



LABOUR MARKET REVIEW, SECOND QUARTER 2025

Malaysia's labour market remained strong in the second quarter of 2025, supported by a continued increase in employed persons, reaching 16.85 million persons, with a rate of filled jobs of 97.9 per cent.

LABOUR SUPPLY

17.37 million
labour force

▲ 2.7% YoY
▲ 0.8% QoQ

7.15 million
outside
labour force

▲ 2.0% YoY
▲ 0.4% QoQ

More than 85 per cent did not seek for work due to schooling and housework



40.9%

Schooling/
Training program



44.4%

Housework/
family responsible



14.7%

Others

*refer to people who are going for further study, disabled, not interested/ just completed study and retired/ old age

Employed persons continued

to increase, to 16.85 million persons

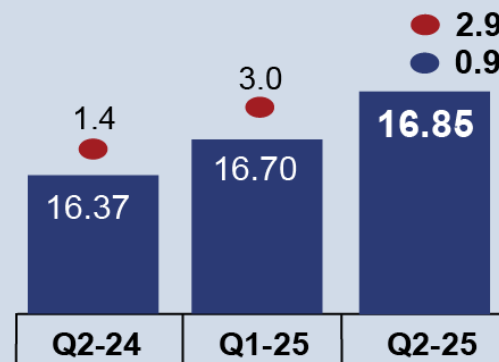


Total hours worked

during Q2, 9.70 billion hours

▲ 1.0% YoY

▲ 0.5% QoQ



■ Employed persons (million) ● % YoY ● % QoQ

Underemployment situation

Time-related underemployment rate declined at 0.8 per cent, while

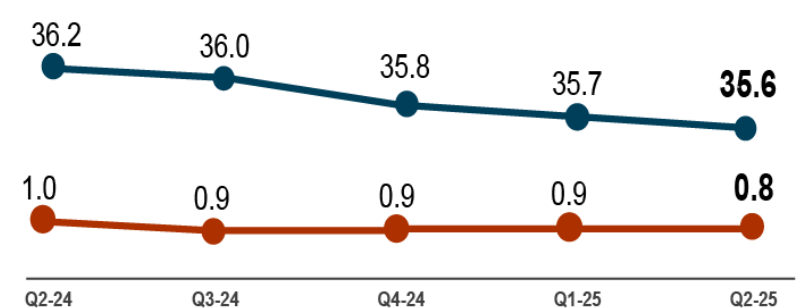
Skill-related underemployment rate declined 0.6 percentage points as compared to Q2 2024



Skill-related
underemployment
rate (%)

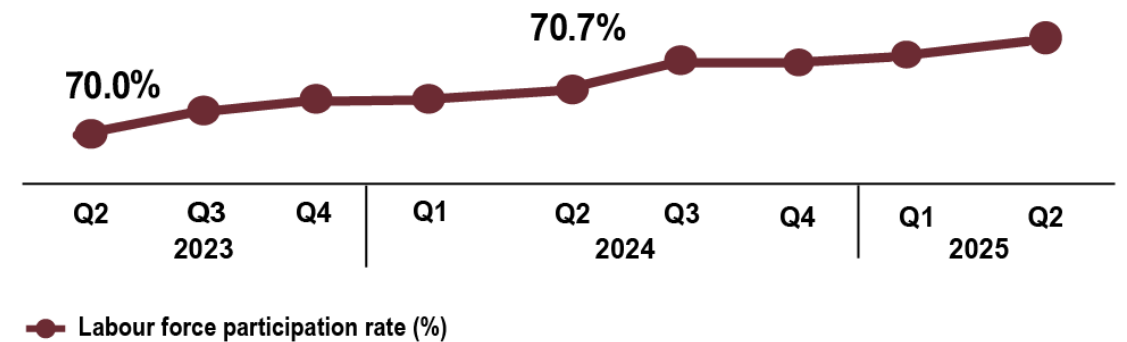


Time-related
underemployment
rate (%)



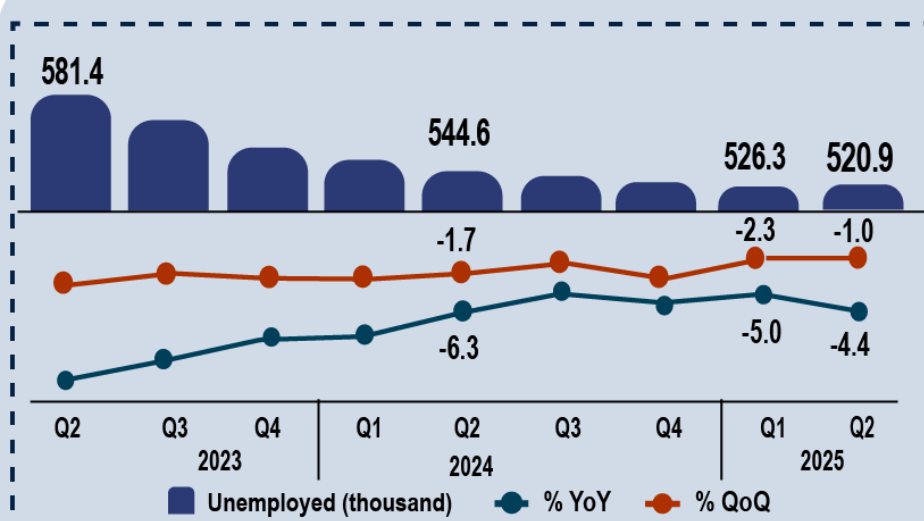
Labour force participation rate (LFPR)

went up by 0.1 percentage points compared to Q2 2024



— Labour force participation rate (%)

National unemployment situation

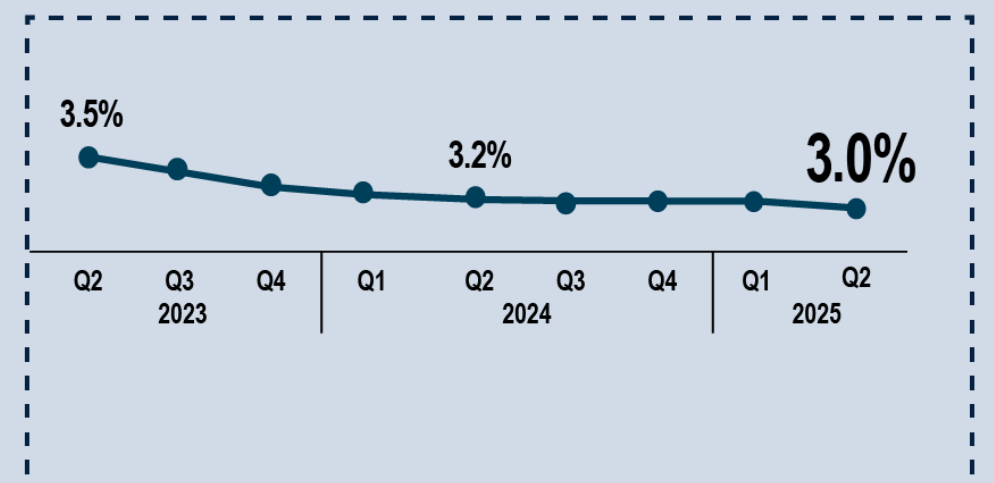


Unemployed
decreased during
Q2 2025
to

520.9 thousand
persons



Unemployment rate
declined 0.2 percentage
points year-on-year,
stable at 3.0 per cent



LABOUR DEMAND

9.10
millions jobs

Jobs in economic sector

increased by 1.6 per cent compared to Q2 2024



8.90 million
filled job



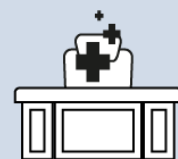
194.9 thousand
vacancies



▲ 1.6% YoY
▲ 0.4% QoQ



▲ 1.8% YoY
▲ 0.4% QoQ



▲ 0.2% YoY
▼ -3.9% QoQ

31.9 thousand
jobs created

More than half (57.7%) of jobs opening during
Q2 2025 were in the Manufacturing sector with
a total 112.4 thousand vacancies

24.9% 64.6%

10.5%

Skilled Semi-skilled Low-skilled



Malaysia's labour market remained strong in the second quarter of 2025, supported by a continued increase in employed persons, reaching 16.85 million persons, with a rate of filled jobs of 97.9 per cent.

- In Q2 2025, the labour supply sustained its growth momentum compared to the same quarter in 2024 with increased 2.7 per cent year-on-year of labour force recorded 17.37 million persons. Therefore, the labour force participation rate edged up by 0.1 percentage points to 70.8 per cent. The number of employed persons increased 2.9 per cent to 16.85 million persons, with employment-to-population ratio trend up to 68.7 per cent. Concurrently, the number of unemployed persons declined by 4.4 per cent (-23.7 thousand) to 520.9 thousand persons, while the unemployment rate edged down slightly from 3.2 per cent to 3.0 per cent in the same quarter in the preceding year.
- The number of employed persons working less than 30 hours per week continued to trend down by 10.7 per cent from Q2 2024 to 241.0 thousand persons, driven by strong domestic demand throughout Q2 2025. Accordingly, the rate of time-related underemployment declined to 0.8 per cent. In the meantime, skill-related underemployment, which comprised more than one-third of employed persons with tertiary education, decreased by 0.7 percentage points to 35.6 per cent in Q2 2025.
- Looking at labour demand in the economic sector, the number of jobs grew by 1.6 per cent year-on-year to record a total of 9.10 million jobs. Filled jobs, which comprised 97.9 per cent, also increased by 1.6 per cent over the same quarter of the preceding year to 8.90 million. Meanwhile, job openings in the economy, as indicated by the number of vacancies, rose by 1.8 per cent to 194.9 thousand vacancies during Q2 2025. Additionally, the number of jobs created in the economic sector rose by 0.1 per cent year-on-year, reaching 31.9 thousand.
- Malaysia's economy expanded by 4.4 per cent, aligned with employment sustained positive growth, labour productivity as measured by value added per employment posted an increase of 2.8 per cent, registering the level of RM24,887 per person in Q2 2025. During the same period, total hours worked surged by 3.4 per cent to 9.76 billion hours. Thus, labour productivity per hour worked grew 3.4 per cent to bring the level of productivity to RM43.2 per hour.
- Looking ahead to the third quarter of 2025, Malaysia's economy is expected to maintain its resilience, driven by stable domestic activity and sustained policy support. The performance of the labour market points towards a progressive trajectory, consistent with the nation's broader transformation into a high-income, technologically advanced, and inclusive economy. Moving forward, continued emphasis on policy adaptability, skills development, and workforce efficiency will remain key priorities in further strengthening the resilience of Malaysia's labour market.

