

Unemployment increases to 748,200 persons in October

Friday, December 11th, 2020

Malaysia's unemployment rate rose by 0.1 percentage point month-on-month to 4.7% in October 2020, according to the Department of Statistics Malaysia (DOSM).

Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said the labour force improved at a slower pace in October this year due to the increase in both employed and unemployed persons.

He added that the number of unemployed persons went up by 1.5% to 748,200 persons compared with September 2020, while employed persons also registered an uptrend for five consecutive months with a marginal growth of 0.1% month-on-month to 15.21 million persons.

"Similarly, the number of unemployed persons went up by 10.7 thousand persons or 1.5% to 748.2 thousand persons as compared to September 2020.

"In the meantime, lower number of inactively unemployed or discouraged group whom believed there were no jobs available were recorded during the month which was 125.1 thousand persons as against 127.1 thousand persons in September 2020," he said in a statement last Friday.

As most of the states underwent the Conditional Movement Control Order (CMCO) effective Oct 14, industrial and businesses activities continued their operation with compliance to a strict standard operating procedure.

Mohd Uzir said therefore, the labour market remained in modest condition as translated by the indicator of employment-to-population ratio which rose to 65.3% in October.

In the meantime, he added the number of employed persons who were temporarily not working increased to 183,600 against September 2020 (100,700) mainly due to the implementation of CMCO during the month.

For the record, the country registered the highest number of those who were temporarily not working with a total of 5.9 million persons during MCO in April 2020.

This group of persons, who were most likely not able to work was not categorised as unemployed as they had work to return to.

Additionally, Mohd Uzir said the labour market condition for the month could also be portrayed by the Loss of Employment (LOE) statistics reported by Social Security Organisation (SOCSO), which recorded the number of LOE at 7,416 persons as compared to 7,388 persons registered in September 2020.

He noted that the Employment Insurance System (EIS) through MYFuture Jobs, also reported higher number of vacancies with 98,568 as against 57,733 jobseekers in October 2020.

Looking at the current situation, with an increasing number of new Covid-19 cases since October 2020, Mohd Uzir said the labour market will continue to face uncertainties.

“Nevertheless, with the CMCO being lifted in phases starting Dec 7, this will partly lead the economic sectors to regain their momentum following higher demand, and subsequently will encourage businesses to retain or even increase job opportunities.

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“This positive impact has been seen when the CMCO was lifted in June where the economy improved significantly with a single-digit decline in the third quarter 2020 and the number of unemployed continued to decrease throughout June until September,” he added.

He also emphasised that several policies and initiatives implemented by the government will continue to support the stabilisation of the labour market condition.

“Furthermore, the recent Budget 2021 announced demonstrates the government’s continuous commitments in addressing the challenges of the labour market particularly in sustaining, creating as well as protecting jobs impacted by the Covid-19 pandemic,” he noted.

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