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QUARTERLY

LABOUR MARKET PERSPECTIVES

Stabilisation of Labour Market in the Post-Crisis Period



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PURPOSE

The *Quarterly Labour Market Perspectives* highlights the key insights of the Malaysian labour market performance and outlook in connection to economic growth for the first-quarter of 2021. The *perspectives* acts as a labour market guide and provide complementary information to policy makers, businesses, academics and the public through labour market monitoring and empirical analyses. It directly and indirectly provides advice and recommendations for policy- and decision-makers on forward-looking labour market interventions. Both the labour market information (LMI) derived based on administrative data that are maintained by the Office of Employment Insurance System (EIS), Social Security Organisation (SOCSO) and the survey-based data collected by the Department of Statistics Malaysia (DOSM) are utilised in the empirical assessments.

Notations:

-	:	Nil or negligible
—	:	Intended to communicate something that is not directly expressed.
Q	:	Quarter

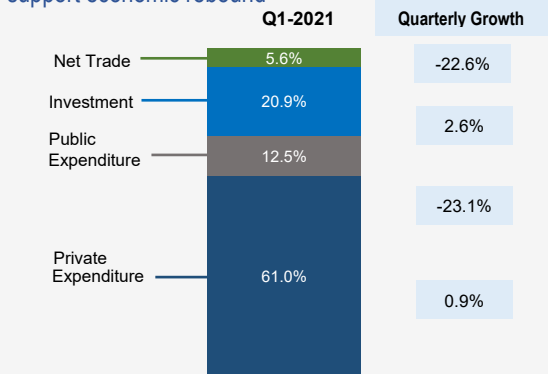
Abbreviations

ALMP	:	Active Labour Market Policies
BC	:	Beveridge Curve
DOSM	:	Department of Statistics Malaysia
EIS	:	Employment Insurance System
EU-ERA	:	EIS-UPMCS Centre for Future Labour Market Studies
GDP	:	Gross Domestic Product
MCO	:	Movement Control Order
MOHR	:	Ministry of Human Resources
MSOC	:	Malaysian Skills, Occupations, Qualifications, and Competences
MySTEP	:	Short-Term Employment Programme
NAIRU	:	Non-accelerating inflation rate of unemployment
OECD	:	Organisation for Economic Co-operation and Development
PENJANA	:	Pelan Jana Semula Ekonomi Negara
PERMAI	:	Perlindungan Ekonomi & Rakyat Malaysia
PMET	:	Professional, Manager, Executive and Technician
PRIHATIN	:	Pakej Rangsangan Ekonomi Prihatin Rakyat
SOC SO	:	Social Security Organisation
SOP	:	Standard Operating Procedure
WSP	:	Wage Subsidy Programme

Labour Market Snapshot Q1-2021

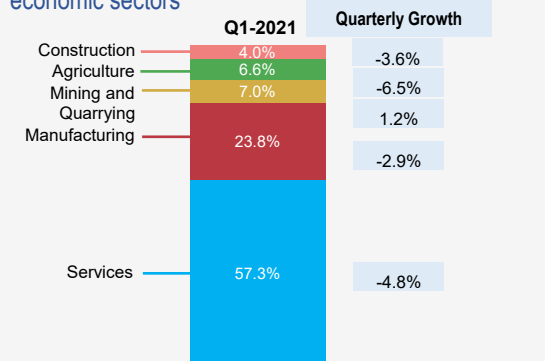
Demand-Side GDP

Positive growth of private expenditure is insufficient to support economic rebound



Supply-Side GDP

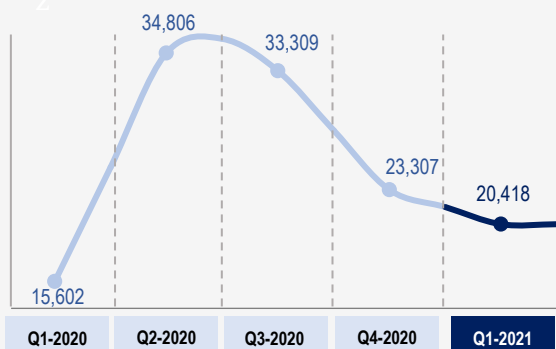
Generating growth remains a challenge for most of the economic sectors



Note: 98.7% of the supply side GDP is contributed by the economic sectors and 1.3% by import duties.

Loss of Employment (LOE)

Number of LOE continue to improve as LOE reduces in Q1-2021

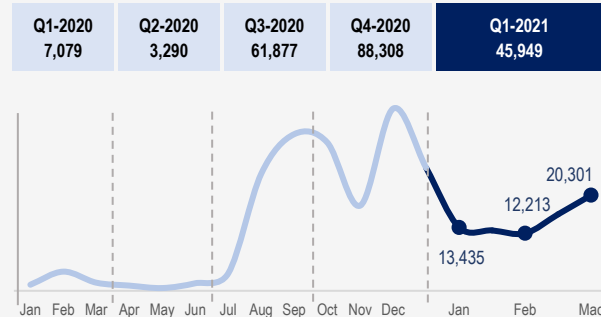


Source:

- Demand-side GDP, Supply-side GDP, Vacancies and Unemployment Rate data are sourced from the Department of Statistics Malaysia (DOSM)
- Loss of Employment, Placement and Jobseekers data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSSO)

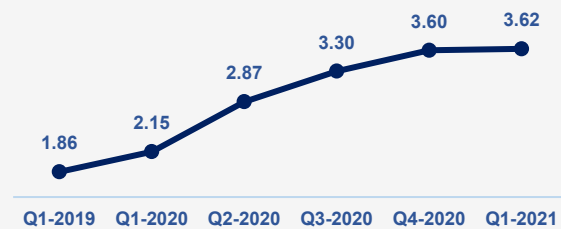
Placement

Despite the reduction in Q1-2021, placement rebounds drastically between February and March 2021



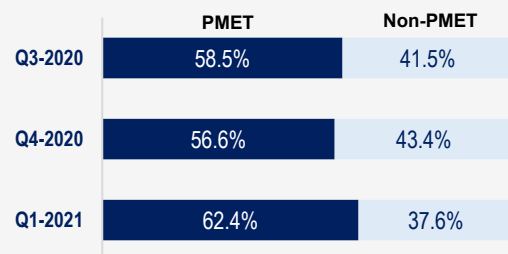
Vacancies

Diminishing growth in active unemployed persons-to-vacancies ratios reflect the sign of stabilisation in job market



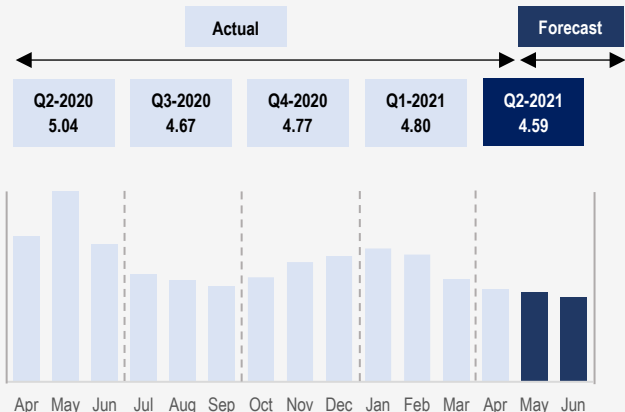
Jobseekers

Percentage of jobseekers by PMET and non-PMET categories



Unemployment Rate Forecast

Unemployment rate is expected to fall in Q2-2021, suggesting a continuous labour market improvement



FOREWORD



The key labour market indicators in the first-quarter of 2021 reveal a stable and marginal recovery. Due to the resurgence of COVID-19 cases, the movement control order (MCO) re-enactment had mixed recovery effects on the economic sectors, thus affecting the labour market during the quarter. In pursuing the labour market recovery, both health and economic factors should be considered in the policy making process. This is to ensure the resilience of the labour market and safeguard people's well-being through inclusive social protection.

YB Datuk Seri M. Saravanan

Minister
Ministry of Human Resources, Malaysia



The COVID-19 pandemic has triggered one of the worst job crises since the Great Depression, and it is expected to have prolonged effects. The labour market remains shaky resulted from various movement restriction measures. The current crisis has induced the policy-makers to strengthen real-time labour market data analyses for the purpose of monitoring (un)employment and evaluating various short-term policy interventions in the post-crisis period. Whilst long-term measures are necessary to address structural labour market issues, short-term policies are the best strategies to tackle loss of employment (LOE) and (un)employment.

YBhg. Dato' Jamil Rakon

Secretary General
Ministry of Human Resources, Malaysia



There is a critical need to have real-time labour market information for managing large-scale economic crisis like we are facing today. The availability of a non-traditional database in the form of administrative data at the Social Security Organisation (SOCSO) should be integrated with the survey-based data to provide a better measure for timely assessments of labour market intervention programmes. The data, analyses and forecasts by the EIS-UPMCS Centre for Future Labour Market Studies (EU-ERA) are of high-value and practical not only for policy makers but also for the business sector, academics and the general public.

YBhg. Dato' Sri Dr. Mohammed Azman Dato' Aziz Mohammed

Chief Executive
Social Security Organisation (SOCSO), Malaysia

KEY TAKEAWAYS

- 1 The labour market begins to stabilise in the post-crisis period, but the damages remain.** During pre-crisis, the demand- and supply-side of the economy registered a positive growth. However, the COVID-19 pandemic causes the economy to experience unprecedented and unconventional outcomes. The labour market is affected due to the implementation of MCO and many people have lost their jobs. During the transition of the economy into post-crisis, recovery takes place for some segments in the demand-side of the economy. Whereas in the supply-side, there are new opportunities for some small sectors to emerge as new sources of growth.
- 2 Persistent recovery in the labour market towards the end of Q1-2021.** The labour market condition demonstrates a shaky condition at the beginning of Q1-2021. The unstable condition is likely due to the re-imposition of MCO 2.0, where most of the LOE is recorded in Selangor, Kuala Lumpur, Johor and Penang, accounting for 78.3% of overall LOE. Nevertheless, the trend rebounded towards the end of Q1-2021 as LOE and unemployment subsided, coupled with more placement recorded. This also indicates that MCO 2.0 did not have a heavy impact on the labour market as most businesses were allowed to operate.
- 3 Government intervention is necessary and important to stabilise labour market condition during the crisis.** Throughout the periods of pre-crisis and post-crisis from Q1-2020 to Q1-2021, the number of return to work was more volatile when compared to LOE and unemployment. The placement fluctuations indicate that the government has actively stimulated the labour market through non-market interventions, commissioned under the PENJANA, PRIHATIN and PERMAI stimulus packages.
- 4 The job market begins to provide a sign of stabilisation but continues to be characterised by a "trapezoid" shape.** The job market begins to provide a sign of stabilisation as the gap between active unemployment and vacancies grows at a diminishing rate. At the same time, the pattern continues to be characterised by a "trapezoid" shape due to the recent improvement in vacancies indicating a further recovery in the labour market. The misalignment issue in the job market remains unresolved due to the concentration of vacancies in labour-intensive sectors, mainly on the non-PMET job that weighs on the labour market recovery progress and affects the ranges of wage offered.
- 5 The labour market stabilisation process in Q2-2021 is expected to improve.** Unemployment rates are predicted to decline from 4.61% in April to 4.56% in June 2021, implying that the labour market is improving. Nevertheless, achieving the pre-crisis level of unemployment is still far-reaching because the progress is determined by the measures to flatten the pandemic curve. Similarly, LOE is expected to fall from 20,418 in Q1-2021 to 13,777 in Q2-2021 and gradually return to the 2019 average level.

QUARTERLY ECONOMIC PERFORMANCE

Recovery Assessments – Demand Side

Reduction in public expenditure and net trade dampen economic growth

The transition of the economy into the post-crisis period witnesses the reduction of public expenditures by -23.1% from the preceding quarter. This outcome is expected as the PERMAI assistance package focuses more on the targeted measures with less concentration on monetary-based assistances in manoeuvring economic recovery. This new assistance package prioritises the measures to contain the COVID-19 outbreak while safeguarding the welfare of the people and keeping businesses afloat.

From the net trade perspective, a declining trend from the total GDP composition is recorded from Q4-2020 to Q1-2021 with a current rate of -22.6%. The negative net trade growth was mainly due to the stronger growth of imports as opposed to exports, where both grew by 6.3% and 3.1%. The slower exports growth is explained by the reduction of Malaysia's exports to major trade partners such as China and Singapore, which declined by -4.7% and -1.9%, respectively.

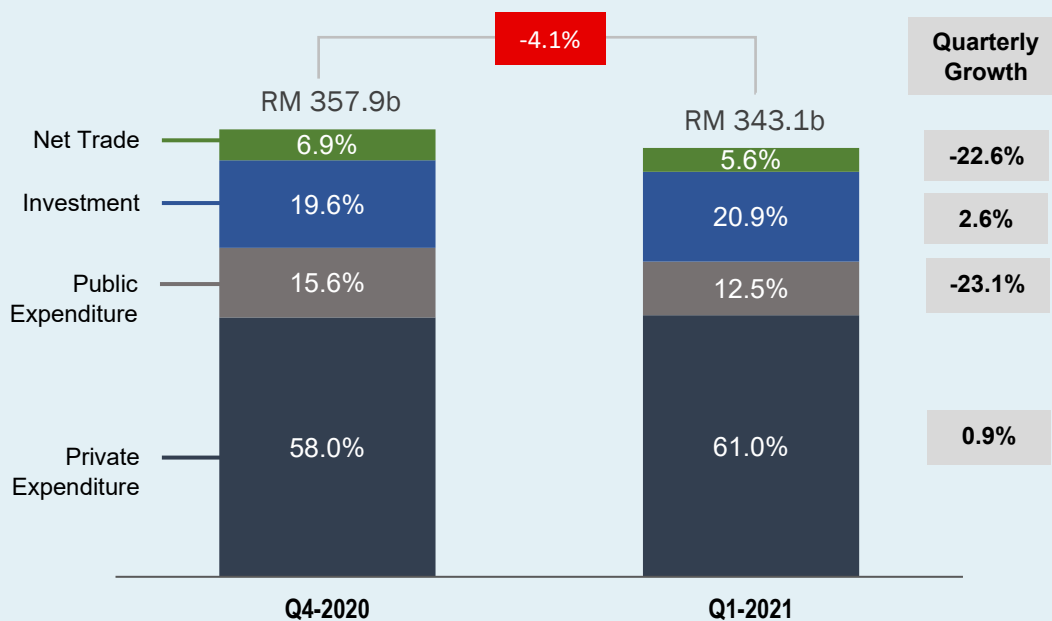
Positive growth of private expenditure is insufficient to support economic rebound

Private expenditure remains an important source of growth, with its composition from the total GDP increasing by 3.0%. Nevertheless, it is insufficient to buffer the reduction in public expenditure and net trade and help rebound economic growth. The private expenditure growth is also "inorganic" as most of the growth was generated through the PERMAI assistance package, comprising largely from the direct transfers under the Bantuan Prihatin Nasional 2.0 and Bantuan Prihatin Rakyat as well as the improvement in the i-Sinar programme.

Expansion of investment composition signals for economic recovery

The economic recovery progress in Q1-2021 may take a slower turnaround, but the positive growth in investment composition signals improvement in the economy. Between Q4-2020 and Q1-2021, the investment expenditure grows by 2.6% due to the sharp increase in the composition of private sector's investment, expanding from 66.1% to 80.6%. The investment growth corresponds mainly to the growth in the investments for machinery and equipment.

Figure 1. Composition of GDP by Type of Expenditure at Constant 2015 Prices, Q4-2020 and Q1-2021



Note:

Investment consists of gross fixed capital formation and change in inventories

Source:

GDP data is sourced from the Department of Statistics Malaysia (DOSM)

QUARTERLY ECONOMIC PERFORMANCE

Recovery Assessments – Supply Side

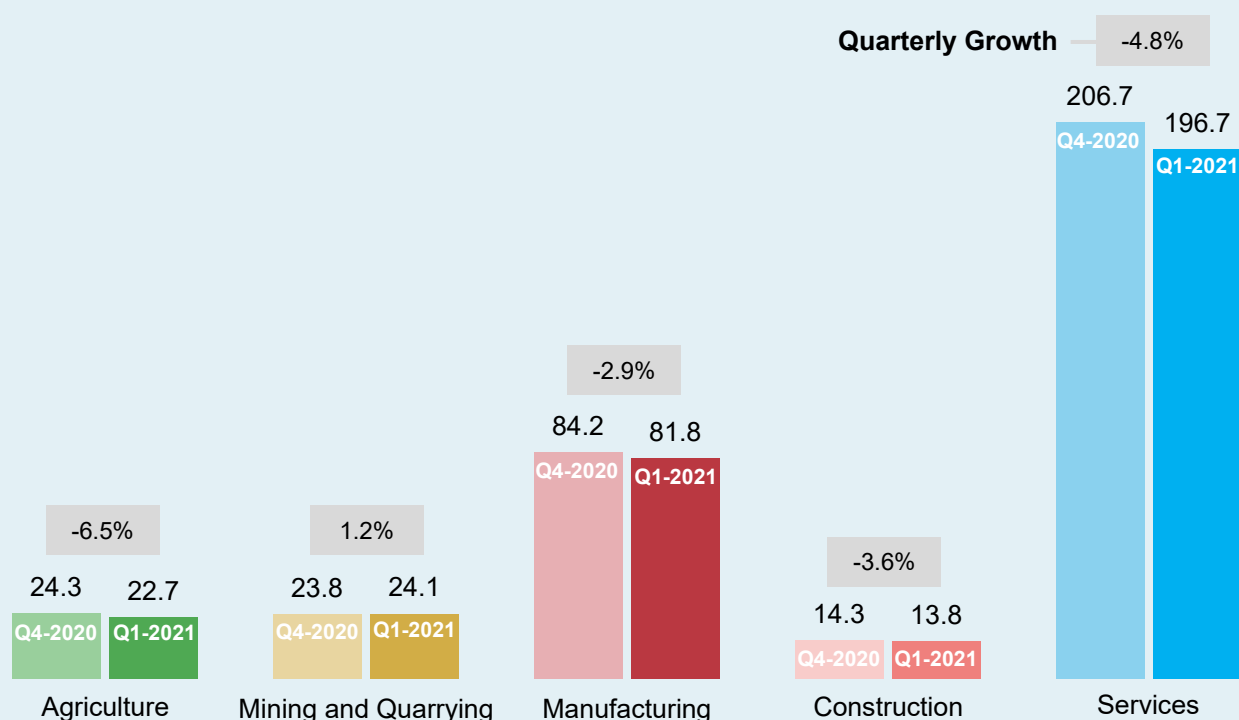
Generating growth remains a challenge for most of the economic sectors

Most economic sectors experience declining GDP contribution with major economic losses generated by Manufacturing and Services, given that it collectively contributes 81.1% to GDP in Q1-2021. For the Manufacturing sector, the reduction of -2.9% is linked to the performance of its major domestic- and export-oriented sub-sectors, which represent a total of 63.0% of its GDP size. Among others, the sub-sectors include Food Processing; Vegetable and Animal Oils & Fats; Refined Petroleum Products; Chemicals & Chemical Products and Pharmaceutical Products; and Rubber Products. For the Services sector, the declining trend is much-anticipated due to the disruption in the Tourism industry. Reductions are recorded in sub-sectors that explain 67.3% of the Services sector's GDP size, with most are directly linked to the tourism-related sub-sectors such as Wholesale & Retail Trade; Accommodation; Food & Beverage; Transportation; and Business Services.

The Mining and Quarrying sector keeps its growth momentum running

The sector maintains its growth momentum since Q3-2020, growing by 3.0% after the lifting of MCO 1.0 and 9.7% in Q4-2020 before it slows down to 1.2% in Q1-2021. The growth was mainly supported by the recovery of the global oil and gas market. Crude Oil and Condensate, and Natural Gas lead to the growth of the Mining and Quarrying sector, with improvements in GDP contribution by 0.8% and 5.0%, respectively. Although Other Mining & Quarrying and Supporting Services suffer from a negative growth of -15.4%, its impact is insignificant due to its small share of 8.9% from the total GDP size of the sector.

Figure 2. Sectoral GDP at Constant 2015 Prices, Q4-2020 and Q1-2021 (RM billion)



Source:

GDP data is sourced from the Department of Statistics Malaysia (DOSM)

COVID-19 PANDEMIC: PRE-CRISIS, CRISIS AND POST-CRISIS ASSESSMENT

Demand Side

"Inorganic" growth trend characterises private expenditure component during the crisis and post-crisis periods

The average composition of private expenditure before the crisis spreading across Q1-2018 to Q4-2019 stands at 57.8%, lower than the crisis and post-crisis periods. In Q1-2020, the implementation of the lockdown measure that starts in mid-March 2020 has driven the growth of private expenditure due to the changes in the spending dynamics due to the panic buying activities¹. Nevertheless, the total level of private expenditure during the crisis period is still small as it does not consider the impacts from various assistance packages rolled out by the government in the subsequent quarters. For Q1-2021, the inorganic trend continues responding to the monetary measures that are implemented to safeguard people's welfare during the post-crisis period.

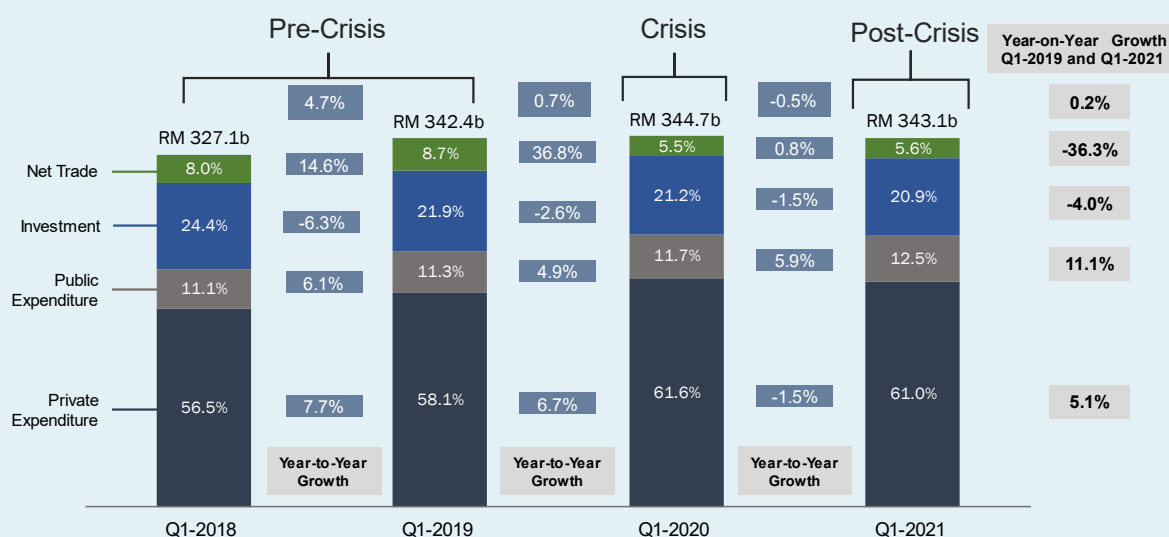
The public sector functions as an economic stabilising agent in times of crisis

Drastic fiscal response to the COVID-19 pandemic is the only likely measure that helps to bring the economy towards a recovery path. Unlike the previous crisis, the pandemic impacts the economy through an unconventional channel, the labour market, due to the need to implement lockdown measure and MCO to contain its outbreak. It is estimated that a 1% increase in the lockdown index increases the number of people losing their jobs by 0.35% to 1.1%.² Therefore, the crisis witnessed the importance of public expenditure in stabilising the disruption.

A weak association between the "crowding out" of investments and the pandemic outbreak

While many have argued that the pandemic outbreak inflicts the "crowding out" effects of investments, the data provide different insights that might suggest the role of other factors. The assessments highlight that the lowering of investment composition by -6.3% has started during the pre-crisis period between Q1-2018 and Q1-2019. Moving into the crisis and post-crisis periods, a consistent declining trend is observed but at a lower rate, indicating the weak association between the investment level and the pandemic outbreak.

Figure 3. Composition of GDP by Type of Expenditure at Constant 2015 Prices, Q1-2018 to Q1-2021



Note:

Investment consists of gross fixed capital formation and change in inventories

Source:

GDP data is sourced from the Department of Statistics Malaysia (DOSM)

¹De Paula, Á., O'Connell, M., & Smith, K. (2020). Preparing for a pandemic: Spending dynamics and panic buying during the COVID-19 first wave (No. 15371). CEPR Centre for Economic Policy Research Discussion Papers.

² Habibullah, M. S., Saari, M. Y., Din, B. H., Safuan, S., & Utit, C. (2021). Labour Market Reactions to Lockdown Measures during the Covid-19 Pandemic in Malaysia: An Empirical Note. *Jurnal Ekonomi Malaysia*, 55, 1.

COVID-19 PANDEMIC: PRE-CRISIS, CRISIS AND POST-CRISIS ASSESSMENT Supply Side

The crisis inflicted the Services sector with hard-to-heal wounds

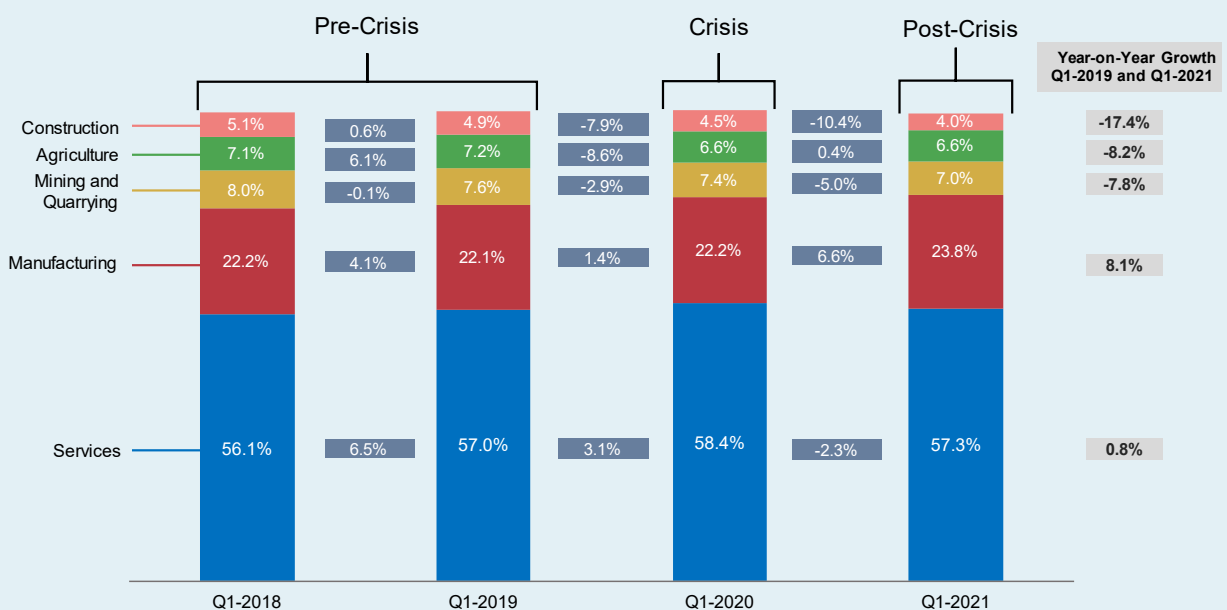
The pandemic inflicts a major blow to the Services sector and leaving behind hard-to-heal wounds on its growth direction. Services suffered dearly from the inability of its sub-sectors, especially tourism-related services, to operate at the optimal level since the implementation of the MCO 1.0. This outcome is different from the pre-crisis expectation of a consistent growth trend in the Tourism industry in 2020 (crisis period) due to the Visit Malaysia 2020 campaign. Overall, the Services sector's contribution to GDP reduces by -2.3% based on year-on-year assessment in Q1-2021, and a similar scenario is expected in the upcoming quarter.

New sources of growth emerge in response to the pandemic outbreak

Despite the downside influence of the pandemic on the economy, it offers opportunities for small sub-sectors to emerge as new sources of growth. For example, Rubber Products that produce medical gloves have transformed from a small sub-sector representing only 1.9% of the Manufacturing sector's GDP in Q1-2019 into 2.3% in Q1-2020 and 3.7% in Q1-2021. Other sub-sectors that directly benefited from the crisis are Food Processing; and Chemicals & Chemical Products, and Pharmaceutical Products sub-sectors.

On the other hand, some sub-sectors are immune to the pandemic crisis and continue to grow in their normal path. This observation corresponds to the Agriculture sub-sectors such as the Food Crops, Livestock and Fisheries. Observation of the growth trend on these sub-sectors shows that they follow a similar quarterly growth cycle from Q1-2018 until Q1-2021. For instance, the Food Crops sector recorded a consistent growth trend between Q1 until Q3 before slowing down in Q4.

Figure 4. Composition of GDP by Sector at Constant 2015 Prices, Q1-2018 to Q1-2021



Source:

GDP data is sourced from the Department of Statistics Malaysia (DOSM)

LABOUR MARKET CONDITION

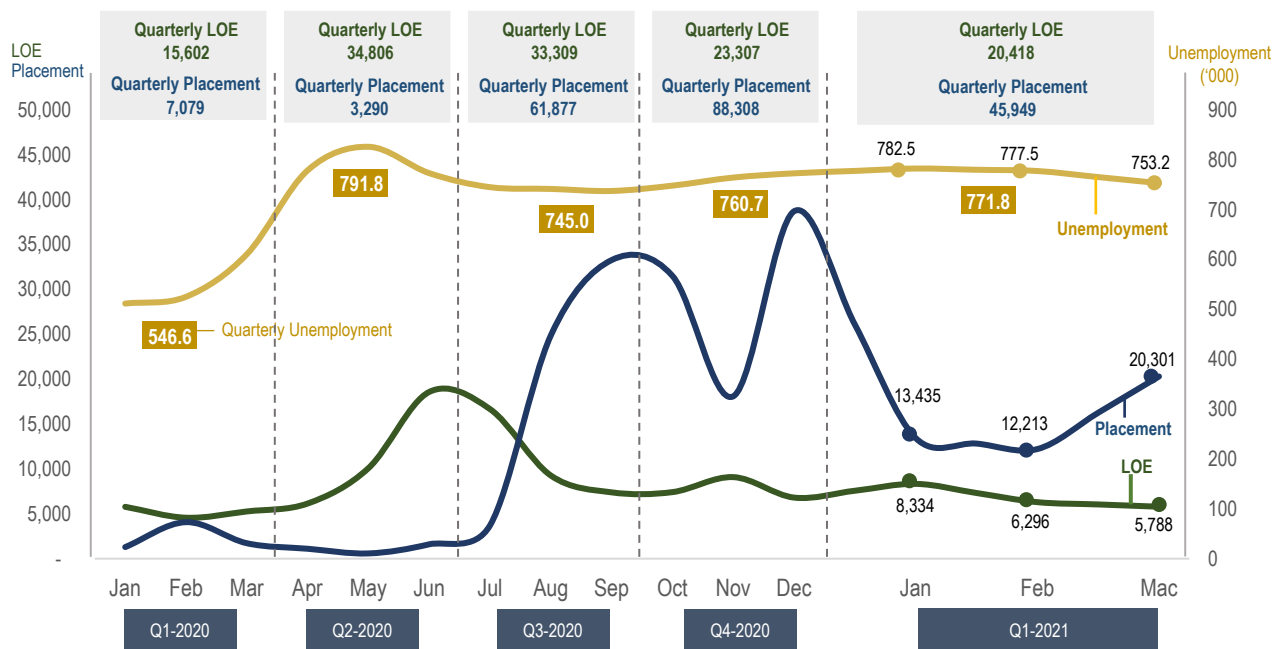
Continuous labour market recovery in Q1-2021

The unemployment level in January 2021 peaks at 782.5 thousand, which implies a shaky start for labour market recovery and stabilisation. Since then, the LOE and unemployment level have been declining, with more placements recorded, thus taking the labour market into a more desirable condition in Q1-2021. The labour market begins to improve as LOE decreases from 6,296 in February 2021 to 5,788 in March 2021, reducing at -8.1%. The observation is consistent with the total unemployment level that has reduced from 777.5 thousand to 753.2 thousand between February and March 2021 (Figure 5). Consequently, the persistent improvement in unemployment and LOE levels increased the number of returns to work from 12,213 to 20,301.

Placement rebounds in response to non-market interventions

Placement depicts a wavering monthly trend between Q4-2020 and Q1-2021 in response to the non-market interventions that used to push the labour market out of the crisis period. Between December 2020 and January 2021, placement plunges by -65.3% before recording a drastic growth of 66.2% from February to Mac 2021. The interventions include the re-opening of economic activities, career fairs, and other related government initiatives. A specific example for the intervention measure is the Hiring Incentive Programme 1.0. The programme led to a drastic increase in the placement level between the final months of Q4-2020 due to the employers' expectation that the incentive will be ending in December 2020. In January 2021, the placement level drops significantly as the incentive ended. As for quarter-on-quarter comparison, the number of placement rose tremendously from 7,079 in Q1-2020 to 45,949 in Q1-2021. During this whole period, the trend for placement is volatile as compared to LOE and unemployment.

Figure 5. Unemployment, Loss of Employment (LOE) and Placement, Q4-2020 to Q1-2021



Sources:

1. LOE and placement data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSO)
2. Unemployment data is sourced from the Department of Statistics Malaysia (DOSM)
3. Analysis is performed by EU-ERA

LABOUR MARKET CONDITION

Improvement of LOE in Q1-2021 benefits non-PMET job category

The declining number of LOE is contributed by the low number of non-PMET workers who lost their jobs in Q1-2021. As shown in Figure 6, LOE for most of the occupations in the non-PMET job category declined during the quarter, excluding Clerical Support Workers and Elementary Occupations. This situation indirectly indicates that the non-PMET employees managed to retain their jobs during the transition period between the crisis and post-crisis periods.

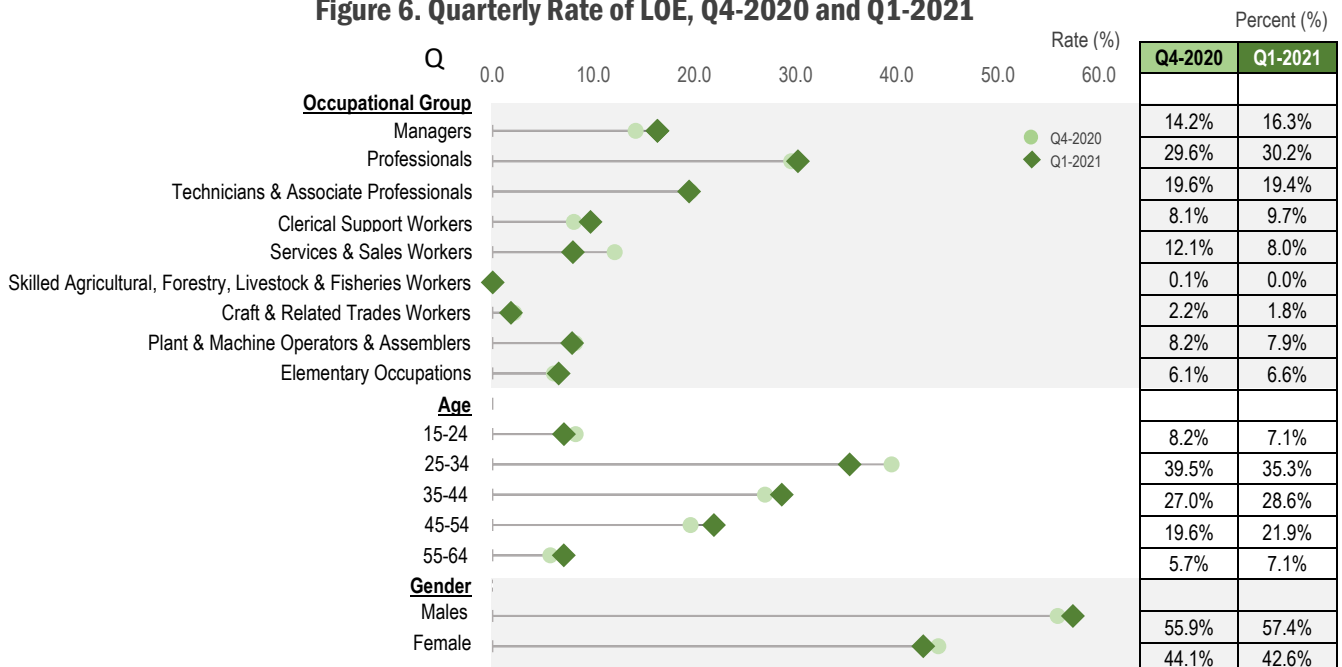
Soothing LOE for youth employees

Employees within the age bracket of 25 and 34 continue to face challenges in securing jobs. This situation is reflected by the large share of LOE in Q4-2020 and Q1-2021, representing 39.5% and 35.3%, respectively. Nevertheless, Q1-2021 depicts a sign of improvement as the number of LOE falls by 4.2%. Similarly, LOE declines from 8.2% in Q4-2020 to 7.1% in Q1-2021 for employees aged 15-24. Overall, these situations imply that youth unemployment improves during the quarter.

More working females stay in the labour market

In terms of gender composition, female workers are more likely to retain their jobs than males. The illustration in Figure 6 shows that females' LOE decreases from 44.1% in Q4-2020 to 42.6% in Q1-2021, while males show an opposite trend. The contrasting observation is expected due to the lower participation rate of females in the labour market compared to males.

Figure 6. Quarterly Rate of LOE, Q4-2020 and Q1-2021



Sources:

1. LOE data is sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSO)
2. Analysis is performed by EU-ERA

LABOUR MARKET CONDITION

Improved placements for Managers and Professionals

The overall PMET jobs in Q1-2021 show a slight improvement compared to the preceding quarter due to higher placements for Managers and Professionals despite the increasing LOE trend in both job categories (Figure 6). The trend indicates placement recovery for PMET jobs during the quarter. Nonetheless, the job placement for PMET is still lagging. From the overall occupational groups, Services & Sales Workers, primarily employed in Other Services; and Wholesale Trade, Retail Trade & Motor Vehicles recorded the most significant increase in placements, expanding from 14.0% in Q4-2020 to 19.6% in Q1-2021.

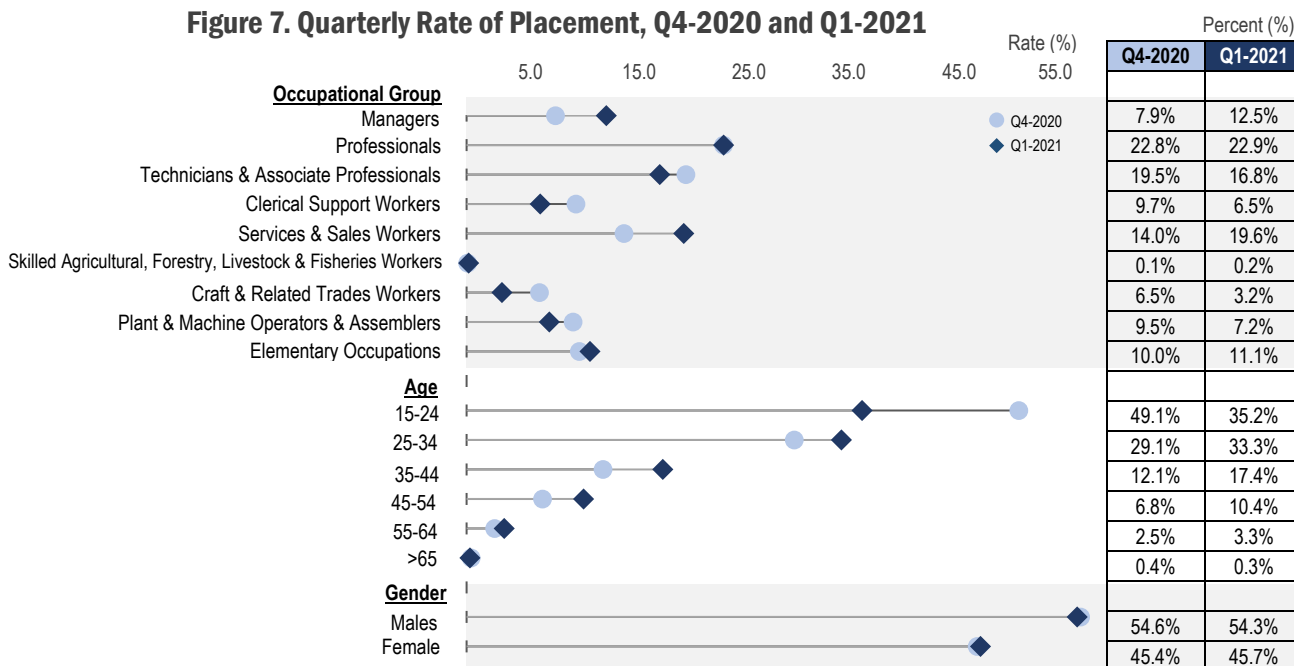
More job placements for younger workers

Soothing youth job loss trend is also supported by more job placements for younger workers. In Q1-2021, despite its diminishing shares during the quarter, employees within the age of 15-24 who were mainly entry-level workers dominated job placements at 35.2%. Greater placement expansion is also found for the workforce aged between 25-34 and 35-44 years old where most of them are employed in the PMET job category, which has the highest rate of employment absorption. In fact, the majority of those aged below 35 years old spend less than two months to get placement compared to those aged above 35 years old (see Figure 12).

Placement for male and female workers remain stable

Quarter-to-quarter placement share for both male and female workers are almost similar with males recording a slightly higher job placements albeit a slight decline of 0.3% from Q4-2020 to Q1-2021. The finding shows that males secure faster placement than their female counterparts (see Figure 12). There are several factors that may explain relatively lower female placements such as employer's preference for male employees and the rapid shift in working culture due to COVID-19 which heightens the burden for females.

Figure 7. Quarterly Rate of Placement, Q4-2020 and Q1-2021



Sources:

1. Placement data is sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCOSO)
2. Analysis is performed by EU-ERA

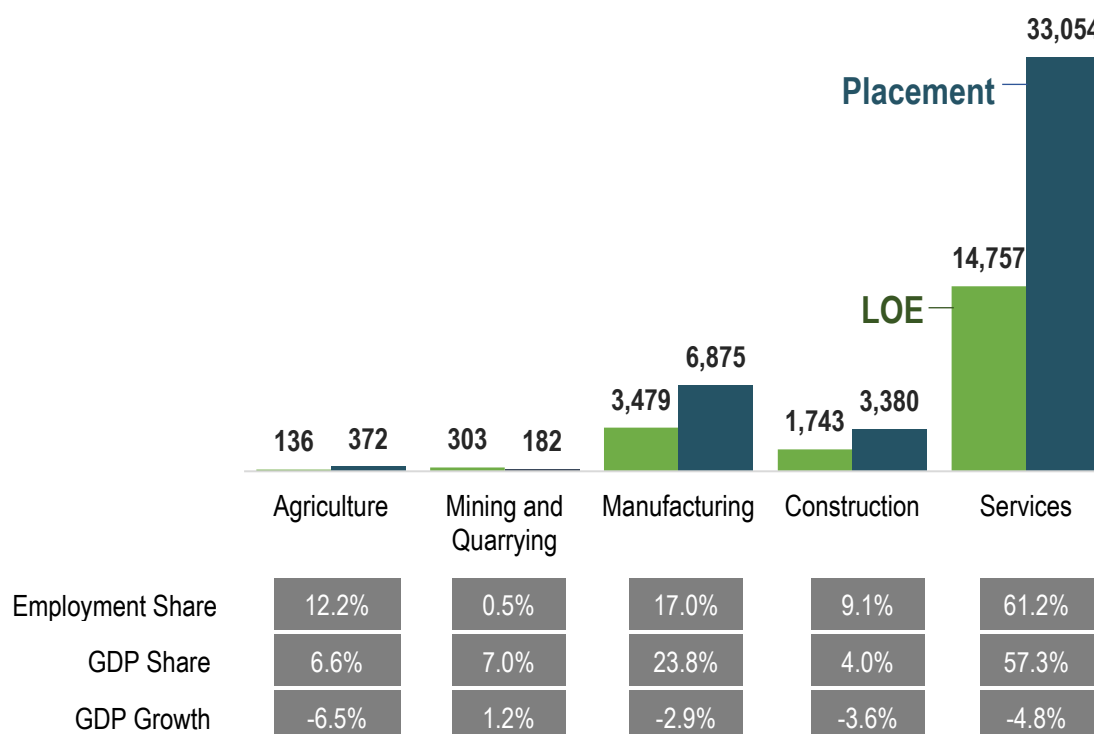
LABOUR MARKET CONDITION

Manufacturing and Services continue as main sectors absorbing employment

At the sectoral level, the number of re-entry into the labour market in Q1-2021 concentrated in the Manufacturing and Services sectors with 6,875 and 33,054 placements, respectively (Figure 8). These sectors have the highest employment absorption because they represent the largest share of national GDP at 23.8% and 57.3%. In the Services sector, Other Services; Wholesale Trade, Retail Trade & Motor Vehicles; and Accommodation and Food & Beverage are among the sub-sectors that contribute the highest number of placements, accounting for 23.4%, 12.3% and 12.2%, respectively.

Although the Construction sector registered negative growth in Q1-2021, its placements increase by 10.2% in response to the positive growth of Civil Engineering and Specialised Construction Activities. Both sub-sectors represent 30.6% and 23.4% of the whole Construction sector's GDP during the quarter.

Figure 8. Loss of Employment (LOE) and Placement by Sector, Q1-2021



Note:

GDP growth refers to quarter-on-quarter percentage change

Sources:

1. LOE and placement data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSO)
2. GDP and share of total employment data are sourced from the Department of Statistics Malaysia (DOSM)
3. Analysis is performed by EU-ERA

LABOUR MARKET CONDITION

Balanced labour market recovery across the states

As of Q1-2021, the labour market at all states resonate a balanced recovery, where LOE concentration is parallel to the concentration of placements. LOE and placement concentration in Johor and Penang are between 6% and 10%, whereas Selangor and Kuala Lumpur are more than 10%. These are following the high number of placements recorded in Selangor at 30.2%, followed by Kuala Lumpur (20.4%), Johor (8.9%) and Penang (6.3%). Similarly, the trend is also available in other states but at lower LOE and placement intensities.

Figure 9a. Distribution for Loss of Employment (LOE) by States, Q1-2021

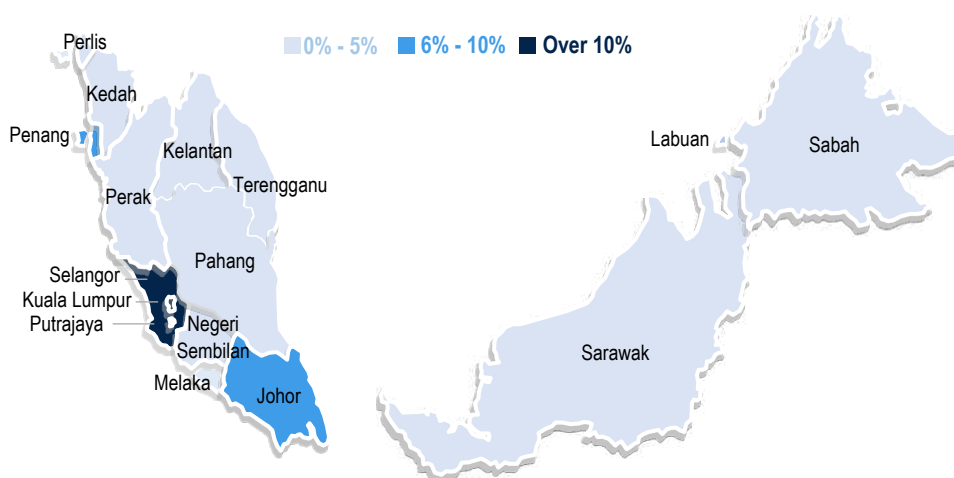
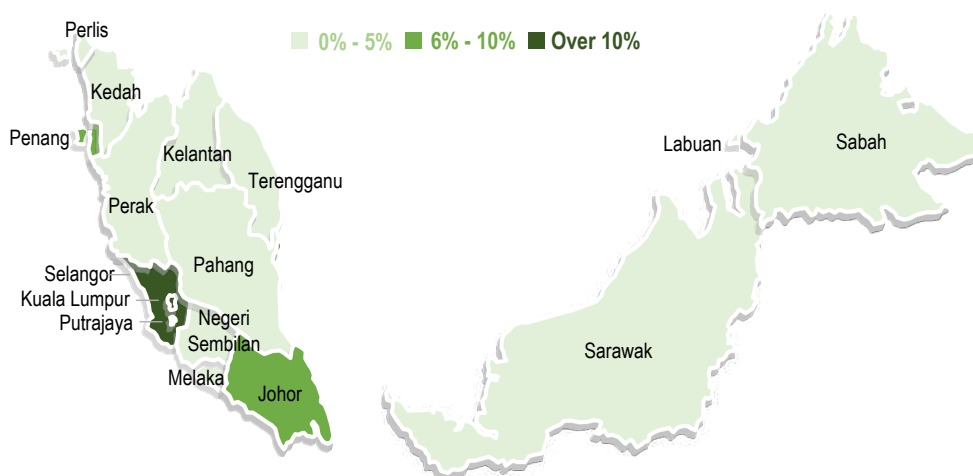


Figure 9b. Distribution for Placement by States, Q1-2021



Sources:

1. LOE and placement data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSO)
2. Analysis is performed by EU-ERA

LABOUR MARKET CONDITION

Slow hiring recovery for PMET job category in response to higher increment in PMET LOE

The LOE for the PMET job category remains high with an increasing trend from 63.3% in Q4-2020 to 66.0% in Q1-2021 (Figure 10a). Despite being the most affected job category, PMET return to work composition grows positively, improving from 50.2% in Q4-2020 to 52.2% in Q1-2021 (Figure 10b). Nevertheless, the improvement results in slow recovery in response to higher increment in LOE at 2.7% as compared to placement at 2.0%.

At the sectoral level, the Services and Agriculture sectors record the largest LOE increase at 3.2%, while the remaining sectors record less than 2.0% of increment. Due to the size aspect and their contribution level to GDP, the impacts from the LOE increment on the labour market are most significant in the Services and Manufacturing sectors. Notwithstanding the LOE increment, these sectors show an increasing placement trend for the PMET job category, reflecting hiring recovery. Furthermore, the Services and Manufacturing sector are labour-intensive sectors, absorbing 61.2% and 17.0% of total employment (PMET and Non-PMET) during Q1-2021.

Figure 10a. Loss of Employment (LOE) by Sector, PMET and non-PMET Categories, Q4-2020 and Q1-2021

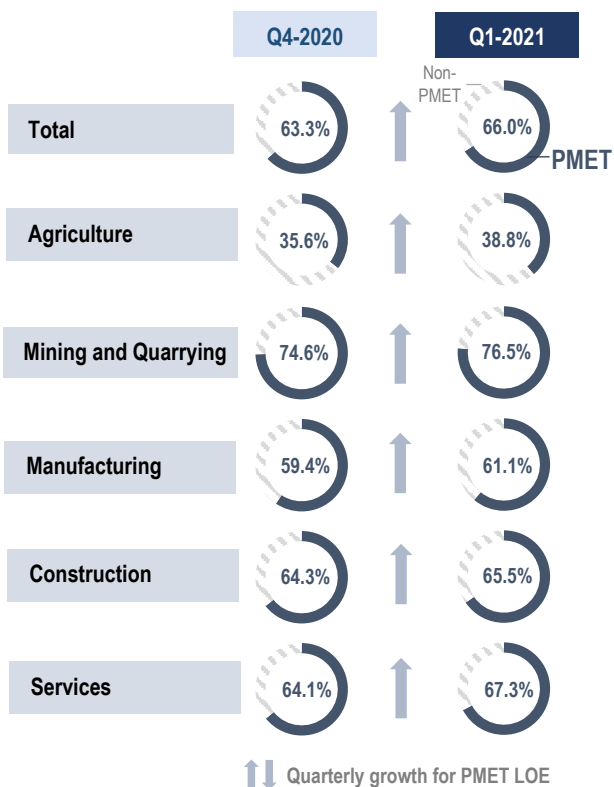
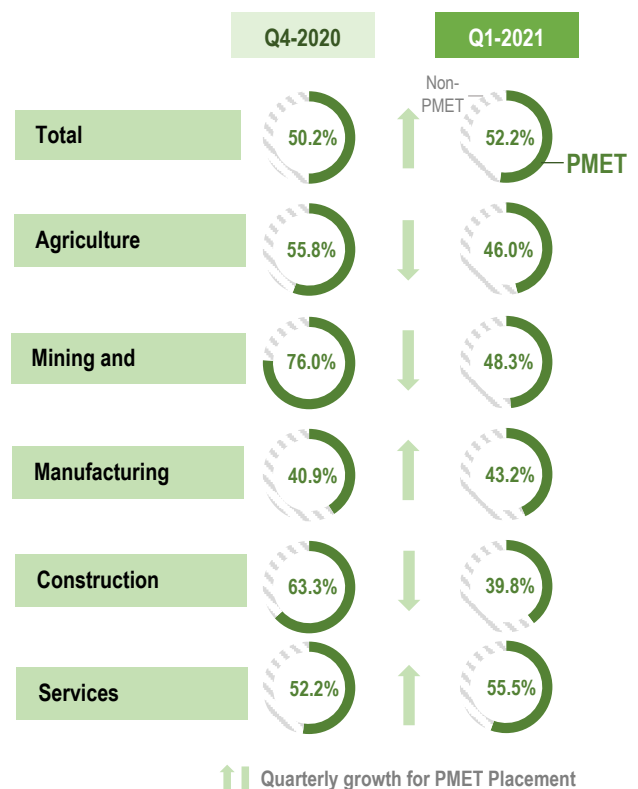


Figure 10b. Placement by Sector, PMET and non-PMET Categories, Q4-2020 and Q1-2021



Sources:

- LOE and placement data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSO)
- Analysis is performed by EU-ERA

LABOUR MARKET CONDITION

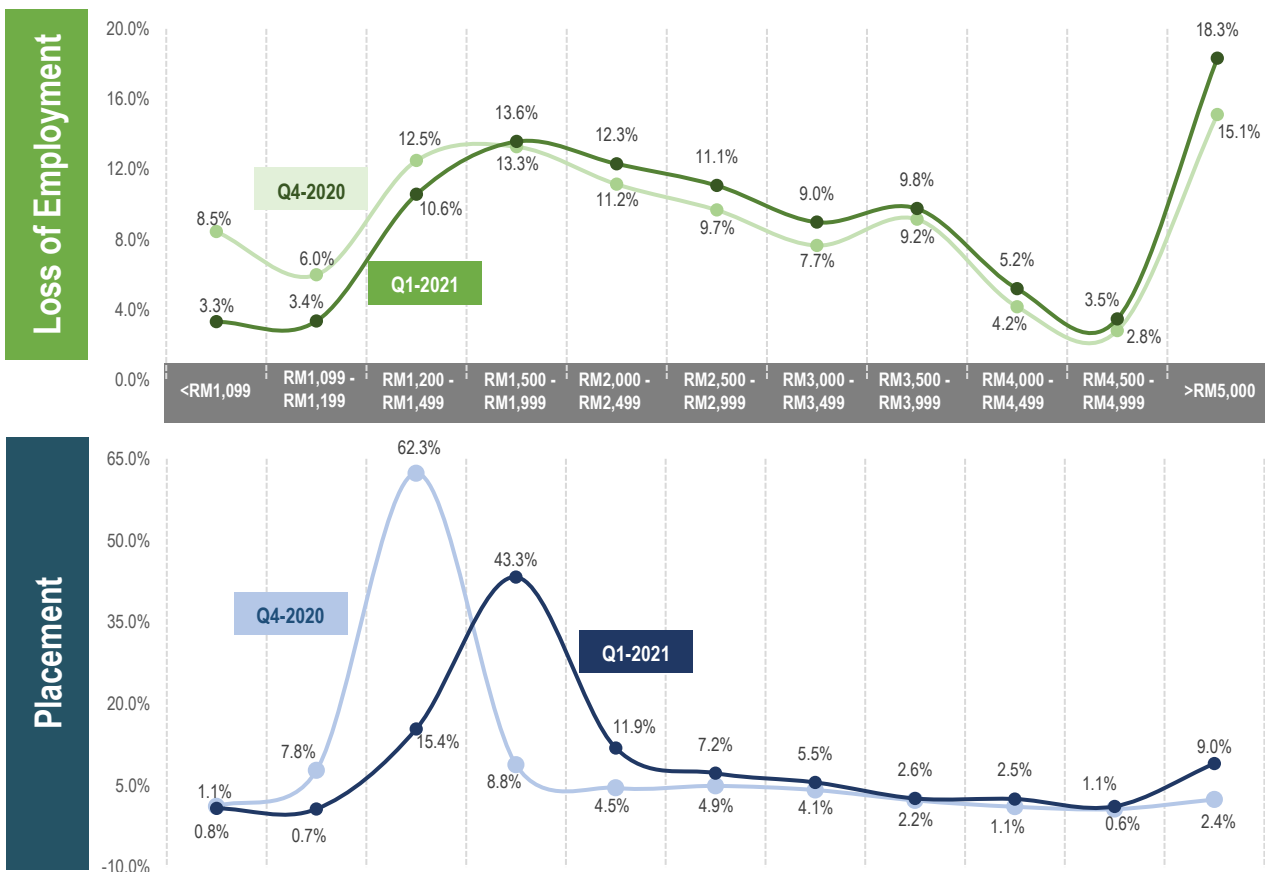
The reduction in LOE benefits low wage earners

LOE reduction from 23,307 to 20,418 between Q4-2020 and Q1-2021 (as shown in Figure 5) benefits the low wage earners who earn below RM1,499. The employment losses situation for this group of employees improves in Q1-2021 as their percentage shares from the total LOE decline, indirectly suggesting that low wage earners were able to retain their jobs. For wage earners above RM1,500, their LOE composition increase compared to the previous quarter, with the highest changes recorded for jobs paid RM5,000 and above. The high composition and increment in the LOE for jobs with the wage rate above RM5,000 imply that the PMET job category is most affected. This situation echoes with the findings given in Figure 10a.

Better remuneration for those who return to work

The labour market situation in Q1-2021 provides a clear recovery sign, and stabilising as most of the placements shifted from the RM1,200-RM1,499 to RM1,500-RM1,999 category. 43.3% of placements in the current quarter are from the RM1,500 to RM1,999 wage category compared to only 8.8% in the previous quarter. These findings reflect a positive trend towards improved remuneration in the labour market.

Figure 11. Loss of Employment (LOE) and Placement by Wage Range, Q4-2020 and Q1-2021



Note:

Apprenticeship category registered with MYFutureJobs is included as the wage earners for placement

Sources:

1. LOE and placement data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSCO)
2. Analysis is performed by EU-ERA

DEMOGRAPHIC FACTORS AFFECTING SPEED OF JOB PLACEMENTS

In addition to the administrative efforts to increase the speed of job placements, there are other factors that have significant influence on the magnitude of placements. One of them is the demographic factors of the jobseekers, which have not been given enough attention when explaining the speed of job placement.

Demographic factors of the job seekers such as educational background, age, ethnicity and gender are found to be strongly correlated with the speed of job placement. For example, jobseekers with higher education tend to get placement earlier and took a shorter unemployment spell than those with lower qualifications (see for examples, Brooks & Youngson, 2016; Lauer, 2003; Barceinas-Paredes et. al., 2000). Poor health conditions and poor adaptability levels lead to a more extended job placement period for older jobseekers (Schirle, 2008). Furthermore, marital status of female jobseekers is also the centre of discussion in the literature compared to ethnicity, age, or weight due to its moral contention (Bronfenbrenner & Morris, 2007). For example, in urban China, married females and mothers face major drawbacks in terms of jobs and earnings, which result in late placements (Zhang et. al., 2008).

This short note summarises the research that evaluates the influence of demographic factors in affecting the speed of placement in the post-movement control order (MCO) period. An econometric model is applied to the administrative data on job placements between July 1st, 2020 and December 31st, 2020 obtained from the Employment Insurance System (EIS), Social Security Organisation (SOCISO). The demographic factors included in the econometric model are education, age, gender, marital status and ethnicity, and they are estimated based on the following general functional form:

$$\text{Duration} = \alpha_0 + \beta_1 \text{education} + \beta_2 \text{age} + \beta_3 \text{age}^2 + \beta_4 \text{gender} + \beta_5 \text{marital status} + \beta_6 \text{ethnicity}$$

Results of the analysis that have passed all the relevant diagnostic tests are presented below.

Table 1: OLS Regression Result

Source	SS	df	MS	Number of obs	=	8,848
Model	33816.8226	6	5636.13711	F(6, 8841)	=	3.39
Residual	14680389.7	8,841	1660.48973	Prob > F	=	0.0024
				R-squared	=	0.0023
				Adj R-squared	=	0.0016
Total	14714206.6	8,847	1663.186	Root MSE	=	40.749

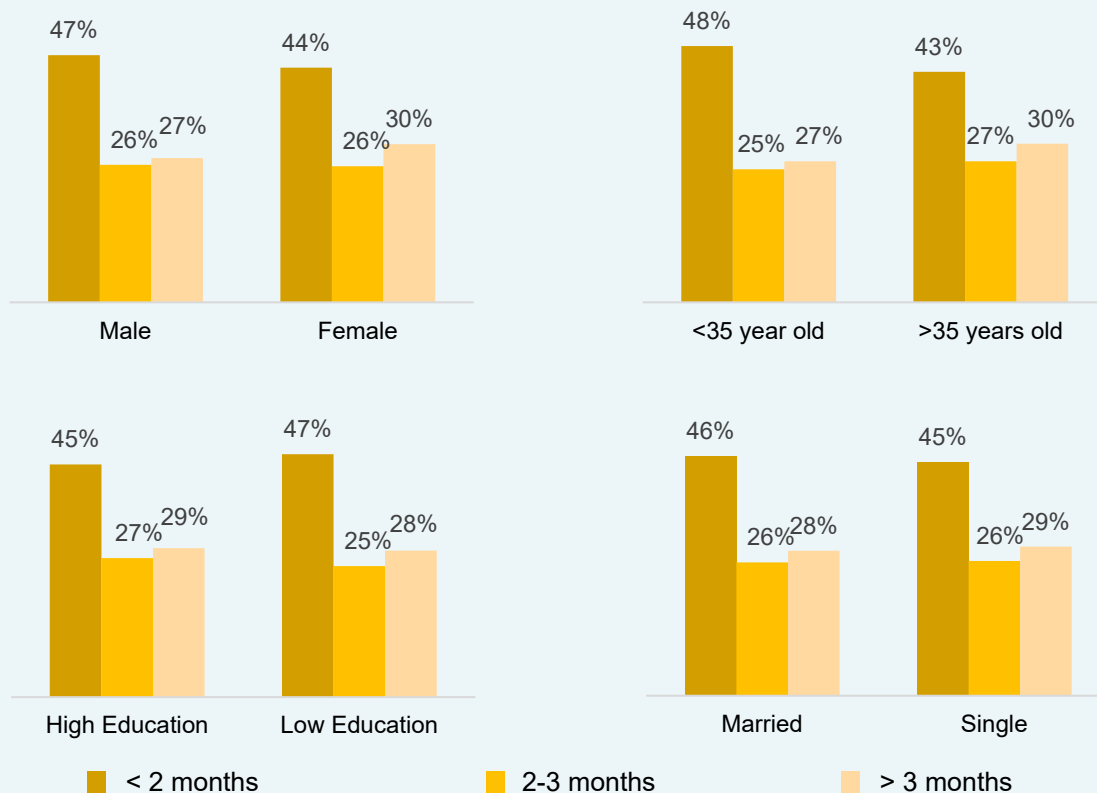
duration	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
education	1.76589	.9089527	1.94	0.052	-.0158682 3.547649
age	.6441471	.3787973	1.70	0.089	-.0983836 1.386678
age2	-.0080889	.0050305	-1.61	0.108	-.0179499 .0017721
gender	-2.396911	.9092634	-2.64	0.008	-4.179278 -.6145432
marital_stat	-1.980192	1.065824	-1.86	0.063	-4.069455 .1090705
ethnicity	.8063492	.9324745	0.86	0.387	-1.021517 2.634216
_cons	55.68991	6.615314	8.42	0.000	42.72236 68.65747

Notes:

1. Dummy variables were used for education (high education=1, low education=0), gender (male=1, female=0), marital status (married=1, single=0) and ethnicity (malay=1, non-malay=0)
2. This is a shorter version of an article that will be published in the Review of Labour Market Policy Journal in 2021

The findings show that high education followed by older, female and single jobseekers spend more time to get placement compared to low education, younger, male, and married jobseekers as shown in Table 1. Ethnicity has no significant impact on placements, indicating that every jobseeker, regardless of their races have equal opportunity of getting a job. The distribution of duration taken from job placement by demographic factors are summarised in Figure 12.

Figure 12. Distribution of job placement by demographic factors (%)



Those with relatively higher education tend to spend more times getting placements because the jobs that are created in the economy are more concentrated on the semi- and low-skilled occupations (with relatively lower education requirement). This could also explain late job placements for older jobseekers, where 60% of jobseekers are above 35 years old and have been previously employed in high-skilled positions—Professional, Manager, Executive and Technician (PMET).

Some evidence from previous studies could also explain the outcomes of gender and marital status. Females are likely to be associated with little access to high-level positions in the job market, forcing them to consume more time in seeking alternative job opportunities. Females are also paid lower than males, forcing them to take more time to consider the salary offered before accepting the job. For single jobseekers, they require longer times to get job placement compared to married jobseekers.

References

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2. Bronfenbrenner, U., & Morris, P. A. (2007). The Bioecological Model of Human Development. *Handbook of Child Psychology* (Vol. 1, pp. 793–828). New Jersey, United States: John Wiley & Sons Inc.
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5. Lauer, C. (2003). *Education and unemployment: A French–German comparison*. (Discussion Paper No. 03-34). Retrieved from Centre for European Economic Research (ZEW), Mannheim.
6. Schirle, T. (2008). Why have the labor force participation rates of older men increased since the mid-1990s? *Journal of Labor Economics*, 26(4), 549–594.
7. Zhang, Y., Hannum, E., & Wang, M. (2008). Gender-based employment and income differences in urban China: Considering the contributions of marriage and parenthood. *Social Forces*, 86(4), 1529–1560.

JOB MARKET CONDITION

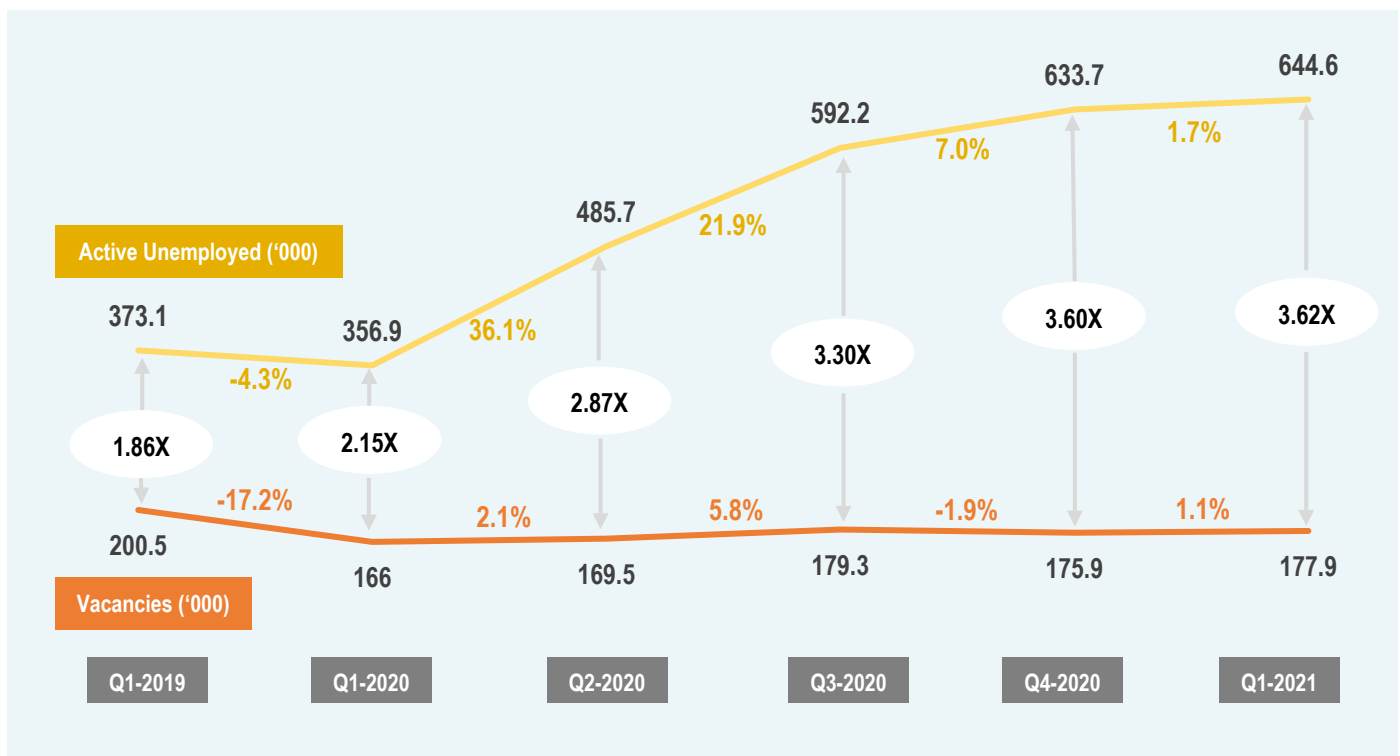
Marginal growth in the gap between jobseekers and vacancies signals for job market stabilisation

The past quarters have seen the job market faces a surplus of jobseekers (as represented by active unemployed) due to the inability of the economy to create sufficient vacancies. Moving into the post-crisis period in Q1-2021, the job market begins to show signs of stabilisation, as indicated by the diminishing growth in a factor of 3.62 in the gap between jobseekers and vacancies. The improvement in the job market is primarily supported by the slower growth of jobseekers by 1.7%. In comparison, the economy successfully elevated the vacancies creation rate to 1.1%.

"Trapezoid" shape continues to characterise the job market

The job market remains characterised by a "trapezoid" shape in Q1-2021, indicating the disproportionality in the pace of growth between active unemployment and vacancies (Figure 13). Although the manifestation of the "trapezoid" shape calls for serious attention, the recent improvement in vacancy creations signals further recovery in the labour market. Subsequently, the gap between active unemployment and vacancies is expected to narrow down in the post-crisis period.

Figure 13. Active Unemployed and Vacancies, Q1-2019, 2020 and Q1-2021



Notes:

1. % refers to the quarter-on-quarter percentage change
2. Jobseekers are represented by the active unemployed

Sources:

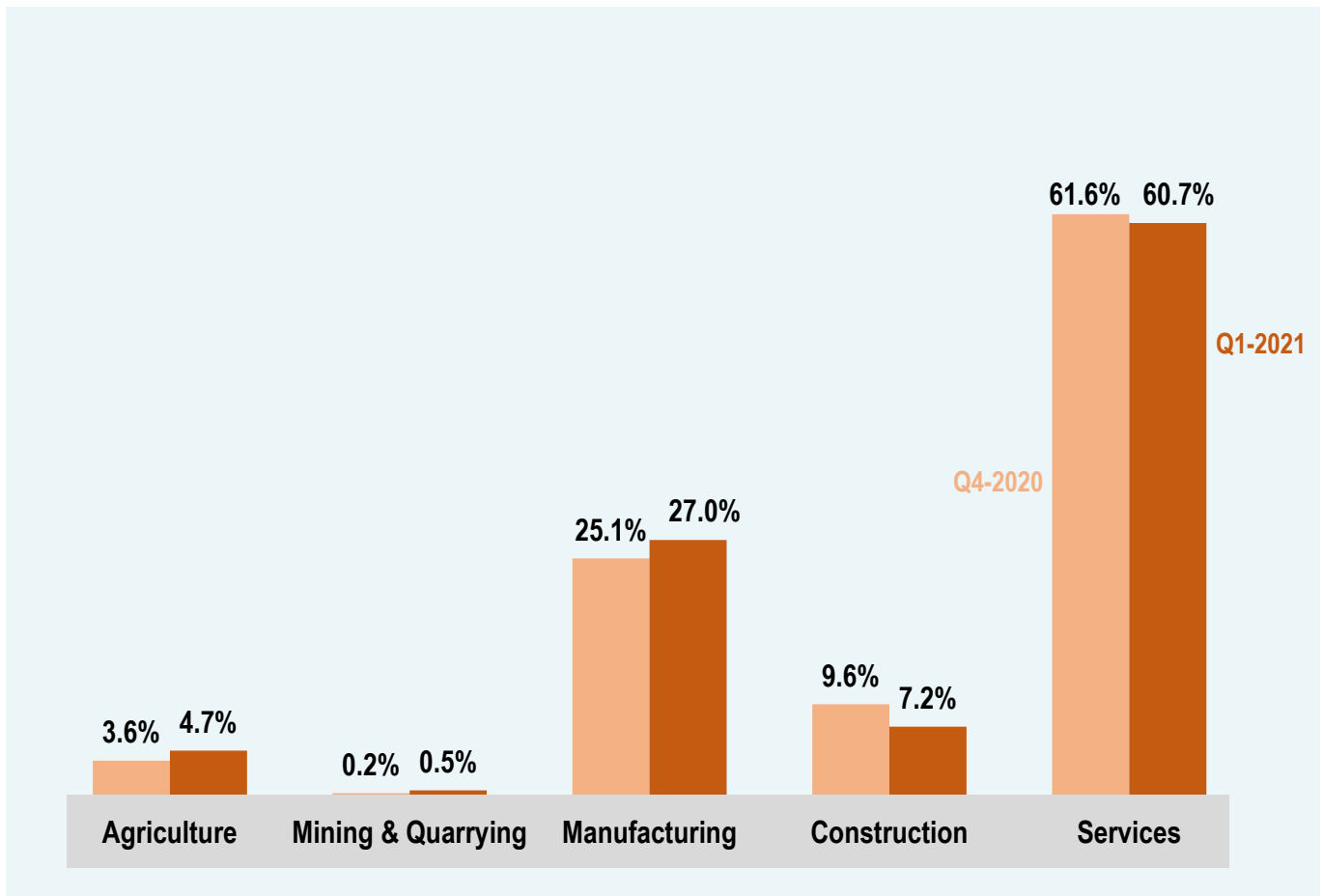
1. Active unemployed and vacancies data are sourced from the Department of Statistics Malaysia (DOSM)
2. Analysis is performed by EU-ERA

JOB MARKET CONDITION

The concentration of vacancies in labour-intensive sectors

While the growth of vacancies for Mining & Quarrying, Construction and Services resembles their contribution to GDP, the vacancies in Agriculture and Manufacturing sectors grow in the opposite direction. The increased vacancies in these sectors are mainly created by the labour-intensive sub-sectors that prospered in Q1-2021. For the Manufacturing sector, the vacancies creation is due to the positive growth of Electronic Components & Boards, Communication Equipment and Consumer Electronics; and Machinery and Equipment sub-sectors. Meanwhile, the vacancies in the Agriculture sector are supported by the growth of Food Crops sub-sectors. For sectors that experience the declining contribution to vacancies such as the Services, the reduction is primarily explained by the performance of Wholesale & Retail Trade; Accommodation; Food & Beverage; Transportation; and Business services which are the pillars of the Tourism industry.

Figure 14. Vacancies by Sector, Q4-2020 and Q1-2021



Note:

% refers to the percentage share of the vacancies of the particular sectors to the total vacancies in the economy

Sources:

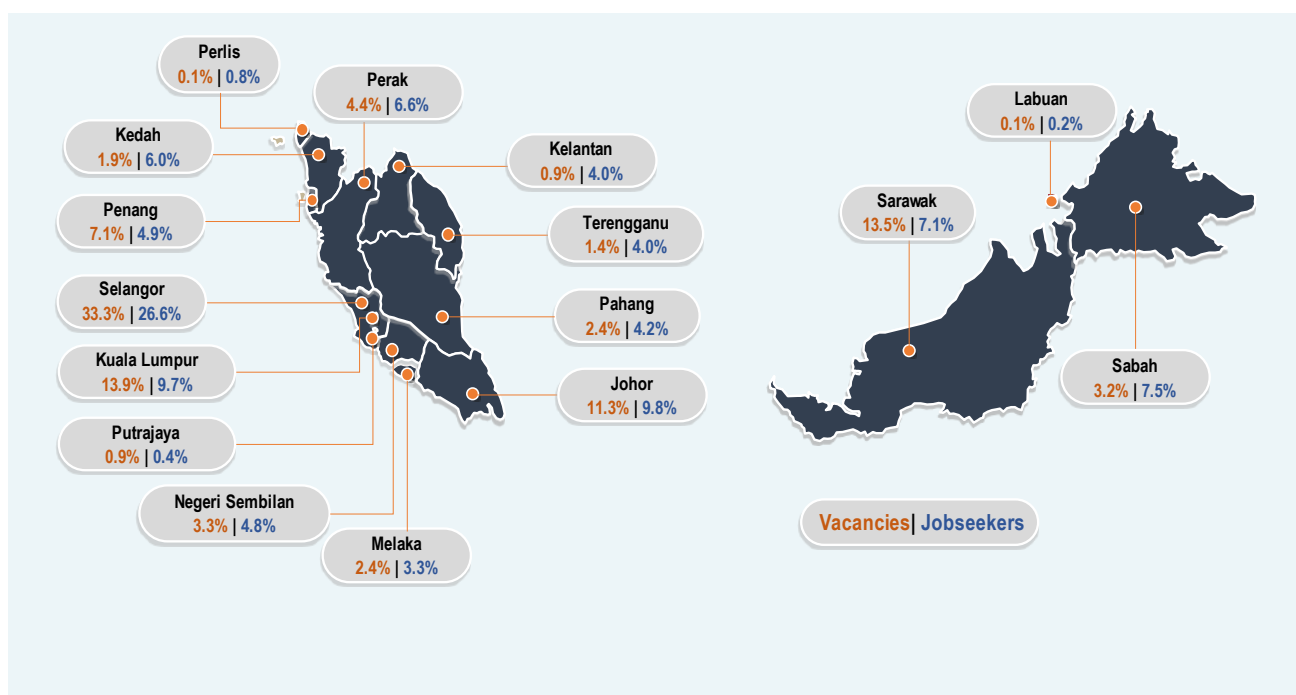
1. Vacancies data is sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCOSO)
2. Analysis is performed by EU-ERA

JOB MARKET CONDITION

Regional development disparity leads to uneven distribution of vacancies and jobseekers

The concentration of industrial activities in Penang, central region, Johor and Sarawak, ramifies vacancies and jobseekers' uneven distribution in the job market. The industrialisation level in these states is mainly supported by the operation of industrial states that are equipped with world-class infrastructure and excellent connectivity. Among the states, Selangor creates the largest share of vacancies and jobseekers of 33.3% and 26.6%, followed by Kuala Lumpur with 13.9% and 9.7%, and Sarawak with 13.5% and 7.1%. Overall, these states are in excess demand of labour due to the larger share of vacancies instead of jobseekers. Among the listed states, Sarawak records the highest growth in vacancies by 6.2% between Q4-2020 and Q1-2021, while its share of jobseekers only increases by 1.0%. The improvement in the job market condition in Sarawak is primarily linked to the special assistance package, Sarawakku Sayang, rolled out by the state government. In states with lower industrial intensity, an opposite outcome is observed where the states face a surplus of jobseekers. Among the factors that explain this situation is the restriction of movement across the states due to the MCO and employment location preference.

Figure 15. Share of Vacancies and Jobseekers by State, Q1-2021



Note:

% refers to the percentage shares of vacancies and jobseekers of the particular state to the total vacancies and jobseekers at the national level

Sources:

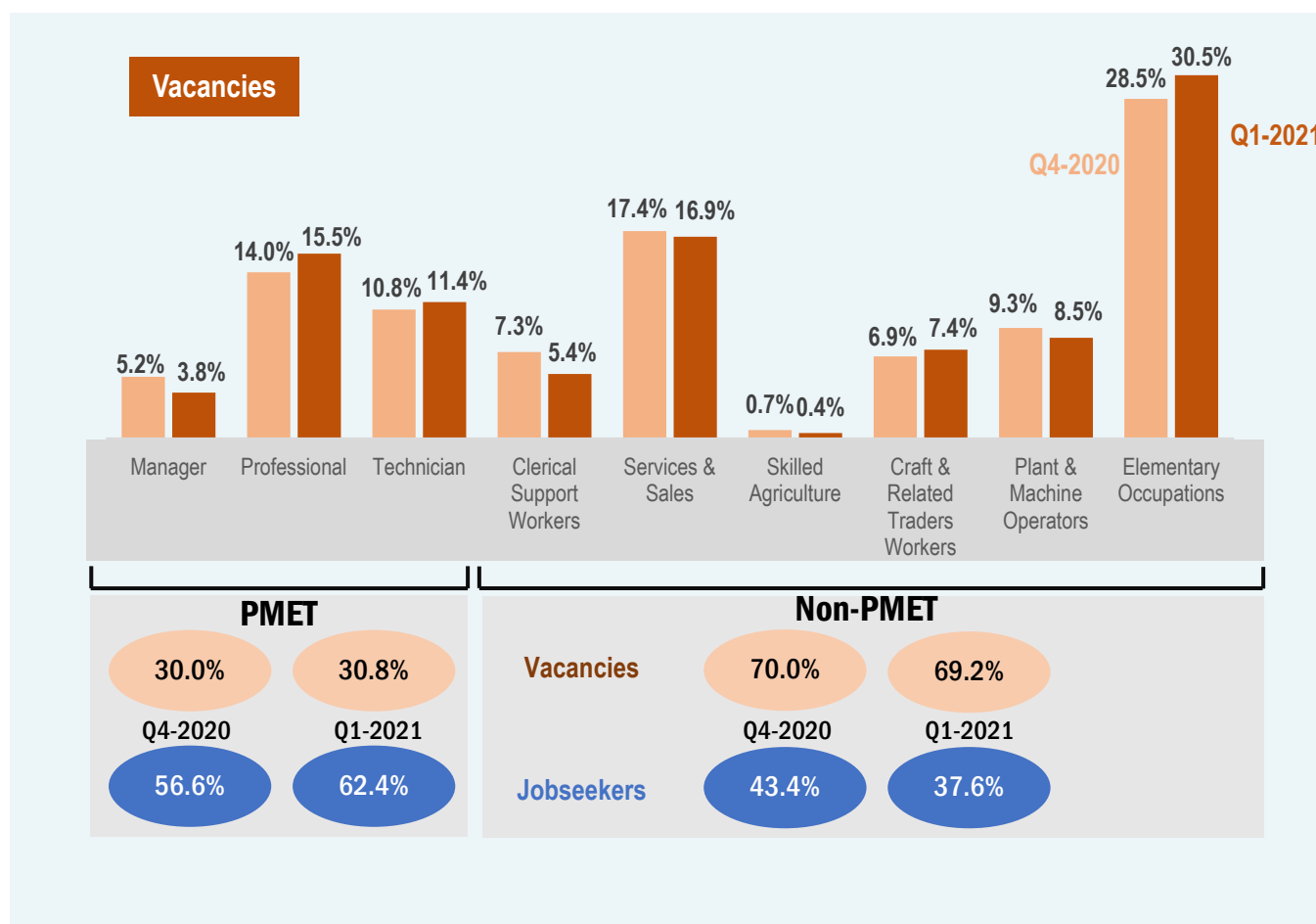
1. Vacancies and jobseekers data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSSO)
2. Analysis is performed by EU-ERA

JOB MARKET CONDITION

The misalignment issue between demand and supply in the job market remains unresolved

The misalignment issue in the job market has affected hiring trends and changed the nature of jobs offering. Although the share of vacancies increased for PMET category, larger improvement was recorded for the share of jobseekers. This situation indicates that the demand for these occupational categories is getting stronger between Q4-2020 and Q1-2021 despite the slower vacancies creation. The size of vacancies created for PMET only grows by 0.8% compared to the drastic increase in the proportion of PMET jobseekers by 5.8%. Misalignment is a structural issue, and managing it requires long-term policy interventions. Thus, greater efforts are required during this transitional period, from crisis to post-crisis, to correct the distortion in the job market.

Figure 16. Vacancies and Jobseekers by PMET and non-PMET Categories, Q4-2020 and Q1-2021



Sources:

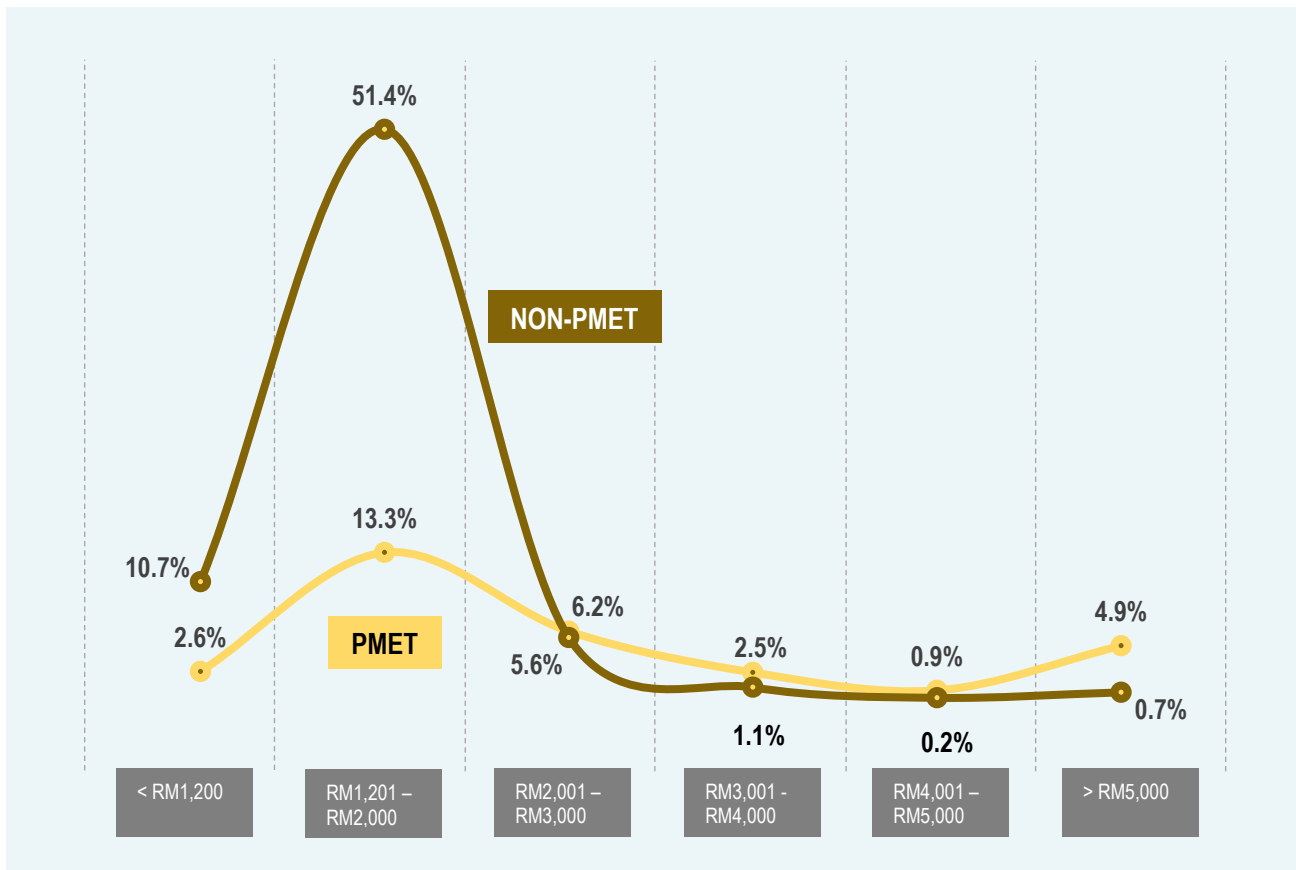
1. Vacancies and jobseekers data are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOC SO)
2. Analysis is performed by EU-ERA

JOB MARKET CONDITION

Slower demand growth for PMET jobs resulted in the incommensurate wages offered

The effects of the pandemic crisis on the job market prolonged into the post-crisis period resulting in a significant proportion of incommensurate wages offered for PMET jobs. Out of 30.8% of the vacancies offered for PMET in Q1-2020, 22.1% are offered with wages lower than RM3,001. To explain this situation, the recent statistics reveal that the number of jobseekers with tertiary education increases by 9.9% between Q4-2020 and Q1-2021 even though the capability of the industries to create PMET jobs remains limited. This situation pushes down the level of wages offered. This observation also indirectly reflects the intensity of mismatch issue in the job market. Nevertheless, this condition is expected to improve in response to the ongoing government efforts in fixing the damages inflicted by the pandemic and the speed of job market adjustment to the new economic environment in the post-crisis period.

Figure 17. Distribution of Wage Offered for PMET and non-PMET Categories by Wage Ranges, Q1-2021



Note:

% refers to the percentage shares of wage offered by PMET and non-PMET category to the total vacancies

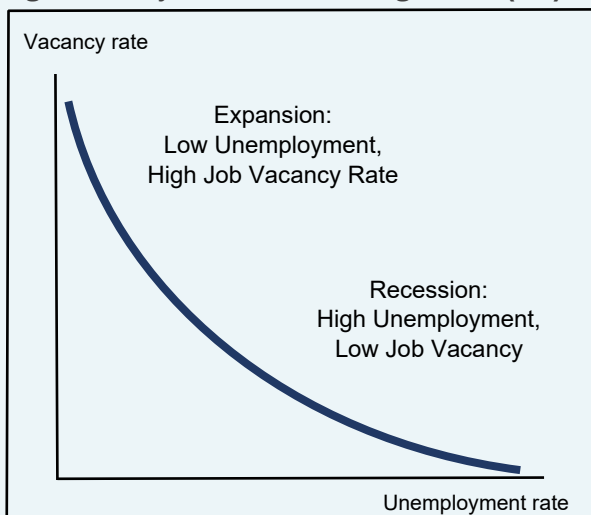
Sources:

1. Wage data is sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSCO)
2. Analysis is performed by EU-ERA

COVID-19 CRISIS INDUCES THE EXISTENCE OF BEVERIDGE CURVE?

The Beveridge Curve (BC), which was initially hypothesised by Beveridge in 1944, is a graphical representation of the matching process that describes the relationship between the vacancy rate and the unemployment rate. It indicates a negative relationship between vacancies and unemployment that generally occurs over the business cycle. However, empirical Beveridge curves for most countries proved to be very irregular, frequently changing their position and slope.

Figure 18. Stylise fact of Beveridge Curve (BC)



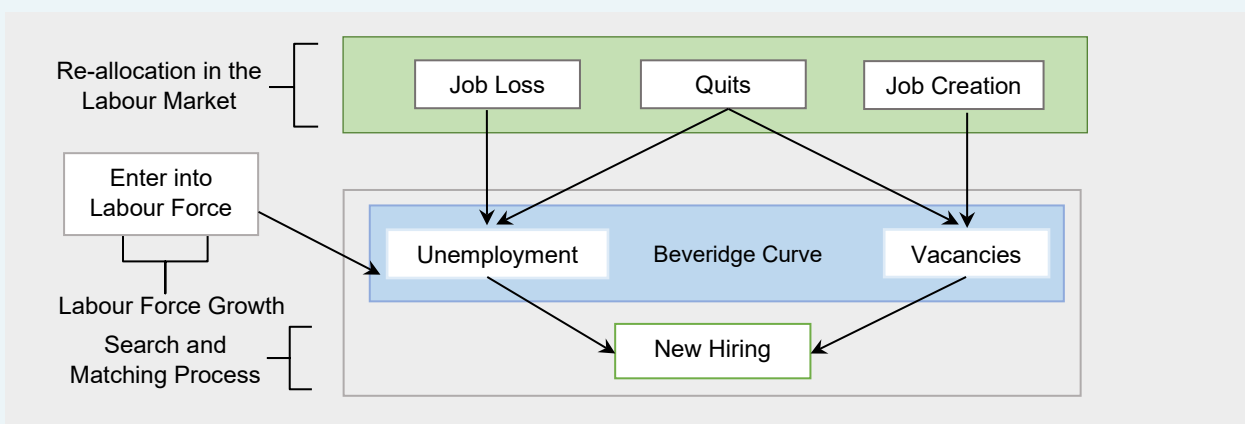
Source: Bleakley & Fuhrer (1997). Shifts in the Beveridge curve, job matching, and labour market dynamics. *New England Economic Review*, 28, 3-19.

Understanding the shape and the position of the BC provides important information about the functioning of the labour market. Essentially, there are two key concepts associated with the Beveridge curve: labour market tightness and matching efficiency. Labour market tightness is the number of vacant posts per unemployed person, and matching efficiency reflects the market's ability to match individuals to jobs.

Figure 18 shows a stylised BC. The position on the curve indicates where the economy is in the business cycle. In a Recession (expansion) situation, generally, times of high (low) unemployment and few (more) job vacancies, corresponding to points on the lower right (upper left) of the curve.

This simple model of BC can be illustrated in Figure 19. In the blue box at the centre, which is determined by the vacancies and unemployment. Unemployment in this model is represented by those who enter the labour force, job quits (voluntary resignation) and job loss (lay-offs/terminations). While vacancies are outcomes of job creation (expansion of business) and job quits (voluntary resignation).

Figure 19. Beveridge Curve Model

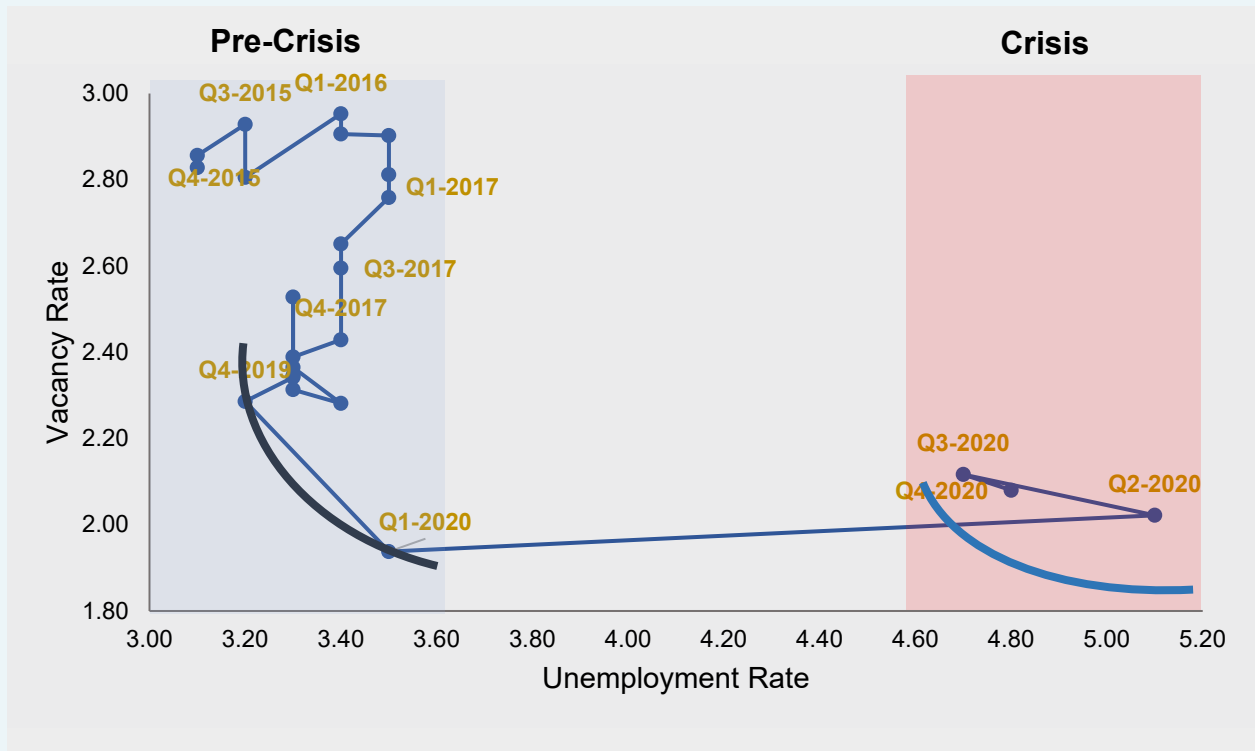


Note: This is a shorter version of an article that will be published in the Review of Labour Market Policy Journal in July 2021

Source: Bleakley & Fuhrer (1997). Shifts in the Beveridge curve, job matching, and labour market dynamics. *New England Economic Review*, 28, 3-19

Figure 20 plots an aggregated BC for Malaysia using quarterly unemployment and vacancy rates from Q1- 2015 to Q4-2020. There are four remarkable observations found in Figure 20.

Figure 20. Malaysia Beveridge Curve, Q1-2015 to Q4-2020



Source:

Unemployment rate and vacancy rate data are sourced from the Department of Statistics Malaysia (DOSM)

First, the BC is unlikely to exist during the pre-crisis period. The pre-crisis period tends to exhibit a vertical-line relationship between unemployment and vacancy rates (more or less similar to the long-run Phillips curve).³ Prior to the crisis, the vacancy rates at the vertical-line lies mostly between 3.2% and 3.3% of the unemployment rate and these rates represent the natural rate of unemployment (NAIRU). Thus, it can be also inferred that vacancy rates around 2.3% to 2.5% represent the natural rate of vacancies experienced by the Malaysian economy. The vertical-line shaped of vacancy rates may reflect the magnitude of matching efficiency, most often occurring over longer time span resulting from various heterogeneities in job types and workers, for example differences in educational, spatial and preferences.

Second, COVID-19 induces the existence of BC, particularly the movement from points Q4-2019 to Q1-2020 (black curve line). It shows that the BC tends to appear, thus establishing a negative relationship when the unemployment rate is above 3.4%.

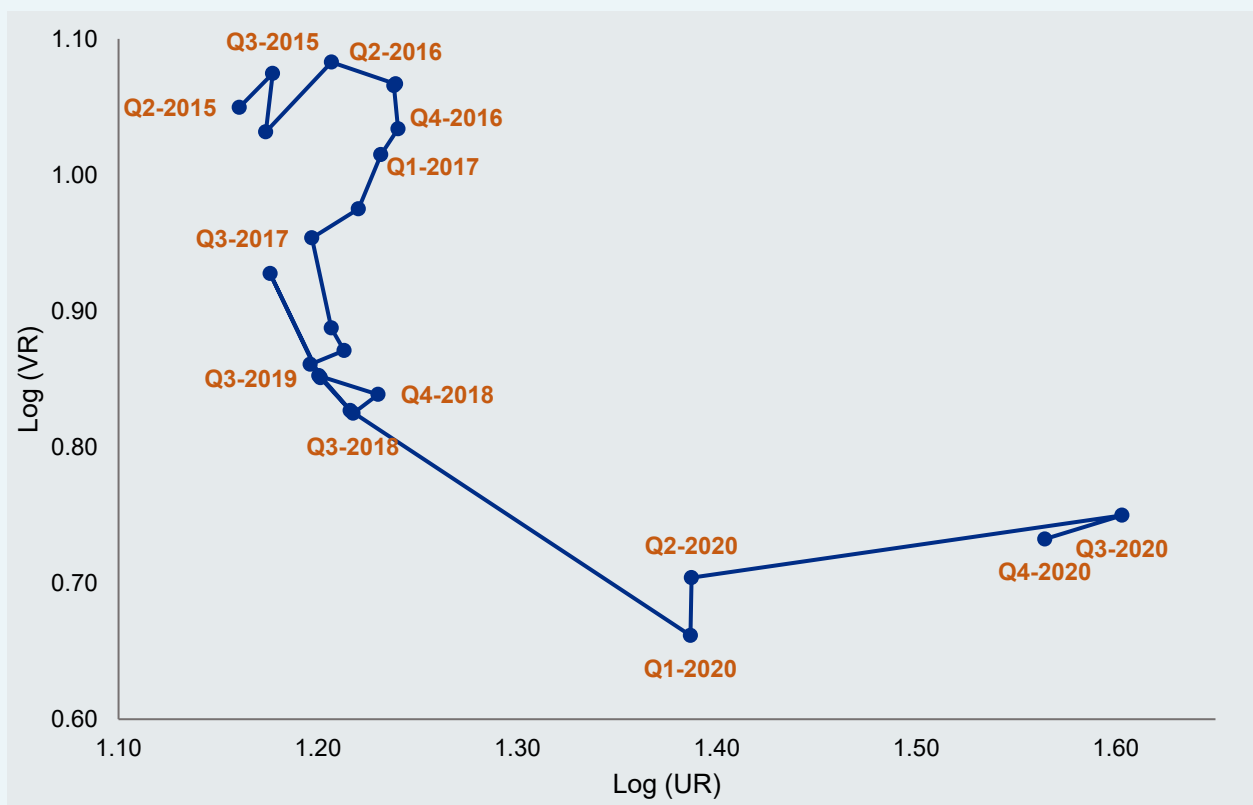
³ Phillips curve describes the relationship between unemployment and inflation rates and in the long-run it portrays a vertical-curve shape.

Third, there is a shift in the BC observed after Q2-2020, which implies a situation of labour market efficiency. This reflects that the number of vacancies increases with the reduction in unemployment. An efficient matching process will find jobs faster, filling vacancies and employing the unemployed.

Fourth, the movements along the BC Q2-2020 to Q4-2020 are usually associated with changes in the market tightness. During the economic recovery period, the vacancy rates increase because firms post more job openings, which, in turn, is associated with lower unemployment rates. This also reflects the active government interventions through various economic incentives to rebound the economy.

Figure 21 shows the fitted BC for Malaysia, estimated econometrically based on quarterly data from Q1-2015 to Q4-2020. The fitted line confirms the existence of the BC curve in Malaysia induced by the COVID-19 pandemic.

Figure 21. Fitted Beveridge Curve Estimation for Malaysia, Q1-2015 to Q4-2020



Source:
Analysis is performed by EU-ERA

FORECAST AND OUTLOOK

Unemployment Rate and Loss of Employment (LOE)

This section provides the EU-ERA forecast and outlook on the unemployment rate and LOE for Q2-2021. The labour market progress and outcomes for Q2-2021 are expected to be highly influenced by the Full Movement Control Order (FMCO) 3.0 which was implemented on June 1st, 2021. The present forecasts are made with the assumption that government approaches on the economic sector restrictions are similar to that of MCO 2.0.

Overall, the labour market is likely to continue recovering modestly in Q2-2021 due to the government's continuous efforts in supporting employment growth through various initiatives such as MyStep and the extension of the Wage Subsidy Programme (WSP 3.0). Furthermore, allowing businesses to operate according to strict Standard Operating Procedures (SOPs) and increasing vaccination coverage contribute positively to the labour market recovery.

Unemployment rates are expected to show a declining trend, reducing from 4.61% in April to 4.56% in June 2021 (Figure 22). Compared to Q2-2020, unemployment conditions are less severe in Q2-2021, suggesting a continuous labour market improvement. Nevertheless, the pre-crisis level of unemployment (3.30% in 2019) is far-reaching because the progress towards economic recovery is affected by the series of MCO implementations to flatten the COVID-19 pandemic curve.

Similar to unemployment rate, loss of employment (LOE) for private employees is forecasted to decline from 20,418 in Q1-2021 to 13,777 in Q2-2021 (Figure 23). However, the projected LOE in June 2021 may start to rise due to the implementation of MCO3.0. The overall trend suggests a slow recovery of the labour market, going back to its average LOE of 3,340 in 2019.

Methodologies for unemployment rate and LOE forecasts

In forecasting the unemployment rates and LOE, EU-ERA used the leading indicators approach. This method is developed based on the EU-ERA current study that attempts to determine the leading indicators for the two indicators, which is vital for short-term predictions and monitoring labour market movements.

Following the Organisation for Economic Co-operation and Development (OECD) system of composite leading indicators' methodology (Gyomai & Guidetti, 2012), 17 monthly and publicly available variables for leading indicator candidates are empirically investigated. Once leading indicators are determined, the leading indicators are aggregated into a composite leading index, and their forecast performance of unemployment rate and LOE are measured.

Leading indicators can be a useful short-term tool that helps the government build a more responsive policy related to the labour market, particularly in the economic recovery phase. Economic fluctuations due to various movement control restrictions directly and indirectly affects the labour market. Thus, leading indicators for unemployment rates and LOE are required for monitoring purposes. Furthermore, the leading indicators can provide an early signal system to the Active Labour Market Policy (ALMP) in attenuating cyclical and structural unemployment.

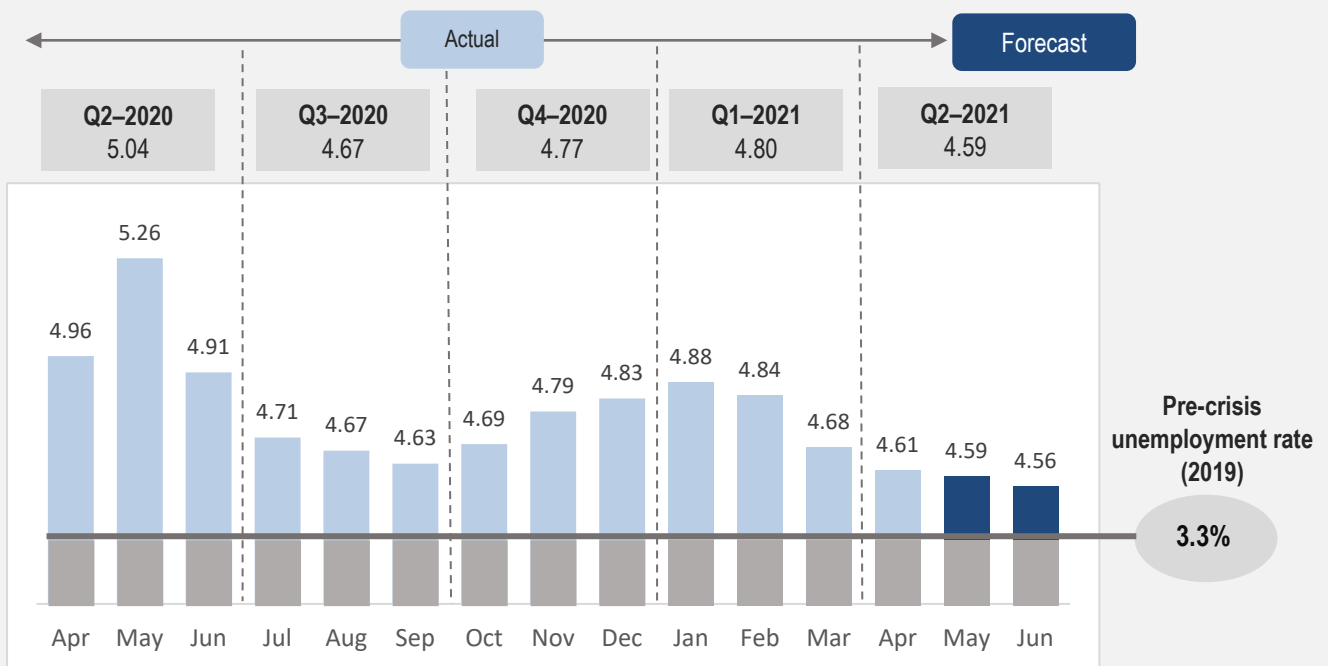
A publication on the leading indicators for unemployment rates and LOE will be released in July 2021.

Source:

Gyomai, G., & Guidetti, E. (2012). OECD system of composite leading indicators
<https://www.oecd.org/sdd/leading-indicators/41629509.pdf>

FORECAST AND OUTLOOK

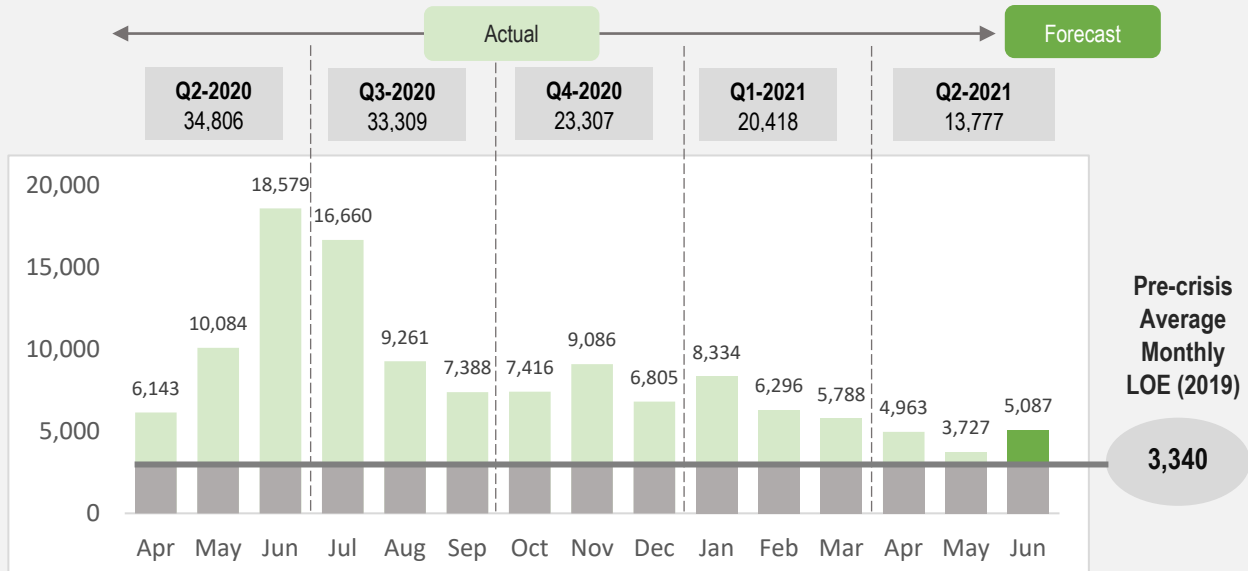
Figure 22. Actual and Forecasted Unemployment Rates (%), Q2-2020 to Q2-2021 (%)



Sources:

1. Unemployment rates from April 2020 to April 2021 are sourced from the Department of Statistics Malaysia (DOSM)
2. Unemployment rates from May to Jun 2021 are forecasted by EU-ERA

Figure 23. Actual and Forecasted Loss of Employment (LOE), Q2-2020 to Q1-2021



Sources:

1. LOE data from April 2020 to May 2021 are sourced from the Employment Insurance System (EIS), Social Security Organisation (SOCSSO)
2. LOE data for June is forecasted by EU-ERA

Glossary

Active Jobseekers	Jobseekers who are actively searching for jobs in MYFutureJobs portal within the period of 12 months.
Active Job Vacancies	Active job vacancies available advertised in MYFutureJobs portal which have not yet expired. Normally job vacancies will be advertised within the period of 30 to 60 days.
Active Unemployed	DOSM defined active unemployed include all persons in the labour force who did not work during the reference week but were available for work and actively looking for work.
Employed	DOSM defines employed as all persons (labour force) who, at any time during the reference week worked at least one hour for pay, profit or family gain either as an employer, employee, own-account worker or unpaid family worker.
Hiring Incentive Program	The Hiring Incentive Program (known as Penjana Kerjaya) offers financial incentives to employers to encourage them to expand hiring with the aim of reducing unemployment.
Inactive Unemployed	DOSM defines inactive unemployed persons (labour force) include the following categories: <ul style="list-style-type: none"> a) persons who did not look for work because they believed no work was available or that they were not qualified; b) persons who would have looked for work if they had not been temporarily ill or had it not been for bad weather; c) persons who were waiting for result of job applications; and d) persons who had looked for work prior to the reference week.
Loss of Employment	Any reason(s) by insured person (employees of the private sectors) who had lost his employment but does not include compulsory retirement, voluntary resignation, expiry of a fixed-term contract, and retrenchment due to misconduct.
Month-on-Month	Monthly growth rate is the change in the value of a measurement over the period from one month to the previous month.
Placement	Successful allocation of a person to a job either permanent, fixed-term or temporary with an employer. Successful placement can be categorised into one of the three categories: <ul style="list-style-type: none"> a) EIS Insured Persons which includes the loss of employment and employed person; b) persons with disabilities; and c) general jobseekers
PMET and Non-PMET	PMET and non-PMET are the classifications introduced in the Malaysian Skills, Occupations, Qualifications and Competences (MSOC) to differentiate between graduate and non-graduate jobs. PMET refers to Professional, Managerial, Executive & Technical occupations while non-PMET consists of clerical support workers; services and sales workers; skilled agricultural; forestry; livestock and fishery workers; craft and related trades workers; plant and machine operators, and assemblers and elementary workers.
Quarter-to-Quarter	Quarter-to-Quarter defines as the quarter of one year to the same quarter of the previous year.
Quarterly Growth	Quarterly growth rate is the change in the value of a measurement over the period from one quarter to the previous quarter.
Structural Unemployment	A situation where there is a mismatch between jobs offered and jobs needed, caused by a disparity between skill levels, geographical location, sectoral shifts in the production pattern of a country and other similar structural factors.
Unemployed	DOSM defines the unemployed are those in the labour force who did not work during the reference week and are classified into two groups that is the active unemployed and inactive unemployed.
Unemployment Rate	Unemployment rate is the proportion of unemployed population to the total population in labour force. This rate measures the percentage of unemployed population in labour force.
Vacancies	DOSM defines vacancies as the unfilled jobs which are ready to be filled. Employers are active seeking candidates including advertising vacancies, issuing notices and registering with employment agencies as well as conducting interviews to select candidates to fill in the vacancies.
Year-to-Year Growth	Year-to-Year growth defines as the change in the value of measurement over the period from one year to previous year.
Year-on-Year Growth	Year-on-Year growth is defines as the change in the value of measurement over the current period (Q1-2021) to past year (Q1-2019).

Appendix

Top 50 Job Vacancies for Graduates			
No.	Occupation	MSOC	%
1	Administrative Assistant	3343	5.4%
2	Promotion Assistant	2431	3.4%
3	Software Developer	2512	3.4%
4	Marketeer	2431	3.4%
5	Material Stress Analyst	3115	2.9%
6	Accountant	2411	2.9%
7	Online Marketer	2431	2.4%
8	Marketing Assistant	2431	2.1%
9	Construction General Contractor	1323	1.9%
10	Massage Therapist	3255	1.8%
11	Commercial Sales Representative	3322	1.8%
12	Promoter	3339	1.6%
13	Insurance Agency Manager	1346	1.6%
14	Machine Operator Supervisor	3122	1.5%
15	Accounting Assistant	3313	1.5%
16	Early Years Teacher	2342	1.4%
17	Employment Agent	3333	1.2%
18	Chef	3434	1.1%
19	Online Sales Channel Manager	1221	1.0%
20	Financial Planner	2412	1.0%
21	Sales Manager	1221	1.0%
22	Graphic Designer	2166	1.0%
23	Call Centre Supervisor	3341	0.9%
24	Department Store Manager	1420	0.8%
25	Client Relations Manager	2431	0.8%
26	Office Manager	3341	0.8%
27	Management Assistant	3343	0.8%
28	Maintenance and Repair Engineer	2141	0.7%
29	Human Resources Officer	2423	0.7%
30	After-Sales Service Technician	2433	0.7%
31	Construction General Supervisor	3123	0.7%
32	Insurance Broker	3321	0.7%
33	Sales Account Manager	1420	0.7%
34	Online Community Manager	2432	0.6%
35	Construction Engineer	2142	0.6%
36	Application Engineer	2149	0.6%
37	Supply Chain Assistant	3343	0.5%
38	Mechanical Engineer	2144	0.5%
39	Project Manager	1219	0.5%
40	Bookkeeper	3313	0.5%
41	Purchase Planner	3323	0.5%
42	Process Engineering Technician	3119	0.5%
43	Nurse Responsible for General Care	2221	0.5%
44	Executive Assistant	3343	0.5%
45	Software Analyst	2512	0.5%
46	ICT Technician	3512	0.5%
47	Industrial Assembly Supervisor	3122	0.4%
48	Quality Engineer	2149	0.4%
49	Data Analyst	2511	0.4%
50	Production Supervisor	3122	0.4%

Top 50 Job Vacancies for Non-Graduates			
No.	Occupation	MSOC	%
1	Factory hand	9329	19.8%
2	Sales assistant	5223	9.4%
3	Factory worker	9329	4.8%
4	Crop production worker	9213	3.7%
5	Building construction worker	9313	3.7%
6	Fruit and vegetable picker	9211	3.6%
7	Security guard	5414	2.8%
8	Waiter/waitress	5131	2.8%
9	Industrial machinery assembler	8211	2.4%
10	Cashier	5230	2.0%
11	Building cleaner	9112	1.9%
12	Inventory coordinator	4321	1.6%
13	Call centre agent	5244	1.5%
14	Warehouse worker	9333	1.3%
15	Glove maker	7533	1.2%
16	Customer service representative	4225	1.2%
17	Nurse assistant	5321	1.2%
18	Cargo vehicle driver	8332	1.1%
19	Kitchen assistant	9412	1.1%
20	Quick service restaurant crew member	9411	1.0%
21	Footwear finishing and packing operator	8183	0.9%
22	Shop assistant	5223	0.8%
23	Moulding machine operator	7223	0.8%
24	Cook	5120	0.8%
25	Food production operator	8160	0.8%
26	Debt collector	4214	0.8%
27	Welder	7212	0.7%
28	Engineering assistant	4110	0.7%
29	Transport equipment painter	7132	0.7%
30	Electronic equipment assembler	8212	0.6%
31	Clothing finisher	9321	0.6%
32	Rubber products machine operator	8141	0.6%
33	Packaging and filling machine operator	8183	0.5%
34	Domestic cleaner	9111	0.5%
35	Receptionist	4226	0.5%
36	Aircraft maintenance technician	7232	0.5%
37	Electrician	7411	0.4%
38	Office clerk	4110	0.4%
39	Garden labourer	9214	0.4%
40	Sewing machine operator	8153	0.4%
41	Customer contact centre information clerk	4222	0.4%
42	Civil engineering worker	9312	0.3%
43	Injection moulding operator	8142	0.3%
44	Barista	5132	0.3%
45	Forklift operator	8344	0.3%
46	Data entry clerk	4132	0.3%
47	Surface-mount technology machine operator	8212	0.3%
48	Product quality controller	7543	0.3%
49	Delivery driver	8322	0.3%
50	Mixed farmer	6130	0.3%

Note:

% refers to vacancies data as of Q1-2021

Source:

Total vacancies are sourced from MyFutureJobs (<https://www.myfuturejobs.gov.my/>), maintained by the Employment Insurance System (EIS), Social Security Organisation (SOCSO)

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About Us

EIS-UPMCS Centre for Future Labour Market Studies (EU-ERA) is a collaborative research laboratory between the Employment Insurance System (EIS) at Social Security Organisation (SOCSO) and Universiti Putra Malaysia Consultancy & Services (UPMCS).

The mission of the EU-ERA is to blend the scientific and empirical approaches into the current policy development which cover end-to-end labour market policies ranging from the labour supply to the labour demand issues. In meeting the scopes, the centre focuses on forecasting and modelling; applied policy analysis; and capacity building and structured training programmes for labour market assessment tools.

Our core researchers have strong expertise in quantitative economic tools which include econometrics, input-output (IO), social accounting matrix (SAM), computable general equilibrium (CGE), system dynamics (SD) and data envelopment analysis (DEA). These quantitative tools are not only vital for labour policy assessments but also are able to address the inter-linkages between the labour market and other developmental issues such as investment, trade, income distribution, poverty, social policy, demography and aging, and migration.

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