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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA RELEASE

LABOUR FORCE STATISTICS, MALAYSIA, SEPTEMBER AND THIRD QUARTER 2026

September's unemployment rate remained at 2.9 per cent, with 513.2 thousand unemployed

PUTRAJAYA, 11TH NOVEMBER 2026 - Department of Statistics Malaysia published **RELEASE FOR LABOUR FORCE STATISTICS, SEPTEMBER AND THIRD QUARTER 2026**. This report provides statistics on Malaysia's labour supply, based on data from the Labour Force Survey.

The positive economic outlook in September 2026 enabled the country's labour market to sustain its steady growth. Therefore, the number of labour force increased by 0.1 per cent to 17.40 million (August 2026: 17.39 million). The labour force participation rate (LFPR) during the month remained at 71.0 per cent, as in the previous month.

The number of employed persons continued to show a gradual improvement in September 2026, rising by 0.1 per cent to 16.89 million as against the previous month (August 2026: 16.87 million). At the same time, the number of unemployed persons increased by 0.3 per cent to 513.2 thousand (August 2026: 511.6 thousand). September's unemployment rate was remained at 2.9 per cent, same as in August 2026. The number of persons outside the labour force in September 2026, recording a slight decline of 0.03 per cent to 7.10 million compared to the preceding month (August 2026: 7.11 million).

Malaysia's labour market continued to expand in third quarter of 2026, as the number of labour force increased by 0.3 per cent to 17.33 million (Q2 2026: 17.28 million). The overall LFPR rose to 71.0 per cent and the male LFPR also increased to 83.4 per cent, while the female LFPR remained unchanged at 57.0 per cent (Q2 2026: 83.3%; 57.0%).

In line with this growth, the number of employed persons also rose by 0.3 per cent to 16.82 million, compared to 16.77 million in the second quarter of 2026. The employees' category accounted for 76.1 per cent of the total employed persons in the third quarter 2026. This category experienced a modest increase of 0.2 per cent, reaching 12.81 million (Q2 2026: 12.78 million). On the same note, the number of own-account

workers recorded a 0.5 per cent rise to 2.96 million compared to the last quarter (Q2 2026: 2.94 million).

The number of persons working less than 30 hours per week increased by 5.2 per cent to 241.9 thousand in the third quarter of 2026 (Q2 2026: 230.0 thousand). Likewise, the number of persons working less than 30 hours per week but willing and able to work additional hours, or classified as time-related underemployment, escalated by 15.0 thousand to record 136.9 thousand, with time-related underemployment rate registering 0.8 per cent (Q2 2026: 121.9 thousand; 0.7%). Meanwhile, skill-related underemployment, which refers to individuals with tertiary education but working in semi-skilled and low-skilled occupations, edged up by 0.4 per cent to 1.96 million, while the skill-related underemployment rate fell by 0.2 percentage points to 35.0 per cent (Q2 2026: 1.95 million; 35.2%).

The number of unemployed persons increased by 0.8 per cent to 513.7 thousand, while the unemployment rate stood at 3.0 per cent (Q2 2026: 509.7 thousand; 3.0%). The active unemployed or those who were available for work and were actively seeking jobs, constituted 79.7 per cent of the total unemployed persons. This group edged up by 0.9 per cent to 409.3 thousand (Q2 2026: 405.5 thousand). By duration of unemployment for the actively unemployed, 67.3 per cent were those who had been unemployed for less than three months, while 3.1 per cent were those who were in long-term unemployment for more than one year. Meanwhile, the inactively unemployed, or those who believed that there were no jobs available, contributed 20.3 per cent of the total unemployed.

A comparison across all states and regions indicated that Wilayah Persekutuan Putrajaya continued to lead with the lowest unemployment rate at 1.3 per cent in the third quarter of 2026, followed by Melaka and Selangor both at 2.0 per cent, while Pahang recorded 2.1 per cent. In terms of LFPR, five states posted rates exceeding the national LFPR with the three highest LFPR were recorded by Wilayah Persekutuan Putrajaya at 79.5 per cent, followed by Selangor at 78.2 per cent and Wilayah Persekutuan Kuala Lumpur at 76.3 per cent.

Overall, Malaysia’s labour market remains a key priority amid the rapid pace of technological advancement and economic transformation. The expansion of artificial intelligence (AI) and automation training to equip workers with the necessary competencies to adapt to evolving industry demands. At the same time, efforts to support the redeployment of workers affected by technological changes, encourage investment in productivity-enhancing technologies, and strengthen early warning mechanisms to identify sectors at risk of workforce displacement should be intensified. Expanding employment opportunities in high-technology industries will also be essential to ensuring that Malaysia’s workforce remains skilled, resilient, productive and competitive.

Chart 1: Employed persons, Malaysia, January - September 2026

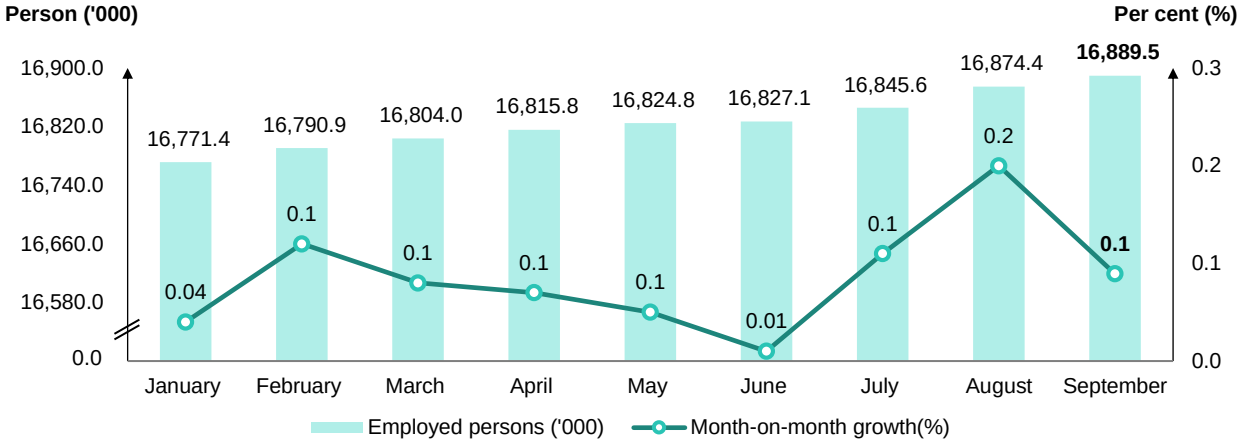


Chart 2: Unemployment, Malaysia, January - September 2026

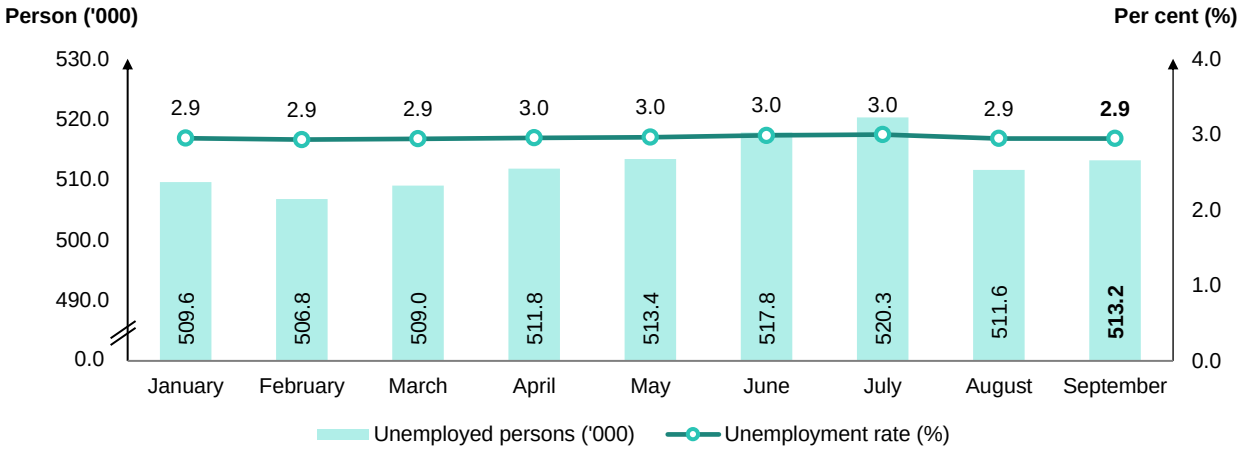


Chart 3: Outside labour force, Malaysia, January - September 2026

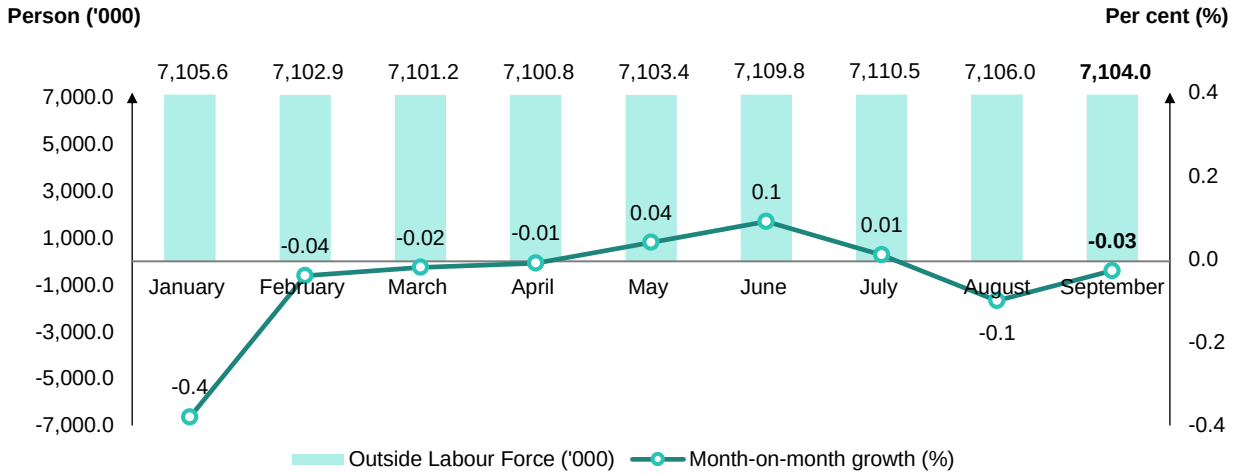


Chart 4: Unemployment, Malaysia, Q1 2024 - Q3 2026

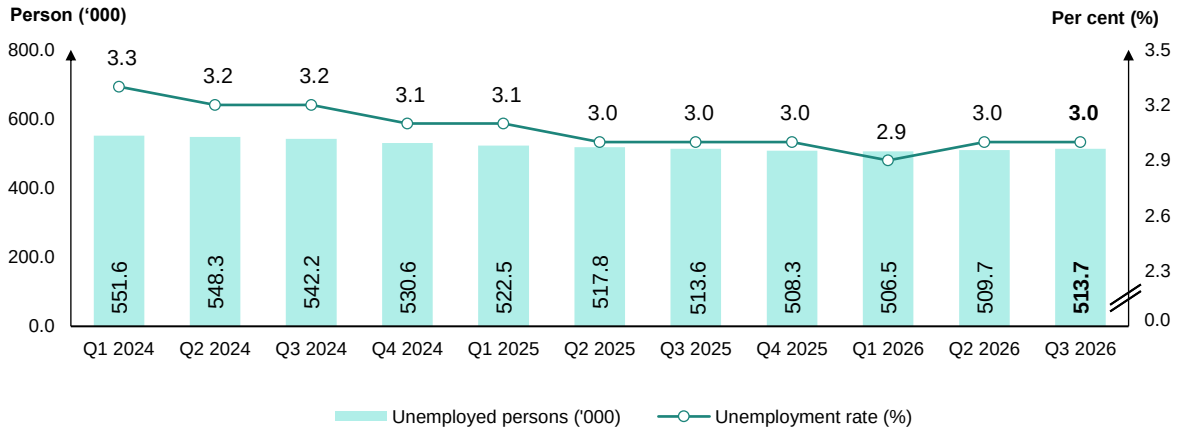


Chart 5: Employed persons working less than 30 hours per week and Time-related underemployment, Q1 2024 - Q3 2026

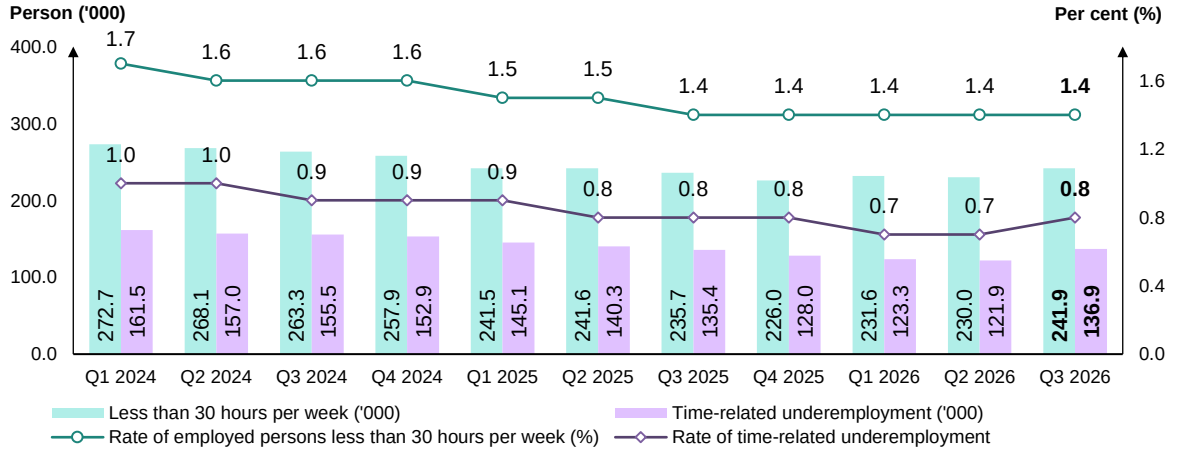
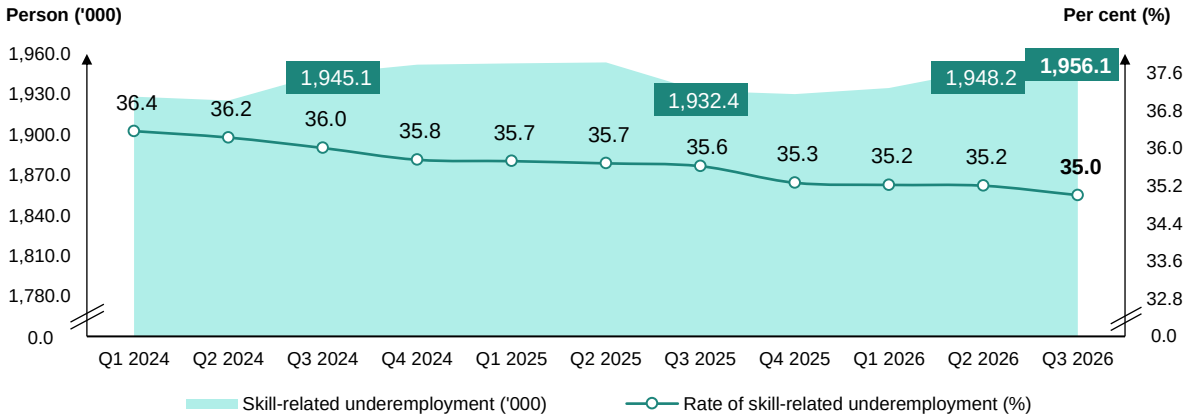


Chart 6: Skill-related underemployment, Q1 2024 - Q3 2026



Notes: The Labour Force Survey statistics for January 2026 and First Quarter 2026 onwards are estimated using projection data based on the latest current population estimates.

Released by:

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