



Industrial Insights Report

Issue 04/2021

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What's Inside?

The HRD Corp Industrial Insights Report aims to share the latest training-related updates and insights for various industries in Malaysia. This report also serves as a reference for all stakeholders on current issues and the work involved in improving the nation's human capital development. It comprises highlights on the general industry outlook, training trends under HRD Corp and employers' qualitative feedback. This report also provides a deep dive into the industry by looking at training overview, industry demographics, related skill areas and academic qualifications for the current workforce. It also identifies training challenges and their impact on the wider workforce and industry.

Instead of taking the traditional social science research approach, this report adapted an action research approach, inspired by Kurt Lewin's process, with the aspiration of inducing changes in HRD Corp to better meet the changing needs of registered employers. Through HRD Corp's internal data as well as qualitative feedback from selected employers, the insights and recommendations are provided for our reader's enlightenment.

Nevertheless, it should be noted that since the content of this report is confined to the context of the selected HRD Corp industries and our registered employers, there are limitations to the extent of how the content can be applied to the wider industry.

This issue focuses on these three (3) industries:

- **Shipping**
- **Port Services**
- **Postal and Courier**



DEFINITION

Shipping refers to the operation of vessels for the transport of freight or passengers overseas or coastwise, including towing services on the high seas or within harbours. It also includes the operation of vessels for transport by rivers, canals and other inland waterways such as ferries operated across rivers, domestic lakes or within harbours, water taxis, sight-seeing boats, towing or tugboats services on inland waterways. Shipping may also cover the overhaul, repair, maintenance and cleaning of ships.

Source: PSMB Act 2001

INDUSTRY OUTLOOK

Shipping is a significant contributor to the national economy. Around 90% of the country's trade is transported by ships, with approximately 37% of seaborne trade being carried out by Malaysian ships.

Malaysia's shipping activities have been struggling due to the prolonged impact of COVID-19. The numerous lockdowns have resulted in supply chain disruption, affecting the availability and delivery of goods in a timely manner. High demands and insufficient containers have resulted in the skyrocketing of shipping costs. Although COVID-19 has weighed down on shipping demands, shipping continues to play a key role in the global supply chain, transporting all goods including essential products, quarantine supplies, daily necessities and industrial wares.

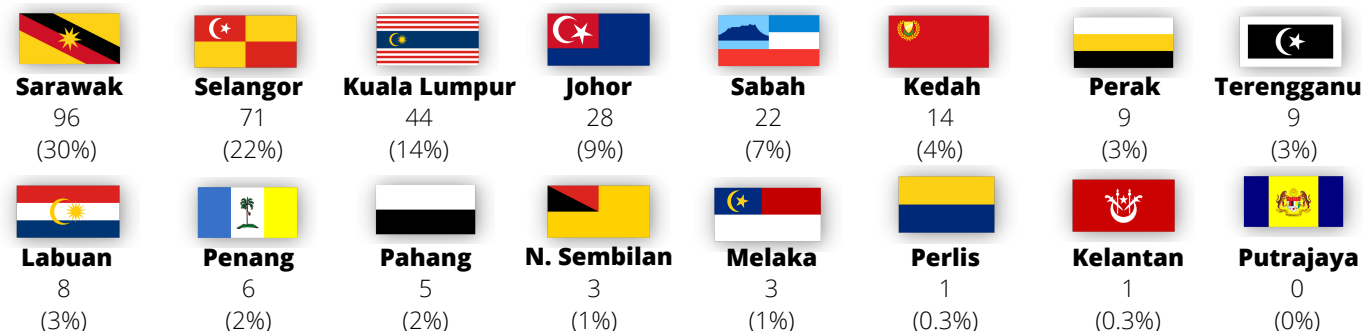
The Malaysian Shipping Master Plan 2017 – 2022 was developed to empower the Malaysian shipping industry to compete successfully in the regional markets, through its five (5) focus areas.

Source: Marine Environment Protection of the South-East Asian States, MEPSEAS
Malaysia Shipping Master Plan 2017 – 2022, Ministry of Transportation

DEMOGRAPHIC OF SHIPPING COMPANIES REGISTERED UNDER HRD CORP



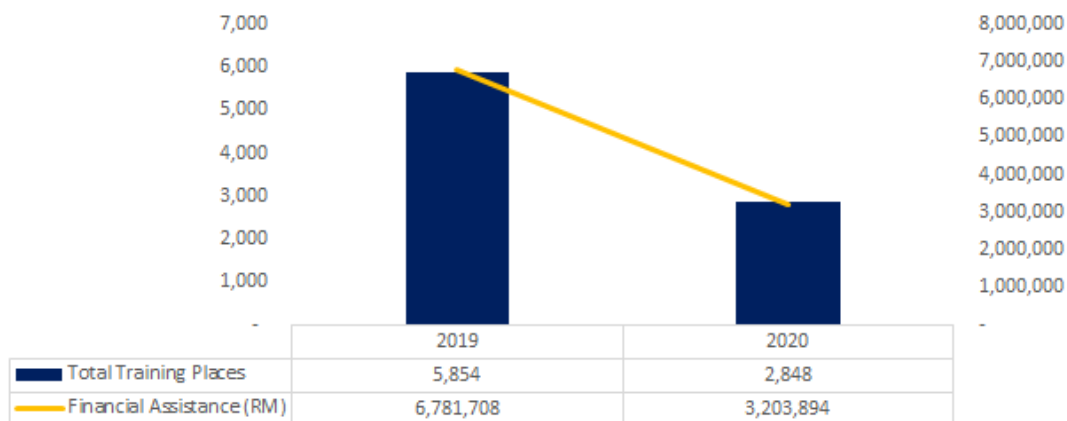
NUMBER OF REGISTERED EMPLOYERS BY STATES IN 2020



Out of 320 employers, the highest number of employers come from Sarawak (30%), followed by Selangor (22%) and Kuala Lumpur (14%).

Source: HRD Corp Internal Data as of December 2020

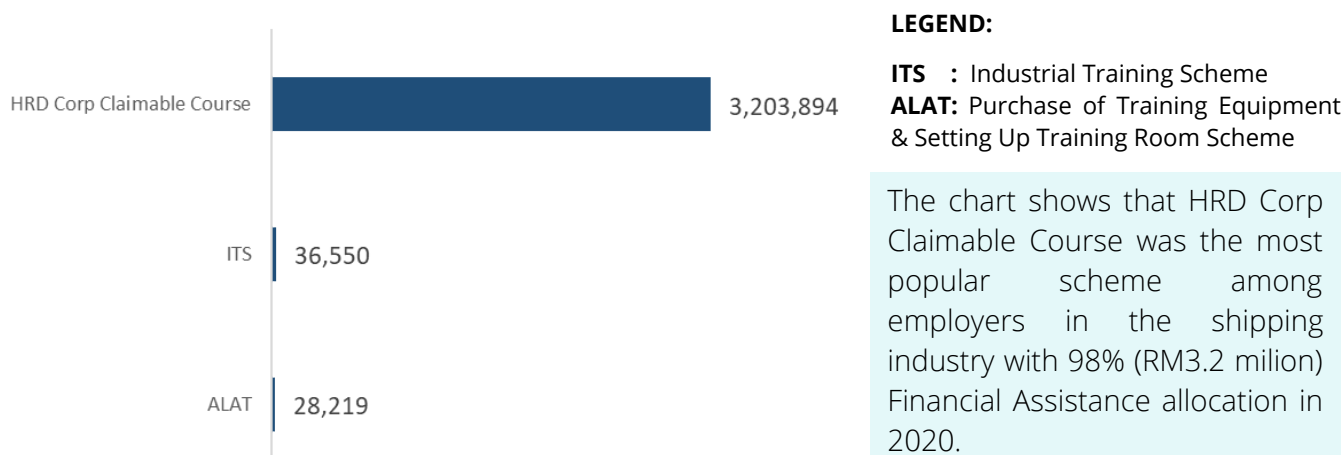
TRAINING OVERVIEW



Training places for the Shipping industry declined by 51% in 2020 compared to 2019, due to the implementation of Movement Control Order (MCO) which restricted the number of trainings that could be conducted face-to-face.

HRD CORP LEVY SCHEMES

Financial Assistance Approved (RM) According to HRD Corp schemes



OVERALL COURSE FEES (RM)

Highest Cost		Medium Cost		Lowest Cost	
CAESAR II User Training-Intermediate Level 2A	RM3,900	Authorised Entrant & Standby Person for Confined Space	RM789	Corporate Liability Provision Under The MACC Act: Mitigating a New Risk for Your Company	RM75
Maritime Shipping Training Course Module 1: Anatomy of Shipping and Ship's Chartering	RM3,900	Behavioural Competency Assessment & Verification for Vessel Operators	RM780	Role of Company Secretaries & Directors in Anti-Money Laundering Compliance	RM75
Certified Environmental Professional in Scheduled Waste Management	RM3,375	Rigging & Slingsing	RM742	Big Data Analysis & Reporting	RM52

The training courses mainly focused on Safety and Health and Ship or Maritime Handling such as "Maritime Shipping Training Course", "Authorised Entrant & Standby Person for Confined Space" and "Rigging & Slingsing". Meanwhile courses related to ship maintenance and engineering such as "CAESAR II User Training- Intermediate Level 2A " are fairly high in cost.

SKILL AREAS

TRAINING PLACES	 Safety and Health 964	 Ship or Maritime Handling 347	 Strategic Management 227	 Communication or Media 206	 Quality and Productivity 174
FINANCIAL ASSISTANCE (RM)	 Safety and Health 1,206,186	 Ship or Maritime Handling 808,419	 Strategic Management 209,212	 Communication or Media 131,494	 Engineering 94,735

Based on the above, employers in the shipping industry seemed to focus on the Safety and Health skill area as this skill has commonly become an employment requirement to perform certain jobs in this industry.

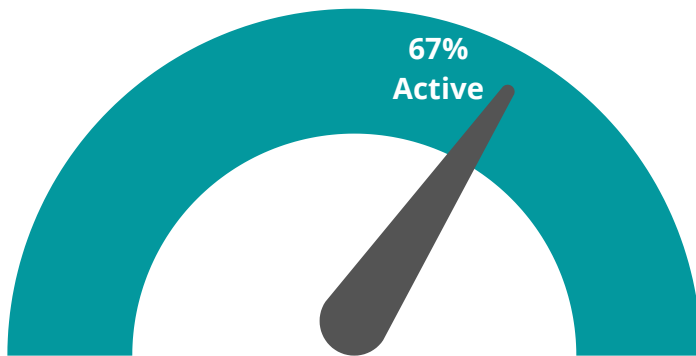
EMPLOYERS FEEDBACK ON TRAINING NEEDS

MASCO	TECHNICAL SKILLS	NON-TECHNICAL SKILLS
SKILLED WORKER	- Shipping knowledge - Selling skills - Accounting - Electrical technician - Networking	- Leadership - Customer service - Relationship building - Coaching - Management
SEMI-SKILLED WORKER	- Microsoft Office - Customer service - Operation - Clerical	- Communications - Listening - Presentation skill
LOW-SKILLED WORKER	- Clerical - Microsoft Office - Mathematics	- Communications - Listening - English - Computer skill

Source: HRD Corp Training Needs Survey 2019

Based on HRD Corp Training Needs Survey 2019, employers in the shipping industry often highlighted Shipping Knowledge, Customer Service and Communications as the key skills for all level of skill workers. Employers highlighted that workers should be trained more frequently in order to ensure better operation performance and quality.

HRD CORP LEVY UTILISATION (OPINION-BASED)



Source: HRD Corp Training Needs Survey 2019

Reasons for Active Usage

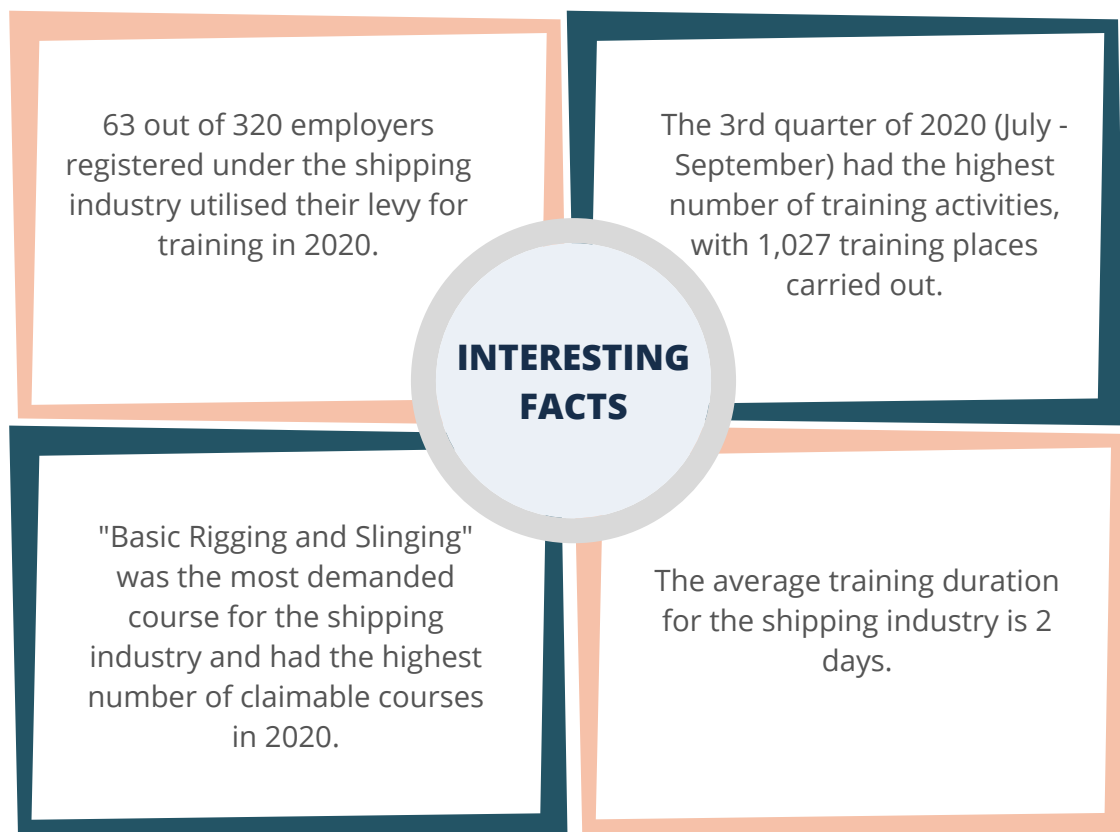
- Demand for training to improve staff performance
- Match on training requirement

Reasons for Less Active Usage

- High course fees
- No suitable training available

Based on the survey conducted, the total levy utilised matched with the actual levy utilised by the employers. This indicated that employers in the shipping industry are aware about the importance of their workers' learning development in order to improve their performance.

The shipping industry struggled during the COVID-19 pandemic and employers noted that one of the challenges they faced was a low number of trained workers. On the other hand, large employers invested 57% compared to 43% by Small & Medium employers.



02 PORT SERVICES

DEFINITION

Port Services refer to the undertaking of all or any work of every description in connection with the management or operation of a port by any private port, inland port, or, any company, firm or person authorised by way of license to undertake such work.

Source: PSMB Act 2001

INDUSTRY OUTLOOK

The Malaysian port landscape is dispersed around the country, with several specialised ports administered by government-assigned bodies and operated by private parties. The primary container handling ports are on Peninsular Malaysia's west coast, while the majority of bulk handling ports are in Sabah and Sarawak, in East Malaysia.



Source: Port Development in Malaysia, Embassy of the Kingdom of the Netherlands in Malaysia

According to the Department of Statistics Malaysia's (DOSM) Annual Economic Statistics 2018, ports operation is tagged under warehousing and support activities. Warehousing and support activities were the largest contributor of gross value output with RM41.3 billion (34.2%) during 2017. Notably, two ports in Malaysia ranked in the top 20 of the World's Container Port rankings by cargo volume. Port Klang and the Tanjung Pelepas Port handle 64% of total cargo production by all Malaysian ports in 2018.

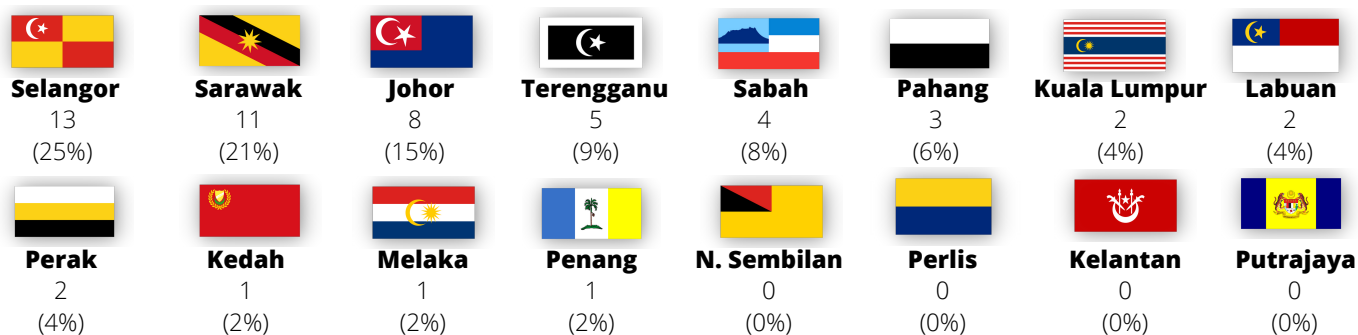
As Port Services and Shipping activities are inter-related, Port Services were also affected by the COVID-19 pandemic. It resulted in short term changes and potential long-term changes for port services activities such as the greater use of technology and digital tools to build smart ports and automated ports, increasing resilience and robustness of operations to wide-ranging risks.

Source: COVID-19 And Its Impact on Shipping and Port Sector in Asia and The Pacific, United Nation ESCAP, United Nations UNCTAD, Pacific Community, September 2020

DEMOGRAPHIC PROFILE OF PORT SERVICES REGISTERED UNDER HRD CORP



NUMBER OF REGISTERED EMPLOYERS ACCORDING TO STATES IN 2020

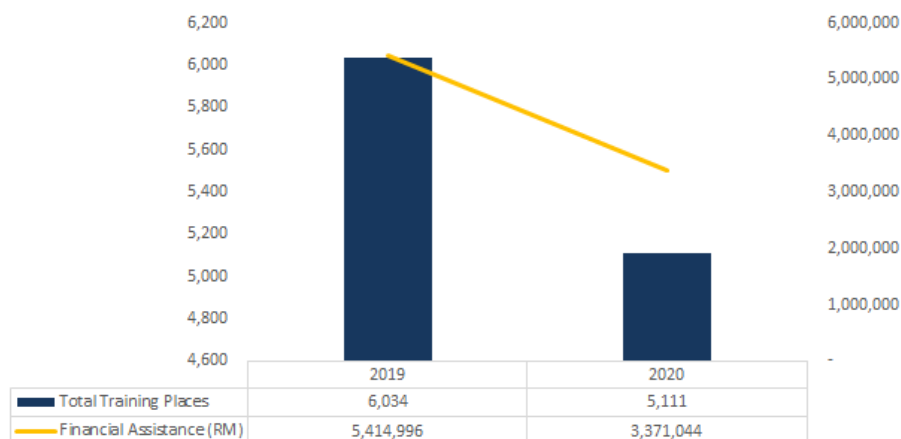


Out of 53 employers, Selangor recorded the highest number of employers in this sector, representing 25% of the total number of employers nationwide. This is followed by Sarawak (21%) and Johor(15%).

Source: HRD Corp Internal Data as of December 2022

Source: HRD Corp Internal Data as of December 2020

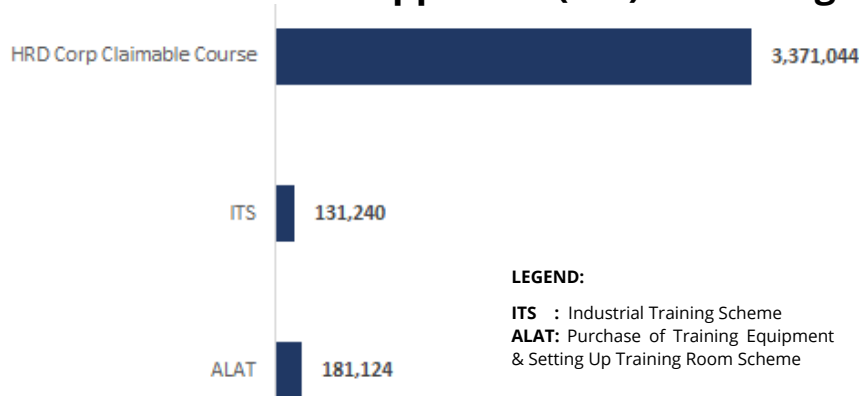
TRAINING OVERVIEW



Training places for the Port Services industry in 2020 declined by 38% compared to 2019. Port Services employers had to shift their focus on overcoming the economic slowdown during the pandemic. Restrictions to face-to-face interactions also contributed to the lower number of trainings in 2020.

HRD CORP LEVY SCHEMES

Financial Assistance Approved (RM) According to HRD Corp schemes



The chart shows that in 2020, 92% of Financial Assistance was approved for HRD Corp Claimable Courses. Most of the training costs were spent on in-house training and employers who utilised the ALAT scheme to purchase training equipment and set up training rooms to sustain their business growth.

OVERALL COURSE FEES (RM)

Highest Cost	
Kursus Asas Polis Bantuan	RM4,030
Project Management Professional Preparation	RM3,900
GMDSS General Operator Certificate	RM3,213

Medium Cost	
IMO Codes & Convention	RM1,000
Air Conditioning System for Non- Air Conditioning Engineers	RM1,000
Certified Professional CILT Certificate in Maritime Logistics & Management	RM1,000

Lowest Cost	
Leading Self and Other	RM250
E Signing: What You Need To Know	RM240
Anti Bribery Management System	RM175

Employers mainly focus on the security, safety and management skills since ports are commonly known as busy areas with the need for high security. Proper management becomes the most important measure to prevent any unlawful activity such as stealing of cargo, piracy and entry of illegal goods such as drugs and guns.

02 PORT SERVICES

SKILL AREAS



In reaction to the pandemic in 2020, Team Building or Motivational Skills were the top skills requested by employers. Safety and Health and Process and Operation were also a focus, due to the high risks activities in ports. According to the ILO code of practice, port employers should ensure that all of their workers have sufficient information regarding Occupational Safety and Health (OSH) risks and arrangements to control them.

Source: Safety and health in ports. International Labour Office (ILO), Geneva.

EMPLOYERS FEEDBACK ON TRAINING NEEDS

MASCO	TECHNICAL SKILLS	NON-TECHNICAL SKILLS
SKILLED WORKER	• Problem solving • Critical thinking • Port services knowledge • Safety and health • Contract management • Cost control	• Communication • Problem solving • Entrepreneur mindset • Creative and innovative
SEMI-SKILLED WORKER	• Problem solving • Microsoft Office • Safety and health • Project management	• Communications • Listening • Presentation skill • Time management
LOW-SKILLED WORKER	• Writing and listening • Calculation • Task-orientation • Basic supply chain	• Business communications • Listening • Time management • Common sense

Source: HRD Corp Training Needs Survey 2019

Employers in the Port Services industry frequently highlighted Safety and Health, communications, problem solving and time management as the key skills for port services workers. A prompt decision and action during any situation or unpredictable incidents in port areas are crucial to prevent any congestion of cargo due to delayed actions and safeguarding in port areas.

HRD CORP LEVY UTILISATION (OPINION-BASED)



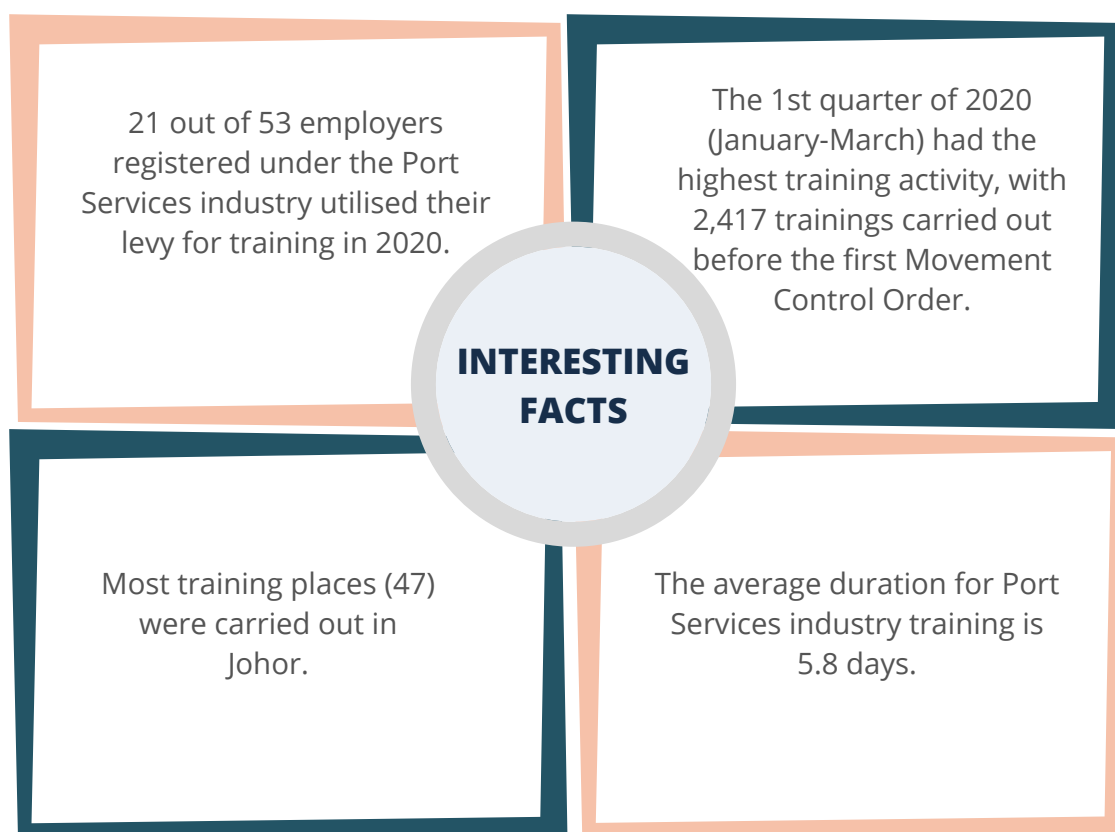
Source: HRD Corp Training Needs Survey 2019

Reasons for Active Usage

- To attend compulsory training required by the authorities
- To fully utilise the levy

100% of Port Services employers pointed out that they actively utilise their levy to fulfill the training requirement for their workers. Employers also pointed out some challenges to provide training to employees, such as finding a suitable trainer, high cost of course fees for a specific training programme, logistic issues and daily workload.

Due to the challenges highlighted, there was less training conducted by the Port Services industry employers. In reality however, 85% of levy was utilised by port services employers in 2020. This indicated training became more important to ensure operational effectiveness is maintained during this critical period.



03 POSTAL OR COURIER

DEFINITION

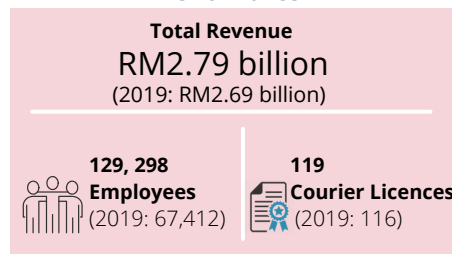
Postal or courier services is defined by the delivery of postal articles such as letters, postcards, newspapers, books, documents, pamphlets, patterns or sample packets, small packets, parcels, packages or other articles or things transmissible by post or courier.

Source: PSMB Act 2001

INDUSTRY OUTLOOK

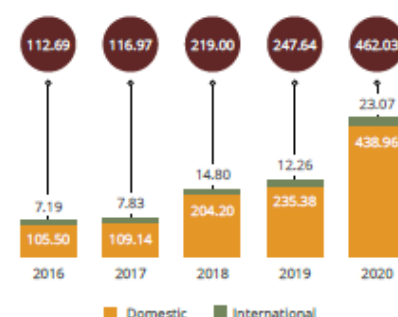
The postal or courier industry has been the backbone of the delivery and communications services for a long time. Pos Malaysia Bhd, GDEX Bhd, and Nationwide Express Holdings Bhd are among the companies that generated RM2.79 billion in revenue in 2020, a 3.7% increase from RM2.69 billion in 2019. The growth was fueled by strong demand for courier services following a surge in online shopping.

2020 Postal and Courier Industry Performance



Courier Service Traffic 2015 - 2020

Number of Courier Items (million)



Postal infrastructure comprises establishments where customers may apply for postal services. These include post offices, mini post offices, postal agents, stamp vendors, mobile post offices, post offices accepting financial transactions and sorting offices. Courier activities constitute employees under administrative, call centre, pick up & dispatch, sorting crews and others. Courier service providers has handled over 462 million courier items including documents, parcels and other items at the end of 2020.

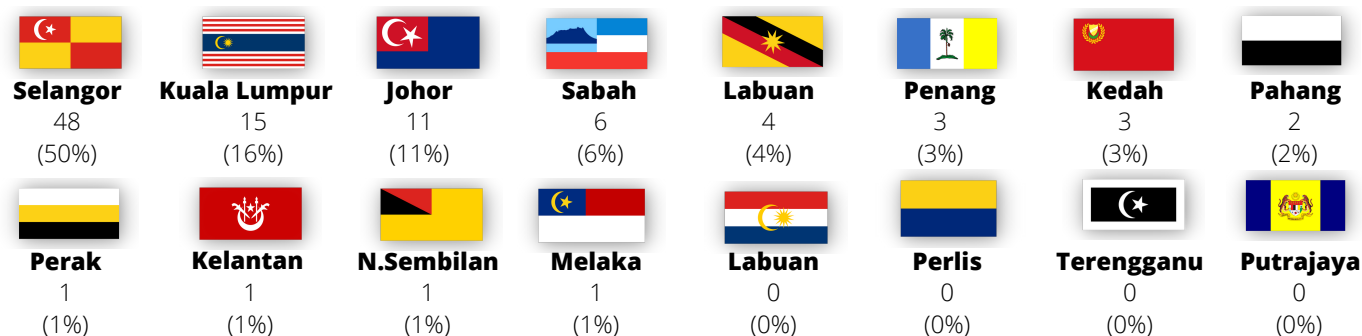
In 2020, postal or courier recorded the highest in number of employment with an increase of more than 50% to 129,298, from 67,412 in the previous year. Additional staff in courier services was vital to ensure the quality of services and delivery standards due to the boom in the e-commerce industry following the pandemic.

Source: Postal and Courier Services, Pocket Book of Statistics 2020, Malaysian Communications and Multimedia Commission (MCMC) Industry Performance Report 2021, Postal and Courier, Malaysian Communications and Multimedia Commission (MCMC)

DEMOGRAPHIC PROFILE OF POSTAL OR COURIER REGISTERED UNDER HRD CORP



NUMBER OF REGISTERED EMPLOYERS ACCORDING TO STATES IN 2020

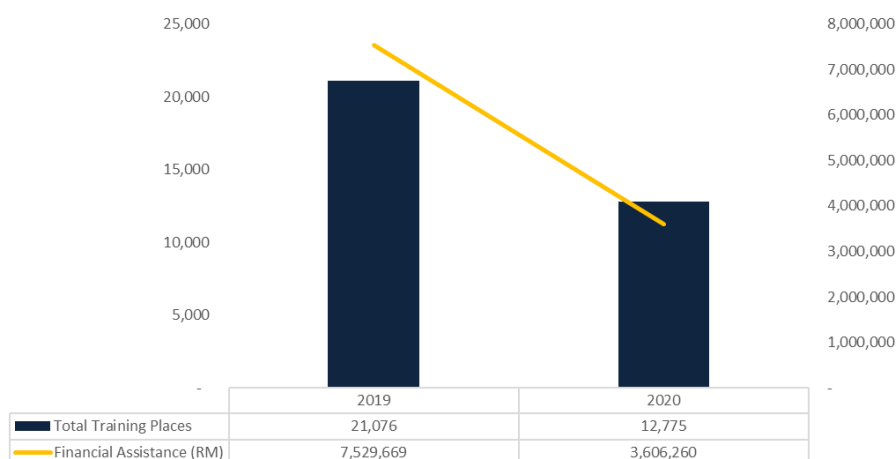


Out of 96 employers, Selangor recorded the highest number of employers at 50%. This is followed by Kuala Lumpur (16%) and Johor (11%).

Source: HRD Corp Internal Data as of December 2020

03 POSTAL OR COURIER

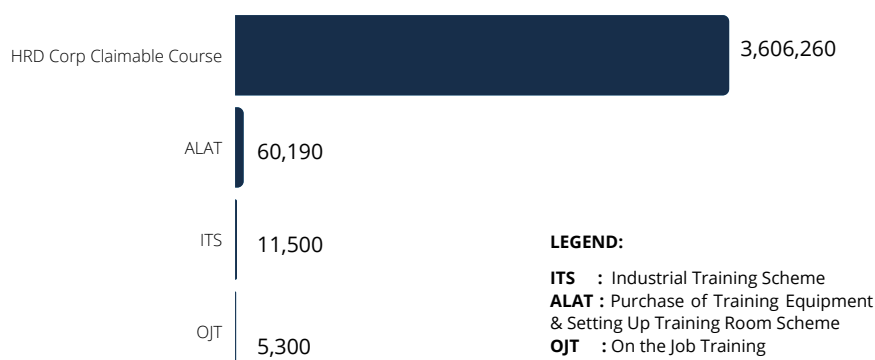
TRAINING OVERVIEW



The postal training trend dropped significantly, by 52% from 21,076 in 2019, to 12,775 in 2020. Employers prefer to train their employees through in-house training rather than e-learning. This might be the reason why there were only a few trainings conducted in 2020 as the dependency on in-house training has restricted the number of employees that could be trained.

HRD CORP LEVY SCHEMES

Financial Assistance Approved (RM) according to HRD Corp schemes



The breakdown of approved Financial Assistance revealed that HRD Corp Claimable Courses were the most favourable schemes, with more than 95% approval. Most of the companies opted to conduct in-house training in 2020 under HRD Corp Claimable scheme.

OVERALL COURSE FEES (RM)

Highest Cost		Medium Cost		Lowest Cost	
Certified Transformational Leader	RM12,000	Malaysian Customs Harmonised System Tariff Classification and Practical Implementations	RM900	Forklift Safety and Certification Training	RM57
Kursus Latihan Pegawai Integriti Bertauliah (CeIO) -Swasta	RM5,000	Advanced Company Law and Secretarial Practice for Accountants	RM800	J&T National Trainers Training	RM50
Lead Auditors Course ISO 37001:2006 Exemplar Global Certified	RM4,876	Administering a SQL Database Infrastructure	RM750	Defensive and Safety Driving	RM48

The most expensive course in the postal or courier industry was the "Certified Transformational Leader" which enabled learners to demonstrate enhanced knowledge, skills, values, mindsets and behaviour to excel as leaders in the workplace and adopt better management skills.

03 POSTAL OR COURIER

SKILL AREAS

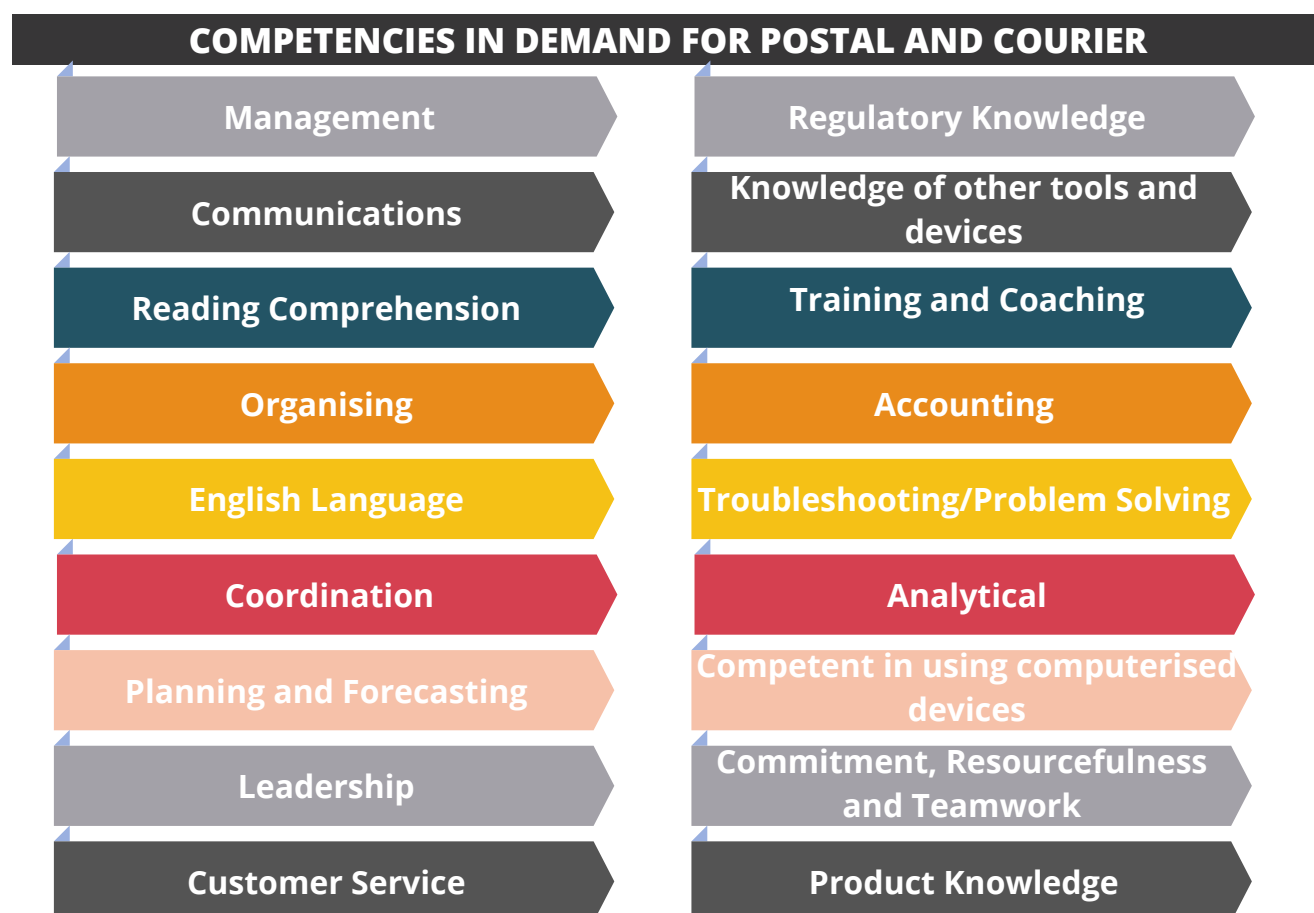


The most demanded skills for the postal or courier industry are Maintenance or System and Control, Process and Operation and Team Building or Motivation and Quality and Productivity. This might be due to the huge jump in employment and high courier services traffic in 2020. Postal and courier service providers also actively upskilled their employees in terms of its delivery services and quality of customer services.

Source: Industry Performance Report 2021, Postal and Courier, Malaysian Communications and Multimedia Commission (MCMC)

INDUSTRY EXPERTS OVERVIEW ON POSTAL AND COURIER

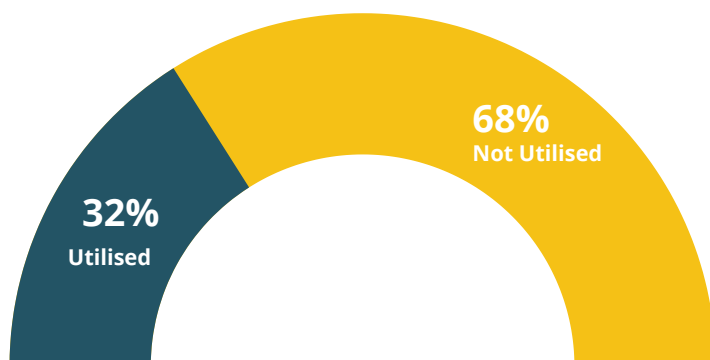
There was no response given by employers from the postal or courier industry for the HRD Corp Training Needs Survey in 2019. Nevertheless, below are the 18 competency skills identified by industry experts in a survey conducted by the Department of Skills:



Source: National Occupational Framework, Postal and Courier Activities, Department of Skills (DSD) 2019

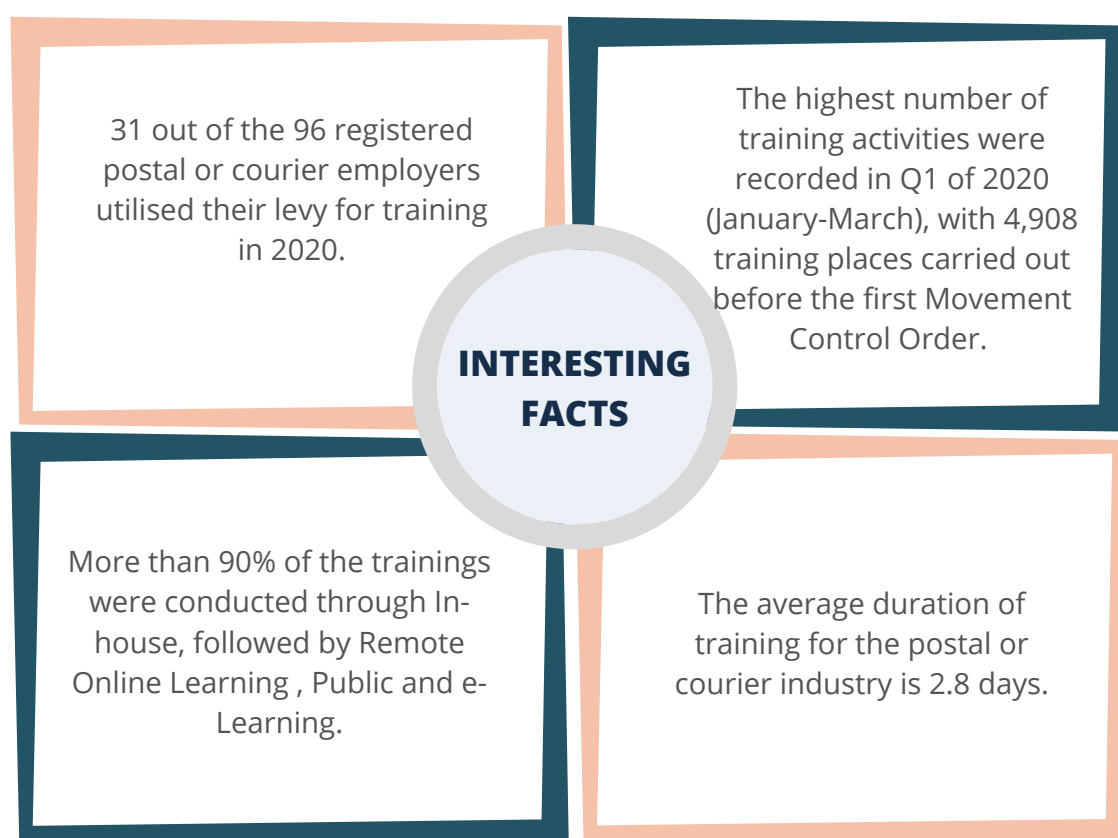
03 POSTAL OR COURIER

HRD CORP LEVY UTILISATION



Source: HRD Corp Internal Data as of December 2020

Based on HRD Corp data in 2020, out of 96 employers registered under the postal or courier industry, only 32% of employers utilised their levy for training. The majority of levy utilisation came from Large enterprise companies.



QUICK INFO

Digital Transformation in the Postal or Courier Industry

- Some Courier Service Providers in Malaysia have started to invest in digital transformation, from hubs with sophisticated sorting centres to tracking mechanisms.
- Implementation of **Application Programmes Interfaces (APIs)** enables customers to track their parcels easily at anytime.
- **Cloud-Based** accounting and call management system were introduced to ensure seamless operation within courier service companies.

Source: Industry Performance Report 2021, Postal and Courier, Malaysian Communications and Multimedia Commission (MCMC)

04 SUMMARY & COMPARISON

COMPARISON IN THE GROWTH NUMBER OF REGISTERED EMPLOYERS AND EMPLOYEES

	2019		2020
Shipping	Employers : 284 Employees : 16,235	➤	Employers : 320 (+13%) Employees : 16,881 (+4%)
Port Services	Employers : 43 Employees : 18,945	➤	Employers : 53 (+23%) Employees : 19,537 (+3%)
Postal or Courier	Employers : 87 Employees : 42,853	➤	Employers : 96 (+10%) Employees : 44,439 (+4%)

Based on the statistics above, all three (3) sub-sectors registered an increase in the number of employers and employees with more than 3% for each sub-sector in 2020. The steady growth of registered employers indicates that there will be more employees to be trained under the HRD Corp's training fund structure as these three (3) sub-sectors keep on expanding. In terms of levy utilisation rate, Port Services is the most active sub-sector compared to Shipping and Postal or Courier. In terms of training activities, all three (3) sub-sectors dropped by about 47% on average which might be due to the limitations to face-to-face training.

Whilst COVID-19 has brought about unprecedented challenges to all industry economics, the relationship between people and technology will deepen as digital connection becomes more crucial than ever. In line with these circumstances, the government has developed a comprehensive strategic plan that emphasises on digital transformation. All industry players should take this opportunity to resume their economy by producing more skilled workers to ensure that they can cope in a new competitive market.

CHALLENGES IN TRAINING

Employers pointed that they faced some difficulties in utilising their levy for training, such as budget limitations, availability of relevant courses, manpower constraints and the lack of Subject Matter Experts (SMEs) Training Providers in the Malaysia market. To overcome this challenge, HRD Corp has introduced the HRD Corp Train-The-Trainer (TTT) programme to welcome more trainers with professional backgrounds to be certified by HRD Corp, allowing experienced professionals to train their junior peers.

TOP SKILL AREA

The statistics showed that 'Safety and Health' and 'Ship or Maritime Handling' were the most prioritised skills for shipping and port services, as workers from both industries need to master the skills to safeguard shipping operations and port security. Meanwhile, postal or courier focused more on 'Process and Operation' and 'Quality and Productivity' to meet customers' expectation in the new norm in terms of service delivery quality.



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