



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW (LMR), SECOND QUARTER 2026



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Labour supply and demand expanded further in Q2 2026, with LFPR at 70.9 per cent and labour demand reaching 9.25 million jobs.

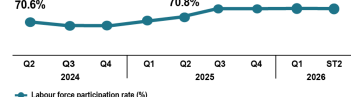
LABOUR SUPPLY

17.28 million
labour force

↑ 1.0% YoY
↑ 0.3% QoQ

Labour force participation rate (LFPR)

went up by 0.1 percentage points compared to Q2 2025

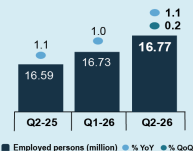


Labour force participation rate (%)

Total hours worked
during Q2: **9.58 billion hours**

↑ 0.5% YoY
↓ 0.5% QoQ

Employed person
continue to
increase, to
16.77 million
persons



7.08 million
outside
labour force

↑ 0.5% YoY
↓ 0.0% QoQ

Housework/
Family responsible

45.2%

Others

14.7%

Schooling/
Training program

40.1%

Disabled person

Retired/
Old age

Not interested

Completed study/
Further study

*85.3 per cent did not seek for work due to:

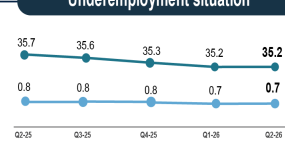
Underemployment situation

Skill-related
underemployment
rate (%)

decreased 0.5%

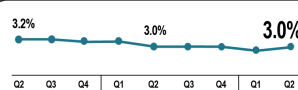
Time-related
underemployment
rate (%)

decreased 0.1%

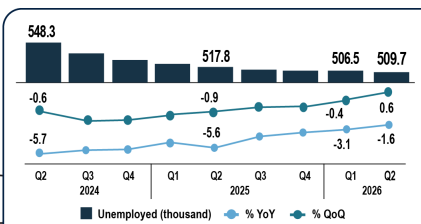


Unemployment

Unemployment rate
remained at 3.0 per cent
year-on-year.



Unemployed decreased during Q2 2026 to **509.7 thousand persons**



LABOUR DEMAND

9.25 million
jobs

Jobs in economic sector
increased by 1.7 per cent
compared to Second Quarter 2025



9.05 million
filled jobs

↑ 1.7% YoY
↑ 0.2% QoQ



195.7 thousand
vacancies

↑ 0.4% YoY
↑ 0.5% QoQ

31.5 thousand
jobs created



↑ 1.2% YoY
↓ 3.6% QoQ

Skilled 25.2%
Semi-skilled 66.1%
Low-skilled 8.7%

More than half (58.3%) of jobs opening during Q2 2026 were in the Manufacturing sector with a total of 114.0 thousand vacancies



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Labour supply and demand expanded further in Q2 2026, with LFPR at 70.9 per cent and labour demand reaching 9.25 million jobs.

- In Q2 2026, the labour supply sustained its growth as compared to the same quarter of the previous year increased 1.0 per cent year-on-year of labour force recorded 17.28 million persons. Therefore, the labour force participation rate edged up by 0.1 percentage points to 70.9 per cent.
- The number of employed persons continuously increasing 1.1 per cent to 16.77 million persons, with employment-to-population ratio trend up to 68.9 per cent. Concurrently, the number of unemployed persons declined by 1.6 per cent (-8.1 thousand) to 509.7 thousand persons as unemployment rate remaining at 3.0 per cent compared with the same quarter of the previous year.
- The number of employed persons working less than 30 hours per week continued to trend down by 4.8 per cent from Q2 2025 to 230.0 thousand persons. Accordingly, the rate of time-related underemployment declined to 0.7 per cent. In the meantime, skill-related underemployment, which comprised more than one-third of employed persons with tertiary education, decreased by 0.5 percentage points to 35.2 per cent in Q2 2026.
- Looking at labour demand in the economic sector, the number of jobs grew by 1.7 per cent year-on-year to record a total of 9.25 million jobs. Filled jobs, which comprised 97.9 per cent, also increased by 1.7 per cent over the same quarter of the preceding year to 9.05 million. Meanwhile, job openings in the economy, as indicated by the number of vacancies, rose by 0.4 per cent to 195.7 thousand vacancies during Q2 2026. Additionally, the number of jobs created in the economic sector fell by 1.2 per cent year-on-year, reaching 31.5 thousand.
- Malaysia's economy expanded by 6.0 per cent, aligned with employment growth, labour productivity as measured by value added per employment posted an increase of 4.9 per cent registering RM26,595 per person in Q2 2026. During the same period, total hours worked surged by 0.5 per cent to 9.58 billion hours. Consequently, labour productivity per hour worked also increased by 5.5 per cent, recording a productivity value of RM46.5 per hour.

Released by:

DEPARTMENT OF STATISTICS MALAYSIA

27 August 2026

Contact person:

Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

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