STATISTICS ON THE INFORMAL ECONOMY IN MALAYSIA

REGIONAL COURSE ON STATISTICS ON INFORMALITY: INFORMAL ECONOMY, WORK & EMPLOYMENT
♦ 6-10 JULY 2015 ♦ CHIBA, JAPAN ♦

LABOUR FORCE SURVEY IN MALAYSIA

1974
- Conducted only for the region of Peninsular Malaysia

1982-1997
- Annually

1998-2003
- Quarterly

2004
- Monthly
## KEY LABOUR FORCE STATISTICS

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour force (‘000)</th>
<th>Employed (‘000)</th>
<th>Unemployed (‘000)</th>
<th>Outside labour force (‘000)</th>
<th>Labour force participation rate (%)</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>10,346.2</td>
<td>9,979.5</td>
<td>366.6</td>
<td>5,730.5</td>
<td>64.4</td>
<td>3.5</td>
</tr>
<tr>
<td>2005</td>
<td>10,413.4</td>
<td>10,045.4</td>
<td>368.1</td>
<td>6,048.2</td>
<td>63.3</td>
<td>3.5</td>
</tr>
<tr>
<td>2006</td>
<td>10,628.9</td>
<td>10,275.4</td>
<td>353.6</td>
<td>6,205.1</td>
<td>63.1</td>
<td>3.3</td>
</tr>
<tr>
<td>2007</td>
<td>10,889.5</td>
<td>10,538.1</td>
<td>351.4</td>
<td>6,330.1</td>
<td>63.2</td>
<td>3.2</td>
</tr>
<tr>
<td>2008</td>
<td>11,028.1</td>
<td>10,659.6</td>
<td>368.5</td>
<td>6,575.7</td>
<td>62.6</td>
<td>3.3</td>
</tr>
<tr>
<td>2009</td>
<td>11,315.3</td>
<td>10,897.3</td>
<td>418.0</td>
<td>6,665.7</td>
<td>62.9</td>
<td>3.7</td>
</tr>
<tr>
<td>2010</td>
<td>12,303.9</td>
<td>11,899.5</td>
<td>404.4</td>
<td>7,023.0</td>
<td>63.7</td>
<td>3.3</td>
</tr>
<tr>
<td>2011</td>
<td>12,675.8</td>
<td>12,284.4</td>
<td>391.4</td>
<td>7,008.8</td>
<td>64.4</td>
<td>3.1</td>
</tr>
<tr>
<td>2012</td>
<td>13,219.6</td>
<td>12,723.2</td>
<td>396.3</td>
<td>6,897.4</td>
<td>65.5</td>
<td>3.0</td>
</tr>
<tr>
<td>2013</td>
<td>13,634.6</td>
<td>13,210.0</td>
<td>424.6</td>
<td>6,700.8</td>
<td>67.0</td>
<td>3.1</td>
</tr>
</tbody>
</table>

## PERIODIC SURVEYS ATTACHED TO LFS

- **Migration Survey**: Annually since 1992
- **Salaries & Wages Survey**: Annually since 2008
- **Informal Sector Survey**: Annually since 2009
CHRONOLOGY OF THE INFORMAL SECTOR SURVEY

2004
- Pilot study
- Covers selected states in Malaysia (small sample)
- Tested the data collection methods

2006
- Pilot study was extended to cover all states
- Three months

2009
- First national Informal Sector Survey
- Three months (August to October)
- Able to produce reliable estimates at national level

2010 onwards
- Survey was conducted for longer period
  - Six month (July to December 2015)
  - Findings of the survey was used internally (within DOSM)

2012 onwards
- Findings are made public
- Available at www.statistics.gov.my
Statistics in the informal economy in Malaysia

<table>
<thead>
<tr>
<th>Operationalized the concepts &amp; definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>15th ICLS</td>
</tr>
<tr>
<td>17th ICLS</td>
</tr>
<tr>
<td>ILO Manual</td>
</tr>
</tbody>
</table>

Geographical coverage

Urban and rural areas for all states in Malaysia

Is collected through Informal Sector Survey

Supplement of Labour Force Survey

Based on household approach

CONCEPTS & DEFINITIONS

Informal sector

Registration
- Not registered with Companies Commission of Malaysia or Local Authority

Final products
- All or at least one is for sales or barter transaction

Size
- Less than ten employees
- Employment not subjected to labour legislation, social security regulations & collective agreement

Non-agriculture sector
CONCEPTS & DEFINITIONS
Informal employment in

Formal sectors

Informal sectors

Households

- Employee

Working in a registered/unregistered company with 10 or more employees

Employment not subjected to labour legislation and social security regulations

Framework of employment in the informal sector

Working age population (15-64 years old)

Labour force
2012 – 13,119.6
2013 – 13,634.6

Employed
2012 – 12,723.2
2013 – 13,210.0

Non-agriculture sector
2012 – 9,381.6
2013 – 9,715.7

Agriculture sector

Public sector

Activities of household as employers

Informal sector
2012 – 1,044.0
2013 – 1,284.2

Formal sector
Employment in the informal sector by area

- Urban:
  - 2013: 814,700
  - 2012: 656,800

- Rural:
  - 2013: 469,500
  - 2012: 387,000

Employment in the informal sector by sex

- Male:
  - 2012: 616,700
  - 2013: 640,900

- Female:
  - 2012: 427,300
  - 2013: 643,400

('000)
Employment in the informal sector by age group

Employment in the informal sector by educational attainment

No formal education | Primary | Secondary | Tertiary
---|---|---|---
2012 | 5.1 | 26 | 60.3 | 8.6
2013 | 4.7 | 22.9 | 63.6 | 8.8

(%)
Employment in the informal sector by status in employment

2012

- Employer: 23.7%
- Employee: 6.7%
- Own Account Worker: 67.3%
- Unpaid Family Worker: 2.3%

2013

- Employer: 70.6%
- Employee: 6.2%
- Own Account Worker: 20.4%
- Unpaid Family Worker: 2.7%

Notes:
1- Occupation is classified by Malaysia Standard Classification of Occupation (MASCO) 2008
2- Others refers to the occupation category of Managers, Professional, Clerical Support Workers, and Elementary Occupations. Statistics for Others occupation categories are not published separately due to high relative standard errors.
Notes:
1-Industry is classified according to **Malaysia Standard Classification Industrial Classification (MSIC) 2008 version 1.0**
2-Others refers to the categories of Mining and quarrying; Water supply; sewerage, waste management and remediation activities; Transport and storage; Information and communication; Financial and insurance activities; Real estate activities; Professional, scientific and technical activities; Education; and Arts, entertainment and recreation. Statistics for the categories of Others are not published separately due to high relative standard errors.