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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW (LMR), SECOND QUARTER 2023



Malaysia's labour market sustained its upward trend in the second quarter of 2023, recording 16.73 million of labour force

Key Reviews

- In Q2 2023, labour force continued to further improve with an increase of 2.4 per cent year-on-year to record 16.73 million persons. Hence, labour force participation rate (LFPR) increased by 0.8 percentage points to 70.0 per cent, the highest LFPR ever recorded prior to the COVID-19 pandemic. The number of employed persons continued to increase, albeit at a slower rate of 2.8 per cent to 16.15 million persons during the quarter, with employment-to-population ratio trending up to 67.5 per cent. In the meantime, the number of unemployed persons declined by 9.5 per cent to 581.4 thousand persons, registering unemployment rate of 3.5 per cent, which slowly returned to the pre-pandemic level.
- The number of employed persons working less than 30 hours per week registered a decline of 13.6 per cent from Q2 2022 to 280.4 thousand persons, supported by further growth in employment and wages throughout Q2 2023. Accordingly, the rate of time-related underemployment declined to 1.2 per cent. Meanwhile, skill-related underemployment which comprised more than one-third of employed persons with tertiary education increased by 0.7 percentage points to 37.4 per cent from Q2 2022 and remained the same as in the previous quarter.
- Looking at labour demand in the economic sector, the number of jobs grew by 2.4 per cent year-on-year to record a total of 8.83 million jobs. Filled jobs comprised 97.9 per cent, elevated by 2.5 per cent over the same quarter of the preceding year to 8.64 million filled jobs. However, jobs opening in the economy which was indicated by the number of vacancies declined marginally by 0.9 per cent to register 189.6 thousand vacancies. Besides, there were 31.9 thousand jobs created in the private sector during Q2 2023.
- As Malaysia's economy expanded moderately by 2.9 per cent in Q2 2023, while employment sustained its positive growth, labour productivity as measured by

value added per employment posted a slightly increase of 0.02 per cent registering the level of RM23,407 per person. During the same period, total hours worked surged by 4.0 per cent to 9.30 billion hours. Thus, labour productivity per hour worked fell by 1.1 per cent bringing the level of productivity to RM40.6 per hour.

- The supply and demand for labour remained stable in Q2 2023 as the economy continued to expand although moderately propelled by effective governance, improved consumer confidence and better business conditions. After recording an improved performance in the first half of 2023, the labour market momentum is anticipated to sustain a steady growth path in the upcoming quarter, supported by ongoing economic development, government initiatives, and quality investments that will generate high-quality and high-paying jobs. However, the outlook is subjected to various global and domestic challenges stemming from unprecedented situations that may arise in the future.

The full publication of Labour Market Review (LMR), Second Quarter 2023 can be downloaded through [eStatistik Portal](#).

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