LABOUR FORCE SURVEY REPORT, MALAYSIA, 2016

PRINCIPAL STATISTICS OF LABOUR FORCE, MALAYSIA, 2016

Labour force participation rate 67.7% and unemployment rate 3.4%.

Among working age population (15-64 years old), **labour force** increased 1.0%.
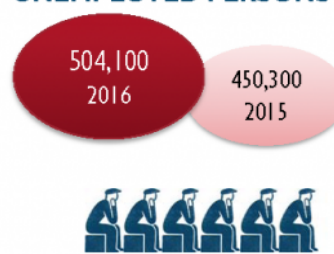
2016 14.7 million

2015 14.5 million

Contributed by the increases in both components that are

EMPLOYED PERSONS

14.2 million 2016

14.1 million 2015

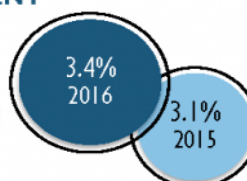### UNEMPLOYED PERSONS

504,100 2016

450,300 2015

LABOUR FORCE PARTICIPATION RATE (LFPR)

in 2016 dropped 0.2 percentage points compared with 2015.

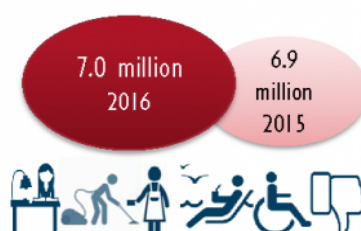67.7% 2016   67.9% 2015
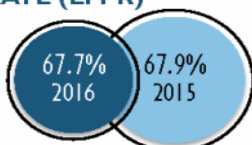
UNEMPLOYMENT RATE

in 2016 rose 0.3 percentage points compared with 2015.

3.4% 2016   3.1% 2015

A total of 32.3% working age population were **outside labour force** due to studies, housework, retirement, disabilities or not interested to work.
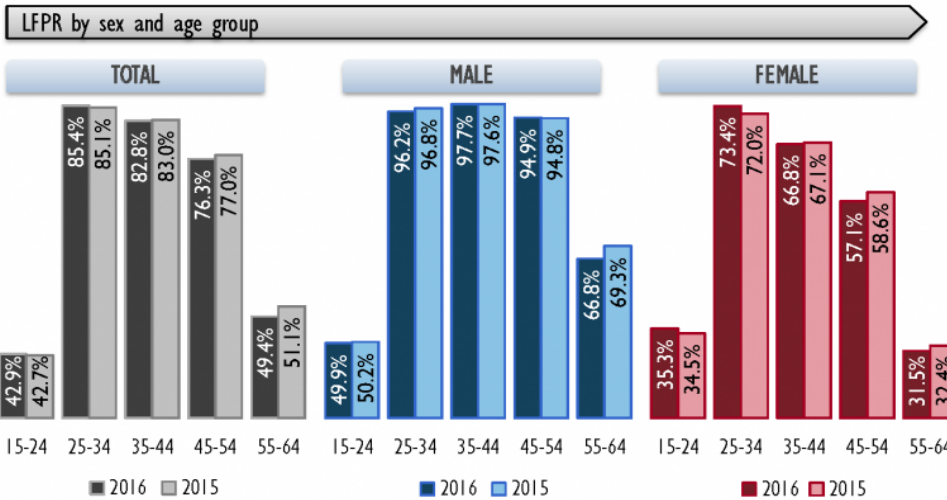
7.0 million 2016

6.9 million 2015

Department of Statistics, Malaysia
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PRINCIPAL STATISTICS OF LABOUR FORCE, MALAYSIA, 2016

Female labour force participation rate (LFPR) rose 0.2 percentage points to 54.3%.

LFPR by sex

TOTAL

67.7% 2016
67.9% 2015

MALE

80.2% 2016
80.6% 2015

FEMALE

54.3% 2016
54.1% 2015
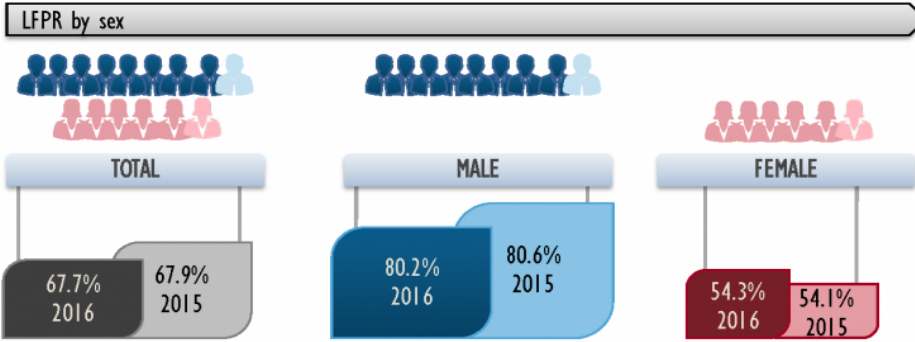
The national LFPR decreased 0.2 percentage points compared with 2015. Although male LFPR dropped 0.4 percentage points, the percentage of male in the labour market exceeded the national LFPR.

LFPR by sex and age group

TOTAL

Age	2016	2015
15-24	42.9%	42.7%
25-34	85.4%	85.1%
35-44	82.8%	83.0%
45-54	76.3%	77.0%
55-64	49.4%	51.1%

■ 2016 ■ 2015

MALE

Age	2016	2015
15-24	49.9%	50.2%
25-34	96.2%	96.8%
35-44	97.7%	97.6%
45-54	94.9%	94.8%
55-64	66.8%	69.3%

■ 2016 ■ 2015

FEMALE

Age	2016	2015
15-24	35.3%	34.5%
25-34	73.4%	72.0%
35-44	66.8%	67.1%
45-54	57.1%	58.6%
55-64	31.5%	32.4%

■ 2016 ■ 2015

The overall participation in the labour market was the highest for age group 25 to 34 years old.

Participation of males in the labour market exceeded 90% from the age of 25 to 54 years old.

Female LFPR was more than 55% from the age of 25 to 54 years old.

INTRODUCTION

Labour Force Survey (LFS) is conducted by Department of Statistics, Malaysia (DOSM) every month through household approach to obtain data on the structure of labour force, employment and unemployment. This survey is carried out with probability sampling encompassing citizens and non-citizens in urban and rural areas for every state in Malaysia.

The Labour Force Survey Report is an annual publication which presents the principal statistics of the labour force for population in the working age of 15 to 64 years old by selected demographic and socioeconomic characteristics such as sex, age group, educational attainment, occupation and industry.

LABOUR FORCE IN MALAYSIA 2016 INCREASED 1.0 PER CENT TO 14.7 MILLION PERSONS

Labour force in Malaysia increased 1.0 per cent to 14.7 million persons in 2016 compared to the previous year. The rise was contributed by the increase of 96,000 employed persons to 14.2 million persons as well as the increase of 53,800 unemployed persons to 504.1 thousand persons.

Labour force participation rate (LFPR) in 2016 was 67.7 per cent, declined 0.2 percentage points compared to 2015. Hence, another 32.3 per cent of the working age population were outside labour force. Meanwhile, the unemployment rate during the same period rose 0.3 percentage points to 3.4 per cent. This shows that the country's economy is still operating in full employment[1] that is unemployment rate below 4.0 per cent.

Female LFPR rose 0.2 percentage points to 54.3 per cent in 2016. The participation of female in the labour market for the prime age[2] groups namely 25–34 (73.4%), 35–44 (66.8%) and 45–54 (57.1%) was higher as compared to female LFPR at the national level.

The participation of male labour force was 80.2 per cent in 2016, dropped 0.4 percentage points as compared to the previous year. The LFPR for age group 55–64 years registered the highest decrease of 2.5 percentage points to 66.8 per cent. However, both age groups of 35–44 years and 45–54 years recorded increases of 0.1 percentage points. As a whole, male LFPR was still higher than female for all age groups.

UNEMPLOYMENT

High unemployment rate was recorded for population aged 15–19 years that was 15.9 per cent in 2016, followed by population aged 20–24 years at 9.1 per cent. In terms of the number of unemployment, the highest contribution was registered by the age group of 20–24 years that is 37.7 per cent out of the total unemployed. However, the composition of unemployed persons in that age group dropped 4.4 percentage points compared to the previous year.

Chart 1: Unemployment rate by age group, Malaysia, 2015 and 2016
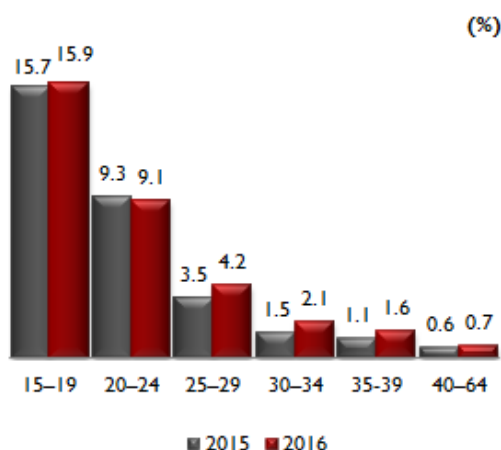
Chart 2: Unemployed persons by age group, Malaysia, 2015 and 2016
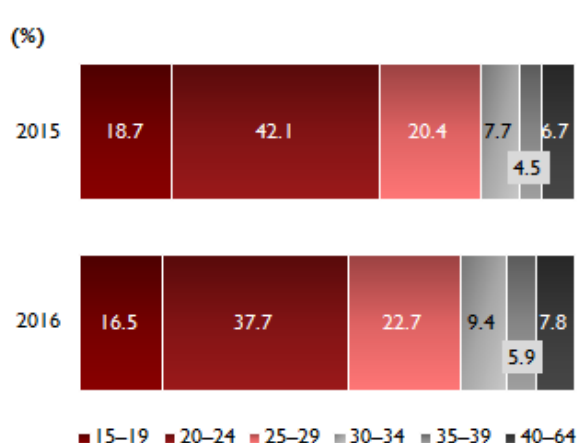
OUTSIDE LABOUR FORCE

In 2016, almost 7 million of the population in the working age was outside the labour force, an increase of 1.7 per cent compared to the previous year. About 50 per cent of them were in the age group of 15–24 years.

A total of 45.2 per cent of the population was outside the labour force in 2016 due to schooling and going for further studies. This group has the potential to join the labour market after completion of studies. Besides, 41.6 per cent of the population was outside the labour force because of housework or family commitment.

Table 1: Population outside labour force by reasons for not seeking work, Malaysia, 2015 and 2016

Reasons for not seeking work	('000)		(%)	
	2015	2016	2015	2016
Total	6,869.9	6,987.6	100.0	100.0
Schooling	2,942.7	3,002.8	42.8	43.0
Housework/family responsibilities	2,886.4	2,906.5	42.0	41.6
Going for further studies	151.1	155.3	2.2	2.2
Disabled	267.1	274.1	3.9	3.9
Not interested	85.0	88.2	1.2	1.3
Retired	537.5	560.7	7.8	8.0

The detailed information and technical notes are published in the Labour Force Survey Report, Malaysia, 2016. This report is accessible and downloadable free of charge through the eStatistik application in DOSM web page, www.dosm.gov.my.

Note:

[1] The Organisation for Economic Co-operation and Development (OECD) defines full employment as unemployment rate below 4.0 per cent.
[2] The International Labour Organization (ILO) defines prime age as population aged 25–54 years.

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