

ECONOMIC REVIEW | June 2024 Labour Market

Job Market Remained Resilient in Jun-24

- Labour remains stable in Jun-24. Malaysia's labour market remained robust in Jun-24, with the unemployment rate holding steady at a post-pandemic low of 3.3%. Both the labour force and employment figures showed consistent year-on-year growth, increasing by +1.7%yoy and +1.8%yoy, respectively.*
- Average 1HCY24 job vacancies are still at 124.8K as of Jun-24. As of 1HCY24, monthly average job vacancies were 124.8K, lower than last year's 166.9K. However, the job vacancies were still higher than pre-pandemic average 114K (2009-2019). In Jun-24, the total job vacancies reached 109.3K, sustaining levels within the pre-pandemic average. Only mining and quarrying registered a positive month-on-month gain. Nevertheless, job vacancies across all sectors remain encouraging with manufacturing notably averaging over 20K vacancies each month in 1HCY24.*
- Malaysia's unemployment rate is projected to remain steady at 3.3% throughout 2024. As of 6MCY24, the average unemployment rate stood at 3.3%, down slightly from 3.4% in 2023. Meanwhile, the labour force and employment levels have increased by +1.7% (2023: +2.0%) and +1.9% (2023: +2.4%) respectively. The Malaysian labour market is anticipated to strengthen further in 2024, supported by sustained positive momentum in the domestic economy and continued recovery in external trade.*

Labour remains stable in Jun-24. Malaysia's labour market remained robust in Jun-24, with the unemployment rate holding steady at a post-pandemic low of 3.3%. Both the labour force and employment figures showed consistent year-on-year growth, increasing by +1.7%yoy and +1.8%yoy, respectively. The number of unemployed persons was recorded at 565K in Jun-24, approximately 46K higher than the average jobless persons of 519K in 2019. For youth aged 15~24, the unemployment rate remained at a post-pandemic low of 10.5% (2019: 10.4%). By employment type, employee which made up 75.0% of the employment increased steadily by +1.3%yoy while employer (3.6% of employment) and own-account-worker (18.4% of employment) increased by +4.7%yoy and +3.8%yoy respectively in Jun-24. As of 1HCY24, average vacancy rate stood at 22.0% (2023: 28.7%). Looking ahead, we see that the still encouraging job vacancies number signals continuous stability in the labour market. Steady upbeat momentum in the domestic economy and further recovery in external trade are key supporting factors for the job market.

Table 1: Summary of Labour Market ('000)

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Labour Force	17,050	17,075	17,099	17,122	17,146	17,171
YoY%	1.8	1.8	1.7	1.7	1.7	1.7
MoM%	0.1	0.1	0.1	0.1	0.1	0.1
Employment	16,483	16,508	16,532	16,556	16,580	16,606
YoY%	2.0	2.0	1.9	1.9	1.8	1.8
MoM%	0.2	0.2	0.1	0.1	0.1	0.2
Unemployment	567	567	567	566	566	565
YoY%	(4.8)	(4.2)	(3.8)	(3.5)	(3.2)	(2.8)

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
MoM%	(0.1)	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)
Outside Labour Force	7,233	7,233	7,233	7,233	7,233	7,232
YoY%	(0.1)	(0.1)	0.0	0.1	0.1	0.1
MoM%	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Unemployment Rate %	3.3	3.3	3.3	3.3	3.3	3.3

Source: DOSM, MIDFR

Average 1HCY24 job vacancies are still at 124.8K as of Jun-24. As of 1HCY24, monthly average job vacancies were 124.8K, lower than last year's 166.9K. However, the job vacancies were still higher than pre-pandemic average 114K (2009-2019). In Jun-24, the total job vacancies reached 109.3K, sustaining levels within the pre-pandemic average. This demonstrates continued robustness in the job market. Among specific categories, 'Elementary Occupations' notably increased to 25K vacancies in Jun-24, highlighting ongoing demand in foundational job sectors. By sector, only mining and quarrying registered a positive month-on-month gain. Nevertheless, job vacancies across all sectors remain encouraging with manufacturing notably averaging over 20K vacancies each month in 1HCY24.

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

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Total Jobs, Thousands	153.5	103.6	121.6	138.1	122.9	109.3
Legislators, Senior Officials & Managers	5.8	8.2	6.4	9.9	20.8	6.1
Professionals	16.6	19.4	16.2	16.9	17.6	18.9
Technicians & Associate Professionals	23.6	12.2	21.4	19.2	14.4	16.2
Clerical Workers	11.8	12.8	9.4	14.0	9.6	12.2
Service, Shop & Market Sales Workers	9.3	11.9	12.0	10.7	9.8	11.2
Skilled Agricultural & Fisheries Workers	0.2	0.2	0.2	0.4	0.3	0.3
Craft and Related Trades Workers	4.2	6.7	7.8	5.2	5.4	5.2
Plant & Machinery Operators & Assemblers	8.2	4.4	4.8	4.5	4.0	6.9
Elementary Occupations	20.2	24.0	21.9	19.1	18.2	23.1
Agriculture, Forestry & Fishing	0.0	0.2	4.7	5.7	7.4	6.5
Mining & Quarrying	0.7	0.9	0.6	1.1	1.1	1.3
Manufacturing	14.2	15.7	20.1	12.5	17.9	18.9
Construction	7.0	11.3	9.6	13.5	10.3	9.5
Services	68.9	64.6	64.8	67.3	63.4	63.6

Source: PERKESO, MIDFR

American jobless rate rose despite stronger NFP numbers. US non-farm payroll rose +114K in Jul-24 (Jun-24: +179K), the lowest in 3 months and much softer than market expectations of +175K. The private sector upsized their workforce by +97K, with the private service providers increased hiring by +72K (Jun-24: +125K), the lowest in its current 43-month expansionary sequence. Meanwhile, goods-producing payrolls soared +25K, the steepest rise in 3 months. As the labour market expansion softened, the jobless rate rose to 4.3%, marking

the 4th consecutive month of increase and the highest since Oct-21, surpassing market expectations for it to remain at 4.1%. As for Euro Area, jobless rate rose to 6.5% in Jun-24. Across the globe, China's unemployment rate maintained at 5-month low 5.0% in Jun-24.

Table 3: Global Unemployment Rate (%)

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Malaysia	3.3	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	3.3
South Korea	3.2	3.0	2.6	2.8	2.8	2.8	2.8
Hong Kong	2.9	2.9	2.9	3.0	3.0	3.0	3.0
China	5.1	5.2	5.3	5.2	5.0	5.0	5.0
Japan	2.5	2.4	2.6	2.6	2.6	2.6	2.5
Euro Area	6.5	6.5	6.5	6.5	6.4	6.4	6.5
USA	3.7	3.7	3.9	3.8	3.9	4.0	4.1

Source: MACROBOND, MIDFR


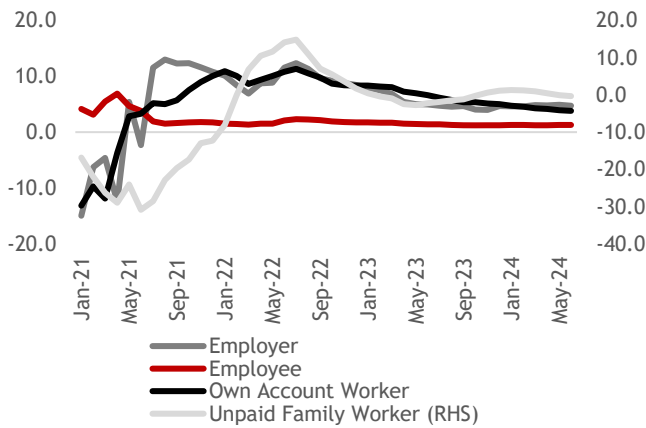
Malaysia's unemployment rate is projected to remain steady at 3.3% throughout 2024. As of 6MAY24, the average unemployment rate stood at 3.3%, down slightly from 3.4% in 2023. Meanwhile, the labour force and employment levels have increased by +1.7% (2023: +2.0%) and +1.9% (2023: +2.4%) respectively. The Malaysian labour market is anticipated to strengthen further in 2024, supported by sustained positive momentum in the domestic economy and continued recovery in external trade. The anticipated return of non-citizen workers is expected to further bolster overall employment, helping to maintain the unemployment rate at 3.3%. As of 2023, non-citizen employment remains -2.4% below pre-pandemic levels. However, potential downside risks to Malaysia's labour market include a weaker-than-expected recovery in external trade and a significant decline in global commodity prices. 

Chart 1: Employment by Type (YoY%)



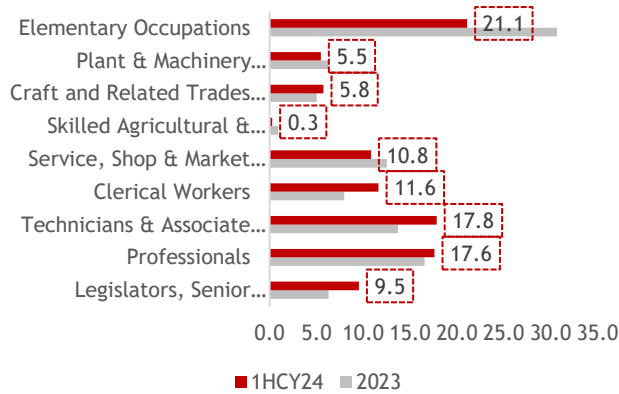
Source: DOSM, MIDFR

Chart 2: Jobless Rate vs. Job Vacancy Rate (%)



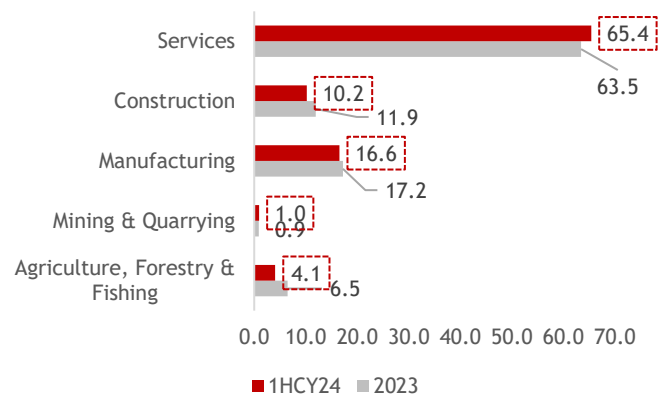
Source: DOSM, MIDFR

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



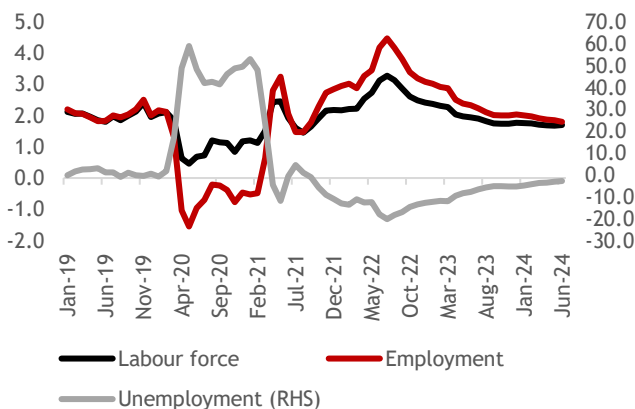
Source: DOSM, MIDFR

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



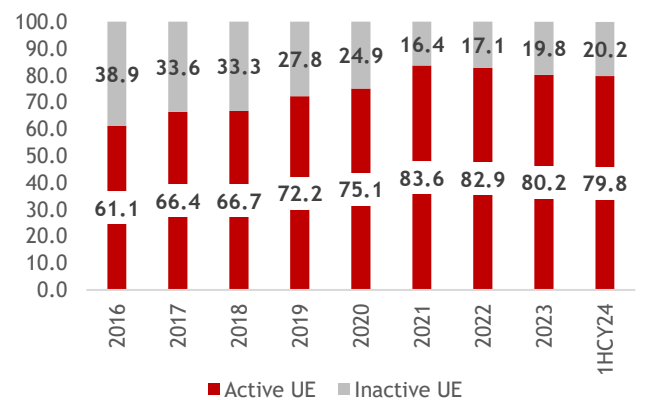
Source: DOSM, MIDFR

Chart 5: Labour Market Performances (YoY%)



Source: DOSM, MIDFR

Chart 6: Type of Unemployment (% of Unemployment)



Source: DOSM, MIDFR

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