MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

LABOUR MARKET REVIEW, FOURTH QUARTER OF 2025

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PUTRAJAYA, 26th FEBRUARY 2026 – *The Malaysian labour market remained well established in the lead-up to the 13MP, with LFPR at 70.9 per cent, 32.1 thousand jobs created and labour productivity per hour worked reached RM46.3. The Department of Statistics Malaysia (DOSM) released the **Labour Market Review, Fourth Quarter 2025 (LMR Q4 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, 'Automation to Innovation: AI and the Future of Manufacturing Jobs'.*

Commenting on the overall labour market performance in the year 2025, Dato' Sri Dr. Mohd Uzir Mahidin, Chief Statistician of Malaysia, stated that "Based on preliminary data for 2025, the Malaysian labour market entered the 13th Malaysia Plan (13MP) on a solid footing, underpinned by near full employment. The labour force participation rate rose to 70.8 per cent, while the unemployment rate declined to 3.0 per cent, while total number of jobs stood at 9.21 million, with 9.02 million positions filled, corresponding to a high filled jobs rate of 97.8 per cent. Labour productivity also improved as value added per employment increased to RM102,672, and value added per hour worked rose to RM44.5. Concurrently, median monthly wage of formal workers increased to RM2,864 in September 2025, reflecting improvements in labour market conditions and enhanced household income levels in line with sustained economic expansion."

In the fourth quarter of 2025, Malaysia's economy recorded a growth of 6.3 per cent (Q4 2024: 5.0%), marking the highest quarterly expansion since Q4 2022. This growth was driven by strong domestic demand and a resilient labour market. Expansion was broad-based, with the services sector as the main driver, supported by household expenditure, government services, and developments in information and communications technology (ICT). The manufacturing sector also contributed, particularly through higher output in the electrical and electronics (E&E) and consumer goods industries. The agriculture sector strengthened as well, benefiting from increased palm oil production and fewer severe floods compared with the previous year.

From the viewpoint of labour supply in the fourth quarter of 2025, Dato' Sri Dr. Mohd Uzir Mahidin informed, "The national labour force participation rate (LFPR) remained stable at 70.9 per cent, while total employed persons increased 3.3 per cent to 17.10 million persons. Meanwhile, the number of unemployed declined 3.9 per cent to 517.9 thousand persons, reducing the unemployment rate from 3.2 per cent to 2.9 per cent compared with the same quarter of the previous year. Time-related underemployment continued to fall, reaching 129.8 thousand persons, whereas skill-related underemployment rose slightly by 0.5 per cent year-on-year to 1.96 million persons, reflecting that over one-third of employed persons with tertiary education were engaged in semi-skilled or low-skilled roles."

Correspondingly, labour demand continued to expand in the fourth quarter of 2025, with total jobs increasing by 1.8 per cent year-on-year to 9.21 million (Q4 2024: 9.05 million).The number of filled jobs also rose by 1.8 per cent to 9.02 million, sustaining a filled job rate of 97.8 per cent, while vacancies accounted for 2.2 per cent of total jobs. Meanwhile, there were a total of 32.1 thousand new jobs created during this quarter.

With the economy expanding in the fourth quarter of 2025, labour productivity per employment increased 4.4 per cent to record value-added per employment at RM26,765 per person (Q4 2024: RM25,635; Q3 2025: RM26,122). Total hours worked rose 1.4 per cent to 9.9 billion hours, while labour productivity per hour worked grew 4.9 per cent to RM46.3 per hour in the fourth quarter of 2025 (Q4 2024: RM44.2; Q3 2025: RM45.2).

Concluding the statement, Dato' Sri Dr. Mohd Uzir Mahidin said, "Looking ahead, Artificial Intelligence (AI) offers a key opportunity to strengthen Malaysia's labour market, drive innovation and enhance productivity. AI can improve service delivery, resource allocation, and decision-making, while also accelerating digitalisation, creating high-skilled jobs, and supporting sustainable growth. Under the 13th Malaysia Plan (2026–2030), targeted investments in digital infrastructure, workforce development, data governance, and ethical AI practices, together with regional collaboration and knowledge-sharing, will position Malaysia as a future-ready, innovative, and globally competitive economy."

The Department of Statistics Malaysia (DOSM) is conducting the **Economic Census 2026 (BE2026)**, with themed **"Data Nadi Ekonomi Rakyat"**. The sixth Economic Census, will be carried out from **5th January to 31st October 2026**. BE2026 aims to collect comprehensive and structured data from all registered and unregistered business establishments in Malaysia to assess the nation's economic performance, structure and characteristics in an evidence-based manner.

Malaysia has, for the first time, successfully secured the **top position** 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.

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.

MyLabourHub is a comprehensive platform that integrates institutions, data and technology to deliver relevant, accurate and accessible labour market information. Access the labour market data for Malaysia at https://mylabourhub.dosm.gov.my

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