

## **Tok Pa: Economy set to strengthen with lower unemployment rate starting this month as more states exit phase one of NRP**

KUALA LUMPUR, Sept 9 — Amid the higher vaccination rates, the country's economic position is expected to strengthen and unemployment rate to fall starting this month given that more states exit from Phase One of the National Recovery Plan (NRP), said Minister in the Prime Minister's Department Datuk Seri Mustapa Mohamed.

He said Malaysia's jobless rate was anticipated to improve gradually with more states moving into Phase Two, especially the Klang Valley, which covers Kuala Lumpur, Selangor and Putrajaya, starting September 10, 2021.

"The stage-by-stage transition via NRP phases, which allows more economic activities to operate based on compliance with specified standard operating procedures, will result in a gradual recovery in economic activities," he said in a statement today.

He said the reopening of more economic sectors in the Klang Valley was crucial because it contributed about 40 per cent to the Gross Domestic Product.

Citing the Department of Statistics Malaysia's labour force data, Mustapa said unemployment rate in the country remained at 4.8 per cent in July 2021 with the number of unemployed persons rising slightly to 778,200 people compared to the preceding month.

The labour market had been gradually recovering since early this year, with the unemployment rate easing to 4.5 per cent in May from 4.9 per cent in January 2021.

"However, the movement control order implementation by the government following the resurgence of new Covid-19 cases from June 2021 has led to a rise in the unemployment rate to 4.8 per cent in June," he noted.

According to Mustapa, the government views seriously the jobs issue, especially unemployment among youths as well as skills-based underemployment.

"With regards to this, the government has formed the National Employment Council chaired by Prime Minister Datuk Seri Ismail Sabri Yaakob that aims to create 500,000 jobs and skills training placements this year through strategic cooperation between government agencies and industry players," he added. — Bernama

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