

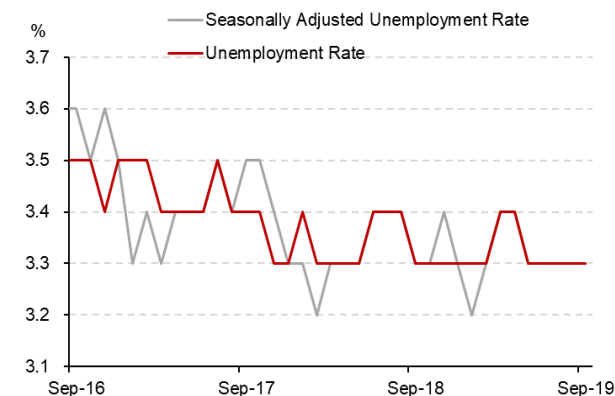
12 November 2019

Malaysia Labour Market

Unemployment remains steady in September at 3.3%

- **The unemployment rate was unchanged at 3.3% in September** for the fourth straight month as growth in labour force, and employment grew at the same pace
 - On a seasonally adjusted basis, unemployment was unchanged at 3.3%
 - Unemployed persons up by 0.2% MoM (Aug: -0.9%), bringing the total unemployed persons to 521.4k (Aug: 520.2k).
- **Growth in labour force and employment grew at the same pace of 0.3% MoM** (Aug: 0.0%)
 - The overall labour force expanded to 15.75m persons in September (Aug: 15.71m).
 - New job creation jumped to 44.1k (Aug: 6.0k) during the month.
 - Growth in the employment of manufacturing sector decreased by 0.03% MoM in September (Aug: -0.01%).
- **Labour force participation rate inched up marginally to 68.7% in September (Aug: 68.6%), while job vacancies decreased sharply by 13.7% MoM in August (Jul: 9.5%)**
 - Mainly due to a contraction in growth of those outside the labour force (-0.2% MoM; Aug: -0.5%).
 - Job vacancies stand at 78.4k (Jul: 90.8k), comprising of 64.4% share of low-skilled jobs (Jul: 69.4%).
- **Stable labour conditions globally**
 - US: jobless rate inched up by 10 bps to 3.6% in October (Sep: 3.5%) due to General Motors workers strike.
 - EU: jobless rate remained at 20-year low, albeit increased marginally by 10 bps to 6.3% in September.
 - Thailand: unemployment rate remained stable and edged down to 0.9% in October (Sep: 1.0%).
- **Overall, we maintain our unemployment rate forecast at 3.5% this year (2018: 3.3%) in line with softer economic expansion for this year (4.5%; 2018: 4.7%)**
 - Attributed to heightened risk from the external sector, in particular, the trade war and global growth slowdown, which could weigh domestic manufacturing and hiring activities.
 - Weak Manufacturing PMI in October, albeit improving, and a sharp contraction in September's export performance may lead to slower job creations in the near term.

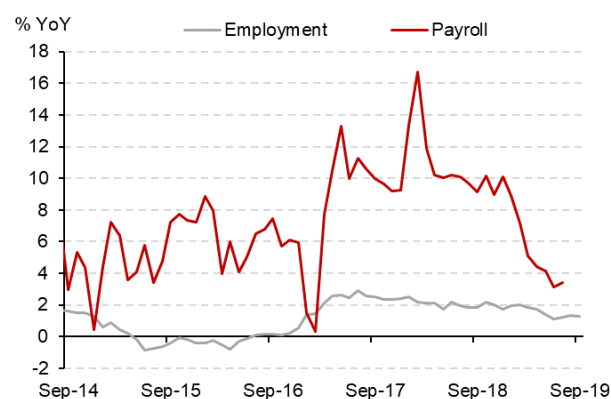
Graph 1: Unemployment Rate



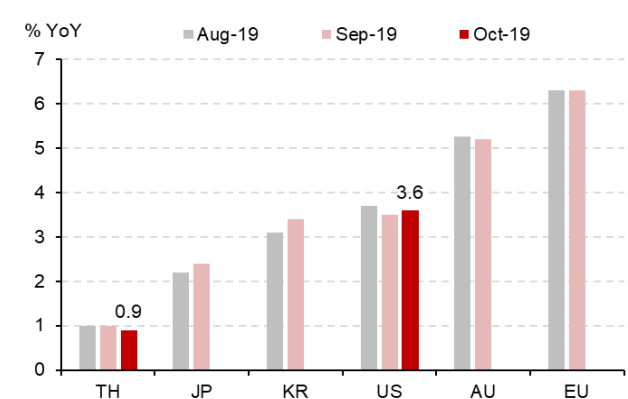
Graph 2: Labour Force Vs. Employment



Graph 3: Manufacturing Employment & Payroll



Graph 4: Global Unemployment Rate



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Table 1: Malaysia's Labour Market Indicators

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
Labour Force						
Number ('000)	15,613.1	15,642.3	15,655.9	15,704.6	15,706.0	15,751.2
YoY %	2.0	1.9	1.8	2.0	1.8	2.0
MoM %	0.4	0.2	0.1	0.3	0.0	0.3
Outside Labour Force						
Number ('000)	7,184.4	7,190.0	7,156.7	7,207.7	7,172.4	7,159.8
YoY %	0.8	1.3	1.3	2.3	0.5	0.9
MoM %	0.2	0.1	-0.5	0.7	-0.5	-0.2
Employment						
Number ('000)	15,089.8	15,122.5	15,134.6	15,179.8	15,185.8	15,229.9
YoY %	1.9	1.8	1.8	2.0	1.9	2.0
MoM %	0.4	0.2	0.1	0.3	0.0	0.3
Unemployment						
Number ('000)	523.3	519.8	521.4	524.8	520.2	521.4
YoY %	2.6	3.0	1.1	1.2	-0.9	1.0
MoM %	0.4	-0.7	0.3	0.7	-0.9	0.2
Unemployment Rate (%)	3.3	3.4	3.3	3.3	3.3	3.3
Unemployment Rate S.A. (%)	3.2	3.4	3.3	3.3	3.3	3.3
Labour Force Participation Rate (%)	68.5	68.5	68.6	68.5	68.6	68.7

Source: Dept. of Statistics, CEIC, Kenanga Research

For further information, please contact:

Wan Suhaimie Wan Mohd Saidie
Head of Economic Research
wansuhaimi@kenanga.com.my

Atiqa Noor Azlan
Economist
atiqa.noorazlan@kenanga.com.my

Muhammad Saifuddin Sapuan
Economist
saifuddin.sapuan@kenanga.com.my

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KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my