

MIDF retains Malaysia's 2021 jobless rate at 4.3pc despite lockdown, MCO 3.0

KUALA LUMPUR, June 9 — MIDF Amanah Investment Bank has maintained its unemployment rate forecast at 4.3 per cent this year, a slight improvement from 4.5 per cent last year, despite the tighter movement control and the introduction of the total movement control order (MCO 3.0).

The investment bank said Malaysia's job market recovery, however, is expected to stall temporarily due to lockdown and MCO 3.0.

“With the imposition of MCO 3.0 and full lockdown, we expect vacancies will decline temporarily in the middle of the year as firms relook and hold back their hiring plans especially those that are not listed in the essential sectors and therefore not allowed to operate during the lockdown.

“Going forward, we foresee labour demand improving again when the spread of Covid-19 infections is under control and when restrictions are eased, allowing businesses to reopen and resume operations,” it said.

The investment bank said jobless count could also increase as companies expected weaker consumption spending and less encouraging demand condition might cut their employment to minimise pressure on their already tight cash flows.

It added that despite the temporary weakness and uncertainty due to the full lockdown, the reopening of the economy would allow the job market recovery to resume later this year.

Malaysia's unemployment rate decreased to 4.6 per cent in April 2021, the lowest level in seven months, from 4.7 per cent in March 2021, indicating recovering labour market conditions following the reopening of the economy after MCO 2.0.

<https://www.malaymail.com/news/money/2021/06/09/midf-retains-malaysias-2021-jobless-rate-at-4.3pc-despite-lockdown-mco-3.0/1980919>