



LABOUR MARKET REVIEW, SECOND QUARTER 2022

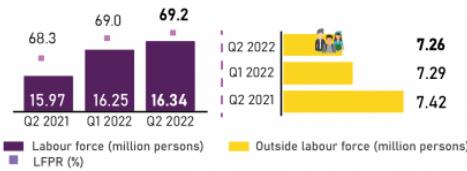


LABOUR MARKET REVIEW SECOND QUARTER 2022

Malaysia's labour market continued to improve, spurred by the transition to endemic phase
The higher number of jobs attributed to increase in employment and reduction of unemployment

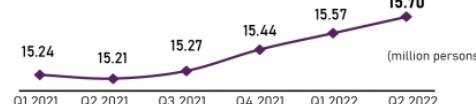
Labour force increased by 371 thousand while **LFPR** rose 0.9 percentage points compared to Q2 2021

Outside labour force declined by 166 thousand from Q2 2021



Note: LFPR = Labour force participation rate

Employed persons edged up by 3.2 per cent as against a year ago



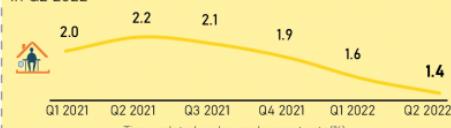
Unemployment rate dropped 0.9 percentage points year-on-year, while unemployed person reduced by 123 thousand persons



Total hours worked increased by 7.5 per cent as against Q2 2021



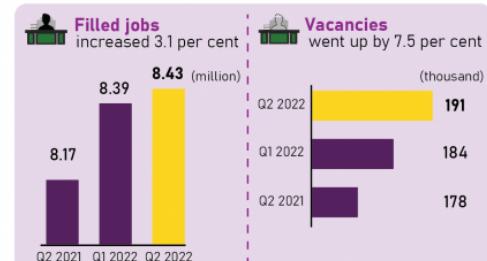
Time-related underemployment continued to decline in Q2 2022



Skill-related underemployment continued to decline, comprised more than one-third of tertiary educated employed persons



Jobs in economic sector went up by 3.2 per cent compared to Q2 2021



Jobs created gained additional 13.23 thousand from the same quarter of previous year



Labour productivity per hour worked
Value added per hour worked grew 1.3 per cent in Q2 2022



Labour productivity per employment
Value added per employment registered a higher growth of 5.5 per cent



Source: Labour Market Review Second Quarter 2022, Department of Statistics Malaysia (DOSM)

Introduction

The Labour Market Review (LMR) is a quarterly release by Malaysian Bureau of Labour Statistics (MBLS), Department of Statistics, Malaysia (DOSM) that brings official statistics to life through reviews and features which highlighted the most recent trends in labour market. The quarterly statistics is consolidated in a narrative to provide readers with a comprehensive view on Malaysia's labour market.

Key Reviews

- Malaysia's labour market continued to improve in Q2 2022, spurred by the transition to endemic phase. Higher number of demand for labour attributed to increase in employment and reduction of unemployment. In Q2 2022, labour force continued to indicate a positive momentum with an increase of 2.3 per cent year-on year to 16.34 million persons. Hence, Labour Force Participation Rate (LFPR) rose 0.9 percentage points to 69.2 per cent, recording a higher rate than 69.1 per cent prior to the pandemic (Q4 2019). The number of employed persons rose by 3.2 per cent to record 15.70 million persons while employment-to-population ratio continued to trend up to 66.5 per cent. In the meantime, the number of unemployed persons declined by 123.0 thousand to 642.0 thousand persons, registering an unemployment rate of 3.9 per cent which was the lowest rate recorded since the pandemic.
- Concomitant to the country's shift to the endemic phase, businesses had resumed in full swing at the normal pre-pandemic hours throughout Q2 2022. This was reflected in the labour market as the number of people working less than 30 hours per week registered a new low since the public health crisis in 2020, after a decline of 31.6 per cent from Q2 2021 to 324.5 thousand persons. Accordingly, the rate of time-related underemployment declined 0.8 percentage points to 1.4 per cent. Meanwhile, skill-related underemployment which comprised more than one-third of tertiary educated employed persons decreased by 1.0 percentage point to 36.7 per cent in Q2 2022.
- In terms of demand in the economic sector, the number of jobs continued to trend up by registering a year-on-year growth of 3.2 per cent to record a total of 8.62 million jobs. Filled jobs which comprised of 97.8 per cent, elevated by 3.1 per cent over the same quarter of the preceding year to record 8.43 million. Meanwhile, jobs opening in the economy which was indicated by the number of vacancies expanded at a faster pace by 7.5 per cent to 191.3 thousand vacancies during the same period.
- As Malaysia's economy registered a stronger growth of 8.9 per cent in Q2 2022 while employment continued its positive growth, labour productivity as measured by value added per employment posted an increase of 5.5 per cent registering the level of RM23,322 per person. During the same period, total hours worked surged 7.5 per cent to 8.94 billion hours with removal of most of the social and economic restrictions following the country's shift into the transition to endemic phase. Thus, labour productivity per hour worked grew 1.3 per cent to bring the level of productivity at RM41.0 per hour.
- Entering the third quarter of 2022, it was observed that things had pretty much returned to normal as people adopts to living with COVID-19. The long weekends in conjunction of Aidiladha celebration, students' registration for foundations and matriculation programmes, as well as the celebration of National Day and Malaysia Day are among the highlights during the quarter. All of these are anticipated to foster a favourable economic situation in Q3 2022, and subsequently may increase the labour demand by industries. Thus, the labour market momentum is foreseen to retain a positive outlook in the upcoming months as the country continues to recover from the pandemic.

The full publication of Labour Market Review Second Quarter of 2022 can be downloaded through [eStatistik](#) Portal.

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