

Malaysia Labour Market

October unemployment rate remains stable at 3.2% for third straight month

- **The unemployment rate stayed at 3.2% (Sep: 3.2%) for the third straight month, matching the pre-pandemic level and reflecting a stable labour market**

- Unemployment numbers fell by 0.7% MoM (Sep: -0.6%), extending a 39-month decline.
- In absolute terms, the number of unemployed persons fell to 551.4k (Sep: 555.3k), gradually approaching the pre-pandemic level (Feb-20: 525.2k).
- Meanwhile, the actively unemployed fell to 440.0k (Sep: 443.5k), the lowest since April 2020 (459.8k), with those unemployed for less than three months decreasing further to 273.7k (Sep: 275.0k), the lowest since April 2020.

- **Employment growth steady at 0.2% MoM (Sep: 0.2%), led by a steady increase in the services sector**

- **By sector:** number of employed persons in the services sector continued to increase, mainly in wholesale & retail trade, food & beverage services, and transportation & storage activities. Similarly, the number of employed in manufacturing, construction, mining & quarrying, and agriculture also expanded.
- **By employment status:** sustained increase in employees (0.1% MoM; Sep: 0.1%) and own account workers (0.3%; Sep: 0.3%). However, employers moderated (0.4%; Sep: 0.9%), while unpaid family workers declined (-0.1%; Sep: 0.1%).

- **Labour force participation rate remained at a record high (70.5%; Sep: 70.5%)**

- Labour force (0.14% MoM; Sep: 0.14%) registered a steady expansion, adding 24.6k persons (Sep: 24.4k), reaching 17.27m persons, while those outside the labour force declined (-0.02%; Sep: -0.01%) further.

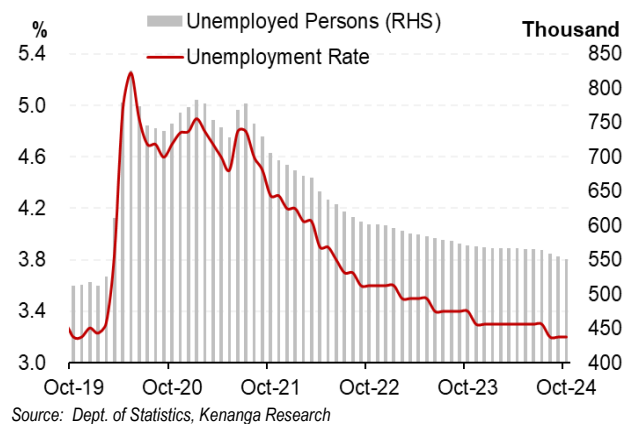
- **Rising unemployment rate recorded among advanced economies**

- US: edged up in November (4.2%; Oct: 4.1%) despite 227,000 jobs added.
- Japan: expanded slightly in October (2.5%; Sep: 2.4%), with job availability ratio increased to 1.25 (Sep: 1.24)

- **2024 average unemployment rate is forecast to remain at 3.3% (2023: 3.4%) and is expected to decline slightly to 3.2% in 2025 on the back of steady domestic economy**

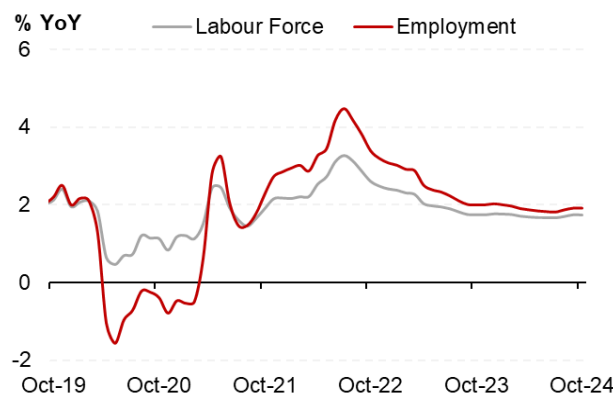
- Unemployment rate has averaged 3.3% in the first 10 months and is projected to remain stable in the remaining months of 2024, driven by resilient domestic demand amid the festive season period and increased tourist arrivals.
- For 2025, employment growth is expected to be driven by the services sector and steady expansion in manufacturing, driven by realised investments and the ongoing global tech upcycle. Federal government spending, with a record RM421.0b in Budget 2025, will provide additional support to employment.
- Given October's low unemployment rate, which continues to underpin domestic demand, the 2024 GDP growth forecast is maintained at 5.0% (2023: 3.6%). Growth is projected to moderate to 4.8% in 2025, reflecting rising global economic uncertainties following changes in the US administration.

Graph 1: Unemployment Rate



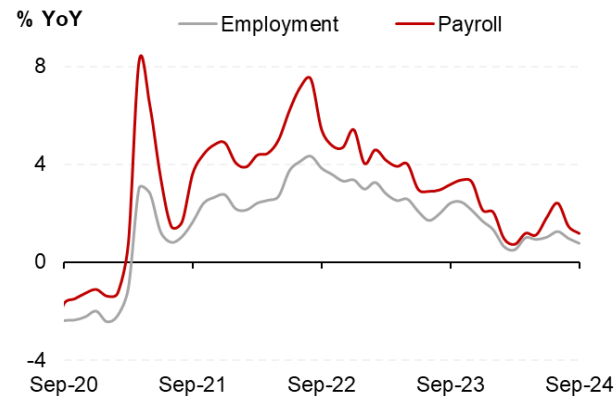
Source: Dept. of Statistics, Kenanga Research

Graph 2: Labour Force Vs. Employment



Source: Dept. of Statistics, Kenanga Research

Graph 3: Manufacturing Payroll and Employment



Source: Dept. of Statistics, Kenanga Research

10 December 2024

Table 1: Malaysia's Labour Market Indicators

	Oct-23	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Labour Force							
Number ('000)	16,974.1	17,145.9	17,171.1	17,195.7	17,219.9	17,244.3	17,268.9
YoY %	1.7	1.7	1.7	1.7	1.7	1.7	1.7
MoM %	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Outside Labour Force							
Number ('000)	7,237.6	7,232.9	7,231.7	7,230.7	7,230.0	7,229.2	7,228.0
YoY %	0.0	0.1	0.1	0.1	0.0	-0.1	-0.1
MoM %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employment							
Number ('000)	16,403.2	16,579.9	16,605.7	16,632.0	16,661.4	16,689.0	16,717.5
YoY %	2.0	1.8	1.8	1.8	1.9	1.9	1.9
MoM %	0.2	0.1	0.2	0.2	0.2	0.2	0.2
Unemployment							
Number ('000)	570.9	566.1	565.3	563.7	558.5	555.3	551.4
YoY %	-5.2	-3.2	-2.8	-2.7	-3.3	-3.2	-3.4
MoM %	-0.5	-0.1	-0.1	-0.3	-0.9	-0.6	-0.7
Unemployment Rate (%)	3.4	3.3	3.3	3.3	3.2	3.2	3.2
Labour Force Participation Rate (%)	70.1	70.3	70.4	70.4	70.4	70.5	70.5

Source: Dept. of Statistics, Kenanga Research

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