

Golden Year, facing challenges of ageing nation

KUALA LUMPUR: Public expenditure will increase as the proportion of the old age population becomes larger in the country.

According to the Economic Outlook 2023, the ageing population in Malaysia was growing at a faster rate than initially expected in 2030.

It is also anticipated that by 2050, Malaysia's population aged above 65 will be more than 15 per cent, qualifying Malaysia as an aged nation.

"As the proportion of the old age population becomes larger, the public expenditure will be higher to cover the expected increase in spending on healthcare, pension and long-term care.

"In addition, a large old-age population will cause labour shortages and create potential risk of old-age income security," the report said.

Although Malaysia is not categorised as an ageing nation based on Housing and Population Census 2020, the **Department of Statistics Malaysia** estimates that 7.3 per cent of total population will reach age 65 by 2022.

As an ageing nation, a country will experience an increase in life expectancy due to better healthcare services and living standards, as well as a decline in the fertility rate.

"The patterns of declining fertility rate and expand in life expectancy have started to become more obvious in Malaysia," it said.

In 2020, Malaysia's fertility rate dropped to 1.7 per cent as compared to 2.1 per cent in 2010, while the population aged 65 years and over is higher at 6.8 per cent of 32.4 million total population compared to five per cent of 27.5 million during the same period.

To cope with the challenges arising from population ageing, the government, businesses and society at large should be prepared to adapt to the changing needs and structural demographics in the economy.

Necessary measures needed to be taken to ensure that no one was left behind while improving the wellbeing of all Malaysians, particularly senior citizens, said the report.

<https://www.nst.com.my/business/2022/10/838582/golden-year-facing-challenges-ageing-nation>