

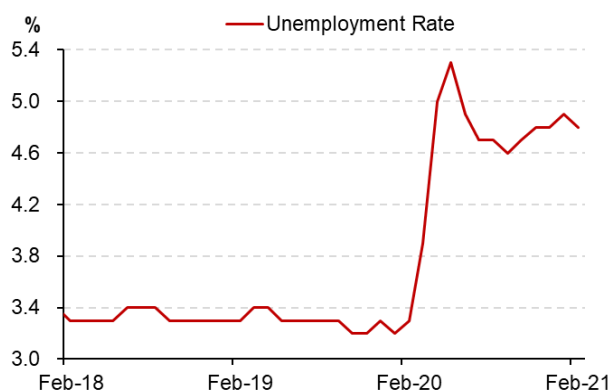
09 April 2021

Malaysia Labour Market

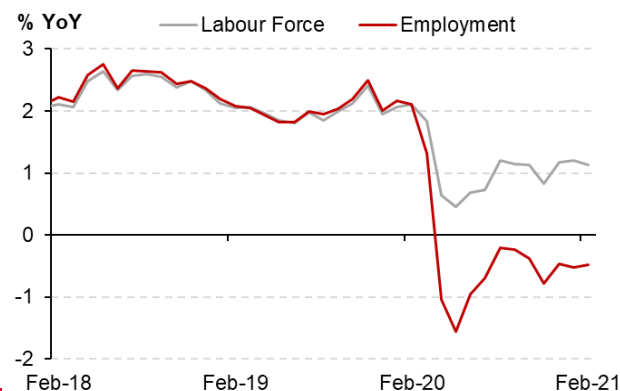
Unemployment rate eased to 4.8% in February on better recovery prospects

- The unemployment rate eased to 4.8% in February (Jan: 4.9%), on continued economic recovery amid a relaxation of Movement Control Order (MCO 2.0)**
 - Unemployed persons (-0.6% MoM; Jan: 1.2%): growth fell marginally, reducing the number of unemployed persons to 777.5k (Jan: 782.5k).
- Employment growth edged up 0.2% MoM (Jan: 0.1%) on continued recovery in the services sector, mainly in wholesale & retail trade, education and human health & social work activities.**
 - Labour force: sustain expansion (16.048m persons; Jan: 16.019m).
 - New job creation: rose to a five-month high (33.3k; Jan: 21.9k).
- Labour force participation rate unchanged (68.5%; Jan: 68.5%)**
 - Growth of the number of people outside of the labour force expanded marginally (0.1% MoM; Jan: -0.1%)
- Unemployment rate eased in the advanced economies**
 - US: unemployment rate eased further in March (6.0%; Feb: 6.2%), as 916,000 jobs were added to the economy on continued resumption of economic activity.
 - JP: unemployment rate stood at 2.9% in February, unchanged for the second straight month despite the second state of emergency declaration.
- Unemployment rate forecast revised to 4.3% (2020: 4.5%) from initial projection of 4.0%**
 - While the domestic labour market shows signs of improving, the downside risk remains as fears of a new wave of COVID-19 infections may weigh on business and consumer sentiment going forward.
 - Nonetheless, the relaxations of movement restrictions as more economic activity were allowed to resume operation, as well as various ongoing policy support and progress of the inoculation campaign, is expected to limit the adverse effect of the pandemic.

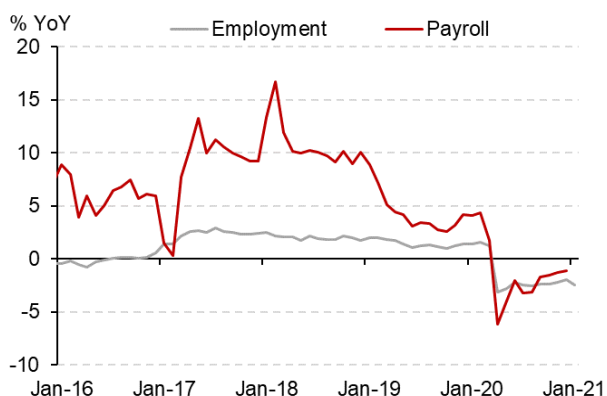
Graph 1: Unemployment Rate



Graph 2: Labour Force Vs. Employment

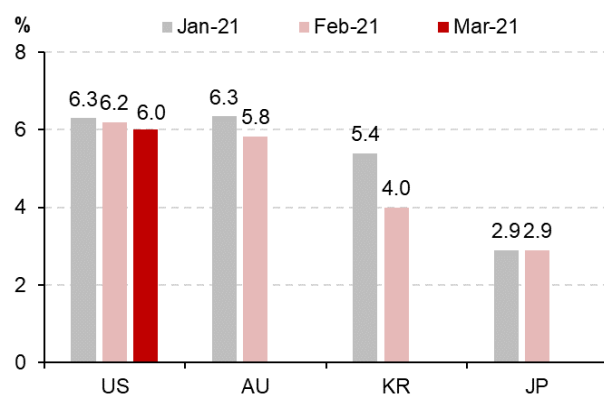


Graph 3: Manufacturing Employment & Payroll



Source: Dept. of Statistics, CEIC, Kenanga Research

Graph 4: Global Unemployment Rate



Source: Dept. of Statistics, CEIC, Kenanga Research

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Table 1: Malaysia's Labour Market Indicators

	Feb-21	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
Laour Force							
Number ('000)	15,869.8	15,930.6	15,955.3	15,960.5	15,988.3	16,019.8	16,048.2
YoY %	2.1	1.1	1.1	0.8	1.2	1.2	1.1
MoM %	0.3	0.2	0.2	0.0	0.2	0.2	0.2
Outside Labour Force							
Number ('000)	7,224.0	7,359.8	7,347.7	7,374.8	7,372.2	7,366.2	7,371.4
YoY %	1.1	2.8	2.4	2.8	3.4	3.3	2.0
MoM %	1.3	0.1	-0.2	0.4	0.0	-0.1	0.1
Employment							
Number ('000)	15,344.5	15,193.1	15,207.1	15,196.1	15,215.4	15,237.3	15,270.6
YoY %	2.1	-0.2	-0.4	-0.8	-0.5	-0.5	-0.5
MoM %	0.2	0.3	0.1	-0.1	0.1	0.1	0.2
Unemployment							
Number ('000)	525.2	737.5	748.2	764.4	772.9	782.5	777.5
YoY %	1.7	41.4	46.1	48.7	49.5	52.9	48.0
MoM %	2.6	-0.6	1.5	2.2	1.1	1.2	-0.6
Unemployment Rate (%)	3.3	4.6	4.7	4.8	4.8	4.9	4.8
Labour Force Participation Rate (%)	68.7	68.4	68.5	68.4	68.4	68.5	68.5

Source: Dept. of Statistics, CEIC, Kenanga Research

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