MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
LABOUR MARKET REVIEW, SECOND QUARTER 2023

Malaysia's labour market sustained its upward trend in the second quarter of 2023, recording 16.73 million of labour force

*PUTRAJAYA, 25 August 2023 - Malaysia's labour market sustained its upward trend in the second quarter of 2023, recording 16.73 million of labour force albeit with slower growth in employment and a smaller decline in unemployed persons, the Department of Statistics Malaysia (DOSM) reported today on the release of the **Labour Market Review, Second Quarter 2023 (LMR Q2 2023)**. This publication consolidates quarterly labour statistics and highlights recent Malaysia's labour market situation to provide a more comprehensive narrative. This edition also features an article titled "Exploring Malaysia's Youth Labour Force" which dives into present state of youth labour force as well as potential opportunities for the country's young workforce.*

Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, said, "Further rise in demand for labour by industries has resulted in an increase in employment although at a slower pace in the second quarter of 2023, leading to a reduction in the unemployment rate compared to a year ago. These circumstances have contributed to positive economic expansion amid a challenging global environment by recording a moderate expansion of 2.9 per cent in the second quarter of 2023 as compared to a growth rate of 5.6 per cent in the previous quarter.

Reflecting the expansion in the economy, the labour force increased by 2.4 per cent to record 16.73 million persons, predominantly contributed by the increment of 2.8 per cent (Q1 2023: 3.1%) in employed persons, accounting for 16.15 million persons in the second quarter of 2023. On the contrary, the number of unemployed persons declined by 9.5 per cent year-on-year to 581.4 thousand persons (Q1 2023: -12.6%, 586.9 thousand persons), recording the national unemployment rate at 3.5 per cent during Q2 2023. Labour participation registered the highest rate compared to the prior pandemic period, to record 70.0 per cent, escalated by 0.8 percentage points from the same quarter of 2022."

Observing the underemployment situation, the Chief Statistician stated, "Further growth in employment and wages throughout the second quarter of 2023 resulted in the number of persons who worked less than 30 hours per week, registering a decline of 13.6 per cent compared to the same quarter in 2022, with a total of 280.4 thousand persons. Accordingly, the number of persons in time-related underemployment

decreased by 12.5 per cent to 186.3 thousand, with a rate of 1.2 per cent. On the other hand, skilled-related underemployment which indicated those with tertiary education but were employed in semi-skilled and low-skilled occupation categories recorded a total of 1.91 million persons with a rate of 37.4 per cent (Q2 2022: 1.80 million; 36.7%). Despite the slight increase in number, the fact remained that more than one-third of tertiary-educated employed persons are prevalent in semi-skilled and low-skilled occupations."

Commenting on the labour demand situation during the second quarter of 2023, Dato' Sri Dr. Mohd Uzir Mahidin informed, "Jobs in the private sector increased by 2.4 per cent (Q1 2023: 2.7%) to 8.83 million jobs. Filled jobs made up 97.9 per cent of total jobs and grew 2.5 per cent to 8.64 million while job opening in the economy was indicated by the number of vacancies which comprised another 2.1 per cent of jobs, declined by 0.9 per cent to 189.6 thousand vacancies. More than half of the job vacancies in the second quarter of 2023 were in the Manufacturing sector, accounting for 108.0 thousand vacancies, largely in the sub-sector of Electrical, electronic & optical products which recorded 34.2 thousand job vacancies. A better labour demand situation during the quarter was also indicated by the 8.6 per cent increase in the number of jobs created, encompassing 31.9 thousand."

As the economy expanded moderately in the second quarter of 2023, labour productivity measured by value added per employment grew albeit at a slower rate of 0.02 per cent (Q1 2023: 2.4%) as against the same quarter last year to record a value of RM23,407 per person (Q1 2023: RM23,718; Q2 2022: RM23,402). In the meantime, the total hours worked during the second quarter of 2023 increased by 4.0 per cent to record a total of 9.30 billion hours but value added per hour worked fell by 1.1 per cent, attaining RM40.6 per hour (Q1 2023: RM41.2; Q2 2022: RM41.1) indicating a decrease in labour market efficiency.

Dato' Sri Dr. Mohd Uzir Mahidin concluded his statement on today's release by saying, "Overall, the supply and demand for labour remained stable in the second quarter of 2023 as the economy continued to expand although moderately propelled by effective governance, improved consumer confidence and better business conditions. After recording an improved performance in the first half of 2023, the labour market momentum is anticipated to sustain a steady growth path in the upcoming quarter, supported by ongoing economic development, government initiatives, and quality investments that will generate high-quality and high-paying jobs. However, the outlook is subjected to various global and domestic challenges stemming from unprecedented situations that may arise in the future."

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.

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.

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".

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