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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

LABOUR FORCE STATISTICS, MALAYSIA, MARCH 2026 AND FIRST QUARTER 2026

Malaysia's labour market remains stable in March 2026, with an unemployment rate of 2.9 per cent

PUTRAJAYA, MAY 12, 2026 - Malaysia's labour market remains stable in March 2026, with an unemployment rate of 2.9 per cent according to the Department of Statistics Malaysia (DOSM). The figures were detailed in the **Statistics of the Labour Force**, **Malaysia**, **March** and **First Quarter 2026** release. The report provides insights on the Malaysia's labour supply, based on data from the Labour Force Survey conducted by DOSM.

Commenting on the overall performance for March 2026, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, "The positive economic outlook in March 2026 enabled the country's labour market to sustain its steady growth. Therefore, the labour force increased by 0.1 per cent to 17.31 million persons (February 2026: 17.30 million persons). The labour force participation rate (LFPR) during the month remained at 70.9 per cent, as in the previous month."

The number of employed persons continued to show a gradual improvement in March 2026, rising by 0.1 per cent to 16.80 million persons as against the previous month (February 2026: 16.79 million persons). At the same time, the number of unemployed persons increased slightly by 0.4 per cent to 509.0 thousand persons (February 2026: 506.8 thousand persons). March's unemployment rate was unchanged at 2.9 per cent, the same as in February 2026.

The Chief Statistician Malaysia also stated that the employees' category accounted for 75.0 per cent of the total employed persons in March 2026. This category experienced a modest increase of 0.04 per cent, reaching 12.60 million persons (February 2026: 12.59 million persons). On the same note, the number of own-account workers recorded a 0.3 per cent rise to 3.14 million persons compared to last month (February 2026: 3.13 million persons).

The Services sector remained the largest contributor to total employment in March 2026, particularly in Accommodation and food & beverage services; Information & communication activities and Transportation & storage activities. The Manufacturing, Construction and Agriculture sectors also recorded increases in the number of employed persons. Meanwhile, employment in the Mining & quarrying sector registered a slight decline during the month.

Providing further insight into the unemployment situation in March 2026, the Chief Statistician Malaysia stated that those who were available for work and were actively seeking jobs, or the actively unemployed, constituted 79.7 per cent of the total unemployed persons. This group edged up by 0.3 per cent to 405.8 thousand persons (February 2026: 404.7 thousand persons). By duration of unemployment for the actively unemployed, 64.1 per cent were those who had been unemployed for less than three months, while 4.9 per cent were those who were in long-term unemployment for more than a year. Meanwhile, the inactively unemployed, or those who believed that there were no jobs available, increased by 1.1 per cent to 103.2 thousand persons from 102.1 thousand persons in the previous month.

The unemployment rate among youths aged 15 to 24 years was unchanged at 10.2 per cent in March 2026, with a total of 290.0 thousand unemployed youths (February 2026: 10.2%; 288.7 thousand persons). Likewise, the unemployment rate for youths aged 15 to 30 years stood at 6.2 per cent, with 390.9 thousand unemployed youths (February 2026: 389.5 thousand persons).

The number of persons outside the labour force in March 2026, recording a slight decline of 0.02 per cent to 7.10 million persons, compared to the preceding month (February 2026: 7.10 million persons). The major composition of the outside labour force was housework/ family responsibilities, accounting for 43.3 per cent, while the schooling/ training category ranked second at 40.6 per cent.

Further detailing the overall performance in the first quarter of 2026, Malaysia's labour force continued its positive growth, rising by 0.3 per cent to 17.23 million persons. Consistent with this trend, the number of employed persons also increased by 0.3 per cent to 16.73 million persons, compared to 16.68 million persons in the previous quarter. Meanwhile, the number of unemployed persons declined by 0.4 per cent to 506.5 thousand persons, leading to a 0.1 percentage points reduction in the unemployment rate to 2.9 per cent (Q4 2025^{r}: 3.0%). At the same time, the LFPR remained at 70.9 per cent as in the prior quarter. The male LFPR decreased to 83.3 per cent, while the female LFPR rose to 56.8 per cent (Q4 2025^{r}: 83.5%; 56.6%).

As highlighted by the Chief Statistician, the number of persons working less than 30 hours per week recorded a rise by 2.5 per cent, resulting in 231.6 thousand persons in the first quarter of 2026 (Q4 2025^{r}: 226.0 thousand persons). Meanwhile, the number of persons working less than 30 hours per week but willing and able to work additional hours, or classified as time-related underemployment, fell by 3.6 per cent to 123.3 thousand persons, with the rate of time-related underemployment of 0.7 per cent

(Q4 2025[r]: 128.0 thousand persons; 0.8%). Concurrently, skill-related underemployment, which comprises individuals with tertiary education but working in semi-skilled and low-skilled occupations, saw an increase of 0.2 per cent to 1.93 million persons, while the skill-related underemployment rate declined by 0.1 percentage points to 35.2 per cent (Q4 2025[r]: 1.93 million persons; 35.3%).

In terms of state-level comparison, W.P. Putrajaya registered the lowest unemployment rate at 1.3 per cent in the first quarter of 2026. This was followed by Pahang at 1.9 per cent, while Selangor and Melaka recorded 2.0 per cent, respectively. In the meantime, five states surpassed the national LFPR, with W.P. Putrajaya recording the highest rate at 79.2 per cent, followed by Selangor (78.0%) and W.P. Kuala Lumpur (76.0%).

Concluding the statement, Malaysia's labour market outlook for the months ahead is anticipated to remain stable, supported by strong domestic fundamentals and continued structural transformation. However, growth is likely to be more moderate and increasingly shaped by external developments, particularly the trajectory of the global energy crisis and geopolitical conditions. As such, both businesses and the workforce will need to remain agile in navigating a more dynamic and uncertain economic environment.

The Department of Statistics Malaysia (DOSM) is conducting the **Economic Census 2026 (BE2026)**, with themed **"*Data Nadi Ekonomi Rakyat*"**. The sixth Economic Census, will be carried out from **5th January to 31st October 2026**. BE2026 aims to collect comprehensive and structured data from all registered and unregistered business establishments in Malaysia to assess the nation's economic performance, structure and characteristics in an evidence-based manner.

Malaysia has, for the first time, successfully secured the **top position** globally in the biennial **Open Data Inventory (ODIN) 2024/25** report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through https://open.dosm.gov.my.

MyLabourHub is a comprehensive platform that integrates institutions, data and technology to deliver relevant, accurate and accessible labour market information. Access the labour market data for Malaysia at https://mylabourhub.dosm.gov.my.

Chart 1: Employed persons, Malaysia, January - March 2026

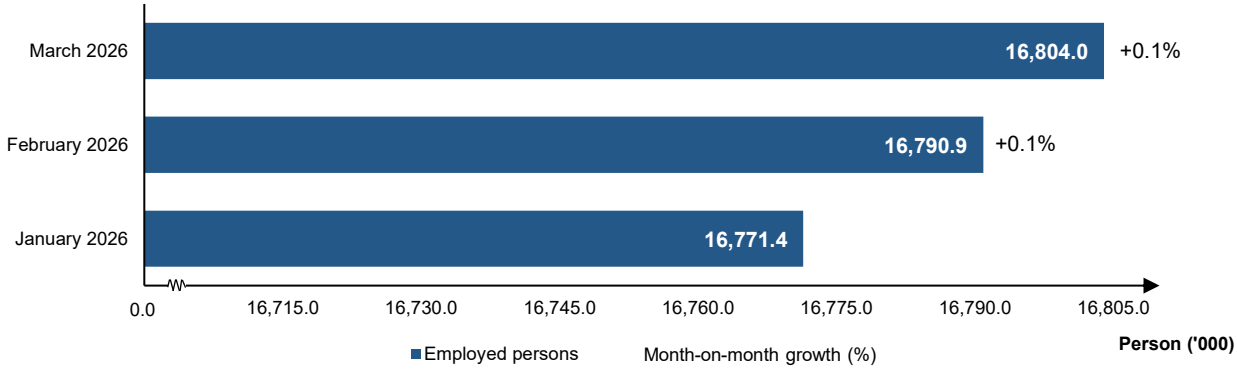


Chart 2: Unemployment, Malaysia, January - March 2026

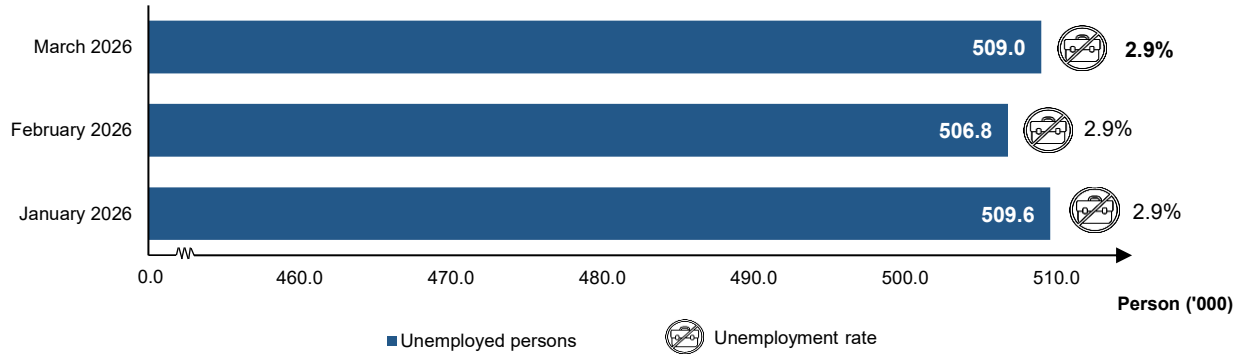


Chart 3: Outside labour force, Malaysia, January - March 2026

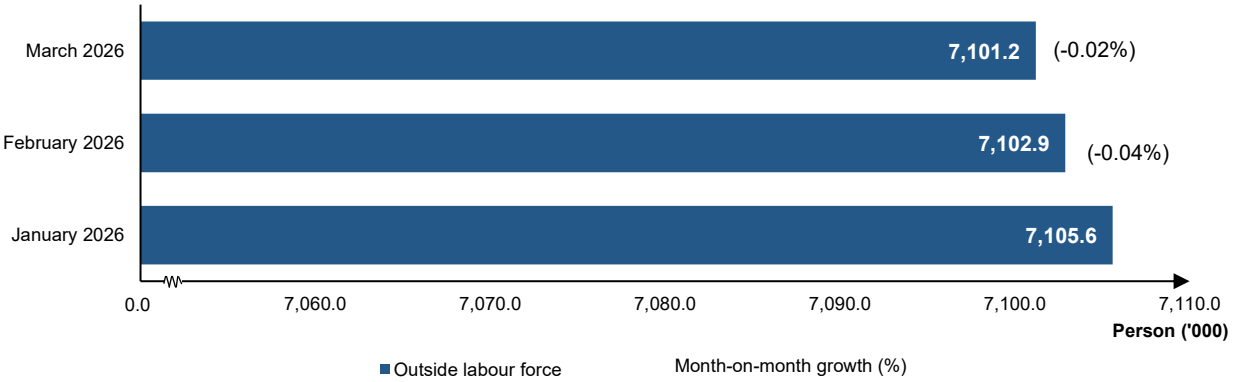


Chart 4: Unemployment, Malaysia, Q1 2024^{r} - Q1 2026

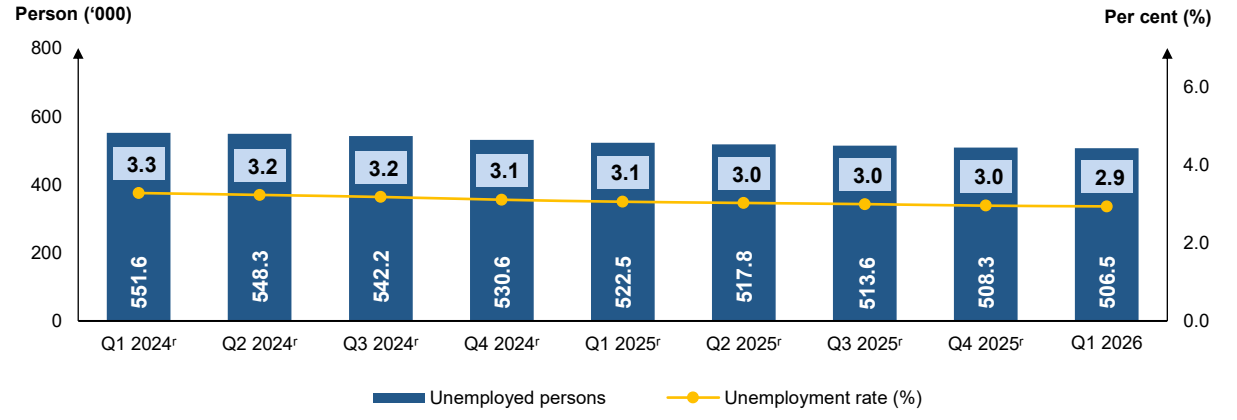
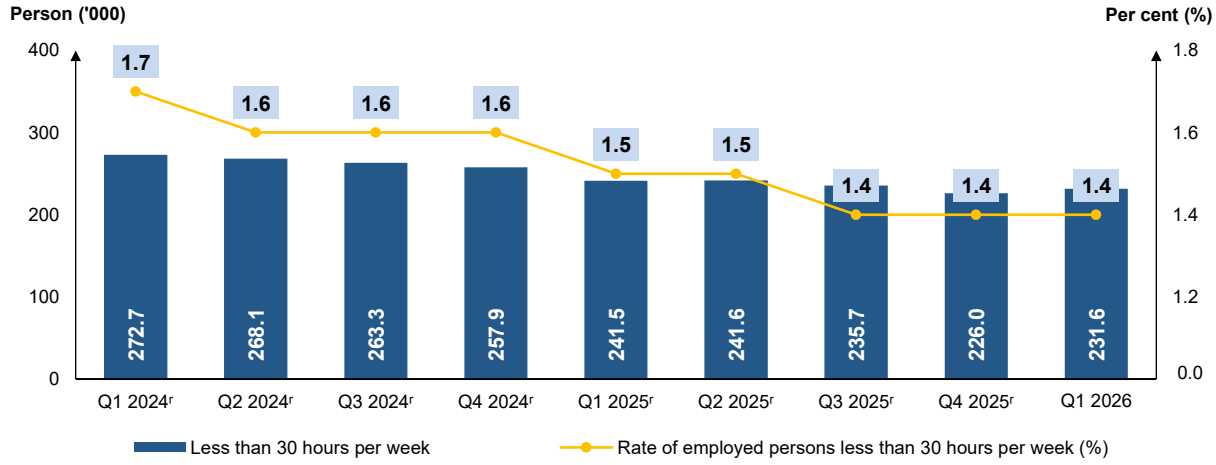
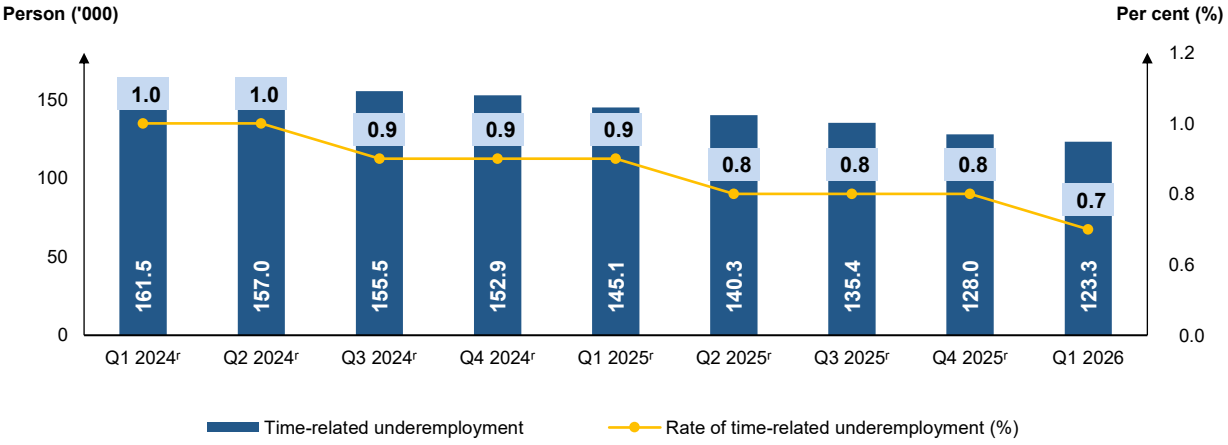


Chart 5: Employed persons working less than 30 hours per week, Q1 2024[r] - Q1 2026



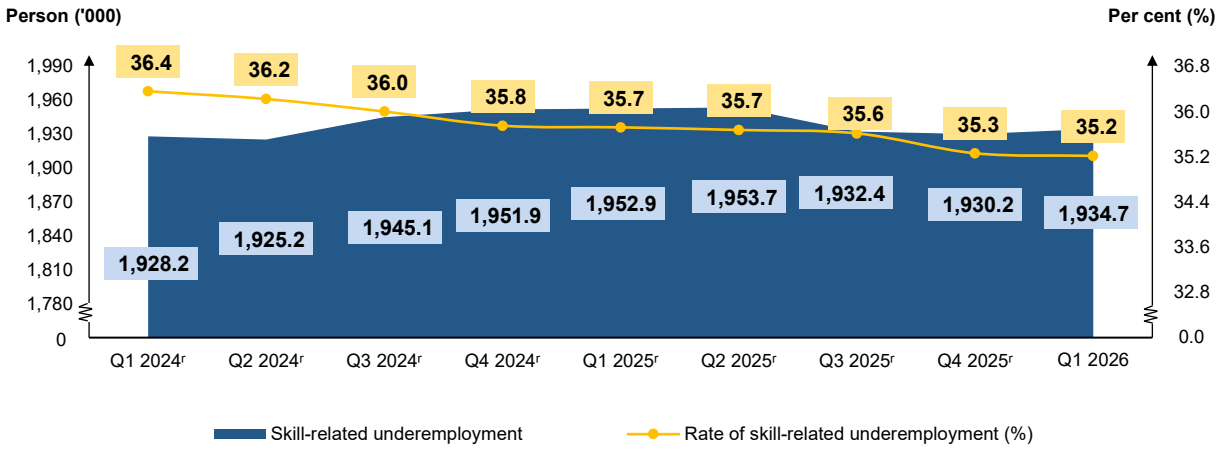
$$\text{Rate of employed persons less than 30 hours per week} = \frac{\text{Number of employed persons less than 30 hours per week}}{\text{Number of employed persons}} \times 100$$

Chart 6: Time-related underemployment, Q1 2024[r] - Q1 2026



$$\text{Rate of time-related underemployment} = \frac{\text{Number of time-related underemployment}}{\text{Number of employed persons}} \times 100$$

Chart 7: Skill-related underemployment, Q1 2024[r] - Q1 2026



$$\text{Rate of skill-related underemployment} = \frac{\text{Number of skill-related underemployment}}{\text{Number of employed persons with tertiary education}} \times 100$$

Notes:

1. Starting with the release of Labour Force Statistics (LFS), First Quarter 2026, the principal statistics of the labour force is estimated based on the current population estimates of Malaysia. On the same note, revisions are carried out on LFS data for the First Quarter of 2024 to the Fourth Quarter of 2025 using projection data based on the latest current population estimates
2. The Labour Force Survey statistics for January 2026 onwards are estimated using projection data based on the latest current population estimates
3. [r] Revision

Released by:

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DEPARTMENT OF STATISTICS MALAYSIA
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