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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW (LMR), FIRST QUARTER 2023



The labour market expands in the first quarter of 2023, driven by the current economic expansion.

Key Reviews

- In Q1 2023, labour force strengthened further by 2.5 per cent year-on-year to record 16.65 million persons. Therefore, labour force participation rate increased by 0.8 percentage points to 69.8 per cent, far surpassing the pre-pandemic level in Q4 2019. The number of employed persons continued to increase by 3.1 per cent to 16.06 million persons with employment-to-population ratio trend up to 67.3 per cent. Concurrently, the number of unemployed persons declined by 12.6 per cent (-84.3 thousand) to 586.9 thousand persons, registering the lowest unemployment rate since the emergence of COVID-19, matching the rate recorded in Q1 2020 at 3.5 per cent.
- The number of employed persons working less than 30 hours per week continued to trend down by 18.5 per cent from Q1 2022 to 274.2 thousand persons driven by strong domestic demand throughout Q1 2023. Accordingly, the rate of time-related underemployment declined to 1.1 per cent. In the meantime, skill-related underemployment which comprised more than one-third of employed persons with tertiary education increased slightly by 0.5 percentage points to 37.4 per cent from Q1 2022 and remained the same as in the previous quarter.
- Looking at labour demand in the economic sector, the number of jobs grew by 2.7 per cent year-on-year to record a total of 8.81 million jobs. Filled jobs which comprised of 97.8 per cent, also increased by 2.7 per cent over the same quarter of the preceding year to 8.61 million. Meanwhile, jobs opening in the economy which was indicated by the number of vacancies rose by 4.5 per cent to 192.6 thousand vacancies during Q1 2023.
- As Malaysia's economy expanded by 5.6 per cent, while employment sustained its positive growth, labour productivity as measured by value added per employment posted an increase of 2.4 per cent registering the level of RM23,712 per person in Q1 2023. During the same period, total hours worked surged by 3.5 per cent to 9.25 billion hours. Thus, labour productivity per hour worked grew 2.1 per cent to bring the level of productivity at RM41.2 per hour.
- Malaysia's labour market continued to show significant improvement in the first quarter of 2023, and is anticipated to remain supportive of domestic demand, thereby

bolstering the country's economic growth. The persistent decline in the unemployment rate and the increase in job opportunities reflect the labour market's positive momentum and provide a solid foundation for sustained consumer expenditure and economic growth. As we enter the second quarter of 2022, the Malaysia's labour market is projected to remain strong, supported by the country's ongoing economic growth, government initiatives and the resilience of key industries. By fostering an environment conducive to business development and investing in the workforce's skills, Malaysia is well-positioned to capitalise on emerging opportunities and maintain a positive outlook for the labour market.

The full publication of Labour Market Review First Quarter of 2023 can be downloaded through [eStatistik](#) Portal.

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