



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR MARKET REVIEW (LMR), THIRD QUARTER 2025



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Malaysia's labour market demonstrated resilience in Q3 2025 with a Labour Force Participation Rate of 70.9 per cent, labour demand reaching 9.16 million jobs, and productivity rising to RM45.1 per hour worked.

LABOUR SUPPLY

17.49 million
labour force

▲ 2.9% YoY
▲ 0.7% QoQ

7.18 million
outside
labour force

▲ 1.6% YoY
▲ 0.4% QoQ

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

40.7% Schooling/
Training program
44.4% Housework/
family responsible
14.9% Others*

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

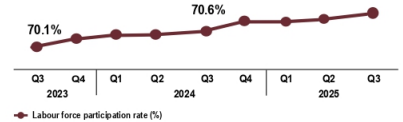
Employed persons continued
to increase, to 16.97 million persons



Total hours worked
during Q3, 9.80 billion hours

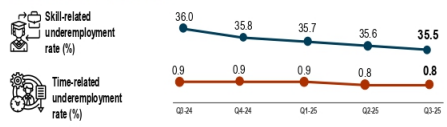
▲ 1.3% YoY
▲ 1.0% QoQ

Labour force participation rate (LFPR)
went up by 0.3 percentage points compared to Q3 2024

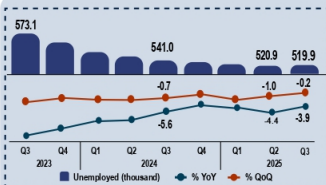


Underemployment situation

Time-related underemployment rate declined at 0.8 per cent, while
Skill-related underemployment rate declined 0.5 percentage points as compared to Q3 2024



National unemployment situation



Unemployed
decreased during
Q3 2025
to
519.9 thousand
persons

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

LABOUR DEMAND

9.16
millions jobs

Jobs in economic sector
increased by 1.7 per cent compared to Q3 2024



8.97 million
filled job

▲ 1.7% YoY
▲ 0.7% QoQ



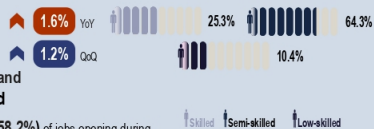
197.1 thousand
vacancies

▲ 2.8% YoY
▲ 1.1% QoQ



32.3 thousand
jobs created

More than half (58.2%) of jobs opening during
Q3 2025 were in the Manufacturing sector with
a total 114.7 thousand vacancies



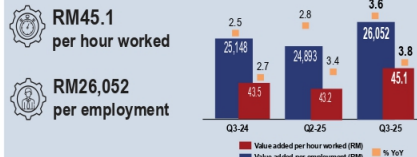
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LABOUR MARKET REVIEW, THIRD QUARTER 2025

LABOUR PRODUCTIVITY

Both measures of labour productivity registered an increase compared to the same quarter of the previous year



EMPLOYEE WAGES STATISTICS (FORMAL SECTOR)

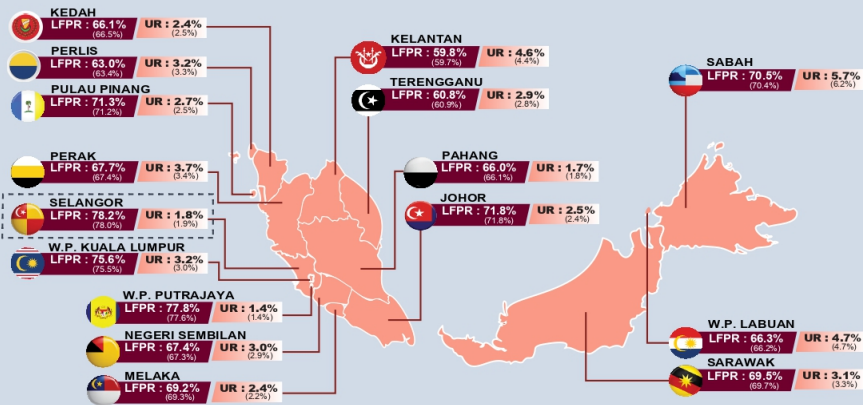
In June 2025, 6.97 million citizen formal employees

Growth YoY: 3.5%



LABOUR FORCE SITUATION AT STATE LEVEL

Selangor recorded the highest labour force participation rate of 78.2 per cent and the lowest unemployment rate was posted in W.P. Putrajaya at 1.4 per cent.



LFPR : Q3 2025 (Q2 2025) UR : Q3 2025 (Q2 2025)

*Note:
LFPR : Labour force participation rate (%)
UR : Unemployment rate



20 Oktober 2016 - 2030

Malaysia's labour market demonstrated resilience in Q3 2025 with a Labour Force Participation Rate of 70.9 per cent, labour demand reaching 9.16 million jobs, and productivity rising to RM45.1 per hour worked.

Key Reviews

- In Q3 2025, labour supply sustained its positive momentum compared to the same quarter of the previous year with the increment number of labour force to 2.9 per cent recorded 17.49 million persons. Accordingly, the labour force participation rate edged up by 0.3 percentage points to 70.9 per cent.
- The number of employed persons increased marginally by 3.1 per cent to 16.97 million persons with employment-to-population ratio rise to 68.8 per cent. Concurrently, the unemployment rate drops to 3.0 percent whereby the number of unemployed persons lessen to 3.9 per cent (-21.1 thousand) to 519.9 thousand persons.
- The number of employed persons working less than 30 hours per week gradually reduced by 12.6 per cent in Q3 2024 to 230.9 thousand persons, driven by strong domestic demand throughout Q3 2023. Time related under employment rate fell to 0.8 per cent.
- Meanwhile, skill-related underemployment, who have attained tertiary education but were working in semi-skilled and low-skilled occupation recorded 1.96 million persons compared to 1.94 million persons in Q3 2025. The rate of time-related underemployment lessens to 35.5 per cent.
- In term of labour demand, jobs rose by 1.7 per cent as against a year ago to 9.16 million jobs. Filled jobs which comprised of 97.8 per cent also uptrend by 1.7 per cent to 8.97 million. Meanwhile, job opportunities in the economic sectors as reflected by the number of vacancies, escalated by 2.2 per cent to 197.1 thousand vacancies in Q3 2025.
- Malaysia's economy expanded by 5.2 per cent while employment maintained its positive growth, labour productivity per employment increased by 3.6 per cent, recording RM26,052 per employee in Q3 2025. During the same period, the total hours worked surged by 1.3 per cent to 9.80 billion hours. Consequently, labour productivity per hour worked also rose by 3.8 per cent, registering a productivity value of RM45.1 per hour.
- Heading into the fourth quarter of 2025, Malaysia's growth is expected to

continue driven by stable domestic activity and ongoing government policy support, with strong economic performance in recent quarters helping to maintain a positive trajectory in the labour market.

The full publication of Labour Market Review (LMR), Third Quarter 2025 can be downloaded through [eStatistik Portal](#).

Released by:

DEPARTMENT OF STATISTICS MALAYSIA

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