



MEDIA STATEMENT

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LABOUR MARKET REVIEW, SECOND QUARTER 2025

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PUTRAJAYA, AUGUST 22, 2025 – Malaysia's labour market remained strong in the second quarter of 2025, supported by a continued increase in employed persons, reaching 16.85 million, with a rate of filled jobs of 97.9 per cent. The Department of Statistics Malaysia (DOSM) released the **Labour Market Review, Second Quarter 2025 (LMR Q2 2025)** today, consolidating quarterly labour statistics and providing an in-depth analysis of Malaysia's labour market trends. This edition also features a special article to provide a comprehensive overview of Multifactor Productivity (MFP) in Malaysia: Trends and Challenges.

Malaysia's economic performance remained steady at 4.4 per cent year-on-year in the second quarter of 2025, underpinned by a resilient labour market, with sustained job creation and high labour force participation and stronger demand for electrical and electronic goods and higher tourism activity. However, the outlook remains clouded by newly imposed Trump's tariffs, including a 19 per cent levy on certain exports and the potential 100 per cent tariff on semiconductors, which pose significant downside risks to external trade. Despite global headwinds, Malaysia's diverse economic base, continued investment activity, and stable consumer confidence allowed it to maintain growth and position itself favourably for the quarter.

Commenting on the overall performance for the second quarter of 2025, Dato' Sri Dr. Mohd Uzir Mahidin, Chief Statistician of Malaysia, stated that the labour supply remained robust, supported by sustained improvements in employment and a decline in unemployment. The labour force expanded by 457.0 thousand persons to 17.37 million persons (Q2 2024: 16.91 million persons), driven by a 2.9 per cent year-on-year increase in employed persons to 16.85 million persons. The labour force participation rate rose slightly to 70.8 per cent (Q2 2024: 70.7%), while the number of unemployed persons decreased to 520.9 thousand persons, resulting in

an unemployment rate of 3.0 per cent, down by 0.2 percentage points from the same quarter of the previous year.

Observing the underemployment situation, the Chief Statistician stated, “The continued growth in employment during Q2 2025 led to a 10.7 per cent year-on-year decline in the number of persons working less than 30 hours per week, totalling 241.0 thousand persons. Accordingly, time-related underemployment decreased by 10.4 per cent to 141.0 thousand persons, representing a rate of 0.8 per cent. Meanwhile, skill-related underemployment, referring to individuals with tertiary education employed in semi-skilled and low-skilled occupations, stood at 1.96 million persons compared to 1.92 million in Q2 2024. The rate of skill-related underemployment recorded a slight decline to 35.6 per cent (Q2 2024: 36.2%).”

According to the Chief Statistician of Malaysia, the economic sector sustained its growth momentum in the second quarter of 2025, accompanied by higher labour demand. The total number of jobs increased to 9.10 million jobs, the highest level recorded since the first quarter of 2022, with an increase of 1.6 per cent year-on-year (+142.3 thousand jobs) compared to 8.96 million jobs in the same quarter of 2024. Out of the total, 97.9 per cent or 8.90 million filled jobs, while the vacancy rate remains at 2.1 per cent, equivalent to 194.9 thousand vacancies. Additionally, jobs created improved by 0.2 per cent year-on-year, with 31.9 thousand new jobs recorded in Q2 2025.

In terms of labour productivity, value added per employment rose by 2.8 per cent year-on-year to RM24,887 per person in the second quarter of 2025 (Q2 2024: RM24,210). During the same period, labour productivity per hour worked also recorded an improvement, increasing by 3.4 per cent year-on-year to RM43.2 per hour (Q2 2024: RM41.8).

Dato' Sri Dr. Mohd Uzir Mahidin concluded his statement on today's release by saying, “Malaysia continues to demonstrate resilience by sustaining economic growth despite global challenges, supported by strong domestic demand. The recent reduction of the Overnight Policy Rate (OPR) to 2.75 per cent, the first in five years, aims to mitigate the impact of global slowdown while safeguarding household spending. At the same time, the implementation of long-term reforms, including the expansion of Technical and Vocational Education and Training (TVET) and Science, Technology, Engineering and Mathematics (STEM), the strengthening of upskilling programmes, the acceleration of the green transition, a more inclusive digital transformation, and the diversification of trade, is expected to enhance the nation's competitiveness towards becoming a high-income, resilient and sustainable economy. The successful hosting of the 46th ASEAN Summit in May further elevated Malaysia's global standing and is anticipated to contribute to long-term growth through closer international cooperation.”

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia, for the first time, ranked as number one (1) globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

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