



## Policy & Profit

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■ **There is no real Silver Economy if seniors are unhealthy and financially insecure – and too many Malaysian seniors are both**

■ **Over-prioritising seniors at the expense of youth risks lower productivity, greater brain drain and falling fertility**

AS the global population continues to grow, we are faced with two powerful yet unavoidable realities: despite rising life expectancy, the population will eventually decline due to falling fertility rates. Note: the global population is projected to peak at around 10.3 billion in the mid-2080s before entering a prolonged decline.

In Malaysia, this trend has sparked significant interest in the “Silver Economy” – the economic opportunities and consumption patterns that are tailored to meet the needs and demands of an ageing population, adults over 50s. Yet, simply believing that Malaysia can benefit from this without any investment or effort risks us creating conflicting policies that can eventually backfire.

### Reality check

Unlocking the potential of the “Silver Economy” requires a critical prerequisite: our seniors must be both healthy and wealthy. To benefit the nation, ageing citizens need the physical mobility to remain active and the financial security to continue consuming.

Without these pillars, the “Silver Economy” remains a theoretical academic concept rather than a functional economic engine. Malaysia is ill-positioned to capitalise on the Silver Economy narrative for three primary reasons:

#### > **The health crisis: The second most obese in South-East Asia**

Ageing follows a predictable cycle – from independence and self-sufficiency to assisted living and, eventually, full dependency.

However, our seniors are entering this cycle with a significant handicap.

Malaysians are the second most obese population in South-East Asia, with over half overweight or obese. This is driving a rise in non-communicable diseases (NCDs) such as hypertension and diabetes, leading to widespread multimorbidity among seniors and undermining prospects for independent ageing.

#### > **The wealth gap: Financial fragility**

Malaysia is ageing before becoming rich, with our working-age population peaking at a GDP per capita of roughly US\$15,000-US\$20,000 compared to South Korea (US\$22,000) and Japan (US\$26,000) at similar stages. Compounding this is a savings

crisis: as of late 2024, only 36% of active EPF members met the basic savings target of RM240,000 at age 55. Alarming, as of January 2026, the EPF has revised the “Basic Savings” benchmark upwards to RM390,000 at age 60 to reflect the rising cost of living.

#### > **The sandwich generation trend**

Financially unprepared seniors increasingly depend on their children, placing pressure on the “Sandwich Generation” and constraining family formation and labour participation, especially among women.

Unfortunately, it is mostly women who shoulder the care burden responsibilities disproportionately and are at the same time being asked to provide children for the country’s economic productive population needs.

The consequences are already evident in our population projections. Malaysia’s population is projected to peak at 42.38 million in 2059 before declining, with fertility falling to 1.7 children per woman in 2025, well below replacement level.

#### **Policy goal: Productivity as a whole, not just elderly survival**

We are currently in a “Grey Trap.” While public discourse focuses on symptoms – like raising the retirement age or overhyping the Silver Economy – we must not lose sight of the true policy goal: maximising the productivity of our entire population.

The key balance we must strike is enabling older people to remain healthy, independent, and productive for longer, while ensuring this does not crowd out opportunities for younger generations.

At the same time, we must address how to provide sustainable care pathways for elderly individuals who require support, without overburdening an already shrinking younger workforce.

A misstep in senior-focused policy could inadvertently accelerate decline.

If we over-prioritise the elderly at the expense of inter-generational equity, we risk lower productivity, higher “brain drain” as youth seek better opportunities abroad, and a further decline in fertility as starting a family becomes financially impossible.

Managing an ageing, shrinking population requires balancing near-term support for the elderly with long-term ecosystem reform that pushes families and society to prepare for the financial realities of ageing.

To unlock the Silver Economy opportunities sustainably, I suggest the following:

> **Mandatory retirement planning:** Through the EPF, implement compulsory courses at entry, mid-career and pre-retirement stages to build a culture of financial readiness, family unity and piety, and lifestyle preparedness.

> **Transitional retirement models:** Adopt transitional retirement models for seniors and require structured succession planning.

We can consider re-employ-

ment laws similar to Singapore’s, where employers must offer re-employment to employees from age 64 up to age 69 who are medically fit.

If re-employment is not feasible, an Employment Assistance Payment should be provided to assist their transition.

> **Campaign for healthier lifestyles:** Incentivise preventive wellness for all and “ageing in place” programmes to keep seniors in the self-sufficiency stage longer.

> **Targeted obesity laws:** Consider a phased rollout of laws requiring large corporations to monitor staff obesity, similar to Japan’s approach.

> **Compulsory nutritional standards:** Implement rigorous food labelling and laws compelling healthier manufacturing practices, following the successful lead of Singapore.

> **Lifelong learning for the AI age:** Encourage continuous education for all ages to ensure a digitally literate workforce that remains productive despite ageing.

We must transform our demographics from an inevitable crisis to a managed one. If we fail to prepare, ageing and population decline will strain families, shrink our workforce and erode economic resilience.

But with decisive action, this transition can become a structural reset – enabling Malaysians of every generation to contribute, stay active, and remain supported and productive for longer.

Malaysia’s demographic transition is inevitable – but a “Grey Trap” is not.

# Silver boom or grey bust?

