

EXPECT BLEAK JOB MARKET NEXT YEAR

Minderjeet Kaur | November 8, 2017

Experts say companies will be cautious about hiring, but they predict good demand for people with IT skills.



KUALA LUMPUR: If you are graduating next year and have no job experience, be prepared for a tough time looking for a job, at least one that pays well. The job market in 2018 is expected to be bleak.

Experts say companies will be cautious about creating new positions and fresh graduates will either have to settle for low paying jobs or drive for ride-hailing services like Uber or run food-truck businesses.

Those with IT skills, however, will still be in demand.

Malaysian Employers Federation (MEF) director Shamsuddin Bardan said employers were not expected to create new positions as they would be burdened with additional operating costs such as the new Employment Insurance Scheme (EIS) and the 90-day maternity leave for private sector employees.

“You can expect companies to restructure next year due to the additional costs,” he told FMT.

“Local companies will also be feeling the pinch of strict supply chain policies where companies must now comply with international conventions and protocols on foreign workers and provide improved accommodation, wages and other benefits.”

However, all is not lost for fresh graduates. Shamsuddin said companies would likely hire them to replace the 100,000 employees who will turn 60 next year.

“This is the first batch who were supposed to retire in 2013, but due to the five-year extension, they will retire next year,” he said. “This will give jobs to about 100,000 fresh graduates.”

He predicted that more companies would offer short-term or fix-term employment contracts as they remain cautious about their profits and the general outlook on the national economy.

“I advise those thinking of jumping ship to think twice next year,” he said.

Shamsuddin also said those with IT skills, especially in big data, would have no problem landing jobs to fill a “severe shortage” in the market.

Hoo Ke Ping, the author of several books on international economics, said he expected Malaysia’s GDP to remain at a healthy level, but added that this did not mean new jobs would be created.

“The export market for palm oil and furniture will be healthy, but the domestic market will not be good,” he said.

He forecast reduced hiring by the public sector as well as the banking industry and several other private sectors.

“The electronics sector is also predicted to be bad as many US-based multinational companies are expected to return to their country due to the tax reforms which favour them,” he said.

He also said the construction sector would slow down and this would affect almost 100 sectors associated with construction, such as transport and cement and steel production.

He predicted that many graduates would be driving for Uber and other e-hailing services and take up offers to run food trucks.

Last month, when he tabled proposals for next year’s federal budget, Prime Minister Najib Razak announced RM120 million worth of easy loans to be given to 1,000 1Malaysia food trucks (FT1M).

“Many youngsters will also go into online delivery as more people shop online,” Hoo said.

Yeah Kim Leng, a professor at Sunway University Business School, said he expected a good job market for those with IT skills, particularly in such areas as artificial intelligence, e-commerce and the so-called “gig” economy.

The “gig economy” refers to an environment in which companies hire independent contractors and freelancers instead of full-time employees. Workers are paid for each gig they do.

“The gig economy is the next big thing and people should look at ways of benefiting from it while upscaling their skills,” Yeah said.

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