



Salaries in digital tech jobs expected to rebound in 2022

PETALING JAYA: Salaries for workers in digital technology industries saw nearly no growth this year but are expected to improve in 2022, a new report has said.

Published by the National Tech Association of Malaysia (Pikom), the Digital Job Market Outlook in Malaysia Report 2021 assessed the opportunities and average compensation for the sector.

It found that the digital economy was not spared the effects of the Covid-19 pandemic, despite the restrictions pushing greater adoption of technology.

Based on the current trend for the year, the group expected average salary growth this year to be just 0.1% to RM9,835 a month, continuing a downward growth trend that began in 2017 when wages grew by 5%.

Presenting the report, Pikom's research chairman Woon Tai Hai noted that not all was lost as they forecast salaries to grow by 2% next year to RM10,034 a month.

It observed that opportunities in the digital sector had been relatively plentiful despite the pandemic, showing there was still demand in the industry for talent, particularly in the entry-level and middle-management roles.

Compared to other countries, Woon noted that the average salary in Thailand for digital jobs surpassed Malaysia for the first time, coming in 17% higher when adjusted for relative purchasing power.

This was an important trend to monitor, he said, as compensation was typically a strong motivating factor for workers moving abroad and contributing to the brain drain in the country.

The report found that Singapore remained the top country in the region for pay in digital jobs, with the average salary nearly double (or 98% higher) than in Malaysia.

In reference to the 12th Malaysia Plan's target for the digital economy to account for 25.5% of the country's gross domestic product (GDP) by 2025, Woon said this was possible judging by the industry's current trajectory.

With the statistics department's most recent data estimate that the sector contributed 19.1% to GDP in 2019, Pikom's projections expect this to be closer to 22.4% this year and reach 23.4% in 2022.

He said acceleration towards the plan's target would likely be driven by the continued growth of e-commerce, trade of electrical products and greater adoption of technology and automation in the manufacturing sector.

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