



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

LABOUR MARKET REVIEW, FIRST QUARTER 2023

The labour market expands in the first quarter of 2023, driven by the current economic expansion

PUTRAJAYA, 19 May 2023 - *The labour market expands in the first quarter of 2023, driven by the current economic expansion, the Department of Statistics, Malaysia (DOSM) reported today on the release of **Labour Market Review, First Quarter 2023 (LMR Q1 2023)**. This publication consolidates quarterly labour statistics and highlighted the recent Malaysia's labour market situation to provide more comprehensive narrative.*

Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, stated, "Robust domestic demand has generated a favourable environment for industries, resulting in an increase in production and a heightened demand for labour. This sustained growth in domestic demand exemplifies the resiliency of Malaysia's economy and labour market, which have navigated challenging global economic conditions while maintaining steady progress. Therefore, the Malaysian economy grew by 5.6 per cent in the first quarter of 2023, following a growth rate of 7.1 per cent in the preceding quarter."

Aligned with the ongoing economic progress, the number of labour force grew 2.5 per cent to record 16.65 million persons, primarily contributed by the increment of 3.1 per cent in employed persons, which accounted for 16.06 million persons (Q1 2022: 15.57 million). On the contrary, the number of unemployed persons declined by 12.6 per cent to 586.9 thousand persons, resulting in the lowest unemployment rate observed since the emergence of COVID-19, matching the rate recorded in Q1 2020 at 3.5 per cent (Q1 2022: 671.2 thousand; 4.1%). Labour participation which reflected by the labour force participation rate (LFPR) was recorded higher during this quarter, escalated by 0.8 percentage points year-on-year to 69.8 per cent (Q1 2022: 69.0%).

Commenting on the underemployment situation, the Chief Statistician said, "Driven by strong domestic demand throughout the first quarter of 2023, the number of persons working less than 30 hours per week continued in trending down by 18.5 per cent as against the same quarter in 2022, recording 274.2 thousand persons (Q1 2022: 336.3 thousand). Consequently, the number of persons in time-related underemployment decreased by 28.8 per cent to 174.6 thousand persons, with a rate of 1.1 per cent (Q1 2022: 245.1 thousand; 1.6%). In the meantime, the number of

skilled-related underemployment which indicated those with tertiary education but were employed in the semi-skilled and low-skilled occupation categories recorded a total of 1.91 million persons with a rate of 37.4 per cent or comprised more than one-third of employed persons with tertiary education (Q1 2022: 1.81 million; 36.9%).”

From the viewpoint of labour demand in the first quarter of 2023, Dato’ Sri Dr. Mohd Uzir Mahidin informed, “Jobs in the private sector increased by 2.7 per cent to 8.81 million jobs (Q1 2022: 8.57 million). Filled jobs comprised 97.8 per cent of total jobs rose 2.7 per cent to 8.61 million (Q1 2022: 8.39 million). Meanwhile, job opening in the economy was indicated by the number of vacancies which made up another 2.2 per cent of jobs, edged up by 4.5 per cent to 192.6 thousand vacancies, largely in the Manufacturing sector which accounted for 107.7 thousand job vacancies (55.9%). Malaysia’s labour demand continued to improve during the quarter indicated by 22.7 per cent growth in the number of jobs created, encompassing 31.7 thousand jobs.”

As the economy expanded in the first quarter of 2023, labour productivity measured by value added per employment increased by 2.4 per cent (Q4 2022: 3.7%) as against the same quarter last year to record a value of RM23,712 per person (Q4 2022: RM24,966; Q1 2022: RM23,153). In the meantime, value added per hour worked also improved by 2.1 per cent with a value of RM41.2 per hour (Q4 2022: RM43.2; Q1 2022: RM40.4). In this quarter, total hours worked ascended by 3.5 per cent to register 9.25 billion hours. Detailed statistics on the performance of labour productivity by economic sectors are available in the report which was released yesterday.

Achieving gender equality and closing the wage gap is fundamental to sustainable development. These efforts enable women to become active participants in prosperous economies and inclusive societies, empowering them both economically and socially. However, Malaysia continues to encounter obstacles in achieving gender equality and reducing the wage gap. Taken into account the aim of this article to analyse the gender-based wages inequalities which can provide valuable insights into the gender wage gap in Malaysia, this edition of the LMR presented an article entitled Gender and Employment: Examining the Average Hourly Earnings and Wage Gap. The full article on this study can be accessed in this report.

Dato’ Sri Dr. Mohd Uzir Mahidin concluded his statement on today’s release by saying, “Malaysia’s labour market continued to show significant improvement in the first quarter of 2023, and remained supportive of domestic demand, thereby bolstering the country’s economic growth. The persistent decline in the unemployment rate and the increase in job opportunities reflect the labour market’s positive momentum and provide a solid foundation for sustained consumer expenditure and economic growth. As we enter the second quarter of 2023, Malaysia’s labour market is projected to remain strong, supported by the country’s ongoing economic growth, government initiatives, and the resilience of key industries. By fostering an environment conducive

to business development and investing in the workforce's skills, Malaysia is well-positioned to capitalise on emerging opportunities and maintain a positive outlook for the labour market."

Time series statistics and more information on the labour market can be obtained from the Malaysia Labour Market Interactive Data (MyLMID) portal. For more information, please visit <https://mbls.dosm.gov.my/mylmid/> or scan the QR code below.



The Department of Statistics Malaysia (DOSM) is conducting the Economic Census in 2023. DOSM greatly appreciates the cooperation of respondents in providing information and ensuring the success of this census. Please visit www.dosm.gov.my for more information.

DOSM has launched OpenDOSM NextGen as a medium that provides a catalogue of data and visualisation to facilitate users in analysing various data. OpenDOSM NextGen is an open source data sharing platform and accessible through <https://open.dosm.gov.my> portal.

Please be informed that the Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20 each year. MyStats Day theme is "Connecting the World with Data We Can Trust".

Released by:

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