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**MINISTRY OF ECONOMY**
**DEPARTMENT OF STATISTICS MALAYSIA**

# MEDIA STATEMENT

## LABOUR MARKET REVIEW, FIRST QUARTER OF 2026

## Malaysia's labour market remained strong and resilient in the First Quarter of 2026, with the Labour Force Participation Rate (LFPR) at 70.9 per cent and Labour Demand improving, as reflected by a Job Vacancies Rate of 2.1 per cent

***PUTRAJAYA, 22 MAY 2026*** *– The labour market remained resilient, despite the global crisis, with the labour force participation rate (LFPR) recorded at 70.9 per cent, while labour demand continued to expand, as reflected in a vacancy rate of 2.1 per cent.The Department of Statistics Malaysia (DOSM) released the* ***Labour Market Review, First Quarter 2026 (LMR Q1 2026)*** *today, consolidating quarterly labour statistics and providing an in-depth analysis of Malaysia's labour market trends. This edition also features a special article, " Beyond Unemployment: A Structural Analysis of Youth NEET in Malaysia".*

*Chief Statistician of Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, said, "Malaysia's economy continues to remain resilient and competitive despite facing various shocks stemming from global economic uncertainties, supported by its diversified economic structure and strong domestic demand. Key sectors such as services, manufacturing and construction have continued to underpin economic growth, while the country's integration into global supply chains has strengthened external trade performance. The growth momentum was further supported by higher consumer spending during major festive periods, including Chinese New Year, Ramadan and Hari Raya Aidilfitri. In addition, a stable labour market, supported by low unemployment and sustained employment growth, has further reinforced the nation's economic resilience."*

*In the perspective of labour market, the labour force position remained in a growth trend with a marginal increase in the first quarter of 2026, with an increase of 0.9 per cent or 145.4 thousand persons to register 17.23 million persons (Q1 2025: 17.09 million persons) in contrast the number of unemployed persons edged down by 3.1 per cent or decrease 16.0 thousand persons to record 506.5 thousand persons (Q1 2025: 522.5 thousand persons). The unemployment rate in the first quarter of 2026*

*slightly decreases to 2.9 per cent as compared to previous quarter. The labour force participation rate (LFPR) increases by 0.1 percentage points to 70.9 per cent in the first quarter of 2026 (Q1 2025: 70.8%).*

*In addressing the underemployment situation, the Chief Statistician noted that sustained employment growth in the Q1 2026 led to a notable decline in underemployment indicators. The number of persons working less than 30 hours per week decreased by 4.1 per cent year-on-year to 231.6 thousand persons. Time-related underemployment also registered a decline of 15.0 per cent, totaling 123.3 thousand persons, with the rate of 0.7 per cent. Meanwhile, skills-related underemployment which reffered to individuals with tertiary education employed in semi-skilled or low-skilled occupations recorded a decrease of by 0.9 per cent (-18.2 thousand persons) year-on-year, to record 1.93 million persons (Q1 2025: 1.95 million persons). Nonetheless, the rate of skills-related underemployment showed a downward trend, declining to 35.2 per cent from 35.7 per cent in the same period last year.*

*From the viewpoint of labour demand situation, the Chief Statistician stated, labour demand in Malaysia continued to expand in the first quarter of 2026, in tandem with the growth of 1.8 per cent in number of jobs recorded or an increment of 162.4 thousand jobs bringing a total of 9.23 million, as against to the same quarter of the preceding year (Q1 2025: 9.06 million). The growth in the number of jobs is aligned with the economy growth and unemployment rate decreases at 2.9 per cent. The number of filled jobs in the first quarter of 2026 also strengthened by 1.8 per cent to record 9.03 million jobs (Q1 2025: 8.87 million). Similarly, the number of jobs vacancies in the economic sector was 194.8 thousand, with a rise of 0.4 per cent compared to the same quarter last year (Q1 2025: 194.1 thousand).*

*With a resilient economic condition in the first quarter of 2026, labour productivity measured by value added per employment increased by 4.3 per cent (Q1 2025: 2.5%) compared to the same quarter last year, recording a value of RM26,171 per person (Q4 2025: RM27,454; Q1 2025: RM25,081). Meanwhile, total hours worked in the first quarter of 2026 increased by 0.5 per cent, reaching 9.63 billion hours. As a result, value added per hour worked rose by 4.8 percent to RM45.5 per hour (Q4 2025: RM47.7; Q1 2025: RM43.4).*

*Dato' Sri Dr. Mohd Uzir Mahidin concluded his statement in today's release by saying that Malaysia's economy remains resilient despite global uncertainties and supply chain disruptions arising from geopolitical tensions, which have affected global food and energy markets and increased cost-of-living pressures. He said "the economy continues to grow in the first quarter of 2026, reflecting robust economic resilience and supporting a stable labour market, underpinned by higher employment, lower unemployment, and improved labour productivity. Despite cost pressures from rising global energy prices, various government interventions, including targeted subsidies, price controls, and energy efficiency initiatives, continue to be implemented to mitigate impacts on households and ensure economic and labour market stability remain intact."*

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.

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