
For Immediate Release**Malaysia Should Review Education Curriculum to Achieve High Income Status by 2020:
J.P. Morgan-SMU Study**

This will address the school-industry gap between what education institutions are providing and what industries need, and help mitigate the country's skills challenges.

November 1, 2016 – Updating Malaysia's educational curriculum, stronger coordination between government, industry and education institutions, and support for workers in mid-careers to upgrade their skills are some of the development opportunities Malaysia needs in order to address the country's skills challenges and help the economy towards its goal of achieving high income status by 2020.

These are among the recommendations put forward by the Singapore Management University (SMU) following its year-long study in partnership with global financial services firm J.P. Morgan, on the skills challenges faced by the ASEAN economies of Singapore, Malaysia, Indonesia, the Philippines and Thailand.

According to the study, Malaysia's main skills challenges – a lack of relevant skills training, outdated curriculum and poor soft skills, especially with regards to the decline in English proficiency – all relate to the school-industry gap, which is the disconnect between the skills that educational and training institutions are imparting and what the industry is seeking.

This is particularly prevalent in the Technical and Vocational Education and Training (TVET) field. According to the government's 11th Malaysia Plan, which charts the development of the nation between 2016 and 2020, about 60 percent of the 1.5 million new jobs expected to be created during this period require TVET-related skills. But interviews with key stakeholders conducted during the study revealed that TVET institutions have not been able to produce graduates with the right skill sets to meet industry demand.

The study shows that the school-industry gap is also observed in key growth sectors like oil and gas and electronics and electrical manufacturing, with the trend especially pronounced in information and communications technology (ICT), the third-largest GDP contributor to Malaysia's services sector. According to the National ICT Association of Malaysia, or PIKOM, only 10 percent of new entrants to the ICT sector are employable, with the remaining 90 percent requiring substantial training before they are work-ready. The situation is compounded by the fact that the ICT sector is rapidly evolving, and the curriculum offered in local ICT institutions is not keeping pace.

“This study helps put some focus on where the emphasis could be for the country to attain high income status by 2020, and how J.P. Morgan can support further development efforts. We currently have 14 workforce-readiness programs for the ICT sector across Asia Pacific,” said Steve Clayton, Senior Country Officer for Malaysia at J.P. Morgan. “Malaysia has a well-educated workforce, fairly low unemployment and a government proactive in expanding its pool

of skilled workers. We remain fully committed to supporting economic growth, inclusion and skills training in this country.”

A curriculum revamp would mark a critical first step towards helping educational institutions in Malaysia meet the demands of key growth industries, the study notes. In particular, enhanced emphasis on science, technology, engineering and mathematics (STEM) education is crucial given the country’s ambitions to carve out a competitive position in industries like ICT. Training in cognitive skills like creativity and communications, which are assets in a knowledge-based economy, is also important, as is the need to strengthen the proficiency in English, “the lingua franca of modern businesses,” it says.

To ensure the curriculum stays relevant, the study recommends tighter coordination between government, industry and educational institutions. “An autonomous agency with a strong mandate and authority could be considered to provide a one-stop service in skills training,” the study said. This could take the form of a strengthened TalentCorp, the government agency that helps employers to solve their talent needs, or a separate agency, it adds.

The study also points to a need for stronger emphasis on continuous and life-long learning to help workers stay employable throughout their careers. It notes that there currently aren’t sufficient opportunities for those in mid-careers to upgrade their skills; this group of workers could potentially be a source of talent for the new growth industries.

“Malaysia has a long tradition of strong educational and training institutions. Yet, it recognizes a key hurdle in the journey towards attaining high income status – a lack of a high-skilled workforce with the competence to handle jobs in the industries identified by the government as key growth areas,” said Arnoud De Meyer, President, SMU. “Malaysia should leverage on its public education system and thriving private education to tackle its various skills challenges so it can continue its robust economic growth.”

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