



Research Office
Legislative Council Secretariat

Fact Sheet

Malaysia: parliament, political scene and selected policies

FSC11/2024

- This **Fact Sheet** provides information on Malaysia regarding:
 - (1) Parliament and political scene; and
 - (2) Selected policies.

(1) Parliament and political scene

(a) Political background

Government leadership

- Malaysia is a **federal constitutional monarchy** with 13 states, i.e. 11 states of Malaya and two Borneo (婆羅洲) states, Sabah (沙巴) and Sarawak (砂拉越).
- A snap election was held in November 2022 in Malaysia (the term of the 14th Parliament was originally set to end in July 2023). None of three main coalitions secured majority of seats in the **House of Representatives**.
- **Dato' Seri Anwar Ibrahim** (“Anwar” 安華) became the Prime Minister and the Minister of Finance on 24 November 2022 and announced that a unity government representing a two-thirds majority in the House of Representatives had been formed.
- Two Deputy Prime Ministers were appointed: **Ahmad Zahid Hamidi**, the National Front's Chairman and **Fadillah bin Yusof** of the Sarawak Parties Alliance.

(b) Parliament

Composition

- The legislative authority is vested in the Parliament of Malaysia, which is bicameral and comprises the **House of Representatives** (*Dewan Rakyat*) as the lower house and the **Senate** (*Dewan Negara*) as the upper house. At the state level, the power is vested in the respective state legislatures, for which elections are held every five years.
- **Johari bin Abdul** of National Front is the **Speaker of the House of Representatives**. He was elected by Members of the House of Representatives. There are two **Deputy Speakers** in the House of Representatives, viz. **Ramli bin Mohd Nor** of National Front and **Puan Alice Lau Kiong Yieng** of Alliance of Hope.

(1) Parliament and political scene (cont'd)

(b) Parliament (cont'd)

Composition (cont'd)	<ul style="list-style-type: none">• Mutang Tagal of Gabungan Parti Sarawak has been the President of the Senate since February 2024. He was also elected by Members of the Senate. Nur Jazlan bin Mohamed of National Front is currently Deputy President of the Senate.• The main functions of the Parliament of Malaysia include:<ul style="list-style-type: none">(i) Passing and making amendments to federal laws;(ii) Examining government policies;(iii) Approving government expenditures; and(iv) Approving new taxes.• All bills, except money bills, can originate in either the Senate or the House of Representatives. Money bills must originate in the House of Representatives. Bills must be passed by both houses before they can be presented to the King (or “Supreme Head of Malaysia” 馬來西亞國家元首) for royal assent.
House of Representatives	<p>(i) <u>Overview</u></p> <ul style="list-style-type: none">• The House of Representatives comprises 222 Members elected by universal suffrage, using single-member constituencies. The party with the most votes forms the federal government. <p>(ii) <u>Electoral system</u></p> <ul style="list-style-type: none">• Members are elected for a five-year term. The last general election was held in November 2022, and the next election is expected to take place in 2027.• To be eligible as a Member, one must be a Malaysian citizen at least 18 years old, mentally sound, not an undischarged bankrupt, and cannot hold membership in both Houses simultaneously. <p>(iii) <u>Party division</u></p> <ul style="list-style-type: none">• The current composition of the House of Representatives is as follows:<ul style="list-style-type: none">(1) Alliance of Hope (81 Members);(2) National Alliance (74 Members);(3) National Front (30 Members);(4) Sarawak Parties Alliance (23 Members);(5) Gabungan Rakyat Sabah (6 Members);(6) Heritage Party (3 Members); and(7) Others (5 Members).

(1) Parliament and political scene (cont'd)

(b) Parliament (cont'd)

Senate

(i) Overview

- The Senate, comprising **70 seats**,¹ is composed of the following:
 - (1) 26 Members elected by the State Legislative Assemblies to represent the 13 states (with two from each state); and
 - (2) 44 Members being appointed by the Supreme Head of Malaysia on the advice of the Prime Minister, including two Members from the Federal Territory of Kuala Lumpur (吉隆坡) and one Member each from the Federal Territory of Labuan (納閩島) and Putrajaya (布城).

(ii) Electoral system

- The tenure of office is a **three-year term** for a maximum of two terms, applicable to both federal and state appointments. The dissolution of the House of Representatives does not affect the Senate.
- While there is no general election for all Members, **elections** of individual Members **take place at various dates** depending on the expiry of their terms.

(iii) Party division

- The current composition of the Senate is as follows:
 - (1) National Front (23 Members);
 - (2) Alliance of Hope (15 Members);
 - (3) National Alliance (10 Members);
 - (4) Sarawak Parties Alliance (6 Members);
 - (5) Gabungan Rakyat Sabah (2 Members);
 - (6) Love Sabah Party (1 Member); and
 - (7) Independent (6 Members).
- Meanwhile, there are currently 7 vacant seats in the Senate.

¹ Senators are selected from individuals who have notable contributions to public services; or have achieved excellence in their respective fields, such as commerce, industry, agriculture, cultural activities, or social services; or have served as representatives of racial and ethnic groups.

(1) Parliament and political scene (cont'd)

(c) Executive Branch

Overview	<ul style="list-style-type: none">• The Constitution of Malaysia provides one of the Rulers of Malay States to be elected from among themselves to be the Supreme Head of the Malaysia who holds office for 5 years. The current Supreme Head of Malaysia is Sultan Ibrahim Iskandar of Johor who sworn in on 31 January 2024.• The Executive power is exercised by the Supreme Head of Malaysia through a Cabinet, which is led by the Prime Minister and is responsible to the Parliament.• There are 31 members in the Cabinet including the Prime Minister and other 30 Ministers.
----------	--

(d) Judicial Branch

Overview	<ul style="list-style-type: none">• The courts are divided into 5 instances, the Magistrate Courts, the Session Courts, the High Courts, the Court of Appeal and the Federal Court.• The two High Courts serve Peninsular Malaysia and the states of Sabah and Sarawak, respectively.• Court of Appeal is the first stage of appeal for all matters arising from the High Court, while the Federal Court is the highest judicial authority and the final court of appeal in Malaysia.• The Session Courts Judges are appointed by the Supreme Head of Malaysia. The Magistrates are appointed by the state authority via Chief Judge recommendations.• Furthermore, there are Syariah Courts for rulings under Islamic Law. Syariah law has jurisdiction only over persons professing the religion of Islam and limited matters relating to religion, custom and family.
----------	--

(2) Selected policies

(a) Religion	<ul style="list-style-type: none"> • The Malaysian constitution states that “Islam is the religion of the Federation, but other religions can also be practised safely and peacefully in any part of the Federation”. The Malaysian government emphasizes that its population, which consists of various ancestry and beliefs, is free to practise their respective faith, and this freedom shapes a strong unity between the races. • According to the 2020 census, 63.5% of the Malaysian population were Muslims; Buddhists, Christians and Hindus accounted for 18.7%, 9.1% and 6.1% respectively. • In terms of ethnicity, among the resident population, Malays was the largest ethnic group in the fourth quarter of 2023, accounting for 57.9% of the population, followed by Chinese (22.6%) and Indians (6.6%).
(b) “Madani Economy”	<ul style="list-style-type: none"> • In July 2023, Malaysia’s Prime Minister Anwar introduced the “Madani² Economy: Empowering the People” framework (“Madani framework”) to serve as the country’s economic development roadmap. • With an emphasis on boosting economic growth, promoting investment and strengthening the competitiveness of local industries, the Madani framework sets out medium-term targets to be achieved in the next decade: <ul style="list-style-type: none"> (i) Ranking Malaysia among the world’s top 30 largest economies; (ii) Improving Malaysia’s ranking in the Global Competitiveness Yearbook (to within the top 12), Human Development Index (top 25) and Corruption Perceptions Index (top 25);³ (iii) Increasing female participation rate in the labour force to 60% (versus 56.3% in the fourth quarter of 2023) and labour share of total income to 45% (versus 32.4% in 2022); and (iv) Reducing fiscal deficit to 3% or lower (versus deficits of 5.6% and 5.0% in 2022 and 2023 respectively).

² It is the Malay acronym for “sustainability, courtesy, respect, innovation, prosperity, and trust” - a set of values envisioned to embody Malaysia’s future economic development.

³ Malaysia currently ranks 27th, 62nd and 61st in the three global indices respectively.

(2) Selected policies (cont'd)

(c) Innovation, technology and digit transformation	<ul style="list-style-type: none"> • In 2021, Malaysia's information and communications technology ("ICT") sector contributed 23% to national gross domestic product, comprising 14% from ICT manufacturing, trade and services; and 9% from e-commerce. In the same year, Malaysia published 2 key policy documents related to innovation, technology and digital transformation: <ul style="list-style-type: none"> (i) Digital Economy Blueprint – it specifies areas of action such as digital transformation in public sector, digital infrastructure, nurturing talent, and creating an inclusive digital society, and sets a number of targets to be achieved by 2025 including the creating 500 000 jobs, attracting two “unicorn” companies⁴ and the establishing 5 000 start-ups; and (ii) National Fourth Industrial Revolution (“4IR”)⁵ Strategy – it sets out policy directions for accelerating 4IR technology innovation and adoption, including (a) providing integrated support to local business (including financial assistance); (b) focusing on technologies that can resolve social and environment issues; and (c) prioritizing the use of 4IR technologies in policy implementation, regulation and public service delivery.
---	---

⁴ “Unicorn” companies are usually defined as companies valued at over US\$1 billion (HK\$7.8 billion) and not listed on a stock exchange.

⁵ 4IR generally refers to the development of high value-added industries and manufacturing processes which make use of smart production, data analysis and Internet of Things. 4IR has the potential to (i) increase automation of processes, monitor resources and processes; (ii) make smarter business decisions faster; (iii) predict consumer needs more accurately and optimize inventory; and (iv) formulate a truly productive and connected manufacturing environment.

(2) Selected policies (cont'd)

(c) Innovation, technology and digit transformation (cont'd)	<ul style="list-style-type: none"> • In January 2024, the Digital Ministry was established to lead the government's digital transformation efforts so that Malaysia can compete quickly. Initiatives under the ministry's purview include Malaysia Digital Status that entitles qualified companies to a set of incentives and privileges (e.g. income tax exemption, investment tax allowance and duty-free importation of multimedia equipment), and special visa programmes for importing talents including the Foreign Knowledge Worker pass (under which eligible companies in the digital industry can hire foreign workers to take up employment in Malaysia for 12-60 months)⁶ and DE Rantau Nomad Pass (catering to "digital nomads" to stay in Malaysia for 3-12 months)⁷.
(d) Tourism	<ul style="list-style-type: none"> • In 2023, over 29 million visitor arrivals were recorded by Malaysia, though the figure remained 17.4% lower than the 2019 level. • To boost inbound tourism, Malaysia has designated 2026 the Visit Malaysia Year ("VMY"),⁸ targeting to attract over 35 million tourists. • The government indicated that the VMY 2026 campaign will involve cooperation with industries in promotional activities and tourism events abroad, flight charter matching grant and Islamic tourism Centre to develop Muslim-friendly tourist industry in Malaysia.

⁶ Dependant Passes may be issued to spouse and dependent children to accompany the foreign knowledge worker while in Malaysia.

⁷ Digital nomads generally refers to persons who earn a living working online in various locations of their choosing (rather than having a fixed business location). The DE Rantau Nomad Pass is renewable for up to additional 12 months, and a pass holder can bring his/her spouse and children to live in Malaysia.

⁸ The previous VMY was held in 2007.

(2) Selected policies (cont'd)

(e) Arts and culture

- In 2021, Malaysia updated its **National Culture Policy** (the previous key policy document was published in 1971). An action plan covering 2021 to 2025 is set out in the policy document, categorized into 7 “cores”.⁹
- On the core of “cultural development and expansion” specifically, the action plan stresses the importance of (i) giving cultural elements more emphasis in education at every level (from pre-school to higher education) to **increase the appreciation of arts and culture**; and (ii) nurturing young talents (e.g. under a “Young Talent Guidance Programme”).
- Regarding the core of “**generation of cultural economy**,” it is noted that the cultural sector recorded revenue of RM585 million (HK\$960 million) in 2019, and the government has set a revenue target for this sector at RM1 billion (HK\$1.6 billion) by 2025. The government will further leverage arts and culture as a driver of business through (i) increasing market demand for products/works of arts, culture and heritage; (ii) developing both tangible and intangible heritage for attracting local consumers and tourists; and (iii) empowering the use of digital technology in the arts and culture sector.

⁹ Viz. (i) highly valued culture; (ii) community harmony; (iii) preservation and conservation of cultural heritage; (iv) cultural development and expansion; (v) cultural empowerment; (vi) generation of cultural economy; and (vii) cultural excellence.

Research Office
Research and Information Division
Legislative Council Secretariat
2 May 2024
Tel: 3919 3181

Fact Sheets are compiled for Members and Committees of the Legislative Council. They are not legal or other professional advice and shall not be relied on as such. Fact Sheets are subject to copyright owned by The Legislative Council Commission (The Commission). The Commission permits accurate reproduction of Fact Sheets for non-commercial use in a manner not adversely affecting the Legislative Council. Please refer to the Disclaimer and Copyright Notice on the Legislative Council website at www.legco.gov.hk for details. The paper number of this issue of Fact Sheet is FSC11/2024.

References[^]

1. Department of Statistics Malaysia. (2022) *Information and Communication Technology Satellite Account 2021*. Available from: https://v1.dosm.gov.my/v1/index.php?r=column/cthemedByCat&cat=319&bul_id=V2pVZyt6ZzlDbjdqdEZkcG1XU3A4Zz09&menu_id=TE5CRUZCblh4ZTZMODZlbnk2a%20WRRQT09
2. Department of Statistics Malaysia. (2024a) *Demographic Statistics, Fourth Quarter 2023*. Available from: <https://www.dosm.gov.my/portal-main/release-content/demographic-statistics-fourth-quarter-2023>
3. Department of Statistics Malaysia. (2024b) *Media Statement for the Report of Demographic Statistics Malaysia, Fourth Quarter 2023*. Available from: https://www.dosm.gov.my/uploads/release-content/file_20240213191441.pdf
4. Department of Statistics Malaysia. (2024c) *Pocket Stats Q4 2023*. Available from: <https://cloud.stats.gov.my/index.php/s/6PUeSr3hMulnHc#pdfviewer>
5. Economic Planning Unit. (2021) *Malaysia Digital Economy Blueprint*. Available from: https://amcham.com.my/wp-content/uploads/DEB_ENG_FINAL.pdf
6. EY. (2023) *Madani Economy: Empowering the People*. Available from: https://www.ey.com/en_my/tax-alerts/madani-economy-empowering-the-people
7. Government of Malaysia. (2024) *Malaysia Information - Religion*. Available from: <https://www.malaysia.gov.my/portal/content/30116>
8. HSBC. (2024) *Malaysia Madani Economy: What Does it Mean for Your Business?* Available from: <https://www.businessgo.hsbc.com/en/article/madani-economy->
9. International Trade Administration, US Department of Commerce. (2024) *Malaysia - Country Commercial Guide: Information & Communications Technology*. Available from: <https://www.trade.gov/country-commercial-guides/malaysia-information-communications-technology>
10. Malaysia Digital Economy Corporation. (undated-a) *MD Company*. Available from: <https://mdec.my/expats/pre-application-process-for-md-company>

11. Malaysia Digital Economy Corporation. (undated-b) *Opportunities with DE Rantau*. Available from: <https://mdec.my/derantau/foreign>
12. Malaysia Investment Development Authority. (2024) *Digital Minister: Govt Committed to Boosting Digital Economy, Facilitate Investors' Needs*. Available from: <https://www.mida.gov.my/mida-news/digital-minister-govt-committed-to-boosting-digital-economy-facilitate-investors-needs/>
13. Malaysia Madani. (2023) *Speech Text of Yab Dato' Seri Anwar Ibrahim, Prime Minister – Ekonomi Madani: Memperkasa Rakyat (Translation)*. Available from: <https://www.pmo.gov.my/wp-content/uploads/2023/07/FINAL-ENGLISH-Translation-Ucapan-Kerangka-Ekonomi-MADANI-1-1.pdf>
14. Ministry of Economy, Malaysia. (2021) *National Fourth Industrial Revolution Strategy*. Available from: <https://www.ekonomi.gov.my/sites/default/files/2021-07/National-4IR-Policy.pdf>
15. New Straits Times. (2021) *Ismail Sabri: Daken 2021 to Uplift Nation's Arts, Culture, Heritage*, 26 October. Available from: <https://www.nst.com.my/news/nation/2021/10/739930/ismail-sabri-daken-2021-uplift-nations-arts-culture-heritage>
16. New Straits Times. (2023) *2024 Budget: Anwar Announces Visit Malaysia Year will Make Comeback in 2026*, 13 October. Available from: <https://www.nst.com.my/news/nation/2023/10/966685/2024-budget-anwar-announces-visit-malaysia-year-will-make-comeback-2026>
17. Prime Minister's Office of Malaysia. (2024) *Digital Ministry Formed to Enable Country to Compete in the Sector – PM Anwar*, 8 January. Available from: <https://www.pmo.gov.my/2024/01/digital-ministry-formed-to-enable-country-to-compete-in-the-sector-pm-anwar/>
18. The Edge Malaysia. (2023) *The State of the Nation: Upskilling, High-value Investments Better Options to Lift Wages than 45% Labour Income Share Target*, 21 August. Available from: <https://theedgemalaysia.com/node/678726>
19. Yahoo News. (2023) *Six in 10 Polled say Diversity Makes Malaysia Better, Most Have No Problem Accepting Other Faiths as Neighbours*, 13 September. Available from: <https://malaysia.news.yahoo.com/six-10-polled-diversity-makes-230000371.html>

Note: ^ Internet resources listed in this section were accessed in May 2024.