

**OPENING SPEECH BY PRIME MINISTER : INTERNATIONAL
SOCIAL WELLBEING CONFERENCE 2024**

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OPENING SPEECH

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PRIME MINISTER**

**International Social Wellbeing Conference 2024
Ageing and Longevity: Towards a Meaningful Retirement**

Renaissance Hotel, Kuala Lumpur | 4 June 2024

Bismillahirrahmanirrahim,

(Salutations TBC)

Tan Sri-Tan Sri, Datuk-Datuk, delegations and honorable
speakers,

Ladies and Gentlemen.

Assalamualaikum Warahmatullahi Wabarakatuh,

AGEING AND LONGEVITY: A GLOBAL PHENOMENON

1. The world is experiencing a demographic shift towards an ageing population at a rate we have never seen before. According to UN estimates, in 2050, the population of those aged 65 and above is projected to reach 1.6 billion people out of 9.7 billion of the world population. This is more than double the number of older persons in 2020 at 739 million. Every continent is experiencing this phenomenon, which is further compounded by declining fertility rates.
2. This unprecedented change will no doubt have a major impact on society, the economy, and politics worldwide. However, it is important to recognise that one of the major driving forces behind the ageing world is the increase in life expectancy due to advancements in healthcare and improvements in general wellbeing. The progress that we have made needs to be celebrated, and is proof that humanity can achieve amazing feats through technological and economic progress.
3. It is projected to only take 23 years for Malaysia to make the shift from Ageing Nation to Aged Nation, with 14% of the population above the age of 65. And it will take only another 14 years thereafter for Malaysia to reach Super-Aged Nation status, with 21% above age 65. Indeed, our speed of ageing outpaces that of more developed

economies who have the wealth, infrastructure, and policies in place to prepare for this phenomenon.

AGEING AND ITS IMPACT TO SOCIETY

Ladies and Gentlemen,

4. In Malaysia, the World Bank has projected that the demographic change is expected to contribute about onethird of the decline in GDP growth rate between 2020 and 2050.
5. Furthermore, the expected increase in government spending on healthcare and social assistance will coincide with a decrease in the tax base stemming from the shrinking labour force as a percentage of the population. It is projected that the old-age dependency ratio in Malaysia will decrease significantly from 10 adults for every elderly person in 2020 to 3 adults for every elderly person in 2060, signifying that no longer can the elderly depend on the familial structure for assistance.
6. The old-age population is more susceptible to poverty compared to the average Malaysian population, with only 29% of Malaysians having a pension or pension-like income during retirement.

7. EPF data shows that 1 in 4 members actually exhausted their EPF savings within five years after reaching withdrawal age. The lump-sum nature of the EPF benefit will result in many Malaysians not being able to maintain a reasonable standard of living during retirement or to manage longevity risks.
8. Further, a recent survey found that 26.1% of respondents aged above 60 will continue to work until their health fails as they face challenges in achieving income security to finance their retirement needs.
9. We need to actively seek reform in the Malaysian pension framework in order to ensure that every generation in Malaysia will be able to look forward to growing old with dignity. New solutions are needed to make sure no one is left behind and that every layer of society benefits from social protection. Expanding EPF coverage in phases so that more of the working-age population will become part of the EPF ecosystem will ensure that more Malaysians can accumulate adequate retirement savings for their old age.
10. It is time for Malaysia to embrace serious reform in its pension and retirement framework to enhance its coverage, adequacy, and sustainability, and ensure financial security and equity for all Malaysians in their later years and contribute to positive long-term economic growth.

MALAYSIA MADANI: GOVERNMENT COMMITMENT TO OLDER MALAYSIANS

Ladies and Gentlemen,

11. My Unity Government is absolutely committed to bettering the lives of older Malaysians and building a more inclusive and just society for all Malaysians, in line with the concept of Malaysia MADANI. No matter their race, religion, age, residence or political affiliation.
12. Under the MADANI Economy, the government intends to raise both the ceiling and the floor of the economy, ensuring that economic growth benefits more Malaysians and that no one is left behind.
13. To raise the floor of the economy, the government is committed to widening the umbrella of social protection to cover everyone and safeguard the Rakyat in unforeseen circumstances.
14. In this regard, the government plans to strengthen two pillars of social protection. For social assistance, the government will further strengthen social assistance programmes to provide support and a safety net for Malaysians who are facing financial hardship. For example, this year the government has improved the Sumbangan Asas Rahmah (SARA) by expanding the scope of eligible recipients and increasing its benefit amount. This assistance will help financially disadvantaged households purchase items to help them with their basic needs on a monthly basis.
15. To spur the Labour Market, the government will continue to strengthen training initiatives, unemployment assistance and other

programmes to get Malaysians into jobs that will raise their standard of living. To this end, the Progressive Wage Policy pilot programme under the Ministry of Economy and Ministry of Human Resources (KESUMA) aims to deal with the issue of middling wages in order to boost income levels and raise the quality of life for Malaysians.

16. My MADANI government remains resolute in our pursuit to strengthen the economy, governance, and management including to fight corruption at all levels. All Malaysians should and can reap the rewards of economic growth and prosperity.
17. In facing a growing old-age population, we need to prioritise investments in the silver economy to build the infrastructure and spark innovation in fields like technology such as artificial intelligence and robotics that can enable active and healthy ageing. Increasing availability and affordability of technological devices, ranging from smart home technology to wearable devices – which can help track health markers – may assist older Malaysians in living healthier retirement lives. Improvement in accessibility technologies, which can overcome deteriorations in mobility, hearing or eyesight, may even enhance the productivity of older persons in the workplace – allowing them to contribute to the workforce for a longer period.
18. Malaysia must also prioritise investments in critical sectors such as healthcare, pharmaceuticals, and infrastructure conducive to active ageing. By allocating resources towards these areas, Malaysia can position itself to harness the potential of a rapidly expanding market, estimated to be worth USD15 trillion, driven by the needs and

preferences of an ageing consumer base. Such investments not only promise substantial returns but also underscore Malaysia's commitment to ensuring the wellbeing and quality of life of its ageing population while fostering sustainable economic growth for the nation.

19. Malaysian GLICs, including the EPF, Khazanah, and KWAP, have taken the lead in investing in ventures targeted at developing the silver economy in Malaysia. I look forward to more involvement from the private sector in developing products and solutions in this field so that we are not left behind in the race. Preparing for an ageing nation requires a whole-of-nation approach to improve the lives of older Malaysians and the citizens of the world.

ISWC2024 – TOWARDS A MEANINGFUL RETIREMENT

Ladies and Gentlemen,

20. It is incumbent on all of us to build a better and more inclusive world for the older members of society.
21. The world we live in was built by the generations before us. Ensuring that they may live dignified lives in their retirement is the least we can do for our elders. In this International Social Wellbeing Conference, I implore the policymakers, industry captains, academicians, and the average citizen to engage with the core question at the heart of this conference: How do we build a better world that can assure the

retirement well-being of senior citizens while navigating a more complex and uncertain future?

22. Time is not on our side. Malaysia only has 19 years before we become an aged nation. The changes we need to make have to happen now.

CLOSING

23. On that note, it gives me great pleasure to officially launch the International Social Wellbeing Conference 2024. Thank you.

Wabillahi taufiq walhidayah wassalamualaikum warahmatullahi wabarakatuh.

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