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Empowering Malaysia's Workforce: A Journey of Mastering Training Funds for Skills Development



Empowering ASEAN's Future: Investing in Skills for Inclusive Growth and Sustainable Development

Current Challenges in ASEAN

Skills Mismatch

- According to the Asian Development Bank (ADB), **56%** of employers in ASEAN report difficulty finding workers with the right skills for high-growth sectors like green technology, advanced manufacturing, and digital services.
- Sectors like agriculture, retail, and manufacturing are especially vulnerable unless reskilling efforts are rapidly scaled

Evidence of Skills Mismatch

- A significant share of the workforce only possesses basic or less-than-basic education.
- For instance, in Malaysia, **30.95%** of workers have basic education, while only **22.86%** have advanced education.
- Despite increased educational attainment, the competencies often do not align with the needs of digital platform work, which demands niche technical.

* ASEAN EMPLOYMENT OUTLOOK 2023



Malaysia's Vision for Workforce Development

High-Income Economy Goal

The 12th Malaysia Plan (2021-2025) aims for high-income status by 2028, shifting to a high-skilled workforce.

New Industrial Master Plan (NIMP) 2030

NIMP 2030 aims to significantly boost the manufacturing sector's value-added, employment, and median pay, with a strong emphasis on high-skilled talent and R&D.

Investing in education and training to develop a skilled workforce.

Policies that promote lifelong learning and industry-led skill development.

- NIMP 2030
- National Semiconductor Strategies
- Shared Prosperity Vision 2030

Malaysia's Training Fund System Overview



HRD Corp Levy

Employers contribute 1% of wages; smaller firms may opt for 0.5%.



Fund Utilization

Reimbursements for training and development.



Fostering the socio-economic inclusion of marginalized demographics.

Programs that target micro-SMEs and disadvantaged workers



Evolution & Milestones

1

2023

RM2.2 billion levies collected

2

2024

RM2.3 billion collected & **RM1.99 billion** disbursed

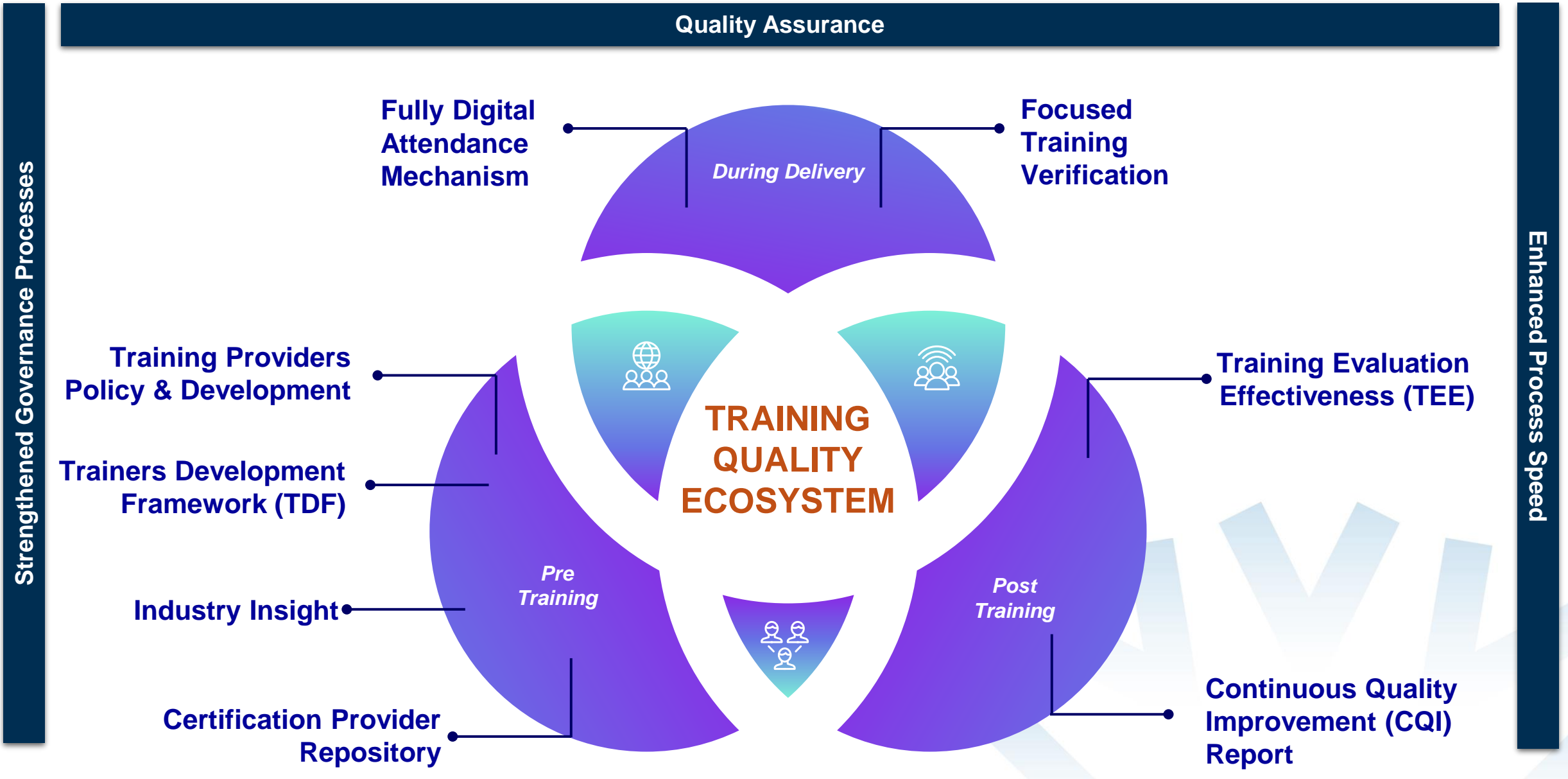
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Innovations

- The 'Program Latihan Madani' has been initiated to provide support to disadvantaged populations
- National Training Week Initiative to support lifelong learning
- Asean Year of Skills to enhance workforce skills and foster regional talent development through intensified collaboration among ASEAN member states



QUALITY ASSURANCE BY TRAINING STAGES





Training Provider

HRD Corp supports training providers through key initiatives focused on **capacity building, visibility enhancement, and compliance**:

- **Corporate Integrity Development Programme (CIDP)**
Embeds integrity and ethical practices in training delivery.
 - **Allowable Cost Matrix (ACM)**
Ensures transparency and accountability in training cost claims
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Trainers

- **Professional Development Series for Trainers**
Growth Academy, Skill Accelerator, International Conference and Professional Certification; *to improve instructional quality and business sustainability.*
- **Trainers Development Framework (TDF) & CPD**
Establishes baseline quality standards to build a pool of competent trainers.



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- **Training Courses Quality Assurance Industry Expert Committee (IEC)** reviews and validates training programmes.
 - **Certification Providers Repository**
Centralised listing of recognized certification bodies.
 - **Training Effectiveness Evaluation**
Measures impact and relevance of training.

Innovations & Future Direction

1

Green & Digital Skills

Expanding training to meet evolving industry needs.

2

Micro-Credentials & Online Learning

Encouraging continuous learning and accessible skill recognition.

3

Inclusive Programs

Targeting B40 groups, women, and persons with disabilities.

4

Industry Collaboration

Partnerships provide on-the-job training opportunities.



Regional Collaboration Opportunities



Best Practices Exchange:

ASEAN states share fund management and training strategies for improvement.



Joint Training Modules:

Collaboratively developed training enhances regional workforce skills.



Mutual Recognition of Certifications:

ASEAN agreement boosts labour mobility across member states.



Regional Training Programs:

Standardising skills through shared industry-focused programs.

Conclusion

Key Message

Strategic management of training funds is pivotal for workforce empowerment and national competitiveness.

Call to Action

Foster ASEAN collaboration to build a resilient and skilled regional workforce.

Q&A

Thank You

