

## ECONOMIC REVIEW | April 2024 Labour Market

# Steady and Stable Malaysia's Job Market as Unemployment Rate Remained at 3.30%

- *Healthy job market. Malaysia's labour market remained steady and stable as unemployment rate stayed at post-pandemic low of 3.3% in Apr-24. Labour force and employment rose steadily by +1.7%yoy and +1.9%yoy respectively. . We opine the steady and stable job market will continue supporting overall domestic consumption in 2QCY24 onwards.*
- *Average 3MCY24 job vacancies 126.2K. For the first quarter of 2024, average job vacancies were 126.2K, lower than last year's 166.9K. However, the job vacancies were still higher than pre-pandemic average 114K (2009-2019). As compared to Feb-24, job vacancies increased by +17.3%mom among others supported by manufacturing +50.5%mom and services +17.8%mom.*
- *Average jobless rate to remain at 3.3% in 2024. As of 4MCY24, average jobless rate was 3.3% (2023: 3.4%) while labour force and employment increased by +1.7% (2023: +2.0%) and +1.9% (2023: +2.4%). The labour market in Malaysia is expected to strengthen further in 2024, backed by steady upbeat momentum in the domestic economy and further recovery in external trade.*

**Healthy job market.** Malaysia's labour market remained steady and stable as unemployment rate stayed at post-pandemic low of 3.3% in Apr-24. Labour force and employment rose steadily by +1.7%yoy and +1.9%yoy respectively. The unemployed persons stayed at 566K in Apr-24, approximately 47K higher than average jobless persons 519K in 2019. For youth aged 15~24, the unemployment rate stayed at post-pandemic low of 10.6% (2019: 10.4%). By employment type, employee which made up about 75.1% of the employment increased steadily by +1.3%yoy while employer (3.6% of employment) and own-account-worker (18.3% of employment) increased by +4.8%yoy and +4.1%yoy respectively in the first month of 2QCY24. We opine the steady and stable job market will continue supporting overall domestic consumption in 2QCY24 onwards.

**Table 1: Summary of Labour Market ('000)**

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Labour Force</b>	17,000	17,026	17,050	17,075	17,099	17,122
YoY%	1.7	1.8	1.8	1.8	1.7	1.7
MoM%	0.2	0.1	0.1	0.1	0.1	0.1
<b>Employment</b>	16,431	16,458	16,483	16,508	16,532	16,556
YoY%	2.0	2.0	2.0	2.0	1.9	1.9
MoM%	0.2	0.2	0.2	0.2	0.1	0.1
<b>Unemployment</b>	569	568	567	567	567	566
YoY%	(5.3)	(5.3)	(4.8)	(4.2)	(3.8)	(3.5)
MoM%	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)
<b>Outside Labour Force</b>	7,235	7,234	7,233	7,233	7,233	7,233
YoY%	(0.0)	(0.1)	(0.1)	(0.1)	0.0	0.1
MoM%	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Unemployment Rate %</b>	3.30	3.30	3.30	3.30	3.30	3.30

Source: DOSM, MIDFR

**Average 3MCY24 job vacancies 126.2K.** For the first quarter of 2024, average job vacancies were 126.2K, lower than last year's 166.9K. However, the job vacancies were still higher than pre-pandemic average 114K (2009-2019). As compared to Feb-24, job vacancies increased by +17.3%mom among others supported by manufacturing +50.5%mom and services +17.8%mom. We foresee average job vacancies to hover at 100~120K per month level for 2024 thanks to external trade recovery and resilient domestic demand.

**Table 2: Composition of Job Vacancies by Type & Sector (%)\***

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>Total Jobs, Thousands</b>	163.2	113.6	94.1	153.5	103.6	121.6
Legislators, Senior Officials & Managers	6.1	5.3	6.0	5.8	8.2	6.4
Professionals	16.7	19.8	16.8	16.6	19.4	16.2
Technicians & Associate Professionals	13.1	12.4	13.2	23.6	12.2	21.4
Clerical Workers	8.3	9.7	11.0	11.8	12.8	9.4
Service, Shop & Market Sales Workers	12.4	12.2	14.4	9.3	11.9	12.0
Skilled Agricultural & Fisheries Workers	0.6	0.4	0.5	0.2	0.2	0.2
Craft and Related Trades Workers	5.5	5.9	3.8	4.2	6.7	7.8
Plant & Machinery Operators & Assemblers	9.1	8.1	5.5	8.2	4.4	4.8
Elementary Occupations	28.3	26.2	28.9	20.2	24.0	21.9
<b>Agriculture, Forestry &amp; Fishing</b>	7.0	10.9	7.7	0.0	0.2	4.7
<b>Mining &amp; Quarrying</b>	0.6	0.6	0.4	0.7	0.9	0.6
<b>Manufacturing</b>	16.2	17.3	20.4	14.2	15.7	20.1
<b>Construction</b>	11.2	10.1	10.6	7.0	11.3	9.6
<b>Services</b>	65.1	61.2	60.8	68.9	64.6	64.8

\*Data Available Up Until Mar-24


Source: DOSM, MIDFR

**American payrolls outpace market expectations.** The US nonfarm payrolls surged by +272K in May-24 (Apr-24: +165K), surpassing market expectations of +185K. Private payrolls (share: 85.3% of total employment) rose stronger by +229K (Apr-24: +158K). Notably, private service providers expanded its workforce by +204K, the fastest growth in a year, with all sub-sectors except the information sector increasing its hiring. The goods-producing sector added +25K payrolls, rebounding from no change in the previous month. Despite the stronger-than-expected job growth, the unemployment rate increased to more than 2-year high at 4.0% in May-24, against the market consensus for the rate to remain at 3.9%. As for Euro Area, jobless rate maintained at record low 6.4% in Apr-24. Across the globe, China's unemployment rate edged lower to 5-month low at 5.0% in Apr-24.

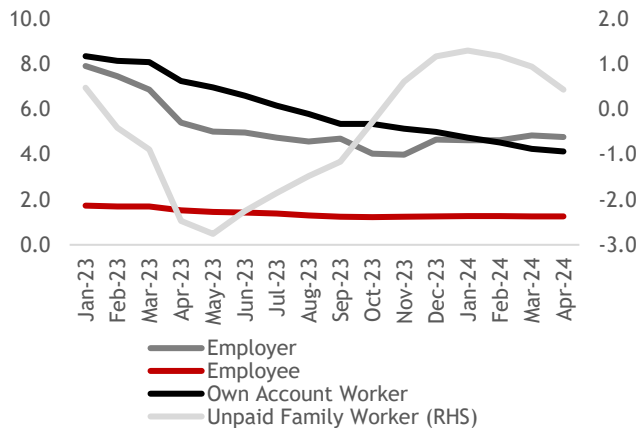
**Table 3: Global Unemployment Rate (%)**

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Malaysia	3.4	3.3	3.3	3.3	3.3	3.3	3.3
Taiwan	3.4	3.4	3.4	3.4	3.4	3.4	3.4
South Korea	2.5	2.8	3.2	3.0	2.6	2.8	2.8
Hong Kong	2.9	2.9	2.9	2.9	2.9	3.0	3.0
China	5.0	5.0	5.1	5.2	5.3	5.2	5.0
Japan	2.5	2.5	2.5	2.4	2.6	2.6	2.6
Euro Area	6.6	6.5	6.5	6.5	6.5	6.5	6.4
USA	3.8	3.7	3.7	3.7	3.9	3.8	3.9

Source: MACROBOND, MIDFR

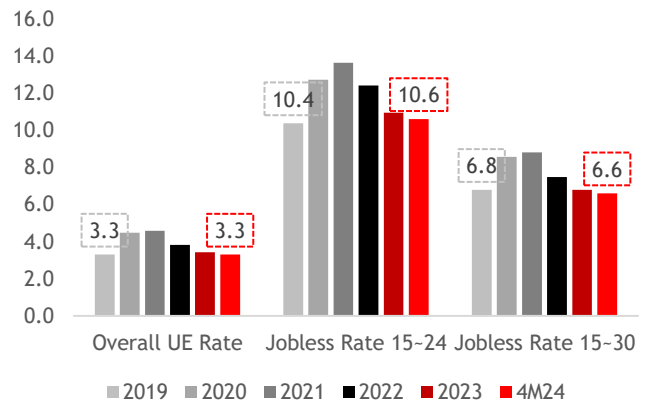
**Average jobless rate to remain at 3.3% in 2024.** As of 4MCY24, average jobless rate was 3.3% (2023: 3.4%) while labour force and employment increased by +1.7% (2023: +2.0%) and +1.9% (2023: +2.4%). The labour market in Malaysia is expected to strengthen further in 2024, backed by steady upbeat momentum in the domestic economy and further recovery in external trade. Malaysia's average unemployment rate is expected to be maintained at 3.3% in 2024. The return of non-citizens workers is expected to boost overall employment and reduce the jobless rate. As of 2023, non-citizens' employment is -2.4% lower than pre-pandemic levels. The downside risks to Malaysia's labour market among others is lower-than-expected external trade recovery and nosedived of global commodity prices. 

**Chart 1: Employment by Type (YoY%)**



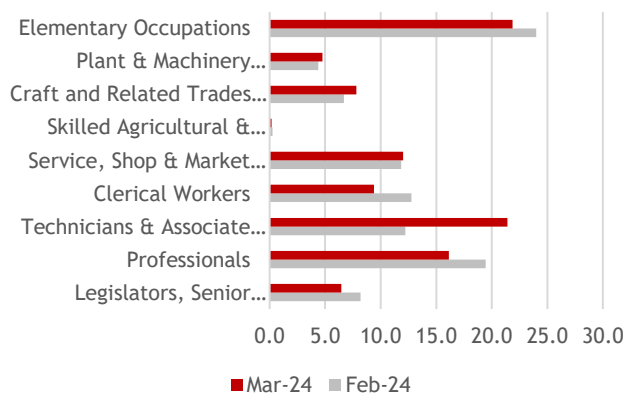
Source: DOSM, MIDFR

**Chart 2: Jobless Rate by Age Group (%)**



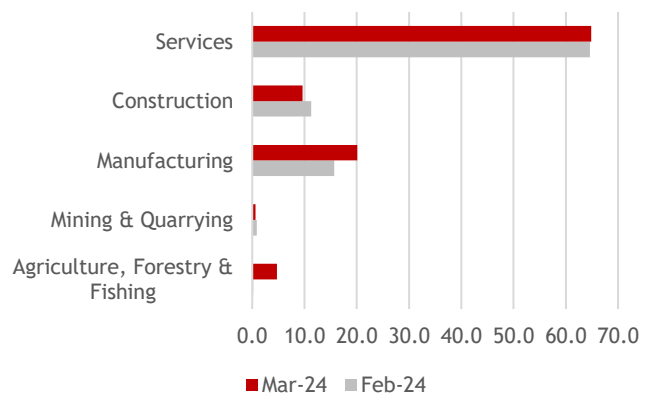
Source: DOSM, MIDFR

**Chart 3: Share of Job Vacancies by Type (%)**



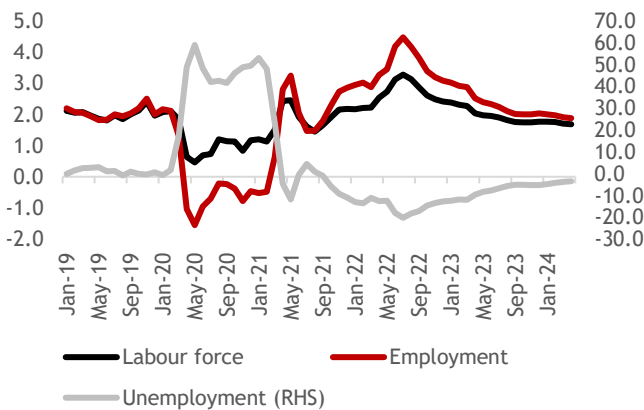
Source: DOSM, MIDFR

**Chart 4: Share of Job Vacancies by Sector (%)**



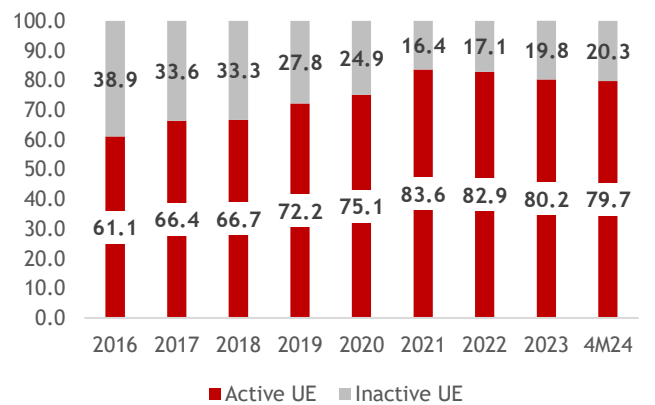
Source: DOSM, MIDFR

**Chart 5: Labour Market Performances (YoY%)**



Source: DOSM, MIDFR

**Chart 6: Type of Unemployment (% of Unemployment)**



Source: DOSM, MIDFR

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