# Malaysia's workforce faces transformation with AI and digitalisation



As Malaysia progresses towards the integration of artificial intelligence (AI), digitalisation, and the establishment of a green economy, significant transformations are underway in the workforce landscape. A recent study conducted by Talent Corporation Malaysia Bhd (TalentCorp) highlights the dual nature of this technological advancement, indicating that while substantial job opportunities are likely to emerge, hundreds of thousands of current positions may face displacement.

Launched in early October 2023, the *Impact Study of Artificial Intelligence, Digital and Green Economy on the Malaysian Workforce* focuses on ten sectors that collectively contribute approximately 60% to Malaysia’s GDP. These sectors include aerospace, chemicals, electrical and electronics (E&E), energy and power, food manufacturing and services, global business services, ICT, medical devices, pharmaceutical manufacturing, and wholesale and retail trade.

The findings of the study reveal a stark reality: around 620,000 jobs, accounting for 18% of the total 3.5 million employees within these industries, are deemed at high risk of convergence or displacement over the next three to five years due to advancements in AI and digital technologies. Additionally, approximately 1.8 million employees, or 53%, are identified as being medium-impacted, suggesting a need for significant upskilling to adapt to evolving job requirements.

In light of these developments, both business leaders and the government recognise the urgency for a strategic response. "As AI and digital transformation reshape the nature of work, the highly impacted roles identified are predominantly manual and routine, requiring minimal skills, operating in predictable environments and driven by data," the report elucidates. Consequently, the Malaysian government is prioritising upskilling and reskilling initiatives to ensure that workers can thrive in an economy increasingly focused on AI, digital, and sustainable practices.

The report also notes that larger multinational corporations (MNCs) are embracing these technologies quicker than small and medium enterprises (SMEs), particularly noticeable in sectors like wholesale and retail trade, and food manufacturing and services, which are projected to experience the highest number of job impacts. The global business services sector stands out with a considerable 32% of its workforce facing similar threats, largely due to its repetitive and transactional job nature.

In discussing these findings, Human Resources Minister Steven Sim stated that his ministry is actively working to assist the movement of the 620,000 highly impacted employees into other viable roles, emphasising, "Technology can replace jobs but it can also create new work opportunities." He elaborated that the government aims to prepare the Malaysian workforce for rapid changes through a RM3 billion fund that offers various forms of support for employees seeking to enhance their skills, which will include scholarships and grants.

The report outlines ten key initiatives aimed at addressing the needs identified across the sectors, targeting collaboration among the government, industry, academia, and training providers. This includes offering financial incentives for research and development, updating educational curricula to reflect the demands of AI and digital integration, and developing new training programmes to facilitate career transitions for affected workers.

Amid the challenges posed by automation, a notable aspect of this shift is the emergence of new job roles tailored to the demands of the green economy. The study identifies 60 emerging professions such as AI engineers and sustainability specialists, which are essential for the advancement of Malaysia’s aspirations for a sustainable future.

The TalentCorp report indicates that the initial phase of the study was conducted between April and September 2023, paving the way for a second phase focusing on twelve additional sectors scheduled for next year. This comprehensive approach aims to yield a thorough understanding of the workforce implications of technological advancements and sectoral transformations in Malaysia.

The full report is accessible for download via the TalentCorp website, representing an effort to guide stakeholders in equipping Malaysian workers with the skills necessary for future career paths within a rapidly evolving economic landscape.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

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