

## Malaysia attained ageing nation status

MALAYSIA is officially considered as an ageing country as the populace aged 65 years and above is expected to reach 7.3% of national population within this year.

An ageing country, according to the United Nations (UN), is where a community of people aged 65 years and above makes up 7% of the total population.

The Economic Outlook 2023 Report released by the Finance Ministry (MoF) noted that a country would reach the age ratio threshold as a result of an increase in life expectancy mainly due to better healthcare and living standards.

The report also noted that although ageing nations are more common in developed nations with higher standards of living, it is becoming more prevalent in many developing countries.

Japan leads with 28.7% of its total population above the age of 65, followed by Italy (23%), Finland (21.9%), Portugal (21.8%), Germany (21.4%) and Serbia (20.2%).

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

“The patterns of declining fertility rate and expansion in life expectancy have started to become more obvious in Malaysia,” the ministry said in the report.

The **Department of Statistics Malaysia (DoSM)** revealed that Malaysia’s fertility rate has dropped 1.7% in 2020 compared to 2.1% in 2010 whereby the population aged 65 years and above increased at 6.8% of 32.4 million total population compared to 5% of 27.5 million during the same period.

Malaysia’s ageing population also increased to 6.8% of the total population in 2020 compared to 5% in 2010.

DoSM also observed that Malaysia’s ageing population is growing at a faster-than-expected rate where more than 15% of its population will be above the age of 65 by 2050. This makes the country qualify as an ageing 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 larger old-age population will cause labour shortages and create potential risk of old-age income security,” it added.

Therefore, the MoF urged the people to adapt to the changing needs and structural demographics in the economy.

This is to ensure that no one is left behind while improving the wellbeing of all Malaysians, particularly senior citizens, in line with the Shared Prosperity Vision 2030 and the Sustainable Development Goals.

DoSM has also observed that Perak has the highest ageing population in 2020 with 8.9% while Kedah, Perlis (7.9%) and Sarawak (7.5%) are considered states with ageing population since those above the 65 years make up 7% of the population.

Catching up are Selangor (6.9%), Negri Sembilan (6.8%), Penang and Kuala Lumpur (6.6%), Kelantan (6.4%), Melaka and Pahang (6.3%) and Johor (6.1%).

Meanwhile, states with the least ageing population in 2020 were Putrajaya (1.4%) followed by Labuan (4.2%), Terengganu (5.5%) and Sabah (5.6%).

On the other hand, the states with the largest leap of ageing population from 2010 to 2020 are Sabah which has increased by 115.4%, followed by Putrajaya (100%), Selangor (97%) and Labuan (75%).

The report also warned that the ageing population will have an impact on the government's expenses specially to support the various social programmes and other related facilities.

"In 2021, the government's final consumption expenditure on social protection provided to senior citizens increased to RM2.4 billion from RM2.3 billion and RM1.4 billion recorded in 2020 and 2015, respectively.

"Corresponding to the expected increase in old-age dependency ratio, the public pension expenditure is also expected to rise further," it noted.

The government has also spent a total of RM28 billion for the pension expenditure which involves about 887,000 public pensioners, where 28.3% represents payments for those aged 65 and over.

Under the initiatives of the Women, Family and Community Development Ministry, the government has provided an allowance of RM500 per month to senior citizens who have a household income of less than RM1,169, under the Bantuan Warga Emas programme.

Last year, a total of RM823.8 million was distributed to 139,400 recipients.

The government has also provided cash assistance through Bantuan Keluarga Malaysia as announced in Budget 2022.

"This assistance involved an allocation of RM7.8 billion benefiting around 8.6 million recipients in 2022 of which, 1.8 million recipients are 65 years and over, with assistance amounting to RM1.7 billion.

"The growing ageing population will require an additional allocation for cash assistance under this programme which is estimated to be about RM1.8 billion in 2030," it said.

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