



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT

LABOUR FORCE STATISTICS, MALAYSIA, 2025

Malaysia's labour market remained resilient in 2025, with unemployment reaching its lowest level in a decade

PUTRAJAYA, JUNE 26, 2026 - Malaysia's labour market remained resilient in 2025, with unemployment reaching its lowest level in a decade, the Department of Statistics Malaysia reported today in the release on **Annual Statistics of the Labour Force, Malaysia, 2025**. The statistics reflect the labour supply situation in Malaysia, as reported through the Labour Force Survey conducted by DOSM.

Commenting on the overall labour market performance in 2025, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, "Malaysia's labour market continued to strengthen in 2025, supported by sustained economic resilience and improving employment conditions. The unemployment rate declined further to 3.0 per cent, the lowest level in a decade, while the number of unemployed persons decreased to 507.2 thousand persons, driven largely by lower youth unemployment among those aged 15 to 24 years. Meanwhile, the labour force expanded by 1.1 per cent to 17.09 million persons, compared with 16.90 million persons in 2024. Accordingly, the labour force participation rate increased by 0.2 percentage points to 70.8 per cent (2024: 70.6%), indicating stronger participation in the labour market."

In the meantime, employment growth remained encouraging in 2025, with the number of employed persons rising by 1.3 per cent to 16.58 million persons from 16.37 million persons in the previous year. In line with this improvement, the employment-to-population ratio increased to 68.7 per cent, reflecting the ability of an economy to create employment. Employees' category accounted for the largest share of total employment, at 78.4 per cent (13.0 million persons), followed by the own-account workers category at 15.7 per cent (2.61 million persons).

In terms of skill level, semi-skilled occupations constituted the largest employment category, accounting for 57.0 per cent of total employment, reaching 9.45 million persons. Skilled occupations comprised 30.1 per cent (4.99 million persons), while low-skilled occupations represented the remaining 12.9 per cent (2.15 million persons). Across economic sectors, the employment was predominantly concentrated

in the Services sector, contributing 66.0 per cent of total employment and maintaining its growth trajectory. This was followed by the Manufacturing sector with a share of 16.3 per cent, while Agriculture and Construction accounted for 8.9 per cent and 8.2 per cent, respectively. Mining & quarrying sector recorded the smallest share at 0.6 per cent.

Labour underemployment indicators also showed notable improvement during 2025. The number of employed persons who worked less than 30 hours per week due to the nature of their work or insufficient work declined by 4.4 per cent to 203.1 thousand persons, resulting in a lower underemployment rate of 1.2 per cent (2024: 1.3%). Similarly, time-related underemployment fell by 5.7 per cent to 118.0 thousand persons, with the corresponding rate easing to 0.7 per cent from 0.8 per cent in the previous year. Meanwhile, skill-related underemployment, which refers to those with tertiary education employed in semi-skilled and low-skilled, decreased slightly by 0.4 per cent (-8.7 thousand persons) to 2.05 million persons (2024: 2.06 million persons). Therefore, the rates edged down to 35.6 per cent as compared to 36.1 per cent in the preceding year.

Shifting to the unemployment situation, the Chief Statistician Malaysia highlighted that 79.2 per cent of the total unemployed persons were classified as actively unemployed, referring to persons who were available for work and were actively seeking jobs, accounting for 401.6 thousand persons. This group posted a decrease of 1.8 per cent from the previous year. In terms of unemployment duration, 63.6 per cent of the actively unemployed had been unemployed for less than three months, while 5.6 per cent were in long-term unemployment for more than a year. Meanwhile, the number of inactively unemployed or those who believed that there were no jobs available, significantly declined by 15.8 per cent to 105.6 thousand persons (2024: 125.3 thousand persons).

The unemployment rate among youths aged 15 to 24 years edged down by 0.7 percentage points to 9.6 per cent, registering 272.0 thousand unemployed youths (2024: 284.7 thousand persons). Similarly, the unemployment rate among adults aged 25 to 64 years also decreased by 0.2 percentage points to 1.6 per cent (2024: 1.8%), recording 235.2 thousand unemployed (2024: 249.4 thousand persons).

At the state level, W.P. Putrajaya recorded the lowest unemployment rate at 1.1 per cent, followed by Melaka (1.6%), Pahang (1.8%) and Pulau Pinang (1.9%). Meanwhile, the highest LFPR was also registered in W.P. Putrajaya (79.0%), followed by Selangor (78.4 %), W.P. Kuala Lumpur (75.8%), and Pulau Pinang (72.2%). Five states registered female labour force participation surpassed the national rate of 56.6 per cent, namely W.P. Putrajaya (79.7%), Selangor (70.7%), W.P. Kuala Lumpur (66.9%), as well as Melaka and Pulau Pinang, both posted 58.3 per cent.

In the meantime, as for the skill-related underemployment, six states recorded rates below the national level of 35.6 per cent. W.P. Kuala Lumpur registered the lowest rate at 22.8 per cent, followed by W.P. Putrajaya (30.3%), Pulau Pinang (32.0%),

Negeri Sembilan (32.5%), Selangor and Perak (34.6%). Meanwhile, Kelantan posted the highest rate at 50.5 per cent, followed by Terengganu and Pahang trailing at 45.1 per cent and 42.0 per cent, respectively.

The number of persons outside the labour force increased marginally to 7.03 million persons. The majority of this group remained inactive due to housework/ family responsibilities, accounting for 43.8 per cent, followed by those in schooling/ training category (42.2%).

Concluding the statement, the transition towards a green economy and sustainable development continues to generate new employment opportunities in renewable energy, environmental management, and green technology. This aligns with the country's efforts to strengthen economic resilience while fostering a highly skilled and future-ready workforce. Overall, Malaysia's labour market maintained its positive momentum through the end of 2025, supported by proactive policy measures and sustained labour demand across diverse sectors.

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: Labour force and LFPR, Malaysia, 1982 - 2025

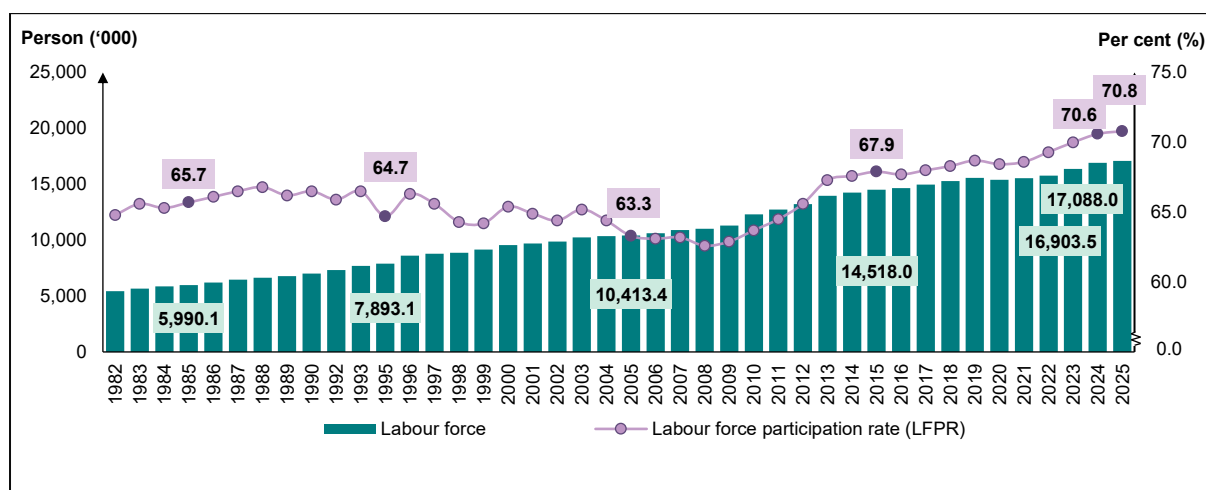


Chart 2: Employed persons and employment-to-population ratio, Malaysia, 1982 - 2025

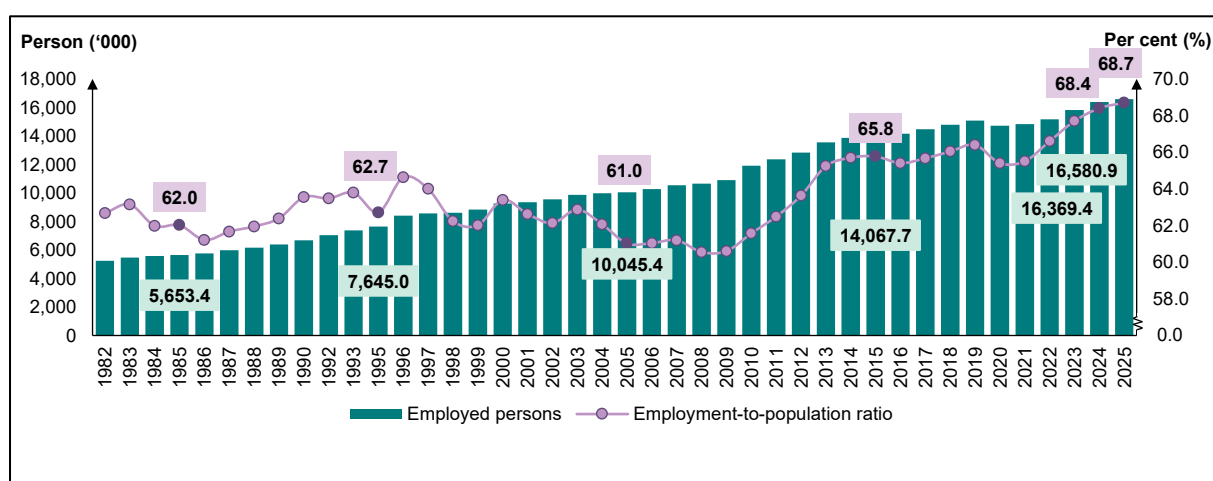
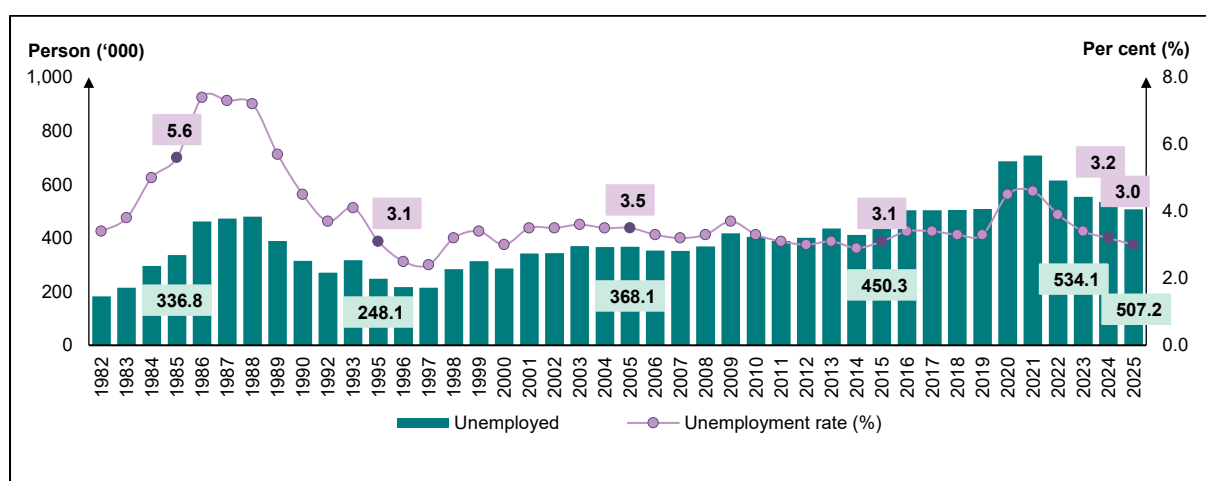


Chart 3: Unemployed persons and unemployment rate, Malaysia, 1982 - 2025



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THE OFFICE OF CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS MALAYSIA
26th JUNE 2026