MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW, FIRST QUARTER 2026

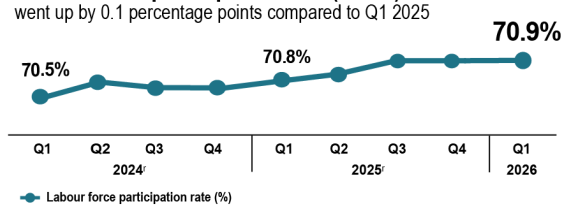
Malaysia's labour market remained strong and resilient in the First Quarter of 2026, with the Labour Force Participation Rate (LFPR) at 70.9 per cent and Labour Demand improving, as reflected by a Job Vacancies Rate of 2.1 per cent

LABOUR SUPPLY

17.23 million labour force

- 0.9% YoY
- 0.3% QoQ

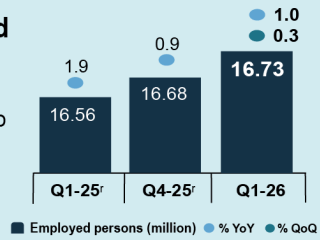
Labour force participation rate (LFPR)
went up by 0.1 percentage points compared to Q1 2025



Total hours worked
during Q1, **9.63** bilion hours

- 0.5% YoY
- 0.2% QoQ

Employed person continue to increased, to **16.73 million persons**



7.08 million outside labour force

- 0.4% YoY
- 0.2% QoQ

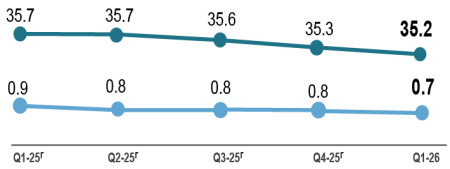
*85.2 per cent did not seek for work due to:

- 45.1% *Housework/ Family resposible
- 40.1% *Schooling/ Training program
- 14.8% Others
  - Disabled person
  - Retired/ Old age
  - Not interested
  - Completed study/ Further study

Underemployment situation

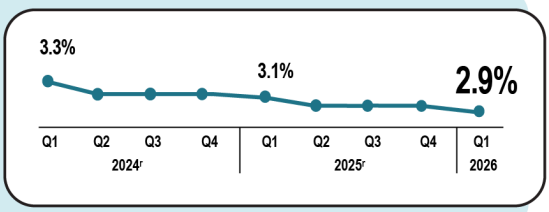
Skill-related underemployment rate (%)
decreased 0.5%

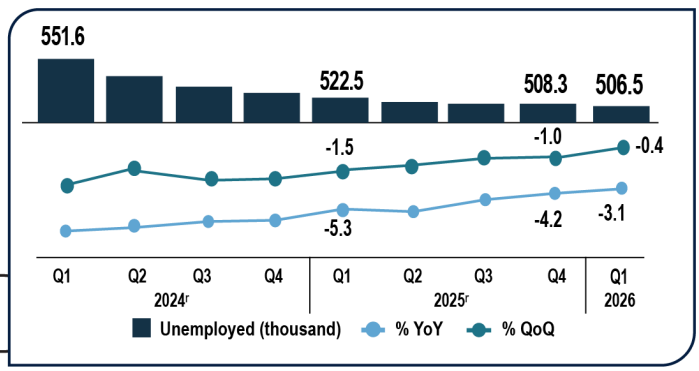
Time-related underemployment rate (%)
decreased 0.2%



Unemployment

Unemployment rate declined by 0.2 percentage points year-on-year, stable at 2.9 per cent





Unemployed decreased during Q1 2026 to **506.5** thousand persons

LABOUR DEMAND

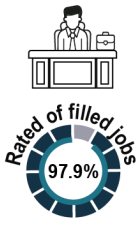
[r] : The Quarterly Labour Force Survey Statistics from first quarter of 2024 were revised based on the latest current population estimates

9.23 million jobs

Jobs in economic sector increased by **1.8 per cent** compared to First Quarter 2025

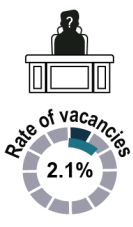
32.7 thousand jobs created

- Skilled 26.1%
- Semi-skilled 64.1%
- Low-skilled 9.7%



9.03 million filled jobs

- 1.8% YoY
- 0.2% QoQ



194.8 thousand vacancies

- 0.4% YoY
- 1.7% QoQ

- 1.5% YoY
- 1.8% QoQ

More than half **(58.0%)** of jobs opening during Q1 2026 were in the **Manufacturing sector with** a total of **113.0 thousand vacancies**

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BANCI EKONOMI 2026 DATA NADI EKONOMI RAKYAT

MALAYSIA MADANI kesejahteraan

ODIN 2024-2025 OPEN DATA INVENTORY MALAYSIA TEMPAT PERTAMA DI DUNIA

20 Oktober

2016 - 2030

MINISTRY OF ECONOMY
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LABOUR MARKET REVIEW, FIRST QUARTER 2026

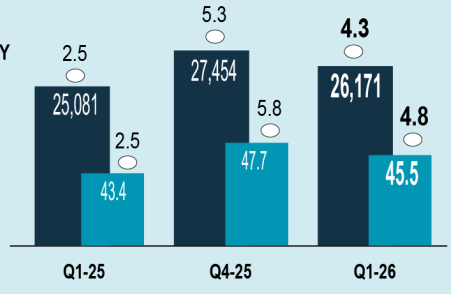
LABOUR PRODUCTIVITY

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

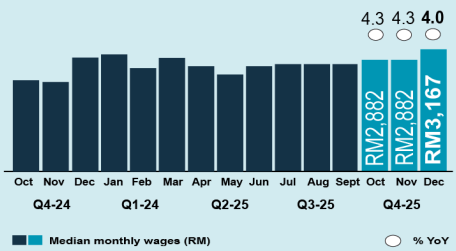
RM45.5 per hour

RM26,171 per person

*Note : The Quarterly Labour Productivity statistics from first quarter of 2024 were revised based on latest Labour Force Statistics estimates

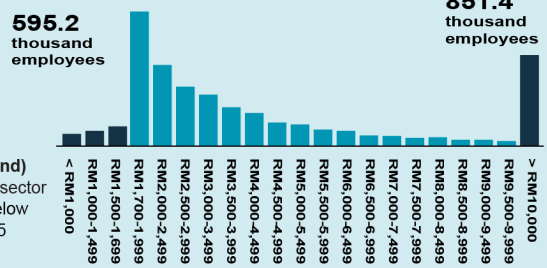


EMPLOYEE WAGES STATISTICS (FORMAL SECTOR)



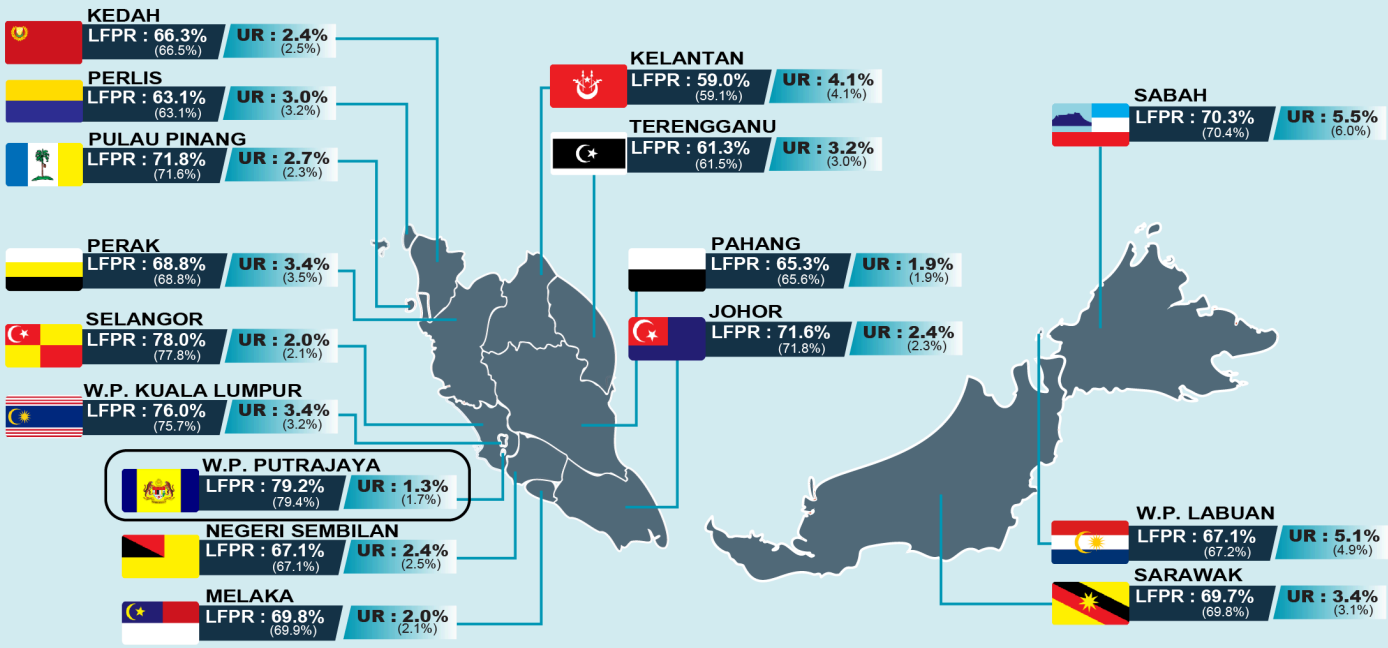
In December 2025,
7.08 million citizen formal employees
Growth YoY: **3.7%**

8.4% (595.2 thousand) of Malaysian formal sector employee earned below RM1,700 in Dis 2025



LABOUR MARKET PERFORMANCE AT STATE LEVEL

W.P. Putrajaya recorded the **highest** labour force participation rate of **79.2 per cent** and the **lowest** unemployment rate was posted in **Pahang (1.9 per cent) and W.P. Putrajaya (1.3 per cent).**



LFPR : Q1 2026 (Q4r 2025) **UR : Q1 2026** (Q4r 2025)

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

r : The Quarterly Labour Force Survey Statistics from first quarter of 2024 were revised based on the latest current population estimates