

# EMPLOYMENT INSURANCE SYSTEM (EIS)

## EMPLOYMENT OUTLOOK 2019



**VOLUME 2/2020**



2019

LOSS OF EMPLOYMENT

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## EXECUTIVE SUMMARY

*The Employment Insurance System (EIS), which is managed by the Social Security Organization (SOCSO), was established under the 2017 EIS Act to provide monetary and job search assistance to retrenched workers in addition to promoting labor market efficiency through data-driven policies.*

*EIS was established on 1st January 2018 to provide income replacement for Insured Persons (IP) who have lost their jobs. IPs who apply to SOCSO will also receive job search assistance from Employment Services Officers (ESO). During the job search process, IPs will be required to register themselves on EIS Jobs, a sophisticated job portal where they will be matched with suitable vacancies. Under the EIS active labor market program, eligible IPs may also attend vocational training during their period of unemployment or after they are re-employed.*

*This paper is based on EIS data and focuses on loss of employment (LOE) to assess and understand labor market trends in Malaysia.*



# EMPLOYMENT INSIGHTS 2019

**40,084** workers were  
retrenched in 2019

**RM107.6 million**  
was paid out to financially  
support and train eligible  
applicants

**18,745** applicants  
successfully rejoined the labor  
market

The **manufacturing**  
sector posted the highest  
number of vacancies,  
i.e. 11,014

**35,140** LOE applications  
were approved by EIS in 2019

Total approved claims\*  
**52,932** for JSA  
**258** for RIA  
**9,258** for ERA

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## SOURCES

*All information is based on EIS data.*

\*Remarks:

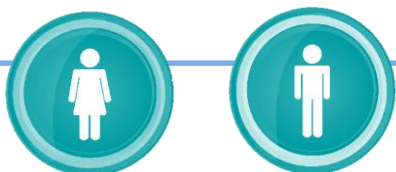
Applicants may claim EIS benefits multiple times provided they satisfy terms and conditions as specified in EIS Act 2017.



# Loss of Employment Snapshot 2019

**40,048** workers were laid off by **8,643** employers

Most dismissals occurred in **January**, fewest occurred in **June**



**5:7**

Ratio of **women to men** dismissed from work



**89%**

were in a **permanent** position

**55%** were **below 40** at the time of dismissal

**50%** worked in **Selangor & Kuala Lumpur**



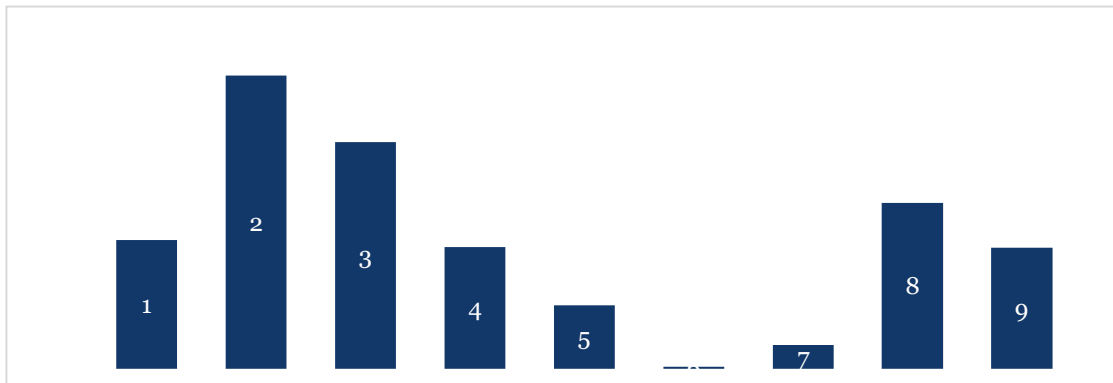
**28%** lost their job due to **business closures**



Most job losses were in **manufacturing** at **32%**



# 56% OF LOE CASES OCCURRED AMONG PROFESSIONALS, MANAGERS & TECHNICIANS (PMETs)

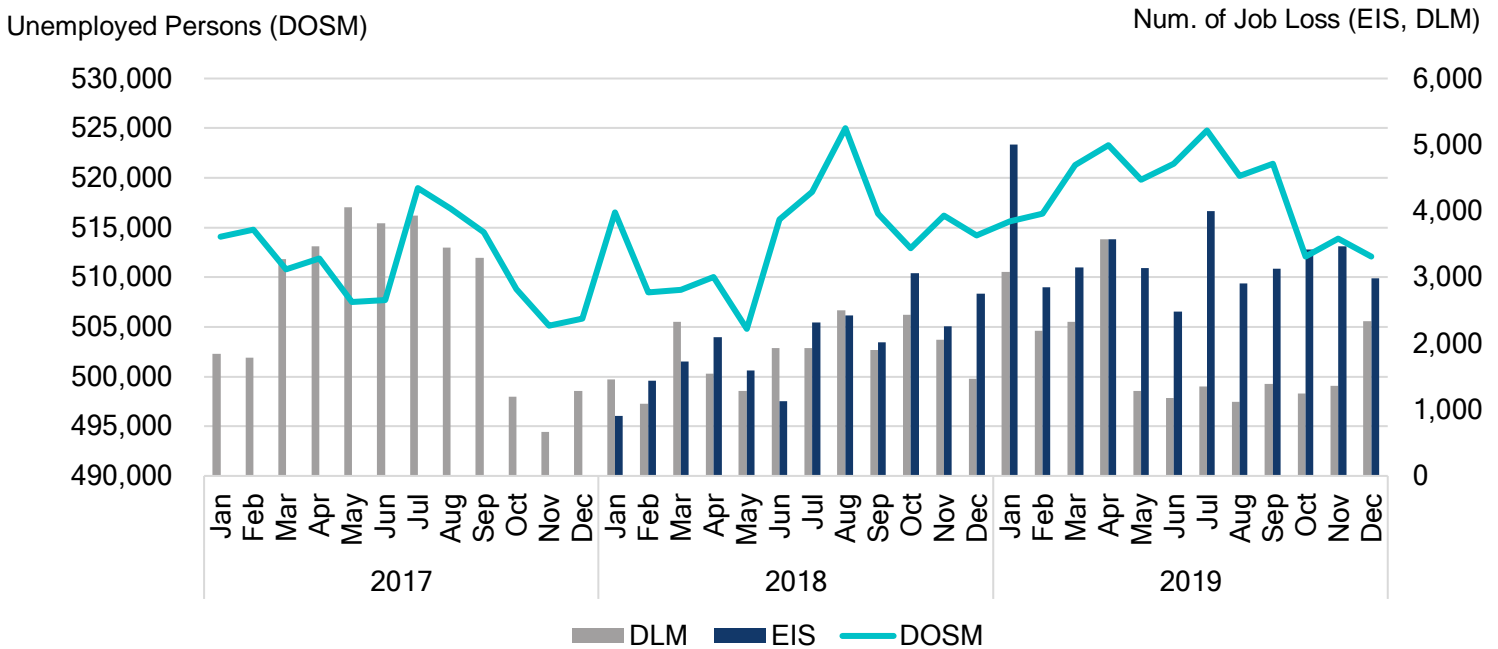


# 2019

# BRIEF ANALYSIS

EIS retrenchment data only covers Malaysian citizens and Permanent Residents. Currently, unemployment statistics are produced by the Department of Statistics Malaysia (DOSM) as displayed below. The graph below presents also EIS loss of employment figures and the Department of Labor (DLM) retrenchment figures.

**Chart 1** DOSM, DLM, EIS



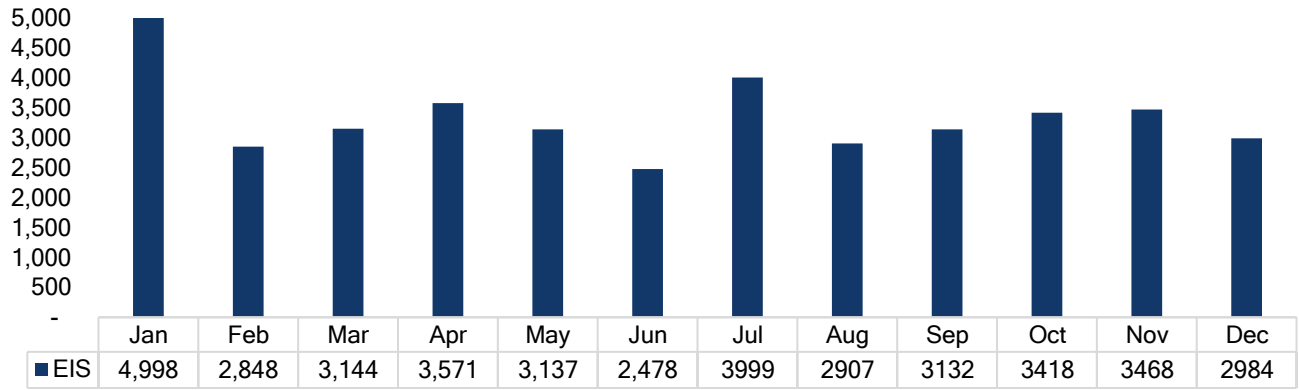
The LHS unemployment figures show that unemployment remained steady at 505,000~525,000 from January 2017 – mid-2018. There are no significant trends other than a slight increase in the average numbers in May 2018 and July 2019. RHS retrenchment figures are mostly aligned with the unemployment numbers, although EIS numbers spiked significantly in January 2019 during the full-fledged benefits of EIS. This may cause by increased in application from retrenched workers.



Chart 2

EIS Loss of Employment

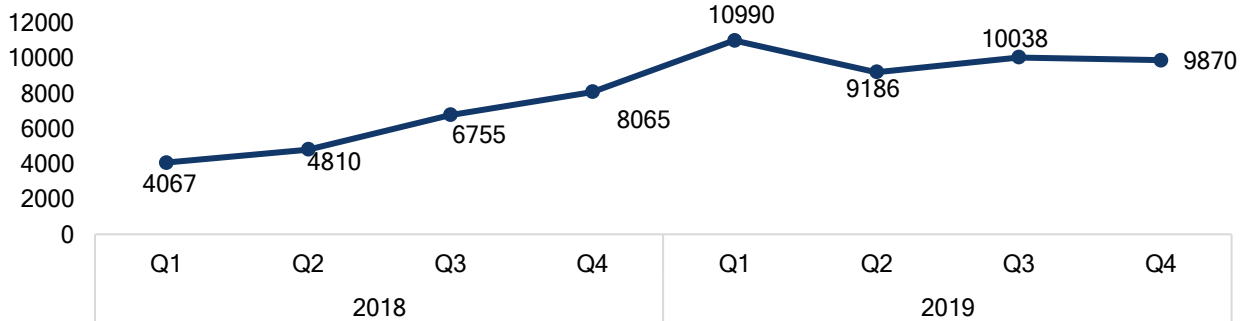
Number of Loss of Employment



In 2019, most LOE cases occurred in January (4,998), while June saw the lowest numbers (2,478). The introduction of full-fledged EIS benefits in January 2019 have caused increase in application from retrenched workers.

Chart 3

Quarterly Loss of Employment Figures



LOE increased by 22.4% YoY in Q4 2019. Q1 2019 saw the most cases (10,990), while Q2 2019 experienced the least at 9,186.

Chart 4

Loss of Employment by Industry

Number of Persons

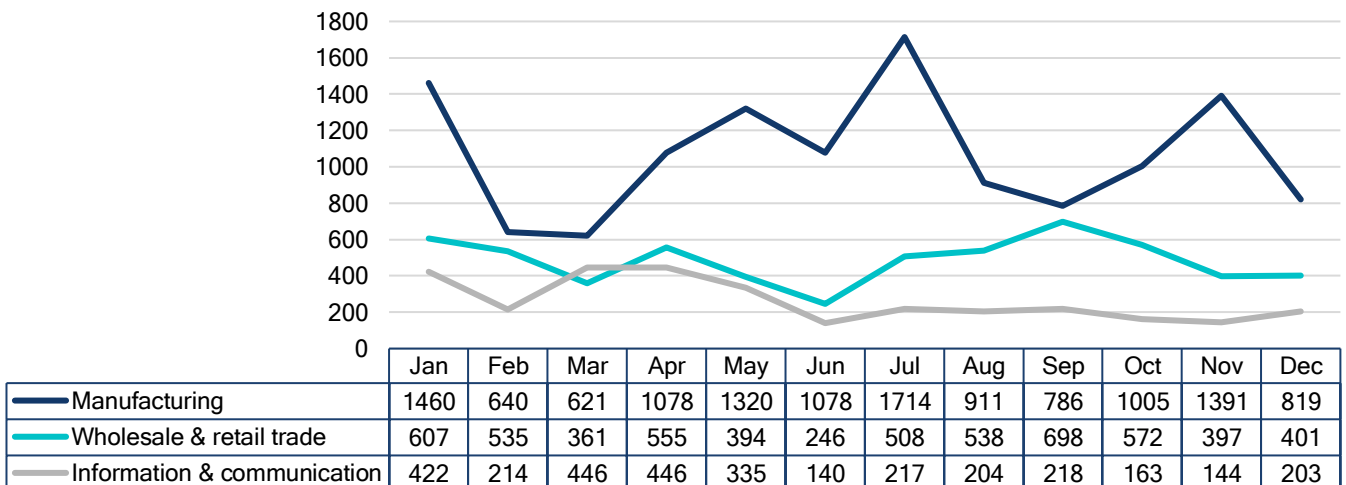


Chart 5

Profile of Loss of Employment

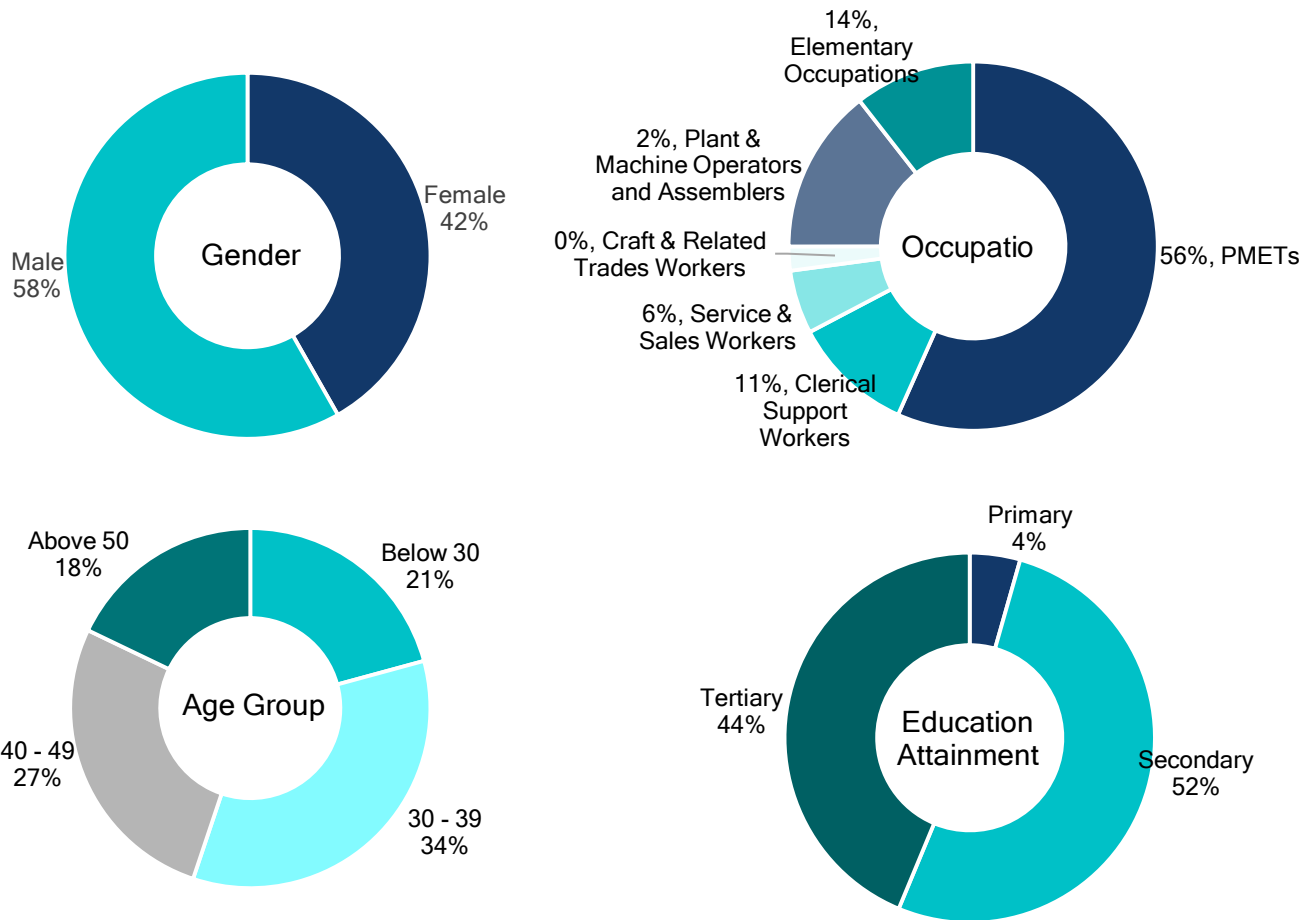
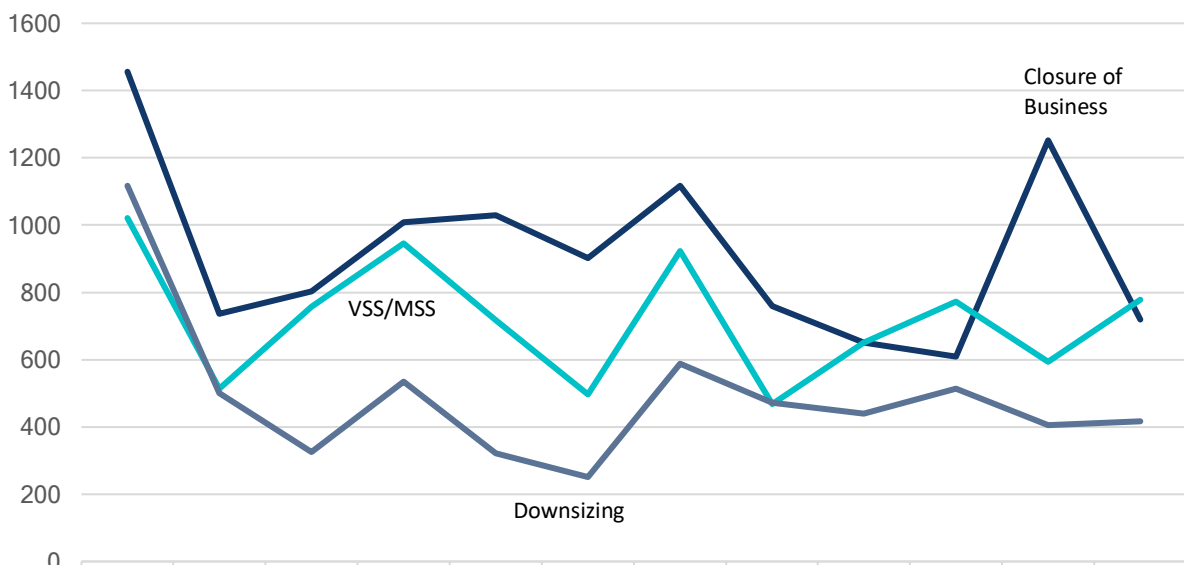


Chart 6

Loss of Employment by Cause



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Closure of Business	1456	737	803	1008	1029	901	1116	760	650	609	1252	719
VSS/ MSS	1021	513	758	946	718	497	923	468	650	772	594	779
Downsizing	1117	501	325	535	321	251	588	472	440	513	405	416

# STATISTICAL TABLES

## LOSS OF EMPLOYMENT

### LOSS OF EMPLOYMENT BY INDUSTRY (MSIC) AND OCCUPATIONAL CATEGORY (MASCO)

	MONTH	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	<b>TOTAL</b>	<b>4998</b>	<b>2848</b>	<b>3144</b>	<b>3571</b>	<b>3137</b>	<b>2478</b>	<b>3999</b>	<b>2907</b>	<b>3132</b>	<b>3418</b>	<b>3468</b>	<b>2984</b>	<b>40084</b>
<b>MSIC</b>	<b>INDUSTRY</b>													
A	Agriculture, Forestry & Fishing	192	199	86	207	57	82	66	98	36	59	33	51	1166
B	Mining & Quarrying	50	19	28	21	13	23	38	29	27	19	39	186	492
C	Manufacturing	1460	640	621	1078	1320	1078	1714	911	786	1005	1391	819	12823
D	Electricity, Gas, Steam & Air Conditioning Supply	12	12	15	13	10	17	26	21	11	23	28	21	209
E	Water, Sewerage & Waste	40	30	14	14	36	19	13	9	17	11	8	15	226
F	Construction	423	184	380	129	170	147	231	214	249	237	190	175	2729
G	Wholesale & Retail	607	535	361	555	394	246	508	538	698	572	397	401	5812
H	Transportation	159	167	124	84	118	64	239	99	90	119	218	139	1620
I	Accommodation and F&B	146	102	167	131	73	51	304	150	93	160	119	105	1601
J	ICT	422	214	446	446	335	140	217	204	218	163	144	203	3152
K	Financial & Insurance Takaful	171	78	56	54	58	61	92	74	62	244	228	215	1393
L	Real Estate	63	39	194	36	30	59	69	41	49	70	42	174	866
M	Professional & Technical	352	163	203	246	133	186	153	146	191	271	182	178	2404
N	Administrative & Support Service	183	152	208	344	216	117	156	149	462	236	274	171	2668
O	Defense Compulsory Social Security	454	64	10		3	84	33	10	8	11	3		680
P	Education	58	74	53	87	47	31	38	81	48	63	58	63	701
Q	Human Health & Social Work	67	22	41	21	10	21	19	36	25	32	33	14	341
R	Arts, Entertainment & Recreation	55	49	40	51	11	5	20	35	22	28	29	12	357
S	Other Services Activities	84	104	97	54	102	46	55	62	36	92	51	39	822
T	Activities of Households						1						3	4
U	Activities of Extraterritorial		1			1		8		4	3	1		18
<b>MASCO</b>	<b>OCCUPATION</b>													
1	Managers	528	306	368	349	298	246	382	338	514	426	406	312	4473
2	Professionals	1388	644	780	974	660	622	903	745	713	882	1167	736	10214
3	Technicians & Associate Professionals	874	490	580	755	584	542	1023	624	600	647	655	529	7903
4	Clerical Support Workers	800	392	319	309	276	221	314	269	254	365	381	336	4236
5	Service & Sales Workers	219	149	303	263	164	75	208	184	190	191	144	131	2221
6	Skilled Agricultural, Forestry, Livestock & Fisheries Workers	4	11	3	2	7	2	2	2	2	8	13	4	60
7	Craft & Related Trades Workers	115	52	58	92	118	42	53	48	52	57	67	84	838
8	Plant & Machine Operators and Assemblers	602	410	394	407	740	437	781	456	288	472	314	470	5771
9	Elementary Occupations	465	387	329	410	284	287	328	230	510	339	292	344	4205

# LOSS OF EMPLOYMENT

## LOSS OF EMPLOYMENT PROFILING

Profiling	Sub-Category	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	<b>TOTAL</b>	<b>4998</b>	<b>2848</b>	<b>3144</b>	<b>3571</b>	<b>3137</b>	<b>2478</b>	<b>3999</b>	<b>2907</b>	<b>3132</b>	<b>3418</b>	<b>3468</b>	<b>2984</b>	<b>40084</b>
Gender	Male	2773	1629	2028	2046	1584	1320	2330	1639	1851	1947	2233	1958	23338
	Female	2225	1219	1116	1525	1553	1158	1669	1268	1281	1471	1235	1026	16746
Age Group (Years)	15 - 19	4	15	12	11	13	5	19	12	16	8	7	13	135
	20 - 24	168	165	209	170	214	125	302	186	204	201	139	141	2224
	25 - 29	623	398	500	524	480	370	675	428	488	513	505	465	5969
	30 - 34	936	514	582	661	577	489	853	542	580	564	641	523	7462
	35 - 39	783	399	515	577	517	408	651	500	481	485	535	465	6316
	40 - 44	734	391	428	561	437	399	561	411	471	461	531	439	5824
	45 - 49	650	370	392	448	383	308	403	351	374	449	462	395	4985
	50 - 54	624	334	318	404	332	224	338	305	336	423	395	301	4334
	55 - 59	476	262	188	215	183	150	197	172	182	314	253	242	2834
	60 - 64	0	0	0	0	1	0	0	0	0	0	0	0	1
Highest Qualification Attained	Primary Education or below	191	158	124	160	152	113	109	139	154	176	112	107	1695
	PMR/ PT3 or equivalent	380	278	275	306	338	254	318	241	262	261	262	267	3442
	SPM (O-Level) or equivalent	1837	1139	1266	1333	1305	897	1619	1115	1297	1238	1208	1219	15473
	STPM (A-Level) or equivalent	123	89	92	83	92	66	110	67	72	90	85	82	1051
	Diploma's or equivalent	825	422	531	641	482	402	787	517	536	572	609	486	6810
	Bachelor's or equivalent	1187	538	662	820	572	588	839	630	632	766	960	614	8808
	Master's or equivalent	152	80	87	93	78	87	95	89	74	114	116	74	1139
	Doctoral (PhD)	12	8	6	10	9	4	1	5	7	9	2	5	78
N.A.	291	136	101	125	109	67	121	104	98	192	114	130	1588	
Working State	Johor	522	369	171	265	345	167	334	160	292	315	250	314	3504
	Kedah	151	54	28	88	49	23	117	110	97	78	101	223	1119
	Kelantan	66	29	52	31	45	10	29	22	63	42	13	72	474
	Melaka	50	24	35	30	32	26	203	102	57	83	71	59	772
	Negeri Sembilan	165	38	20	45	36	20	15	34	51	55	40	24	543
	Pahang	66	59	45	158	54	52	42	47	65	54	79	152	873
	Perak	85	101	73	76	31	71	442	204	113	97	97	160	1550
	Perlis	5	11	112	6	25	1	15	18	91	56	10	1	351
	Pulau Pinang	175	97	100	367	252	161	242	239	151	195	236	159	2374
	Sabah	197	156	480	178	203	73	92	123	96	250	140	139	2127
	Sarawak	243	148	87	59	68	91	112	122	69	213	128	153	1493
	Selangor	1190	971	779	1344	1501	1297	1690	1178	895	1069	803	741	13458
	Terengganu	64	63	36	59	32	24	58	23	38	53	56	74	580
	Kuala Lumpur	1963	716	1109	855	454	460	597	497	1035	846	1438	708	10678
	Labuan	11	0	6	3	0	0	4	6	12	5	4	2	53
	Putrajaya	45	12	11	7	10	2	7	22	7	7	2	3	135

# LOSS OF EMPLOYMENT

## LOSS OF EMPLOYMENT BY REASON

Profiling	Sub-Category	JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
	<b>TOTAL</b>	<b>4998</b>	<b>2848</b>	<b>3144</b>	<b>3571</b>	<b>3137</b>	<b>2478</b>	<b>3999</b>	<b>2907</b>	<b>3132</b>	<b>3418</b>	<b>3468</b>	<b>2984</b>	<b>40084</b>
Reason	Closure of business	1456	737	803	1008	1029	901	1116	760	650	609	1252	719	11040
	VSS/ MSS	1021	513	758	946	718	497	923	468	650	772	594	779	8639
	Downsizing	1117	501	325	535	321	251	588	472	440	513	405	416	5884
	Financial problems	247	254	201	168	188	164	244	178	245	247	227	199	2562
	Partial closure	217	103	96	128	132	164	175	168	90	156	117	66	1612
	Forced or advised to quit	97	101	123	150	117	116	149	151	120	164	171	138	1597
	Corporate merger	112	133	243	112	47	32	205	97	302	139	56	70	1548
	Others	324	90	84	79	68	68	103	109	88	140	94	79	1326
	End of contract	115	92	225	104	163	61	99	87	81	117	98	73	1315
	Discontinued without cause	54	108	95	99	89	60	105	111	126	148	113	117	1225
	Constructive Dismissal	11	37	52	55	63	37	79	105	83	111	90	81	804
	Company relocation	73	29	24	72	101	40	92	42	41	55	30	24	623
	Health or Age Factor	46	36	23	32	38	26	27	50	53	72	61	46	510
	Poor Performance	32	27	41	31	26	31	43	44	46	62	48	41	472
	Misconduct by workers	13	13	13	21	16	15	29	23	19	28	28	28	246
	Early Retirement Package	14	38	13	9	6	4	3	4	17	30	23	13	174
	Natural Causes		3	11	3		1	2	13	56	20	15		124
	Employer Violates Contract	26	14	3	5	7	1	8	15	13	18	5	9	124
	Volunteer Resignation											29	79	108
	Merging of Companies	11	10	6	3	4	2	5	4	6	6	5	2	64
Retired	11	6	4	10	2	2	3	2	3	9	5	1	58	
Employees Threatened	1	3	1	1	2	5	1	4	3	2	2	4	29	

# REFERENCE

Loss of employment was defined using the 2017 Employment Insurance System Act (Act 800). All analysis was based on EIS administrative data.

All conclusions and opinions expressed in this publication are solely the author's and do not necessarily represent SOCSO's official viewpoint. We do not necessarily endorse referenced sources or reject sources that were not included.

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