of investment activities over the next ten years. 92% of the investment is expected to be undertaken by the private sector and 32% contributed by Government-linked companies. The general thrusts of the economy would be on the following areas:-

- Knowledge and innovation intensive economic activity
- Competition driven private sector economy
- Greater balance between domestic and external demand
- Greater global and regional economic integration
- Strong financial and regulatory framework
- Target to achieve US\$15,000 to US\$20,000 per capita income by 2020
- Regional & global talent management (through Talent Corp initiatives)
- Upskilling existing workforce
- Improve knowledge and learning through autonomous and accountable educational institutions

On the labour legislation, several changes have been made as follows:-

1. Retirement age has been increased from 55 to 60 years.
2. Minimum wage has been fully implemented at RM900 (USD 270) per month from 1<sup>st</sup> January 2014.
3. Personal Data Protection Act has been implemented from 15 November 2013.

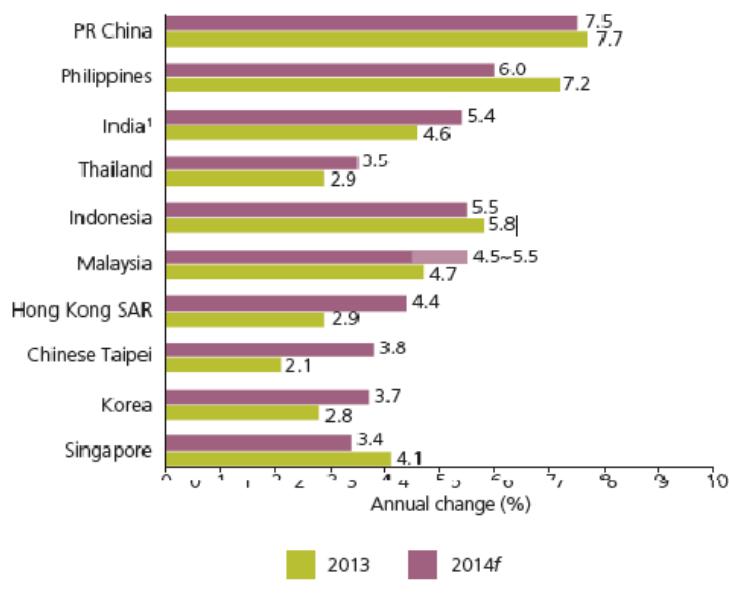
On the business front, the GST is to be introduced on 1<sup>st</sup> April 2015.

## Political situation

The country is stable and politically sound. The Government has taken many initiatives on the transformation plan to be a developed nation by 2020. The main framework of transformation is undertaken by the body called “Permandu” established under the Prime Minister’s Department and is headed by the Minister appointed in the Senate. The country enjoys a good export and domestic demand.

On Domestic demand is expected to grow at a more moderate pace of 6.9% in 2014 (2013: 7.6%), reflecting the ongoing public sector consolidation. Domestic demand will be supported by investment and private consumption and will be key driver in economic growth. Overall the economic growth for this year has been forecast to be between 4.5 to 5.5 percent and this compares favourably with the neighbouring countries when we take an overview of ASEAN nations.

### Regional Economies: Real GDP Growth



<sup>f</sup> Forecast

<sup>1</sup> Refers to fiscal year

## **2. HR challenges**

The [X] main challenges facing the HR profession in [country] at present are:

- Professional Education is been given higher emphasis and MIHRM is steering to meet the needs of the industry.
- HR Functional Programmes is also been promoted at Vocational Institutes and MIHRM is coordinative on this.
- With the formation of the Asian Economic Community, there is a greater requirement for countries and industries to work together to raise the standards of Human Resource Management through more corporations and sharing of Best Practices among nations. This will be a challenge among APFHRM institutes and countries.

## **3. MIHRM projects and initiatives**

Major areas of [acronym] activity include the following:

- Promotion of Certification Programmes
- Promotion of HR Competency Framework

## **4. Scheduled Conferences**

- International Conference scheduled in September, 2014
- National Congress scheduled in April, 2015

**Aresandiran J.  
(President)  
MIHRM**