

12 June 2023

# Malaysia Labour Market

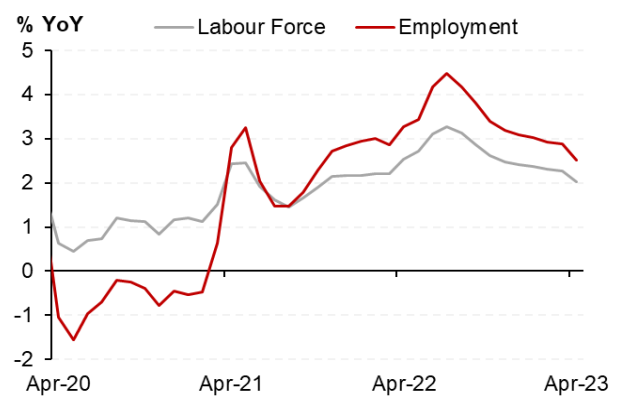
Unemployment rate stays at 3.5% in April amid record labour force participation and employment

- The unemployment rate remained at 3.5% in April (Mar: 3.5%), reflecting a steady labour market condition**
  - Unemployed persons (-0.3% MoM; Mar: -0.5%): continue to decline for 21 months, but at the slowest pace in four months
  - Consequently, the number of unemployed persons fell to 586.9k (Mar: 588.7k), the lowest since February 2020. Additionally, the actively unemployed fell slightly to 471.9k (Mar: 472.9k), the lowest since April 2020 (459.8k).
- Employment expanded for 21-month (0.2% MoM; Mar: 0.2%), hitting 16.25m people, a record high**
  - Labour force: growth sustained (0.2% MoM; Mar: 0.2%), with the total labour force reaching a record high of 16.84m persons (Mar: 16.81m).
  - New job creation: expanded (28.4k; Mar: 33.7k) but at a moderate pace.
- Labour force participation rate hits the highest in Apr (70.0%; Mar: 69.9%)**
  - The number of those outside the labour force continues to decline (-0.03% MoM; Mar: -0.08%), but at the slowest pace in four months, to 7.228m as more people returned to find work.
- Unemployment rate increased among advanced economies**
  - US: rose in May (3.7%; Apr: 3.4%), but jobs added at 339.0k surpassed market expectations (consensus: 180.0k), reflecting a resilient labour market.
  - AU: unemployment climbed in April (3.7%; Mar: 3.5%), its first increase in 2023 as employers slashed jobs.
- 2023 unemployment rate forecast remain at 3.5% (2022: 3.8%)**
  - No change to our average unemployment rate forecast due to sustained employment growth and higher active vacancies at 113,120 as of May 19 (Apr: 20,853) in MyFutureJobs. We believe the resilient domestic demand would partially mitigate the weakness in the external sector amid the impact of the global growth slowdown.
  - With that said, we maintain the 2023 GDP growth forecast at 4.7% (2022: 8.7%), given the steady labour market conditions that will continue to support growth in domestic demand. Besides, we believe a continued recovery in the services sector amid a gradual rise in tourism activity to support our growth outlook.

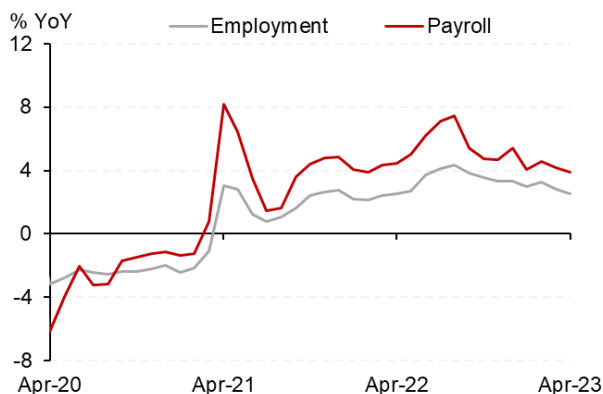
Graph 1: Unemployment Rate



Graph 2: Labour Force Vs. Employment

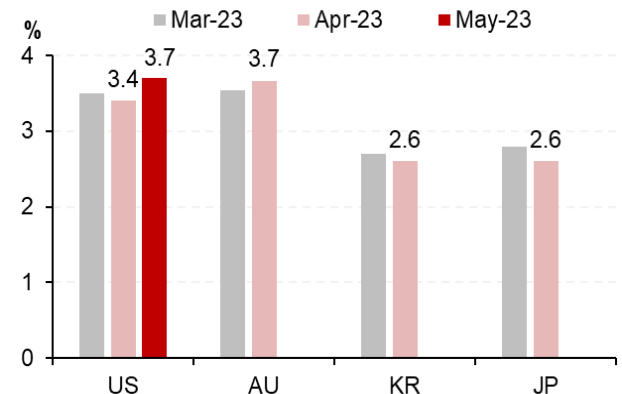


Graph 3: Manufacturing Employment & Payroll



Source: Dept. of Statistics, Kenanga Research

Graph 4: Global Unemployment Rate



Source: Dept. of Statistics, Kenanga Research

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

	Apr-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
<b>Labour Force</b>							
Number ('000)	16,502.8	16,709.4	16,730.0	16,755.4	16,781.2	16,811.7	16,838.4
YoY %	2.5	2.5	2.4	2.4	2.3	2.3	2.0
MoM %	0.4	0.2	0.1	0.2	0.2	0.2	0.2
<b>Outside Labour Force</b>							
Number ('000)	7,270.2	7,235.7	7,239.5	7,238.3	7,236.7	7,230.6	7,228.2
YoY %	-1.4	-1.5	-1.3	-1.3	-1.1	-1.1	-0.6
MoM %	-0.5	0.0	0.1	0.0	0.0	-0.1	0.0
<b>Employment</b>							
Number ('000)	15,853.5	16,108.6	16,130.4	16,159.3	16,189.3	16,223.0	16,251.4
YoY %	3.3	3.2	3.1	3.0	2.9	2.9	2.5
MoM %	0.5	0.2	0.1	0.2	0.2	0.2	0.2
<b>Unemployment</b>							
Number ('000)	649.3	600.9	599.6	596.1	591.9	588.7	586.9
YoY %	-12.6	-13.5	-12.8	-12.4	-11.9	-12.0	-9.6
MoM %	-3.0	-0.2	-0.2	-0.6	-0.7	-0.5	-0.3
<b>Unemployment Rate (%)</b>	3.9	3.6	3.6	3.6	3.5	3.5	3.5
<b>Labour Force Participation Rate (%)</b>	69.4	69.8	69.8	69.8	69.9	69.9	70.0

Source: Dept. of Statistics, Kenanga Research

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