LABOUR MARKET REVIEW (LMR), Q4 2022

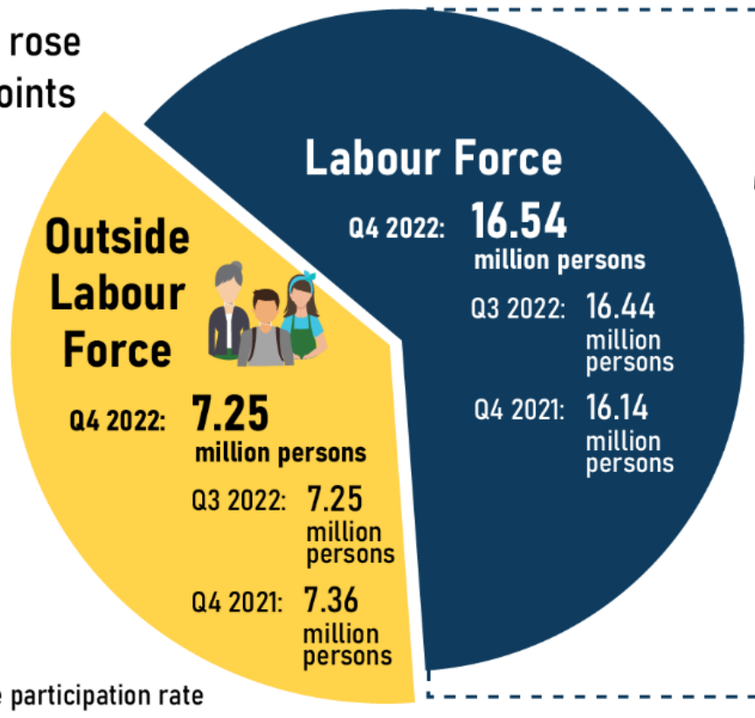
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW FOURTH QUARTER 2022

Malaysia's labour market condition remained positive with 30.9 thousand new jobs created during the fourth quarter of 2022, spurred by robust domestic demand amid external headwinds

In Q4 2022, **LFPR** rose 0.8 percentage points to **69.5** per cent

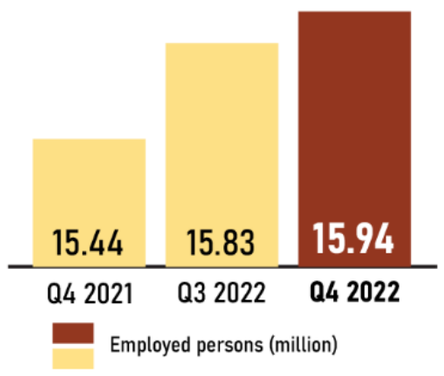
Q3 2022: 69.4%
Q4 2021: 68.7%



Note: LFPR = Labour force participation rate

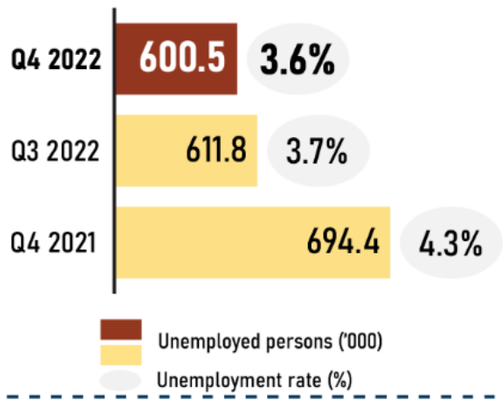
Employed

went up by 3.2 per cent as compared to the same quarter of 2021



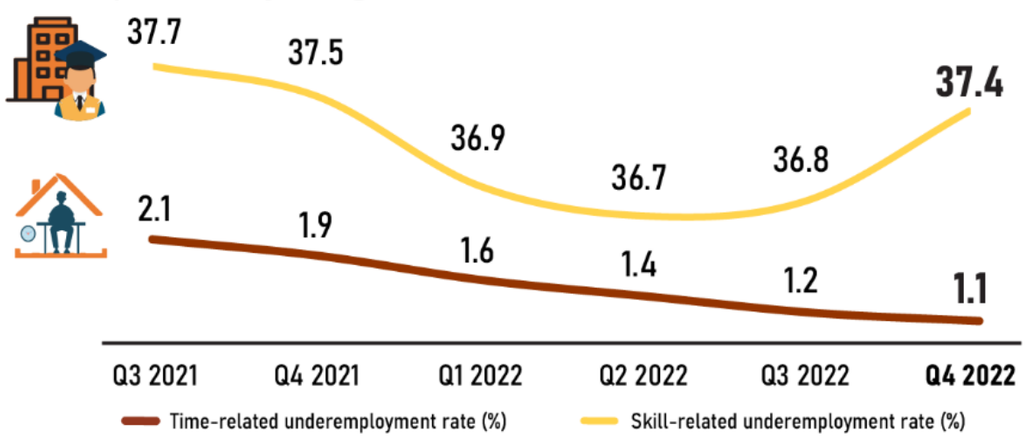
Unemployed

decreased by 13.5 per cent year-on-year, recording a lower unemployment rate at 3.6 per cent



Time-related underemployment continued to drop in Q4 2022

Skill-related underemployment slightly declined 0.1 percentage point as compared to a year ago



Total hours worked

increased 5.0 per cent as against the same quarter of last year

Q4 2022: **9.21** billion hours
Q3 2022: 9.04 billion hours
Q4 2021: 8.77 billion hours

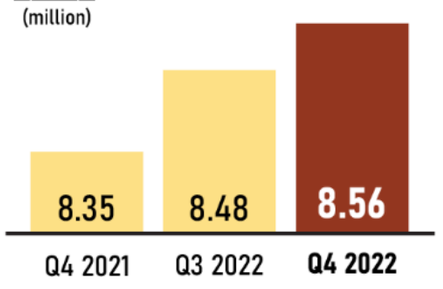
Growth
5.0% (year-on-year)
1.9% (quarter-on-quarter)

Jobs in economic sector

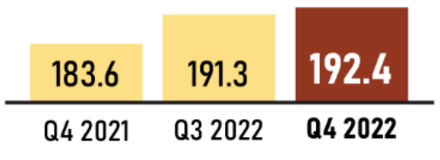
Q4 2022: **8.76** million jobs

increased by 2.6 per cent compared to Q4 2021

Filled Jobs (million)

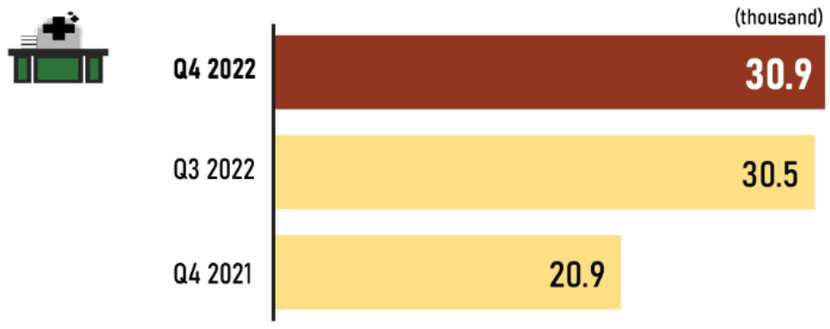


Vacancies (thousand)



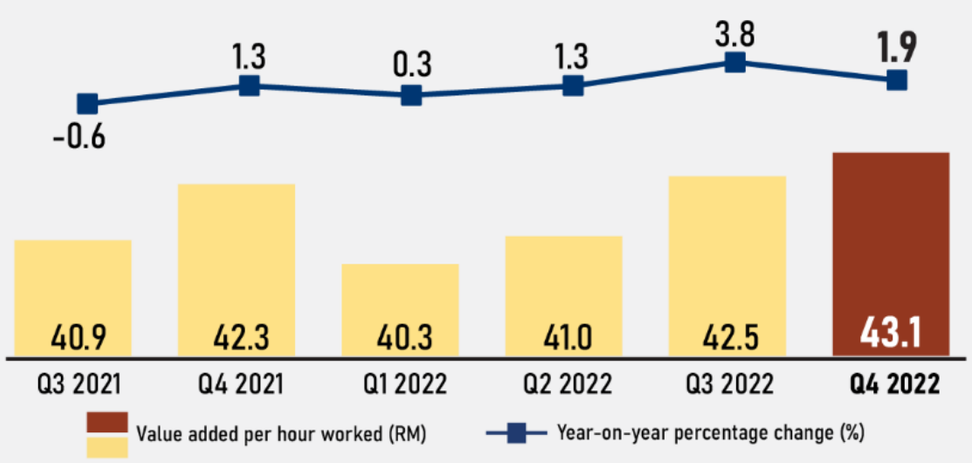
Jobs created

gained additional 10.0 thousand from the same quarter of previous year



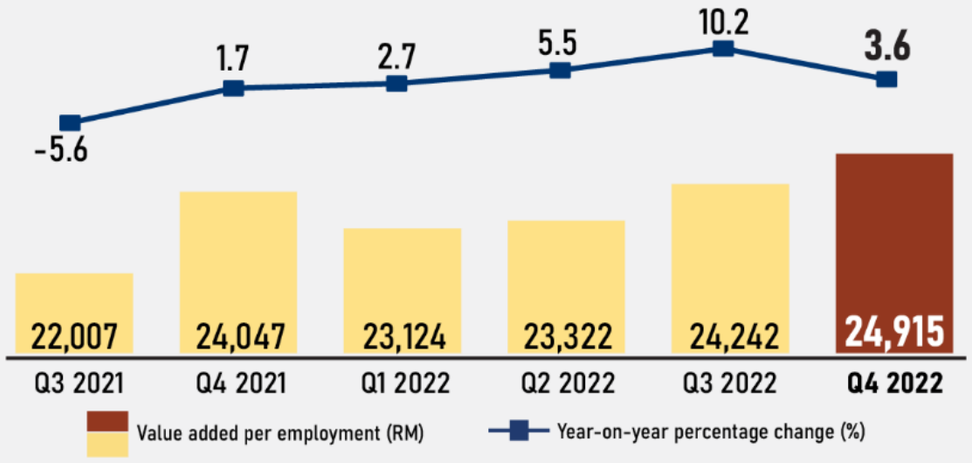
Labour productivity per hour worked

Value added per hour worked grew 1.9 per cent in Q4 2022



Labour productivity per employment

strengthened further in Q4 2022



Source: Labour Market Review Fourth Quarter 2022, Department of Statistics Malaysia (DOSM)

Malaysia's labour market condition remained positive with 30.9 thousand new jobs created during the fourth quarter of 2022, spurred by robust domestic demand amid external headwinds

- In Q4 2022, labour force continued to indicate a positive momentum with an increase of 2.5 per cent year-on-year to 16.54 million persons. Hence, labour force participation rate (LFPR) escalated by 0.8 percentage points to 69.5 per cent, higher than pre-pandemic in Q4 2019. The number of employed persons continued to increase by 3.2 per cent to 15.94 million persons while employment-to-population ratio continued to trend up to 67.0 per cent. Concurrently, the number of unemployed persons declined by 13.5 per cent (-93.9 thousand) to 600.5 thousand persons, registering an unemployment rate of 3.6 per cent.

- As Malaysians return to near-normal life after two years of battling the COVID-19 pandemic, the number of people working less than 30 hours per week trending down, with a decline of 31.8 per cent from Q4 2021 to 268.5 thousand persons. Accordingly, the rate of time-related underemployment declined to 1.1 per cent. However, skill-related underemployment which comprised more than one-third of employed persons with tertiary education decreased slightly by 0.1 percentage point to 37.4 per cent in Q4 2022.

- Looking at the labour demand in the economic sector, the number of jobs increased by 2.6 per cent year-on-year to record a total of 8.76 million jobs. Filled jobs which comprised of 97.8 per cent, increased by 2.6 per cent over the same quarter of the preceding year to record 8.56 million. Meanwhile, jobs opening in the economy which was indicated by the number of vacancies elevated by 4.8 per cent to 192.4 thousand vacancies during Q4 2022.

- As Malaysia's economy maintained its positive momentum in Q4 2022, while employment continued its positive growth, labour productivity as measured by value added per employment posted an increase of 3.6 per cent registering the level of RM24,915 per person. During the same period, total hours worked surged by 5.0 per cent to 9.21 billion hours. Thus, labour productivity per hour worked grew 1.9 per cent to bring the level of productivity at RM43.1 per hour.

- Malaysia's labour market has steadily improved as a consequence of the country's sustained economic operation and social activities. Moving into 2023, the labour market is anticipated to grow at a more moderate pace in line with the economic growth after coming off a strong recovery in 2022. However, due to the global uncertainty in the upcoming quarters expected to influence economic and social activities as well as the labour market. As we advance, the overall labour market performance is expected to remain positive and stable as demand for workers continues to be more resilient on supporting job creation and income growth, despite the challenges of an unprecedented situation that may occur in the future.