



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

LABOUR MARKET REVIEW, FOURTH QUARTER 2023

Favourable labour market situation in the fourth quarter of 2023, as the unemployment rate back to the pre-pandemic level at 3.3 per cent

PUTRAJAYA, 23 February 2024 – Favourable labour market situation in the fourth quarter of 2023, as the unemployment rate back to the pre-pandemic level at 3.3 per cent. The Department of Statistics Malaysia (DOSM) reported today on the release of **Labour Market Review, Fourth Quarter 2023 (LMR Q4 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 the Labour Productivity Trends in Malaysia's Micro, Small And Medium Enterprises (MSMEs)" which focuses on comparing labour productivity between MSMEs and non-MSMEs to provide valuable insight into their respective performance.

Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, said, "Higher domestic demand has created a favourable environment for industries, resulting in increased production that attributed to the expansion on the economy of nearly all sectors. This eventually contributes to a strengthened demand for labour despite the challenging external environment. Therefore, Malaysia's economy grew by 3.0 per cent in the fourth quarter of 2023, slightly lower than 3.3 per cent from the preceding quarter.

Reflecting the improving economic developments throughout the quarter, the labour force participation rate (LFPR) rose 0.6 percentage points year-on-year, maintaining a high rate of 70.1 per cent as the previous quarter. The number of labour force increased by 2.2 per cent to record 16.91 million persons in the fourth quarter, primarily driven by the rise of 2.5 per cent in employed persons, which accounted for 16.35 million persons. In contrast, the number of unemployed decreased by 5.9 per cent to 565.0 thousand persons, resulting in a national unemployment rate of 3.3 per cent, indicating a near return to pre-pandemic levels (Q4 2022: 3.6%, Q4 2019: 3.2%)."

Commenting on the underemployment situation, the Chief Statistician stated, "The number of persons who worked less than 30 hours per week posted an addition of 6.6 per cent as against the same quarter in 2022, with a total of 286.1 thousand persons. Accordingly, the number of persons in time-related underemployment rose by 8.5 per cent to 181.6 thousand persons, with a rate of 1.1 per cent. On the other

hand, skill-related underemployment which indicated those with tertiary education but were employed in semi-skilled and low-skilled occupation categories edged up by 2.4 per cent year-on-year to record 1.94 million persons with a rate of 37.4 per cent or comprised more than one-third of employed persons with tertiary education.

From the viewpoint of labour demand in the fourth quarter of 2023, Dato' Sri Dr. Mohd Uzir Mahidin informed, "Jobs in the economic sector registered an increase of 2.1 per cent to 8.94 million jobs as against last year. Filled jobs comprised 97.9 per cent of the total jobs expanded by 2.1 per cent to 8.74 million. Meanwhile, job opening in the economy was indicated by the number of vacancies which made up another 2.1 per cent of jobs, declined by 1.1 per cent to 190.2 thousand vacancies, largely in the Manufacturing sector which accounted for 108.0 thousand job vacancies (56.8%). Malaysia's labour demand continued to improve during the quarter indicated by 0.6 per cent growth in the number of jobs created to meet the needs of the industry, encompassing 31.1 thousand jobs."

As the economy grew in the fourth quarter of 2023, labour productivity measured by value added per employment increased by 0.5 per cent (Q3 2023: 0.6%) as against the same quarter last year to record a value of RM25,080 per person (Q3 2023: RM24,470; Q4 2022: RM24,966). In the meantime, the total hours worked during the fourth quarter of 2023 escalated by 2.3 per cent to register a total of 9.42 billion hours. Therefore, value added per hour worked also improved by 0.7 per cent with a value of RM43.5 per hour (Q3 2023: RM42.2; Q4 2022: RM43.2).

The Chief Statistician further highlighted the overall performance of the labour market for the year 2023, "Preliminary estimates based on monthly average data indicated that the number of employed persons increased by 6.0 per cent to 16.31 million persons in 2023 (2022: 3.1%; 15.39 million). In contrast, the number of unemployed decreased to 580.7 thousand in 2023, recording lowest number of unemployed since the pandemic. The unemployment rate for the year stood at 3.4 per cent, a decline of 0.5 percentage points from 2022. Thus, the number of labour force expanded by 5.4 per cent to 16.89 million persons whereas LFPR edged up by 0.7 percentage points to 70.0 per cent. While the remaining 30.0 per cent of people in the working-age population were classified as outside labour force.

Despite facing external challenges in 2023, labour demand strengthened as jobs in the economic sector increased to 8.94 million. A total of 126.5 thousand jobs were created in 2023 was the highest in the time series and surpassing the figures recorded in 2022 (116.7 thousand) and 2021 (69.5 thousand). In terms of labour productivity, with positive economic growth of 3.7 per cent in 2023, labour productivity per employment increased by 0.9 per cent from 5.8 per cent in 2022 to record RM96,692 per person (2022: RM95,858). Likewise, labour productivity per hour worked for the year 2023 showed a positive growth of 0.2 per cent (2022: 1.8%) with a value of RM41.9 per hour

(2022: RM41.8) following an increase in total hours worked by 3.5 per cent to 37.38 billion hours in 2023.”

Concluding his statement on today’s release, Dato’ Sri Dr. Mohd Uzir Mahidin said, “Malaysia’s labour market continued to improve in the fourth quarter of 2023 despite a challenging environment. Moving into 2024, Malaysia’s economy is foreseen to improve driven by resilient domestic expenditure and recovery in external demand. Under those circumstances, the labour market is expected to remain stable in the upcoming quarter, corresponding to the current economic developments and technological advances resulting from high-value investments supported by ongoing government initiatives. With a proactive approach to addressing challenges and capitalising on opportunities, Malaysia is well-positioned to sustain its momentum and foster inclusive growth for all segments of society. Nevertheless, the outlook is subject to potential global and domestic challenges and changing market trends deriving 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.



The Department of Statistics Malaysia (DOSM) has launched OpenDOSM NextGen as a medium that provides a catalog of data and visualisations to facilitate users’ analysis of various data and can be accessed through <https://open.dosm.gov.my>.

DOSM will conduct the Agricultural Census in 2024. Please visit <https://www.myagricensus.gov.my/> for more information. The theme is “Agriculture Census, Key to Agricultural Development.”

The Government of Malaysia has declared National Statistics Day (MyStats Day) on October 20th each year. MyStats Day theme is “Statistics is the Essence of Life”. The Central Database (PADU) was launched on 2 January 2024. PADU contains individual and household profiles covering citizens and permanent residents aged 18 and above in Malaysia. The main goal of PADU is to ensure that Malaysians are not left behind from the people-oriented initiatives implemented by the Government. Your kind cooperation is requested to register and update PADU by 31 March 2024. Please visit www.padu.gov.my for more information related to PADU or contact the following hotlines:

- i) Department of Statistics Malaysia: 1-800-88-7720/ 1-800-88-7721
- ii) Complain online through SISPA: <https://padu.spab.gov.my>.

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