



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA RELEASE

INFORMAL EMPLOYMENT STATISTICS, MALAYSIA, 2025

**Informal employment recorded 3.28 million persons in 2025,
representing 19.8 per cent of the overall employment**

PUTRAJAYA, 9TH SEPTEMBER 2026 – The Department of Statistics Malaysia published **INFORMAL SECTOR AND INFORMAL EMPLOYMENT SURVEY REPORT, MALAYSIA, 2025**. This report presents statistics on informal employment and employment in the informal sector, based on the Informal Sector Survey, 2025.

Malaysia's labour market remains stable in 2025, with informal employment recorded 3.28 million persons in 2025 or 19.8 per cent of the overall employment (2023: 3.45 million persons; 21.8%). Employment in the informal sector contributed the largest share at 57.9 per cent (1.90 million persons), followed by employment in formal sector at 41.5 per cent (1.36 million persons), while the remaining 0.6 per cent (18.3 thousand persons) constituted by household's production unit.

Males recorded the largest share of informal employment at 61.8 per cent (2.03 million persons), while females making up 38.2 per cent (1.25 million persons). Meanwhile, employment in the informal sector, males constituted 62.2 per cent (1.18 million persons), compared with 37.8 per cent (717.1 thousand persons) for females.

The employees category represented the largest share of informal employment with 44.9 per cent (1,472.7 thousand persons), followed by own account workers at 43.2 per cent (1,416.4 thousand persons) and unpaid family workers at 10.5 per cent (343.8 thousand persons). For employment in the informal sector, own account workers contributed the largest share with 74.6 per cent (1,416.4 thousand persons), followed by employees category at 17.1 per cent (322.4 thousand persons). Food hawkers, internet salespersons and rubber tappers recorded the highest employment in the informal sector in 2025.

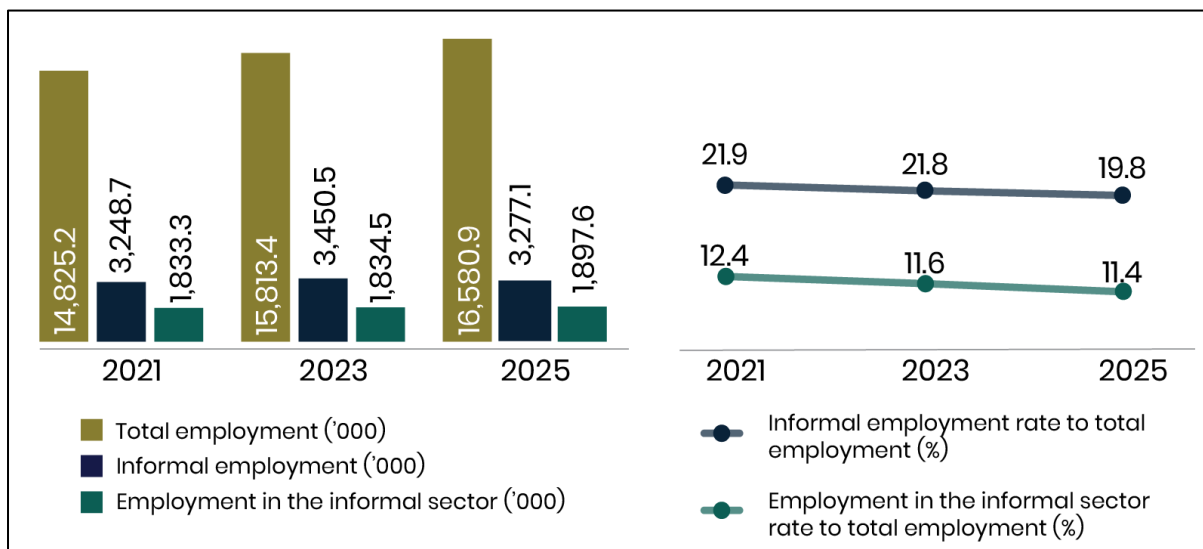
The Services sector dominated informal employment accounting for 56.2 per cent, mainly driven by Wholesale and retail trade; repair of motor vehicles and motorcycles (22.5%) and Accommodation and food and beverage service activities (18.7%). Service and sales workers represented the largest share of informal employment at 38.0 per cent (1,246.0 thousand persons) in 2025, followed by Elementary

occupations at 20.0 per cent (655.1 thousand persons) and Others category at 17.8 per cent (582.7 thousand persons).

Selangor recorded the highest number of informal employment in 2025 with 617.0 thousand persons (18.8%), followed by Sabah at 484.0 thousand persons (14.8%) and Johor at 319.8 thousand persons (9.8%). The similar trend was observed for employment in the informal sector, with Selangor posted the highest share at 17.8 per cent (337.1 thousand persons), while Sabah and Johor at 15.2 per cent (287.9 thousand persons) and 10.7 per cent (203.6 thousand persons), respectively. The top three states with the highest informal employment rate were Kelantan (39.2%), Terengganu (29.5%) and Kedah (29.2%).

The informal sector will continue to support employment opportunities and income generation, particularly for micro-entrepreneurs and self-employed individuals. The Government is actively formalising informal economic activities through various policies and programmes, including the Informal Entrepreneur Formalisation Plan, to increase business registrations, improve productivity, and expand access to financing, training, and social protection. The transition of the informal sector into the formal economy is expected to strengthen economic resilience, create higher-quality jobs, and promote inclusive growth. In addition, the Social Security Organisation provides contribution incentive schemes to encourage workers and self-employed individuals to obtain social protection coverage.

Chart 1: Informal Employment and Employment in the Informal Sector, Malaysia, 2021, 2023 and 2025



Released by:

**THE OFFICE OF CHIEF STATISTICIAN
DEPARTMENT OF STATISTICS MALAYSIA
9 SEPTEMBER 2026**