

Malaysian Institute of Human Resource Management (MIHRM)

Meeting in Bangkok 12th October 2016

1. Current economic and political situation in the country

Economy and labour market situation

Malaysia's near-term economic outlook remains overall favourable, despite some risks. The Goods and Services Tax introduced in 2015 has broadened the revenue base, though it has had an effect on personal income due to the burden being passed onto the consumers. Short-term risks include further declines in oil prices and oil related taxes that still account for around 17 percent of public revenues, although this is partially compensated by the removal of fuel subsidies in 2014. The long-term sustainability of this favourable outlook hinges on structural reforms to strengthen medium-term fiscal planning, and to boost capabilities and competition within the economy.

Malaysia's improvements in the ease of doing business, such as, by reforming business registration requirements, have benefited local entrepreneurs, who now have fewer hurdles to comply with and more resources to focus on their business," said **Faris Hadad Zervos, World Bank Country Manager for Malaysia**. "Malaysia's dynamic approach toward assisting business development is recognized globally with its ranking as one of the 20 best economies in the world in which to do business."



The Malaysian economy expanded 4.0 percent year-on-year in the June quarter of 2016, moderating from a 4.2 percent growth in the previous period and in line with market expectations. It was the 5th straight quarter of decelerating growth as a surge in investment and a faster increase in public consumption and government spending were unable to offset a decline in net exports.

In the second quarter, private consumption grew by 6.3 percent year-on-year, faster than a 5.3 percent growth in the previous quarter, supported by continued wage and employment growth. Public consumption expanded by 6.5 percent, accelerating from a 3.8 percent increase in the March quarter, due to higher spending on supplies and services.

Political situation

[Malaysia's political situation is slightly volatile, but in general is quite stable considering the current economic and fiscal challenges currently faced by the country. Some changes are expected in 2018 when the next election falls due and is expected to ring in some economic and political changes.]

2. HR challenges

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

1. Employee engagement
2. Creating an attractive company culture
3. Employer branding
4. Leadership development
5. Lack of sufficient data and analytics
6. Performance management

3. MIHRM projects and initiatives

Major areas of [MIHRM] activity include the following:

- **[Graduate Employability** – We recently had a dialogue in which we had participation from more than 30 organizations from the private and public sectors as well as institutions of higher learning]
- **[Employer Branding & Recognition** – Malaysia HR Awards given out in recognition of HR excellence in the industry. This is the 16th year in which awards have been given out since inception.]

4. Scheduled Conferences

- **[Talent Management Asia in March 2017** – This is in partnership with Human Resources Magazine and will be held in Kuala Lumpur, Malaysia]
- **[Training & Development Asia in May/June 2017** – This is in partnership with Human Resources Magazine and will be held in Kuala Lumpur, Malaysia]

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