

# Malaysia Labour Market

April unemployment rate remains stable at 3.3% on sustained job growth

- **The unemployment rate remained unchanged at 3.3% in April (Mar: 3.3%), for the sixth straight month, matching pre pandemic levels**

- Unemployment figures fell marginally by 0.04% MoM (Mar: -0.1%): extending its 33-straight month of decline, though the pace was the slowest yet.
- In absolute terms, the number of unemployed persons continued to decline to 566.4k (Mar: 566.6k), the lowest since February 2020 (525.2k). Additionally, the actively unemployed fell slightly to 451.4k (Mar: 451.5k), marking the lowest since March 2020 (422.9k).

- **Employment growth sustained its expansion for 33 months (0.1% MoM; Mar: 0.1%) backed by a strong services sector**

- **By sector:** according to DOSM, the services sector continued to record an increase in the number of employed persons, mainly in the information & communication, food & beverage services and transportation & storage activities. The expansion is also observed in the manufacturing, construction, mining & quarrying, and agriculture sectors during the month.
- **By employment status:** growth in the number of employees (0.1% MoM; Mar: 0.1%) sustained, with the share of total employment unchanged at 75.1%. Similarly, growth in own account workers (0.3%; Mar: 0.3%) also remained unchanged but the share of total employment expanded to 18.4% (Mar: 18.3%). Employers also sustained a growth of 0.5% (Mar: 0.5%) while unpaid family workers fell for the second straight month (-0.2%; Mar: -0.1%).

- **Labour force participation rate unchanged (70.3%; Mar: 70.3%)**

- Labour force (0.14% MoM; Mar: 0.14%): growth was sustained for the third straight month, with the total labour force expanded by 23.4k persons (Mar: 23.8k), reaching a record high of 17.12m persons.

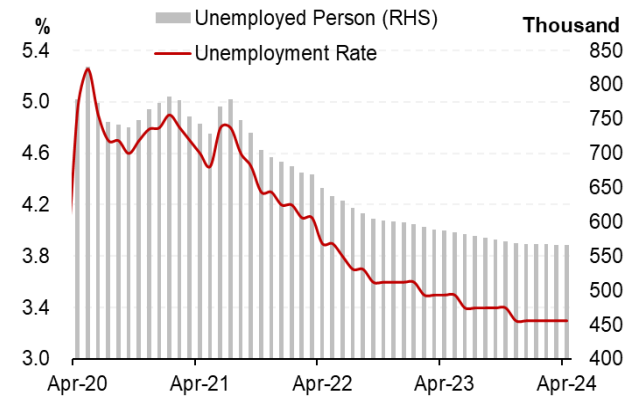
- **Unemployment rate remained below 4.0% among advanced economies**

- US: rise in May (4.0%; Apr: 3.9%) despite higher nonfarm payroll employment which increased by 272,000 in May.
- Japan: remained unchanged in April (2.6%; Mar: 2.6%) but the job availability ratio fell slightly to 1.26 (Mar: 1.24).

- **The forecast for the average unemployment rate in 2024 is maintained at 3.2% (2023: 3.4%) with expectations of sustained hiring towards the end of the year**

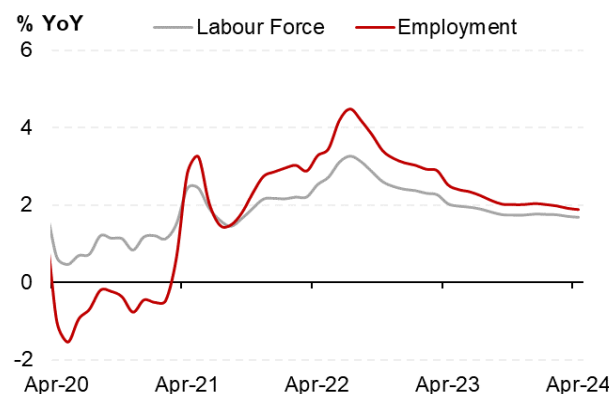
- The labour market is expected to remain stable throughout 2024, with positive hiring activities bolstered by strong expansion in the services sector and supported by recovery in manufacturing sector. This aligns with our GDP growth forecast of 4.5% - 5.0% in 2024 (2023: 3.7%), indicating robust economic activity. Additionally, the realisation of record approved investment worth RM329.5b recorded last year and ongoing government multiyear infrastructure projects detailed in Budget 2024 are also expected to boost hiring activities in the coming months.

Graph 1: Unemployment Rate



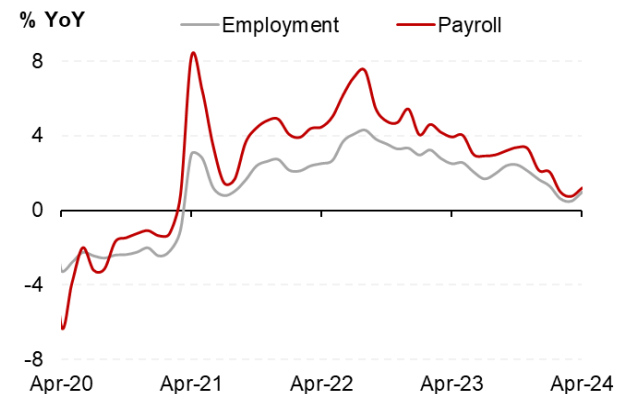
Source: Dept. of Statistics, Kenanga Research

Graph 2: Labour Force Vs. Employment



Source: Dept. of Statistics, Kenanga Research

Graph 3: Manufacturing Payroll and Employment



Source: Dept. of Statistics, Kenanga Research

11 June 2024

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

	Apr-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Labour Force</b>							
Number ('000)	16,838.4	17,000.4	17,025.5	17,050.3	17,074.9	17,098.7	17,122.1
YoY %	2.0	1.7	1.8	1.8	1.8	1.7	1.7
MoM %	0.2	0.2	0.1	0.1	0.1	0.1	0.1
<b>Outside Labour Force</b>							
Number ('000)	7,228.2	7,235.4	7,234.3	7,233.4	7,232.7	7,232.5	7,233.1
YoY %	-0.6	0.0	-0.1	-0.1	-0.1	0.0	0.1
MoM %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Employment</b>							
Number ('000)	16,251.4	16,431.1	16,457.7	16,483.0	16,507.9	16,532.2	16,555.7
YoY %	2.5	2.0	2.0	2.0	2.0	1.9	1.9
MoM %	0.2	0.2	0.2	0.2	0.2	0.1	0.1
<b>Unemployment</b>							
Number ('000)	586.9	569.2	567.8	567.3	567.0	566.6	566.4
YoY %	-9.6	-5.3	-5.3	-4.8	-4.2	-3.8	-3.5
MoM %	-0.3	-0.3	-0.2	-0.1	-0.1	-0.1	0.0
<b>Unemployment Rate (%)</b>	<b>3.5</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>
<b>Labour Force Participation Rate (%)</b>	<b>70.0</b>	<b>70.1</b>	<b>70.2</b>	<b>70.2</b>	<b>70.2</b>	<b>70.3</b>	<b>70.3</b>

Source: Dept. of Statistics, Kenanga Research

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