EMBARGO: Only to be published or disseminated at **12:00 hour, Thursday, 19 August 2021**

MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW, SECOND QUARTER 2021

Introduction

The Labour Market Review (LMR) is a quarterly release by Malaysian Bureau of Labour Statistics (MBLS), 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 one or more article(s) highlighting the most recent labour market issues through statistics; or delving on the methodologies to strengthen labour market statistics.

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

- Although most states were in Recovery Movement Control Order (RMCO) in April, an altogether different situation occurred as tighten standard operating procedures (SOP) were enforced mid-May, and subsequently Full MCO (FMCO) took place since June 2021. For the record, Malaysia was under three phases of MCO during the same quarter last year which begun with MCO in April, followed by Conditional MCO in May and subsequent RMCO in June 2020. Better year-on-year labour market situation was observed in Malaysia during Q2 2021 due to low base numbers in Q2 2020. However, escalation of COVID-19 cases hindered short-term labour market recovery.

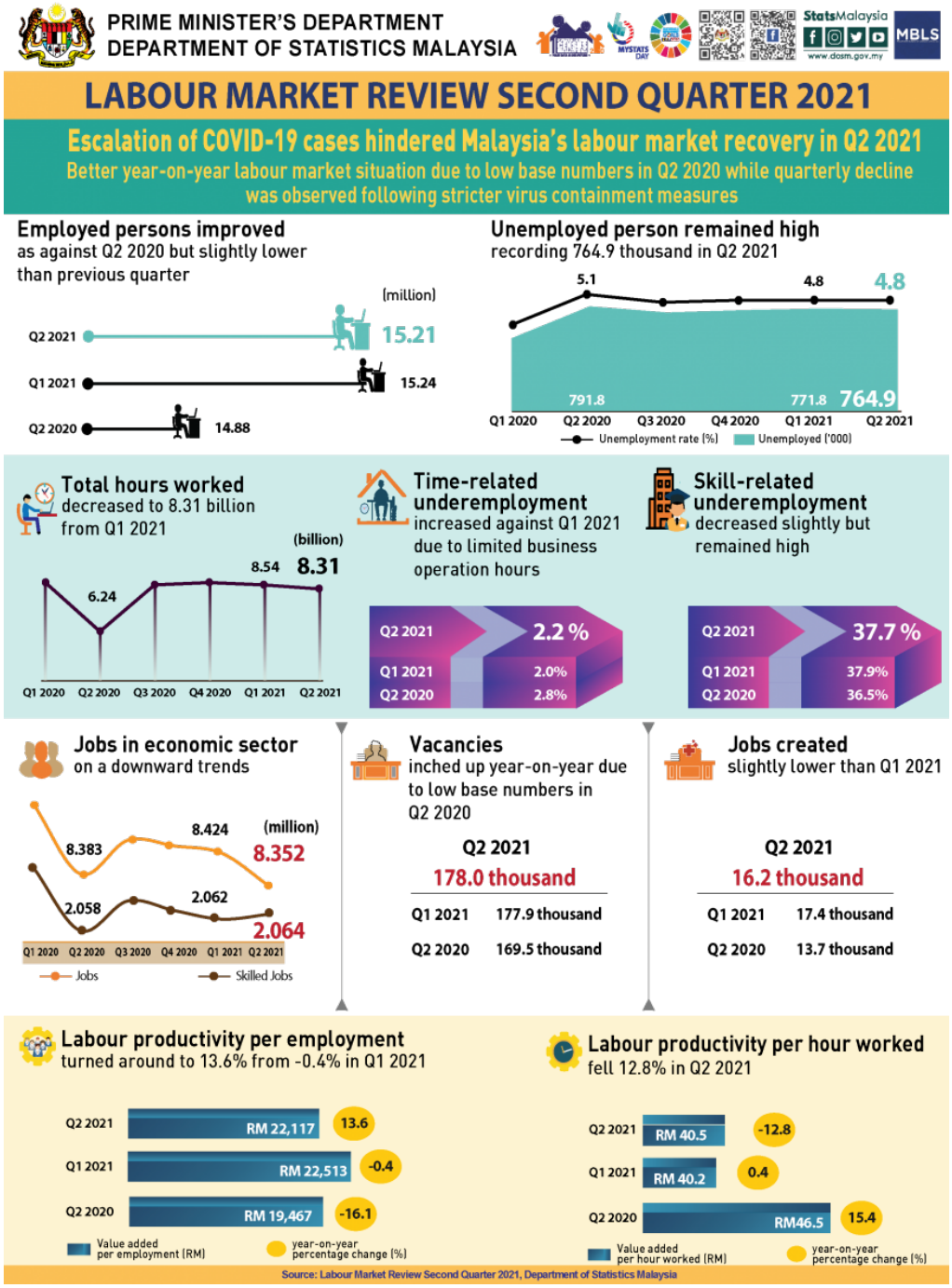
- In Q2 2021, the number of employed persons increased 2.2 per cent year-on-year to 15.21 million with employment-to-population ratio rose 0.4 percentage points to 65.0 per cent. Against a high unemployment rate of 5.1 per cent in Q2 2020, the unemployment rate in Q2 2021 decreased to 4.8 per cent, but remained the same for three consecutive quarters.

- Although Malaysia had gone through the FMCO in Q2 2021, the social and economic restrictions were not as stringent as it was in Q2 2020. The number of employed persons working less than 30 hours per week eased considerably by 40.0 per cent as compared to a year ago to record 474.1 thousand persons. Accordingly, the rate of time-related underemployment also reduced to 2.2 per

cent.

- Looking at the state of labour demand, there were 8.352 million jobs in the economic sector during Q2 2021. The number of filled jobs decreased by 0.5 per cent year-on-year to record 8.173 million, made up 97.9 per cent of total jobs. In spite of the decline in the number of filled jobs, there was an addition of 8.5 thousand vacancies in Q2 2021, resulting in the total number of job vacancies to rise to 178.0 thousand.

- Employment and total hours worked in Q2 2021 improved against the low base of the same quarter in the preceding year. During the same period, Malaysia's economy increased 16.1 per cent. This translated to the increase in labour productivity per employment by 13.6 per cent while labour productivity per hour worked dropped 12.8 per cent.



- Businesses and people alike continued to be impacted by the myriads of measures and regulations to contain the prolonged public health crisis in the country. Multiple initiatives were introduced to protect lives, ensure well-being, propel businesses and subsequently stimulate the national economic growth. Recognising the important roles of the Small and Medium Enterprises (SMEs) in Malaysia's economy and its vulnerability to uncertainties, unique initiatives and stimulus packages are continuously tailored to aid this segment of businesses.

- Entering Q3 2021, the health crisis continues with daily new cases surpassing 20 thousand to record over 1.4 million cases thus far, with more than 13 thousand fatalities. Nonetheless, the target to achieve herd immunity is underway with the implementation of National COVID-19 Immunisation Programme. The comprehensive and dynamic National Recovery Plan (NRP) coupled with the latest addition of stimulus packages in 2021 is foreseen to stimulate economic activities and encourage hiring of more workers. However, it is foreseen that the labour market growth momentum will be rather gradual as businesses adopt a rather cautious approach in conducting their operations to ensure the pandemic is kept at bay.



Download full LMR Q2 2021 publication **here**

The full publication of LMR Q2 2021 is also accessible and downloadable free of charge through the **eStatistik** application in DOSM web page, www.dosm.gov.my.

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19 August 2021

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