

Labour force growing marginally

Statistics Department: Unemployment rate is held steady at 3.4%

ECONOMY

PETALING JAYA: Labour market data for September shows that the domestic economy remains resilient while the slack from any weakness may be due to softness in the external economy, according to the Statistics Department.

The unemployment rate remained steady at 3.4% for the fourth straight month in September despite the weakness in external demand and slower employment growth of 2% for the month.

The labour force grew marginally by 0.1% month-on-month to a record 16.95 million in September with jobs created across all sectors, according to the department.

The number of unemployed persons fell to 573,700, the lowest since February 2020.

The month also saw the fastest job growth coming from the services and manufacturing sectors, while informal jobs hit a new record high.

Kenanga Research said domestic demand has helped create new jobs, led by a gradual increase in tourism activities and improved household incomes.

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Hong Leong Investment Bank Research

initiatives also played an important role.

"This includes the continued restriction on recruiting foreign workers while the upcoming Progressive Wage Model policy will also support future employment and remuneration," the research firm noted in a report.

It said the labour market would maintain its strength throughout the year and into 2024 with the average unemployment rate forecast to settle at 3.5% in 2023 (3.8% in 2022) and fall to 3.3% in 2024 on sustained improvement in the economy, which is projected to expand by 4.9% next year compared with 3.5%-4% in 2023.

The latest labour market data has also led Maybank Investment Bank Research to

maintain its unemployment rate forecast of 3.5% for the year, adding that the "sticky" unemployment rate so far also reflected the trend in worker retrenchment, which has been rising year-on-year since February.

Hong Leong Investment Bank Research also remained positive on the labour market, expecting it to be supported by continuous improvement in the tourism-related industries as well as the gradual recovery in the manufacturing sector, particularly in the electrical and electronics segment.

"Progress of projects and initiatives announced under the national master plans and Budget 2024 will also provide further support to the employment out-

look. Nevertheless, the pace of hiring may be modest in the coming months due to the moderate global growth outlook," it stated.

TA Research said further improvement in the unemployment rate next year would be driven by a range of initiatives and allocations aimed at expanding career opportunities for various communities and targeted groups.

The initiatives include the continuation of the Socso career building programme, which will help ensure informal workers, particularly those engaged in the gig economy, have access to career development programmes and micro-credential skills training.

It said programmes like the bumiputera youth entrepreneurs programme and the Tekun belia mobilepreneur scheme, which are designed to support young entrepreneurs, will be continued and help keep the labour market healthy.

It added that technical and vocational education and training and the Human Resource Development Corp programmes would result in the creation of 1.7 million training schemes and foster a business-friendly ecosystem with a larger pool of skilled workers.