

# Malaysia Labour Market

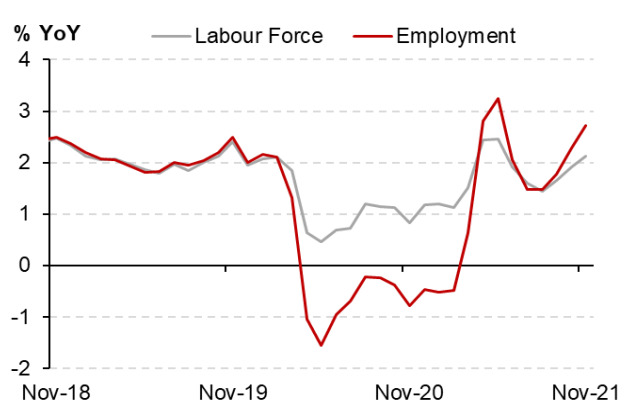
Unemployment rate stays at 4.3% in November, participation rate hit all time high

- The unemployment rate was unchanged for the second straight month in November (Oct: 4.3%)**
  - Unemployed persons (-1.5% MoM; Oct: -3.4%): fell for the fourth straight month, reflecting a continued recovery in the labour market and bringing the number of unemployed persons to below 700.0k mark (694.40k; Oct: 705.0k), lowest since Mar 2020.
- Employment growth recorded a continued expansion (0.4% MoM; Oct: 0.6%), albeit relatively at a slower pace in four months**
  - Labour force: expanded (0.2% MoM; Oct: 0.4%) but at a slower rate and bringing the total labour force to a record high of 16.300m persons (Oct: 16.259m).
  - New job creation: sustained increase (55.4k; Oct: 91.1k), but the rate was slowest in four months.
- Labour force participation rate expanded for the fourth straight month (69.0%; Oct: 68.8%), a record high**
  - This is mainly due to people returning to seek jobs as reflected in the lower number of those outside the labour force, which fell for the fourth straight month (-0.3% MoM; Oct: -0.6%) to 7.34m, lowest since Mar 2020.
- Mixed labour market conditions in the advanced economies**
  - US: the unemployment rate fell sharply in December (3.9%; Nov: 4.2%), the lowest since Feb 2020, reflecting a sustained recovery in the labour market amid a fast-recovering economy.
  - JP: unemployment rate edged up in November (2.8%; Oct: 2.7%), as people returned to seek jobs after the COVID-19 state of the emergency measure was lifted in October.
- 2021 unemployment rate is expected to settle within our projection (4.6%; 2020: 4.5%) and is expected to improve in 2022 to 3.9%**
  - The labour market is expected to continue to recover in the final month of 2021 and reach our average forecast figure of 4.6% for the whole year, in line with the broad reopening of the domestic economy underpinned by the progress of the COVID-19 vaccination campaign. The momentum is expected to gather pace in 2022 as the economy continues to chart an expansion bolstered by various ongoing policy support and robust external demand.
  - Nonetheless, we reiterate our cautiously optimistic outlook on the labour market for 2022, largely due to the persistent downside risks associated with the COVID-19 new variant, which may undermine growth recovery.

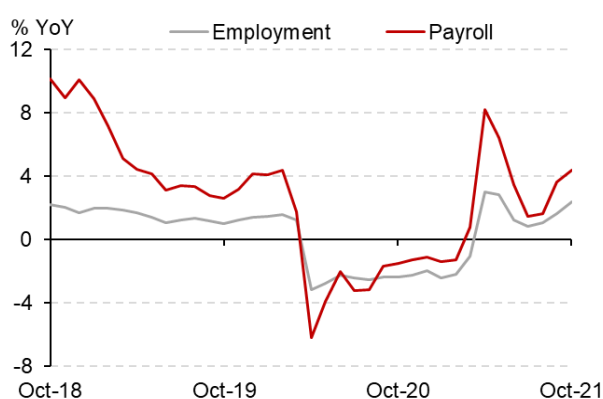
Graph 1: Unemployment Rate



Graph 2: Labour Force Vs. Employment

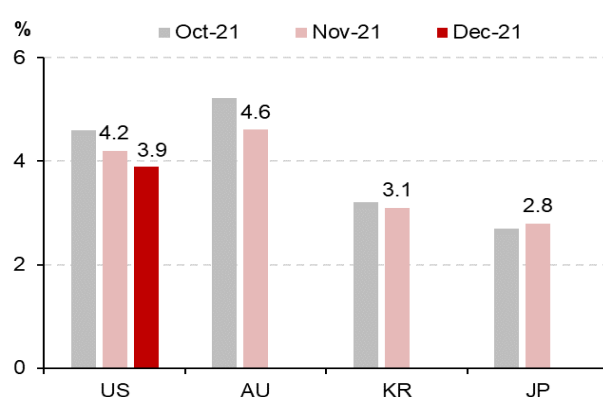


Graph 3: Manufacturing Employment & Payroll



Source: Dept. of Statistics, CEIC, Kenanga Research

Graph 4: Global Unemployment Rate



Source: Dept. of Statistics, CEIC, Kenanga Research

11 January 2022

**Table 1: Malaysia's Labour Market Indicators**

	Nov-20	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
<b>Laour Force</b>							
Number ('000)	15,960.5	16,066.2	16,072.9	16,125.4	16,193.1	16,259.6	16,300.0
YoY %	0.8	1.9	1.6	1.4	1.6	1.9	2.1
MoM %	0.0	-0.2	0.0	0.3	0.4	0.4	0.2
<b>Outside Labour Force</b>							
Number ('000)	7,374.8	7,456.8	7,475.4	7,448.5	7,405.9	7,364.5	7,340.0
YoY %	2.8	0.8	1.0	1.3	0.6	0.2	-0.5
MoM %	0.4	0.8	0.2	-0.4	-0.6	-0.6	-0.3
<b>Employment</b>							
Number ('000)	15,196.1	15,297.5	15,294.8	15,376.6	15,463.5	15,554.6	15,610.0
YoY %	-0.8	2.1	1.5	1.5	1.8	2.3	2.7
MoM %	-0.1	-0.5	0.0	0.5	0.6	0.6	0.4
<b>Unemployment</b>							
Number ('000)	764.4	768.7	778.2	748.8	729.6	705.0	694.4
YoY %	48.7	-0.6	4.4	1.0	-1.1	-5.8	-9.2
MoM %	2.2	5.6	1.2	-3.8	-2.6	-3.4	-1.5
<b>Unemployment Rate (%)</b>	4.8	4.8	4.8	4.6	4.5	4.3	4.3
<b>Labour Force Participation Rate (%)</b>	68.4	68.3	68.3	68.4	68.6	68.8	69.0

Source: Dept. of Statistics, CEIC, Kenanga Research

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