



SG-UOB GLOBAL ECONOMICS AND MARKETS RESEARCH

'Malaysia's labour market technically reaches full employment'

KUALA LUMPUR: At an unemployment rate of 3.3 per cent in November 2023, Malaysia has technically reached full employment, according to SG-UOB Global Economics and Markets Research.

This is as guided by Bank Negara Malaysia in the first quarter of 2023.

The unemployment rate in November returned to pre-pandemic levels after holding steady for five months at 3.4 per cent, SG-UOB said.

"The labour force participation rate was kept steady at 70.1 per cent for five months in a row, implying favourable and stable labour market conditions," the firm said.

In November, there were 569,000 unemployed people compared with 570,900 (3.4 per cent) recorded in October, according to the Statistics Department.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the November figures signalled positive growth of the economy.

"The labour force continued to register a 0.2 per cent month-on-month increase in November to 17 million people (October 2023: 16.97 million people).

"The labour force participation rate in November stood at 70.1 per cent, similar to the preceding month," he said in a statement.

Of the total employed people in November 2023, 75.3 per cent were in the employees' category. This category posted a slight increase of 0.1 per cent to 12.37 million individuals.

On the same note, the own-account workers category rose 0.3 per cent to 2.99 million people.

The number of employed individuals in the services sector continued to increase, particularly in information and communication, food and beverage services, and transportation and storage activities.

Similarly, the manufacturing, construction and mining and quarrying sectors also showed increases in the number of employed people in November 2023.

Meanwhile, the agriculture sector recorded a decline in the number of employed in the same month.

Uzir said those who were available for work and actively seeking jobs or actively unemployed comprised 79.9 per cent of the total unemployed people.

This category registered a drop of 0.6 per cent to 454,500 individuals.

On the actively unemployed, 61.8 per cent were unemployed for less than three months, while 6.3 per cent were in long-term unemployment for more than a year.

The inactively unemployed or those who believed there were no jobs available rose 0.8 per cent to 114,700 people.

The unemployment rate for youths aged 15 to 24 edged down by 0.1 percentage points to 10.6 per cent in November 2023.

As for the inactivity group, the number of outside labour force during the month was in a downward trend, with a marginal decline of

0.03 per cent to 7.24 million people.

Housework or family responsibilities were the major composition of the outside labour force (42.6 per cent), while the schooling or training category ranked second with 41.1 per cent.

"Despite the global challenges, Malaysia's diversified economic structure and strong fundamentals facilitated stable economic growth.

"Therefore, the country's labour market also showed steady growth momentum for the 11-month period in 2023, with an increasing number of employed persons and unemployment dwindling to bring the unemployment rate back to pre-pandemic levels.

On floods in several states, Uzir said the situation is unlikely to significantly affect the overall labour market.

Thus, the labour market landscape is expected to remain in a strong position in the coming months, in line with the country's economic performance.