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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW, FOURTH QUARTER 2020

Introduction

The Labour Market Review (LMR) is a quarterly release by Department of Statistics, Malaysia (DOSM) that brings official statistics to life through reviews and features which highlighted the most recent trends in labour market. The quarterly statistics is consolidated in a narrative to provide readers with a comprehensive view on Malaysia's labour market.

The report is divided into three segments to provide readers the different aspects of labour market information encompassing Labour Supply, Labour Demand and Labour Productivity. The special feature of the report is for every quarter, there is an article highlighting the most recent labour market issues through statistics; or delving on the methodologies to strengthen labour market statistics. LMR fourth quarter (Q4) 2020 presents an article entitled 'Initial Review of Labour Migration in Malaysia'. This edition of LMR also features a snapshot of the labour market situation for the year 2020.

The report will elaborate on the year-on-year changes as well as the short-term changes from the previous quarter to examine the immediate effect of recent events. Users are advised to interpret the quarterly changes with cautions since they are non-seasonally adjusted. The LMR can be used by policy makers, academicians, economists, researchers and other users for studies related to the labour market. It is hoped that this report can facilitate the growing demand for labour market statistics.

Key Reviews

- The fight to level the third wave of infection was still ongoing. With the government and private sectors continues working hand-in-hand to strike the equilibrium between life and livelihood, the labour market in fourth quarter 2020 was somewhat stagnant with modest recovery.

- In Q4 2020, employment improved marginally by 0.4 per cent to 15.16 million persons with the employment-to-population ratio remained the same (65.2%). The unemployment rate during the quarter was 4.8 per cent.

- With a stricter standard operating procedures during period of CMCO since mid-October 2020 had caused businesses to reduce operation hours and exercised job rotations for their workers. Thus, the rate of time-related underemployment increased more than double to 2.4 per cent.

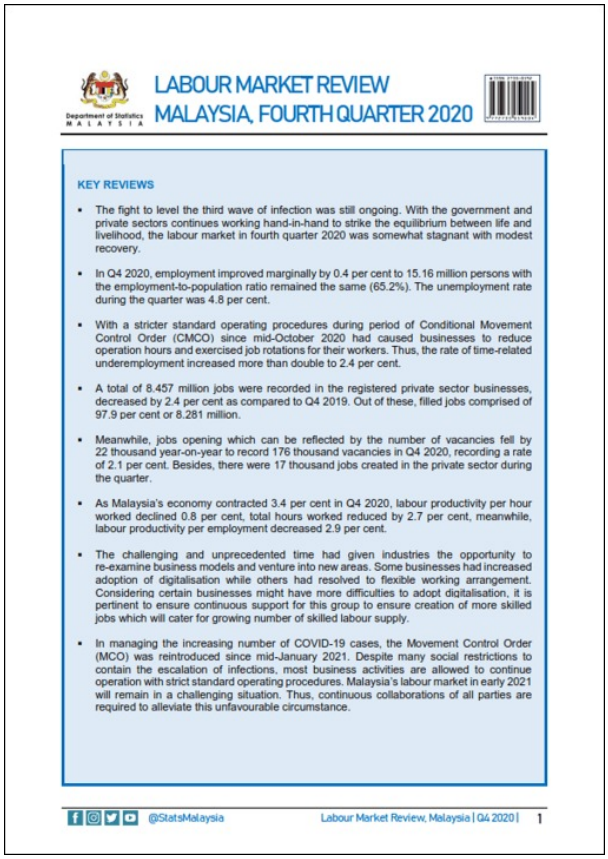
- A total of 8.457 million jobs were recorded in the registered private sector businesses, decreased by 2.4 per cent as compared to Q4 2019. Out of these, filled jobs comprised of 97.9 per cent or 8.281 million.

- Meanwhile, jobs opening which can be reflected by the number of vacancies fell by 22 thousand year-on-year to record 176 thousand vacancies in Q4 2020, recording a rate of 2.1 per cent. Besides, there were 17 thousand jobs created in the private sector during the quarter.

- As Malaysia's economy contracted 3.4 per cent in Q4 2020, labour productivity per hour worked declined 0.8 per cent to RM 42 per hour. Total hours worked reduced by 2.7 per cent to 8.58 billion hours. Meanwhile, labour productivity per employment decreased 2.9 per cent.

- The challenging and unprecedented time had given industries the opportunity to re-examine business models and venture into new areas. Some businesses had increased adoption of digitalisation while others had resolved to flexible working arrangement. Considering certain businesses might have more difficulties to adopt digitalisation, it is pertinent to ensure continuous support for this group to ensure creation of more skilled jobs which will cater for growing number of skilled labour supply.

- In managing the increasing number of COVID-19 cases, the Movement Control Order was reintroduced since mid-January 2021. Despite many social restrictions to contain the escalation of infections, most business activities are allowed to continue operation with strict standard operating procedures. Malaysia's labour market in early 2021 will remain in a challenging situation. Thus, continuous collaborations of all parties are required to alleviate this unfavourable circumstance.



Department of Statistics MALAYSIA

LABOUR MARKET REVIEW
MALAYSIA, FOURTH QUARTER 2020

KEY REVIEWS

- The fight to level the third wave of infection was still ongoing. With the government and private sectors continues working hand-in-hand to strike the equilibrium between life and livelihood, the labour market in fourth quarter 2020 was somewhat stagnant with modest recovery.
- In Q4 2020, employment improved marginally by 0.4 per cent to 15.16 million persons with the employment-to-population ratio remained the same (65.2%). The unemployment rate during the quarter was 4.8 per cent.
- With a stricter standard operating procedures during period of Conditional Movement Control Order (CMCO) since mid-October 2020 had caused businesses to reduce operation hours and exercised job rotations for their workers. Thus, the rate of time-related underemployment increased more than double to 2.4 per cent.
- A total of 8.457 million jobs were recorded in the registered private sector businesses, decreased by 2.4 per cent as compared to Q4 2019. Out of these, filled jobs comprised of 97.9 per cent or 8.281 million.
- Meanwhile, jobs opening which can be reflected by the number of vacancies fell by 22 thousand year-on-year to record 176 thousand vacancies in Q4 2020, recording a rate of 2.1 per cent. Besides, there were 17 thousand jobs created in the private sector during the quarter.
- As Malaysia's economy contracted 3.4 per cent in Q4 2020, labour productivity per hour worked declined 0.8 per cent, total hours worked reduced by 2.7 per cent, meanwhile, labour productivity per employment decreased 2.9 per cent.
- The challenging and unprecedented time had given industries the opportunity to re-examine business models and venture into new areas. Some businesses had increased adoption of digitalisation while others had resolved to flexible working arrangement. Considering certain businesses might have more difficulties to adopt digitalisation, it is pertinent to ensure continuous support for this group to ensure creation of more skilled jobs which will cater for growing number of skilled labour supply.
- In managing the increasing number of COVID-19 cases, the Movement Control Order (MCO) was reintroduced since mid-January 2021. Despite many social restrictions to contain the escalation of infections, most business activities are allowed to continue operation with strict standard operating procedures. Malaysia's labour market in early 2021 will remain in a challenging situation. Thus, continuous collaborations of all parties are required to alleviate this unfavourable circumstance.

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