

Unemployment rate declines in Dec 2021

MALAYSIA'S unemployment rate dropped to 4.2% (687,600 individuals) in December 2021, according to the **Department of Statistics Malaysia's** Statistics of Labour Force, Malaysia, December and the Fourth Quarter of 2021.

While the unemployment rate has dropped, employment opportunities in the country have increased.

Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the number of employed persons rose 0.2% month-on-month to 15.65 million persons from 15.61 million in November.

"The employment-to-population ratio which indicates the ability of an economy to create employment recorded a slight increase to 66.1% (November 2021: 66.0%).

"In the meantime, the number of unemployed persons continued to decrease by 1% to 687,600 (November 2021: 694,400), recording a lower unemployment rate in December at 4.2% (November 2021: 4.3%)," he said in a statement yesterday.

In December 2021, the labour force participation rate (LFPR) increased 96%, which is the highest recorded since January 2020.

This is also simultaneous with the increase of the labour force by 0.2% to 16.34 million persons as it increases people's confidence in job-hunting.

"For the second year in a row, Covid-19 engulfed the global economy, hindering a full and balanced recovery of the labour market.

"Throughout 2021, Malaysia's labour market remained in a challenging situation due to the prolonged health crisis," he said.

He added that unemployment has dropped due to the reopening of the nation's economy as most states have entered the fourth stage of the National Recovery Plan by the end of last year.

Based on the report, employment in the wholesale and retail trade, food and beverage services as well as the information and communication subsectors under the services sector has remained high for the sixth month.

On the other hand, the manufacturing and construction sectors have also had a positive growth for five consecutive months.

Unfortunately, the agriculture and mining and quarrying sectors are not doing well in terms of employment as the rate has been declining since August 2020.

Of the employment status, 76.8% comprises total employed persons while 0.1% to register 12.02 million persons (November 2021: 12 million persons) while the selfemployed are those that earn on a daily basis

as small business owners with an increase of 0.5% to 2.64 million persons (November 2021: 2.63 million persons).

There was also an increase of employed persons who were temporarily unemployed by 12.9% to 126,700 as a result of the floods in central and the east coast of Malaysia.

“By category of unemployment, the actively unemployed or those who are available for work and are actively seeking jobs encompasses 83.8% of the total unemployed persons. This group posted a decrease of 0.9% to 576,500 (November 2021: 581,800 persons),” said Mohd Uzir.

Only 55.9% have been unemployed for less than three months while those who had difficulty getting a job for more than a year accounts for 7.6%.

There was also a declining trend on non-active job seekers by 1.3% to 1,111,000 individuals.

Youth unemployment rate (between the ages of 15 and 24 years) remained constant at 13.7% while those in the 15 to 30 years category continued to rise by 0.3%.

“The labour force improved gradually with an increase of 0.7% quarter-on-quarter to 16.14 million persons recording higher LFPR at 68.7% (Third quarter of 2021 [3Q21]): 68.3%). As for the employment during the quarter, the number went up by 1.1% to 15.44 million persons (3Q21: 15.27 million persons),” he added.

Meanwhile, the number of unemployed persons decreased to 4.3% (6,944,00 persons) in 4Q21.

“The continuous operation of business activities during the quarter has led the number of persons who worked less than 30 hours per week to decrease by 15.2% to 393,800 thousand persons (3Q21: 464,600).

“Accordingly, time-related underemployment or persons who work less than 30 hours a week and are able and willing to work extra hours edged down by 10.1% to 293,100 persons (3Q21: 326,200),” Mohd Uzir added.

Skill-related underemployment encompasses those with tertiary education attainment but working in semi-skilled and lowskilled occupations has declined to 1.9% to 1.84 million persons (3Q21: 1.87 million).

Putrajaya has the lowest unemployment rate (1.6%) followed by Selangor (2.9%), Melaka (3.1%), Negri Sembilan (3.1%) and Penang (3.2%).

Kuala Lumpur has recorded the highest LFPR (74.7%) followed by Selangor (74.1%), Penang (72.1%), Putrajaya (70.9%) and Sarawak (70.5%).

“In 2021, based on monthly average data, LFPR during the year rose by 0.2 percentage points to 68.6% as against 68.4% in 2020.

“The number of employed persons registered an increase of 3% to record 15.4 million persons (2020: 15 million),” he said.

He also believed that the reopening of schooling sessions on Jan 9 was anticipated to result in a more positive impact on other related activities.

“More travelling activities domestically and abroad were also observed during the month. These positive progresses signalled that the labour market is foreseen to continue improving in the upcoming months, but not considering the challenges of the new and more lethal variants,” Mohd Uzir said.

<https://themalaysianreserve.com/2022/02/09/unemployment-rate-declines-in-dec-2021/>