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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW, FIRST QUARTER 2020

Introduction

For the first time, the Department of Statistics, Malaysia (DOSM) publish Labour Market Review (LMR) to fulfil the growing demand for comprehensive labour market information and analysis.

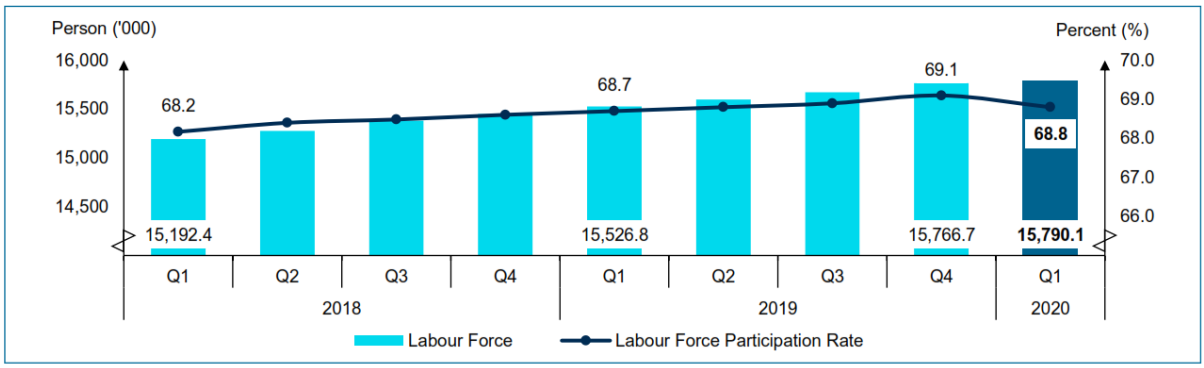
This publication attempts to provide an insight of the Malaysia's short-term labour market situation and performance on a quarterly basis. The first edition consists of findings for the first quarter of 2020 (Q1 2020). The aim is to bring official statistics to life through reviews and features that highlight the most recent trends in labour supply & demand, labour productivity and other related issues on labour market through impartial commentary and analysis.

It is hoped that this LMR can be use by policy makers, academicians, economists, researchers and other users for studies related to the labour market, as well as can spark interesting discussions among these users.

Key Reviews

- **Labour force** in Malaysia grew 1.7 per cent year-on-year to 15.8 million persons, resulting in the increase of **labour force participation rate** (LFPR) by 0.1 percentage point to 68.8 per cent.

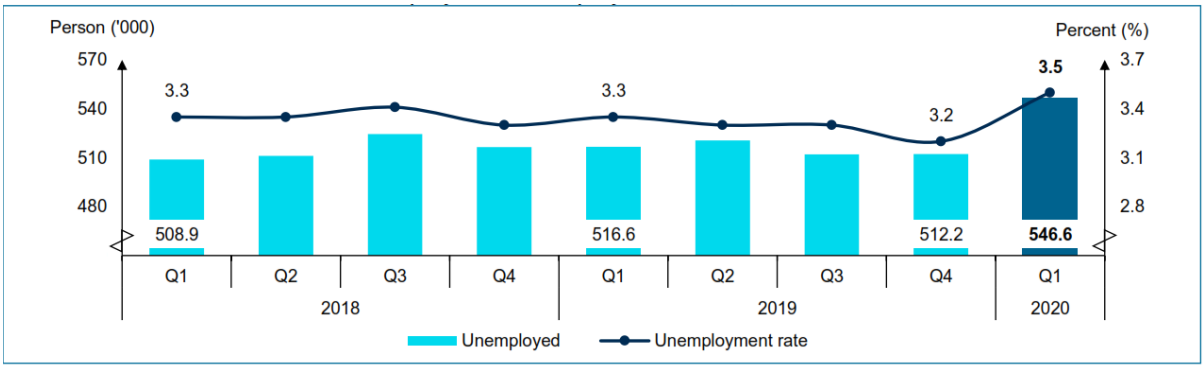
Chart 1: Labour Force & LFPR, Q1 2018 – Q1 2020



Source: Labour Force Survey Report, Malaysia, Q1 2020, DOSM

- **The unemployment rate** rose noticeably to 3.9 per cent after ranging between 3.2 to 3.4 per cent on a monthly basis in 2018 and 2019. The Movement Control Order (MCO) which started on the second half of March affected the number of unemployed persons with increased by 16.2 per cent over the month to 610.5 thousand persons.

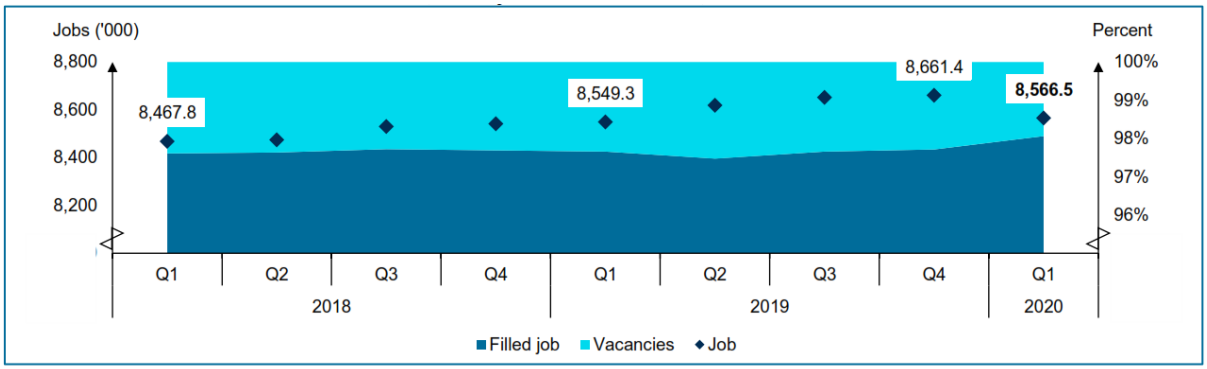
Chart 2: Unemployed & unemployment rate, Q1 2018 – Q1 2020



Source: Labour Force Survey Report, Malaysia, Q1 2020, DOSM

- In Q1 2020, total **jobs** in the private sector which comprised of **filled jobs** and **job vacancies** went up by 18 thousand to 8.6 million. Following the slower growth of filled jobs and decrease in job vacancies, the number of jobs during this quarter grew marginally as compared to the past four quarters in 2019.

Chart 3: Jobs, filled job and vacancies, Q1 2018 – Q1 2020



Source: Employment Statistics, Malaysia, Q1 2020, DOSM

- **Labour productivity** for Q1 2020, measured as **ratio of value added to employment** recorded a decline of 0.8 per cent from 1.4 per cent in Q4 2019 with value added per employment RM22,578 (Q4 2019: RM24,263). Whereas labour productivity as measured by **value added per hour worked** rose 2.1 per cent (Q4 2019: 1.4%) with the level of value added per hour worked at RM40 per hour (Q4 2019: RM42 per hour). The increase in labour productivity per hour worked in this quarter was due to larger decline in hours worked as against moderation in the output produced.

Table 1: Labour productivity, gross domestic product, total employment and total hours worked, Q1 2020, Percentage change from corresponding quarter of preceding year

Sector	Labour productivity per employment	Labour productivity per hour worked	Gross domestic product	Total employment	Total hour worked
Agriculture	-8.9	-7.1	-8.7	0.1	-1.8
Mining & Quarrying	-0.4	3.8	-2.0	-1.7	-5.6
Manufacturing	-0.2	2.2	1.5	1.6	-0.7
Construction	-5.3	-1.6	-7.9	-2.7	-6.4
Services	0.5	3.7	3.1	2.5	-0.6
Total	**-0.8**	**2.1**	**0.7**	**1.6**	**-1.4**

Source: Labour Productivity, Malaysia, Q1 2020, DOSM

- The status of the labour demand and supply for the Q1 2020 gave an **early signal of disequilibrium in the labour market.** An analysis of the impact of COVID-19 on the labour market is available in a box article in this report.

Full report of Labour Market Review, First Quarter 2020 is accessible and downloadable in **PDF**.

Released By:

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