



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW (LMR), SECOND QUARTER 2025



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Malaysia's labour market remained strong in the second quarter of 2025, supported by a continued increase in employed persons, reaching 16.85 million persons, with a rate of filled jobs of 97.9 per cent.

LABOUR SUPPLY

17.37 million
labour force

▲ **2.7%** YoY
▲ **0.8%** QoQ

7.15 million
outside
labour force

▲ **2.0%** YoY
▲ **0.4%** QoQ

More than **85 per cent** did not seek for work due to schooling and housework

40.9% Schooling/
Training program

44.4% Housework/
family responsible

14.7% Others

*refer to people who are going for further study, disabled, not interested, just completed study and retired/old age

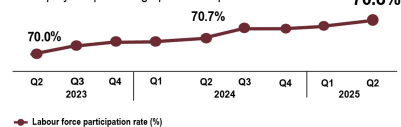
Employed persons continued
to increase, to **16.85 million** persons



Total hours worked
during Q2, **9.70 billion** hours

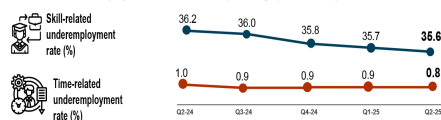
▲ **1.0%** YoY
▲ **0.5%** QoQ

Labour force participation rate (LFPR)
went up by 0.1 percentage points compared to Q2 2024

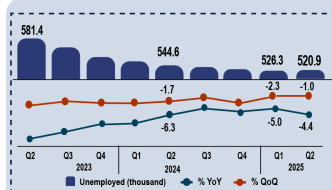


Underemployment situation

Time-related underemployment rate declined at 0.8 per cent, while
Skill-related underemployment rate declined 0.6 percentage points as compared to Q2 2024



National unemployment situation



Unemployed
decreased during
Q2 2025
to
520.9 thousand
persons

Unemployment rate
declined 0.2 percentage
points year-on-year,
stable at 3.0 per cent



LABOUR DEMAND

9.10
millions jobs

Jobs in economic sector
increased by 1.6 per cent compared to Q2 2024



8.90 million
filled job

▲ **1.6%** YoY
▲ **0.4%** QoQ



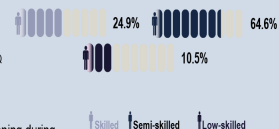
194.9 thousand
vacancies

▲ **1.8%** YoY
▲ **0.4%** QoQ



31.9 thousand
jobs created

More than half (57.7%) of jobs opening during
Q2 2025 were in the Manufacturing sector with
a total 112.4 thousand vacancies



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20 October 2016 - 2030

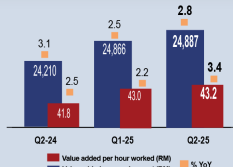
LABOUR MARKET REVIEW, SECOND QUARTER 2025

LABOUR PRODUCTIVITY

Both measures of labour productivity registered an increase compared to the same quarter of the previous year

RM43.2
per hour worked

RM24,887
per employment



EMPLOYEE WAGES STATISTICS (FORMAL SECTOR)

In March 2025, **6.79 million** citizen formal employees

Growth YoY **3.6%**

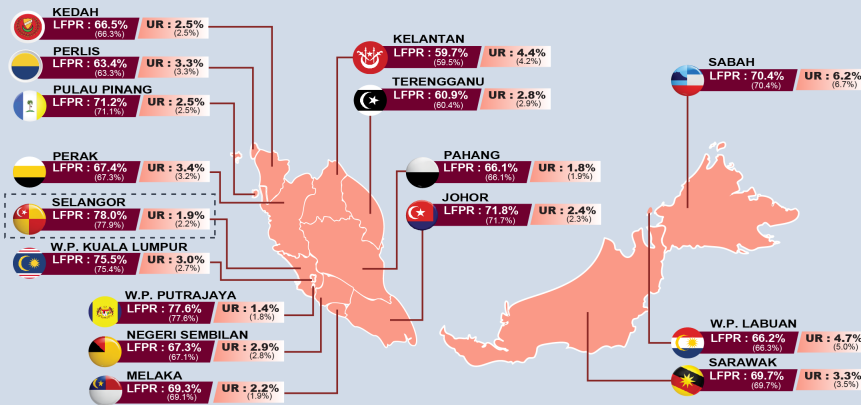


27.4% (1.9 million) of Malaysian formal employees earned below RM2,000 in Mar. 2025

1.9 million employees

LABOUR FORCE SITUATION AT STATE LEVEL

Selangor recorded the highest labour force participation rate of 78.0 per cent and the lowest unemployment rate was posted in W.P. Putrajaya at 1.4 per cent.



LFPR : Q2 2025 (Q1 2025) UR : Q2 2025 (Q1 2025)

*Note:
LFPR : Labour force participation rate (%)
UR : Unemployment rate



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20 Oktober 2016 - 2030

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Key Reviews

- In Q2 2025, the labour supply sustained its growth momentum compared to the same quarter in 2024 with increased 2.7 per cent year-on-year of labour force recorded 17.37 million persons. Therefore, the labour force participation rate edged up by 0.1 percentage points to 70.8 per cent. The number of employed persons increase 2.9 per cent to 16.85 million persons, with employment-to-population ratio trend up to 68.7 per cent. Concurrently, the number of unemployed persons declined by 4.4 per cent (-23.7 thousand) to 520.9 thousand persons, while the unemployment rate edged down slightly from 3.2 per cent to 3.0 per cent in the same quarter in preceding year.*
- The number of employed persons working less than 30 hours per week continued to trend down by 10.7 per cent from Q2 2024 to 241.0 thousand persons, driven by strong domestic demand throughout Q2 2025. Accordingly, the rate of time-related underemployment declined to 0.8 per cent. In the meantime, skill-related underemployment, which comprised more than one-third of employed persons with tertiary education, decreased by 0.7 percentage points to 35.6 per cent in Q2 2025.*
- Looking at labour demand in the economic sector, the number of jobs grew by 1.6 per cent year-on-year to record a total of 9.10 million jobs. Filled jobs, which comprised 97.9 per cent, also increased by 1.6 per cent over the same quarter of the preceding year to 8.90 million. Meanwhile, job openings in the economy, as indicated by the number of vacancies, rose by 1.8 per cent to 194.9 thousand vacancies during Q2 2025. Additionally, the number of jobs created in the economic sector rose by 0.2 per cent year-on-year, reaching 31.9 thousand.*
- Malaysia's economy expanded by 4.4 per cent, aligned with employment*

sustained positive growth, labour productivity as measured by value added per employment posted an increase of 2.8 per cent registering the level of RM24,887 per person in Q2 2025. During the same period, total hours worked surged by 3.4 per cent to 9.76 billion hours. Thus, labour productivity per hour worked grew 3.4 per cent to bring the level of productivity to RM43.2 per hour.

- *Looking ahead to the third quarter of 2025, Malaysia's economy is expected to maintain its resilience, driven by stable domestic activity and sustained policy support. The performance of the labour market points towards a progressive trajectory, consistent with the nation's broader transformation into a high-income, technologically advanced, and inclusive economy. Moving forward, continued emphasis on policy adaptability, skills development, and workforce efficiency will remain key priorities in further strengthening the resilience of Malaysia's labour market.*

The full publication of Labour Market Review (LMR), Second Quarter 2025 can be downloaded through [eStatistik Portal](#).

Released by:

DEPARTMENT OF STATISTICS MALAYSIA

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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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