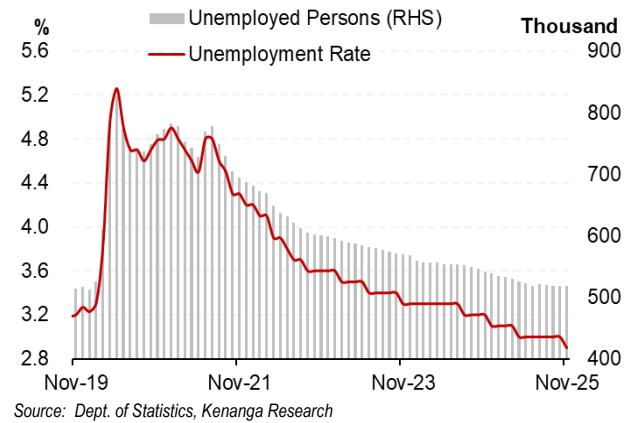


# Malaysia Labour Market

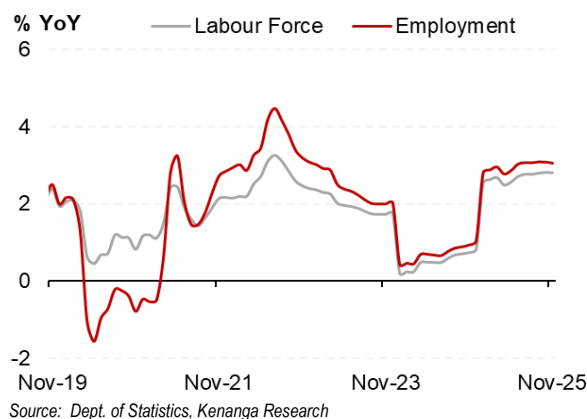
November unemployment rate hits 11-year low at 2.9% as services drive steady hiring

- Unemployment rate edged down to 2.9% in November** (Sep: 3.0%), the lowest level since November 2014 (2.6%), reflecting a tight labour market
  - The number of unemployed fell (-0.1% MoM; Oct: 0.1%) after a brief rebound in the previous month.
  - In absolute terms, unemployment eased to 518.4k (Oct: 518.9k).
  - Actively unemployed or those who were available for work and actively seeking jobs, declined to 413.5k (Oct: 413.8k), a 69-month low or since the start of COVID pandemic in March 2020. It accounts for 79.8% (Oct: 79.7%) of total unemployed.
- Employment growth sustained at 0.2% MoM (Oct: 0.2%) for the fifth straight month, staying above the 2024 MoM average of 0.1%**
  - By sector:** The Department of Statistics (DOSM) reported steady hiring in services, led by human health and social work, wholesale and retail trade, and accommodation and food & beverage services. Agriculture, manufacturing, construction, and mining & quarrying sectors also posted gains.
  - By employment status:** Performance was mixed across groups. Employers (0.8% MoM; Oct: 0.9%) and own account workers (0.3%; Oct: 0.4%), both slowing slightly. Unpaid family workers rebounded to 0.1% (Oct: -0.2%). Employees increased 0.1% (Oct: 0.1%) for the third straight month.
- Labour force participation held at a record high of 70.9% (Oct: 70.9%) for the fourth straight month**
  - Labour force expanded by 0.2% MoM (Oct: 0.2%) for the fifth straight month, rising to 17.61m (Oct: 17.58m).
  - People outside the labour force were unchanged at 7.22m (Oct: 0.1%), a 23-month high.
- Job conditions remained relatively stable among selected advanced Asian economies in November**
  - Japan (2.6%; Oct: 2.6%): Stayed unchanged for the fourth straight month amid steady hiring activities.
  - Taiwan (3.4%; Oct: 3.3%): Jobless rate edged up after a brief improvement in the preceding month.
- 2025 unemployment rate is expected to average 3.0% (2024: 3.3%) with potential upside for a lower rate in 2026 than our initial projection of 3.0%**
  - Outlook:** Malaysia's labour market is expected to remain stable in 2026, supported by resilient domestic-oriented sectors as the economy continues to expand at a moderate pace. Services will lead job creation, driven mainly by Visit Malaysia 2026 campaign and the rollout of approved investments. In manufacturing, E&E hiring is likely to stay firm, supported by a potential tech upcycle and rising demand for AI, EV, 5G and robotics. Government initiatives in high-tech and digital sectors, as well as energy transition will support labour market resilience.
  - GDP forecast:** We maintain our full-year 2025 GDP growth forecast at 4.8% (2024: 5.1%) and expect moderation to 4.2% in 2026. Domestic growth should remain stable in the near term, anchored by a steady labour market and robust services sector expansion.

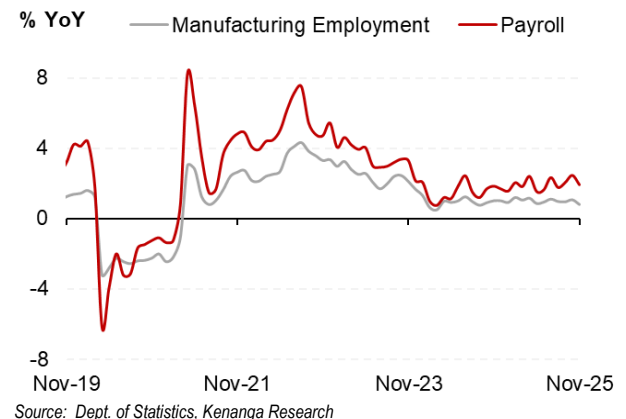
Graph 1: Unemployment Rate



Graph 2: Labour Force Vs. Employment



Graph 3: Manufacturing Payroll and Employment



12 January 2026

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

	Nov-24	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
<b>Labour Force</b>							
Number ('000)	17,127.5	17,434.0	17,470.5	17,508.0	17,544.8	17,579.0	17,610.9
YoY %	0.7	2.7	2.8	2.8	2.8	2.8	2.8
MoM %	0.2	0.3	0.2	0.2	0.2	0.2	0.2
<b>Outside Labour Force</b>							
Number ('000)	7,150.3	7,176.5	7,189.3	7,201.5	7,209.3	7,218.2	7,218.9
YoY %	-1.2	1.5	1.4	1.4	1.3	1.2	1.0
MoM %	0.2	0.0	0.2	0.2	0.1	0.1	0.0
<b>Employment</b>							
Number ('000)	16,585.7	16,915.3	16,948.9	16,988.0	17,026.3	17,060.1	17,092.5
YoY %	0.9	3.0	3.1	3.1	3.1	3.1	3.1
MoM %	0.2	0.3	0.2	0.2	0.2	0.2	0.2
<b>Unemployment</b>							
Number ('000)	541.8	518.7	521.6	520.0	518.6	518.9	518.4
YoY %	-4.8	-6.3	-5.7	-5.7	-5.5	-4.9	-4.3
MoM %	-0.7	-0.7	0.6	-0.3	-0.3	0.1	-0.1
<b>Unemployment Rate (%)</b>	<b>3.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>2.9</b>
<b>Labour Force Participation Rate (%)</b>	<b>70.5</b>	<b>70.8</b>	<b>70.8</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>	<b>70.9</b>

Source: Dept. of Statistics, Kenanga Research

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