Sesi Pemukiman

World Competitiveness Yearbook 2025

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
4 Factor	20 Sub-factor	313 Indicators

TABLE OF CONTENT

ECONOMIC PERFORMANCE

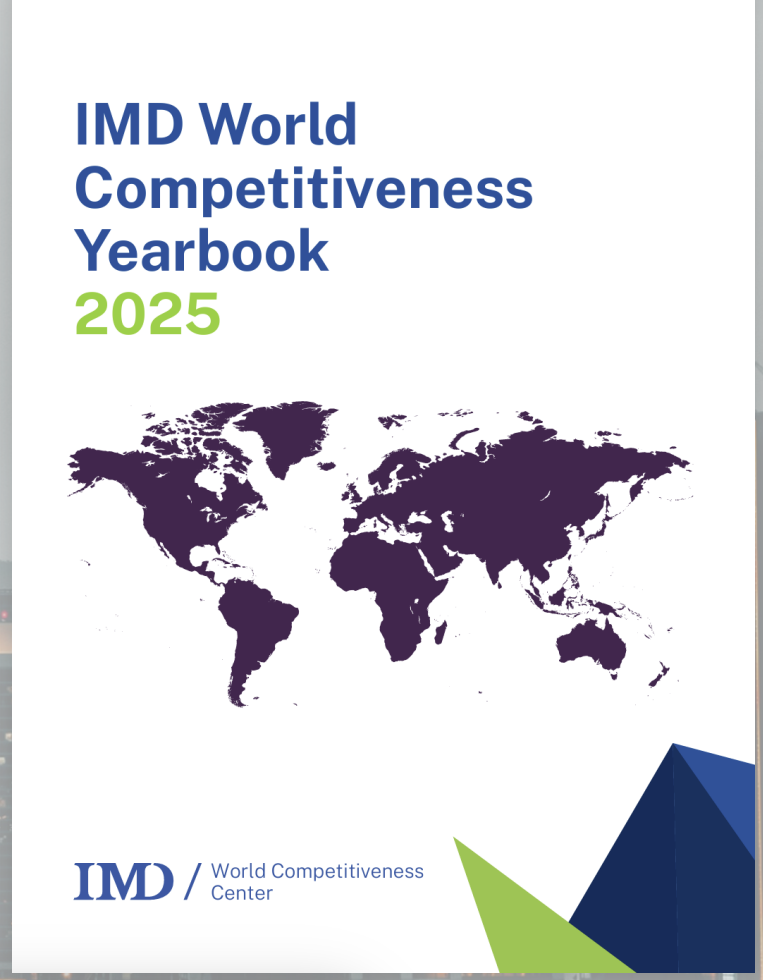
Employment

1.4.02 Employment (%)

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Economic Performance	Employment	1.4.02 Employment (%)

1.4.02: Employment (%)

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the proportion of employed persons expressed as a percentage of the total population.

Source: *IMD World Competitiveness Yearbook 2025 (page 401)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Employment (%) =

$$\frac{Employed\ person\ (person)}{Population\ (person)} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 401)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- ILOSTAT
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 578)*

1.4.02: Employment (%)

Ranking as reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Employment 1.4.02

EMPLOYMENT (%)

2024

Percentage of population

Ranking		%
01	UAE	77.83
02	Luxembourg	77.03
03	Qatar	72.40
04	Singapore	67.02
05	Thailand	60.71
06	Iceland	59.11
07	Kuwait	58.44
08	Bahrain	57.99
09	Korea Rep.	55.22
10	New Zealand	54.82
11	Japan	54.80
12	Netherlands	54.61
13	Switzerland	54.40
14	Australia	53.12
15	China	52.15
16	Norway	52.07
17	Indonesia	51.36
18	Estonia	51.31
19	Peru	51.31
20	Ireland	51.20
21	Germany	51.07
22	Lithuania	50.64
23	Canada	50.37
24	Sweden	50.08
25	Cyprus	50.04
26	Oman	50.03
27	Taiwan (Chinese Taipei)	49.55
28	Hong Kong SAR	49.26
29	Hungary	49.19
30	Finland	48.98
31	Denmark	48.92
32	Austria	48.79
33	United Kingdom	48.56
34	Portugal	48.27
35	Brazil	48.08
36	Czech Republic	47.46
37	USA	47.44
38	Malaysia	47.35 2023
39	Latvia	47.23
40	Slovenia	46.94
41	Argentina	46.44
42	Poland	46.43
43	Chile	46.24
44	Kazakhstan	45.71
45	Mexico	45.66
46	Colombia	45.61
47	Bulgaria	45.50
48	Romania	45.25
49	Slovak Republic	44.84
50	Saudi Arabia	44.67 2020
51	Spain	44.39
52	Belgium	43.31
53	Croatia	42.80
54	Philippines	42.68
55	France	42.32
56	India	41.49
57	Greece	41.02
58	Italy	40.58
59	Venezuela	39.98 2021
60	Kenya	38.80 2023
61	Mongolia	38.18
62	Türkiye	38.08
63	Puerto Rico	35.89
64	Ghana	35.17 2023
65	Nigeria	29.15 2023
66	Botswana	27.64
67	South Africa	27.10
68	Namibia	18.68 2023
69	Jordan	13.43

The higher the value, the higher the ranking.

RATIONALITY?

A higher employment percentage indicates that a larger share of the population is engaged in productive activities, which directly supports economic growth and competitiveness.

Countries with strong employment levels utilize their human capital effectively, boosting income generation, domestic demand, and overall economic stability.

In IMD rankings, this translates into a higher score and, consequently, a better position because active labor force participation is a key driver of national productivity and resilience.

In 2025 (using 2024 data reference), the United Arab Emirates ranked first with an employment rate of 77.83%, followed by Luxembourg (77.03%) and Qatar (72.06%). Malaysia ranked 38th, with an employment rate of 47.35%, placing it below regional leaders like Singapore (67.02%) and Thailand (61.70%).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

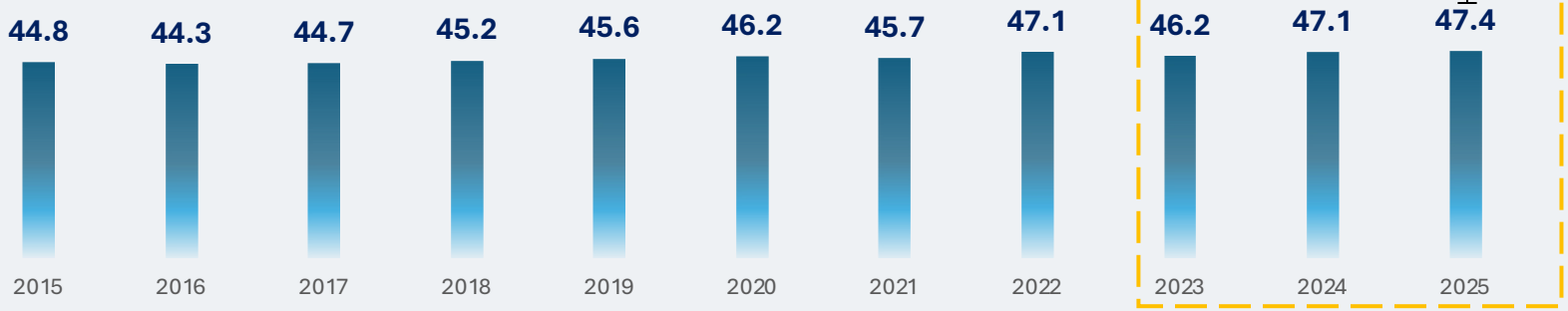
Source: *IMD World Competitiveness Yearbook (WCY) 2025*

1.4.02: Employment (%)

Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**

Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's employment indicator shows a steady upward trend, rising from 44.8% in 2015 to 47.4% in 2025. This gradual increase reflects improved labor market participation; however, the progress is modest compared to the global leader's score of 77.8%, indicating a substantial gap in employment absorption relative to top-performing countries.

In terms of ranking, Malaysia has remained in the mid-tier range, fluctuating between 33rd and 42nd place over the past decade. The best position was recorded in 2022 (33rd), but the rank declined to 38th in 2025, suggesting that although Malaysia's score improved slightly, other countries advanced at a faster pace, narrowing Malaysia's competitiveness advantage.

Overall, the indicator highlights the need for strategic measures to boost labor participation and job creation, particularly in high-value sectors, to close the performance gap and improve Malaysia's global standing.

1.4.02: Employment (%)

Indicator performance over the years

Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 38th globally, placing it in the middle tier among ASEAN countries. Singapore leads the region with a consistent top position (4th globally), followed by Thailand (5th), showing strong labor market absorption.

Indonesia has significantly improved over the years, moving from 30th in 2015 to 17th in 2025, narrowing the gap with Malaysia. In contrast, the Philippines remains the lowest-ranked among the group, holding 54th position, reflecting structural employment challenges.

Overall, Malaysia trails behind Singapore and Thailand but maintains an advantage over the Philippines. However, Indonesia's rapid progress signals the need for Malaysia to accelerate labor market reforms to sustain competitiveness within ASEAN.

1.4.02: Employment (%)

The measure used by IMD does not match the international standard

IMD WCY 2025 Report

There is no explicit statement defining this indicator in the source documentation.

Method of Computation

EMPLOYMENT (%) 2024

Percentage of population

Source: *IMD WCY (2025)*

International Labour Organization

The employment-to-population ratio is defined as the proportion of a country's working-age population that is employed.

Method of Computation

The employment-to-population ratio (EPR) is calculated as follows:

EPR (%) = 100 x Persons employed / Working-age population

Source: *ILOSTAT database description, ILO. Accessed in July 2025.*

DOSM, Ministry of Economy

The employment to population ratio is defined as the proportion of employed population to working-age population.

Method of Computation

$$\text{Employment to population ratio} = \frac{\text{Number of employed persons}}{\text{Number of persons in the working age (15 - 64 years)}} \times 100$$

Source: *Labour Force Survey Report 2024, DOSM (2025)*

The IMD WCY report does not adopt the standard Employment-to-Population Ratio definition.

Instead, it uses independent indicator, calculated based on total employment relative to the entire population, not just the working-age group.

Definition based on ILO and DOSM are aligned, meaning that if referring to "Employment-to-Population Ratio," they define it as employment over the working-age population (typically ages 15–64).

1.4.02: Employment (%)

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD	IMD

Description

Employment	Publish data based on national **Labour Force Survey** annually. *One year lagged*	Data compiled and integrated internationally with other country profiles by: International Labour Organization	IMD retrieves data from ILO and IMF sources into their database.	IMD estimates indicator values based on the available data.	Malaysia in **2025**: ***Scored*** 47.4 % ***Ranked*** 38 th IMD World Competitiveness Ranking
Population	Publish data on population estimates based on **Population and Housing Census Malaysia** annually. *Real-time release*	Data compiled and integrated internationally with other country profiles by: International Monetary Fund ***Via*** CEIC			

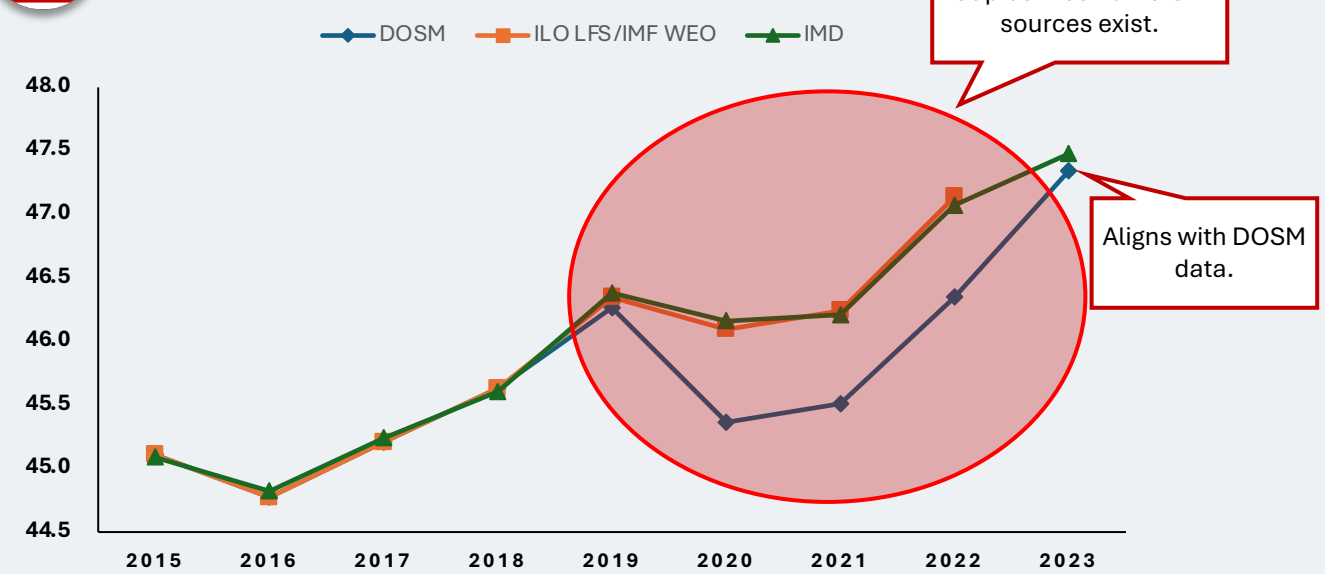
1.4.02: Employment (%)

Data discrepancies between IMD and DOSM

For Malaysia, there is a clear discrepancy between national data (DOSM) and the figures used by IMD. The IMD database aligns closely with data from international sources (ILO and IMF) rather than Malaysia's official statistics. In contrast, Singapore's data shows full alignment between its national source (MOM) and the IMD database.

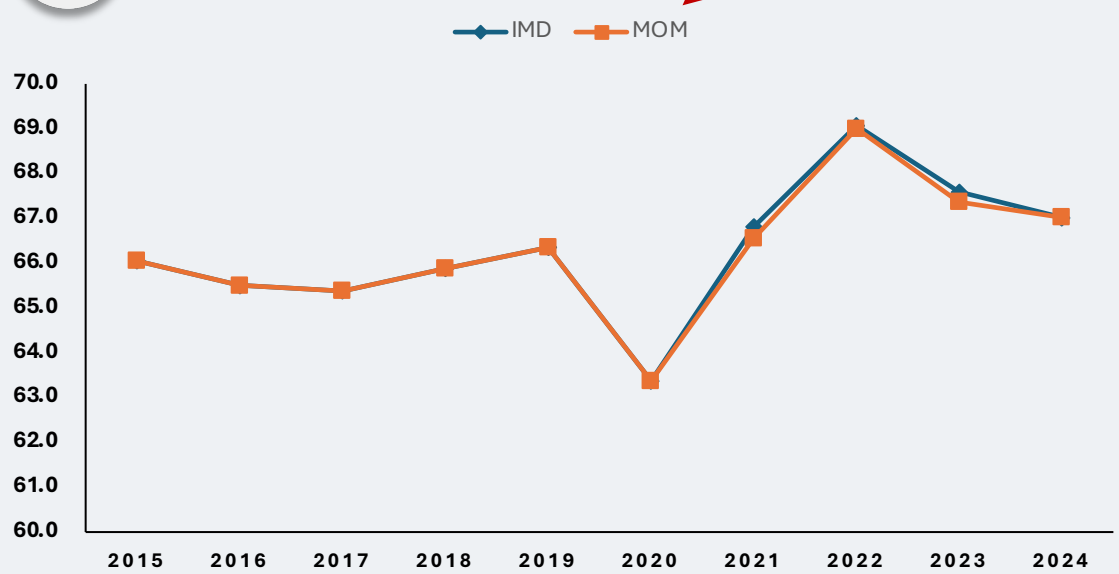
For Singapore, international sources are excluded as IMD data aligns with national statistics (MOM). In contrast, for Malaysia, international sources are included to illustrate the gap between national data (DOSM) and IMD's database.

Data for Malaysia



Source: *Estimated based on data sourced from IMD WCY, ILO, IMF, DOSM (various years).*

Data for Singapore



Source: *Estimated based on data sourced from IMD WCY, MOM, IMF (various years).*

Notes: *The calculation have been standardized using the ones that being defined as in IMD WCY Report 2025.*

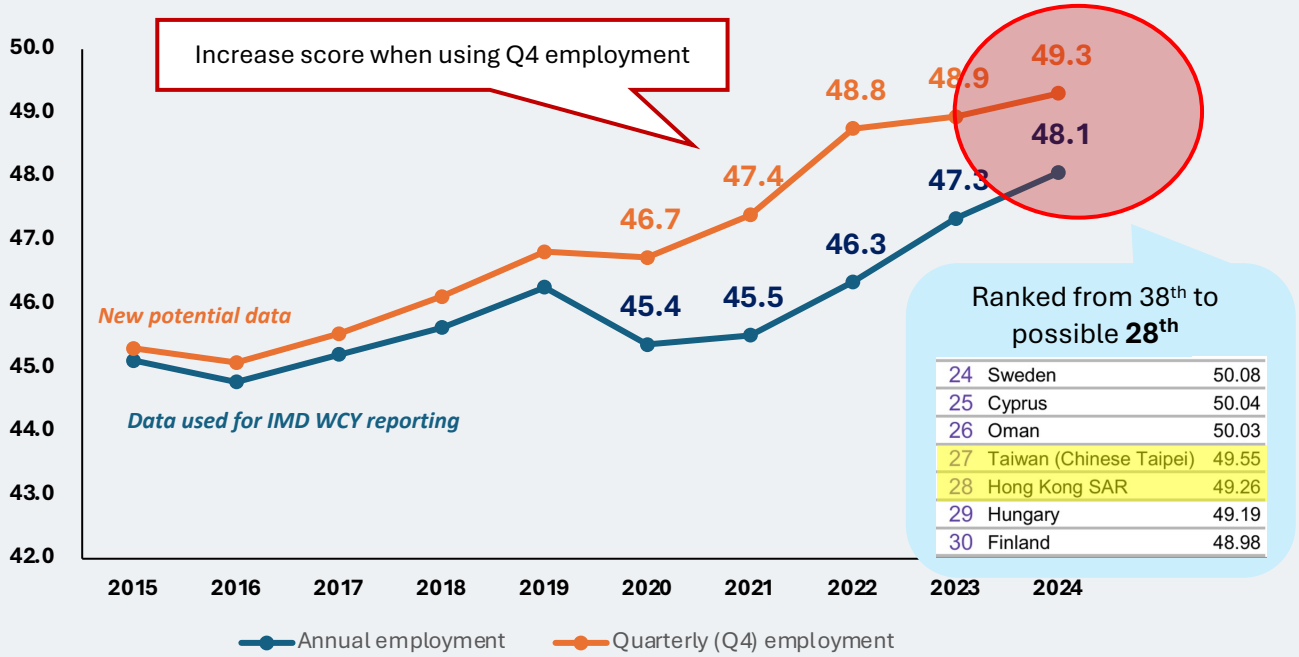
- *DOSM refers to Department of Statistics Malaysia (employment & population data)*
- *ILO LFS refers to International Labour Organizations, Labor Force Statistics database (employment data)*
- *IMF WEO refers to International Monetary Fund, World Economic Outlook database (population data)*
- *MOM refers to Ministry of Manpower, Singapore (employment & population data)*

1.4.02: Employment (%)

Areas of improvement 1 – quarterly data

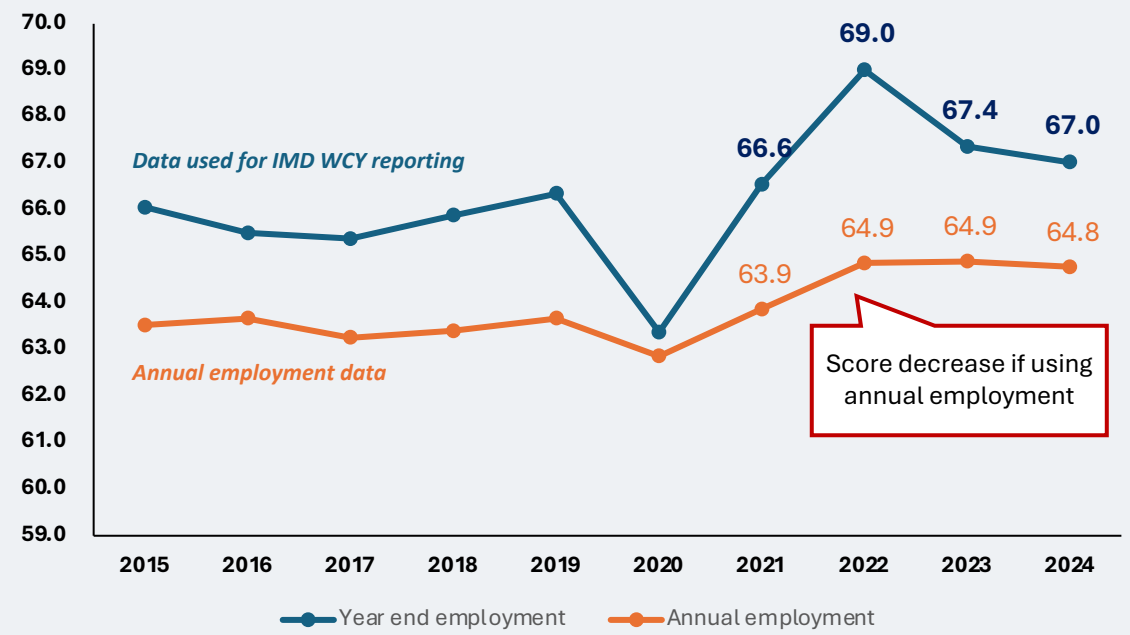
Malaysia's current ranking is based on annual employment data, which lags behind the latest labor market conditions. Using Q4 (year-end) employment figures would provide a more updated estimate, potentially improve Malaysia's score and ranking significantly—from 38th to around 28th. Singapore already uses year-end data for IMD reporting, which minimizes this gap.

Data for Malaysia



Source: *Estimated based on data sourced from Labour Force Survey, DOSM (various years).*

Data for Singapore

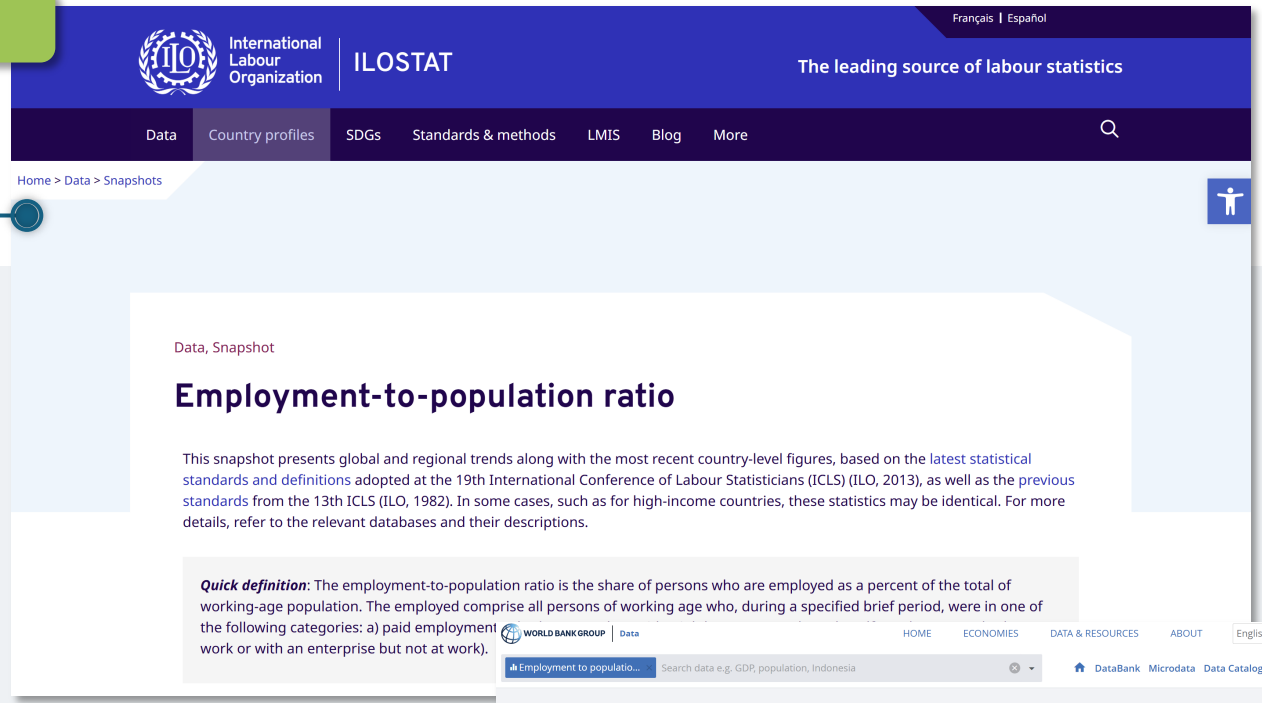


Source: *Estimated based on data sourced from MOM (various years).*

1.4.02: Employment (%)

Areas of improvement 2 – standardize the definition

IMD should align its calculation of the employment indicator with the Employment-to-Population Ratio definition as set by the International Labour Organization (ILO).



Key Rationality

- **Global Standard:** The ILO definition is internationally recognized and widely adopted by major institutions, including the World Bank, IMF, and OECD.
- **Comparability:** Using a standard measure ensures consistency across countries, improving the credibility of IMD's rankings.
- **Accuracy:** Current IMD methodology (using total population) can distort results for countries with varying age structures, whereas the ILO standard reflects the working-age population (15+), which is more meaningful for labor market analysis.

Proposed Actions

- **Engage IMD in Technical Discussions**
  Highlight the methodological gap and present the case for adopting ILO's Employment-to-Population Ratio.

ECONOMIC PERFORMANCE

Employment

1.4.04 Employment – Long Term Growth

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See more ↗

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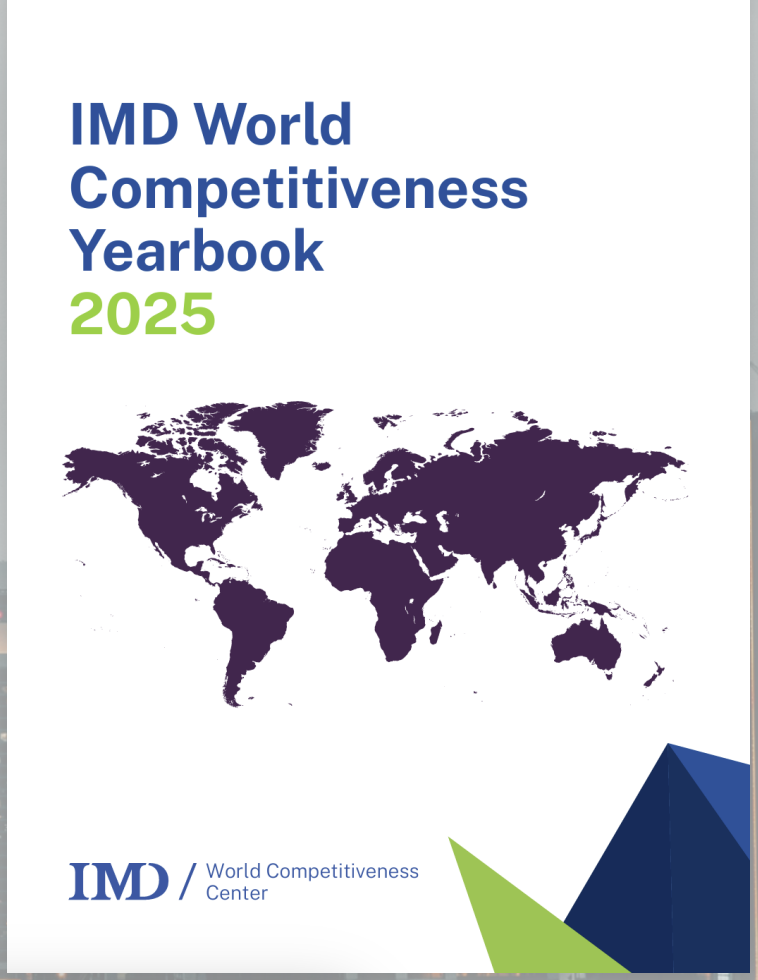


Factor:	Sub-Factor:	Indicator:
Economic Performance	Employment	1.4.04 Employment – Long Term Growth

1.4.04: Employment – Long Term Growth

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the long-term average annual growth rate of employment measured over a five-year period.

Source: *IMD World Competitiveness Yearbook 2025 (page 402)*

INDICATOR MEASUREMENT

There is no explicit calculation provided in WCY 2025.
However, we can assume the computation is similar to:

Employment Long-Term Growth (%) =

$$\frac{\left(Employment_{recent\ year} - Employment_{\ base\ year}\right)}{\left(\frac{Employment_{base\ year}}{Number\ of\ years_{5-years}}\right)} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 402)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- ILOSTAT
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 579)*

1.4.04: Employment – Long Term Growth

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Employment 1.4.04

EMPLOYMENT - LONG-TERM GROWTH 2024

Estimates: five year percentage change

Ranking		%	
01	Türkiye	14.57	
02	Philippines	13.05	
03	Puerto Rico	13.01	
04	Saudi Arabia	11.73	2020
05	Greece	11.63	
06	Poland	10.79	
07	Brazil	9.61	
08	Ireland	9.46	
09	Argentina	8.18	
10	Croatia	7.07	
11	Spain	6.95	
12	Oman	6.90	
13	Mexico	6.80	
14	Thailand	6.78	
15	Hungary	6.73	
16	Iceland	6.56	
17	Indonesia	6.27	
18	Cyprus	5.74	
19	Korea Rep.	5.63	
20	Australia	5.59	
21	Portugal	5.04	
22	France	4.78	
23	Peru	4.73	
24	Finland	4.07	
25	Italy	4.01	
26	Netherlands	3.95	
27	Chile	3.88	
28	Lithuania	3.80	
29	Jordan	3.65	
30	Singapore	3.65	
32	Canada	3.07	
33	USA	3.00	
34	New Zealand	2.76	
35	Bahrain	2.54	
36	Luxembourg	2.47	
37	Denmark	2.47	
38	Estonia	2.46	
39	Slovak Republic	2.41	
40	Sweden	2.21	
41	Japan	2.13	
42	Belgium	2.09	
43	South Africa	2.03	
44	Malaysia	1.85	2023
45	Kenya	1.62	2023
46	Romania	1.60	
47	India	1.54	
48	Nigeria	1.33	2023
49	Taiwan (Chinese Taipei)	1.26	
50	Colombia	1.05	
51	Germany	0.63	
52	Austria	0.49	
53	Latvia	-0.03	
54	Slovenia	-0.06	
55	Switzerland	-0.22	
56	United Kingdom	-0.58	
57	UAE	-0.94	
58	China	-1.87	
59	Hong Kong SAR	-2.35	
60	Mongolia	-2.37	
61	Botswana	-2.41	
62	Kazakhstan	-2.81	
63	Czech Republic	-4.46	
64	Qatar	-4.58	
65	Bulgaria	-5.26	
66	Ghana	-8.68	2021
67	Kuwait	-9.64	
68	Venezuela	-9.81	2021
-	Namibia	-	

The higher the value, the higher the ranking.

RATIONALITY?

A higher long-term employment growth rate signals that an economy is consistently generating jobs over time, which supports sustainable economic growth and competitiveness. Strong job creation reflects economic dynamism, business confidence, and the ability to absorb labor market entrants.

Countries with robust long-term growth in employment often experience positive impacts on income generation, domestic demand, and economic resilience. This indicator rewards economies that maintain stable employment expansion, even during global uncertainties.

In 2024, Türkiye led with 14.57%, followed by Philippines (13.05%) and Puerto Rico (13.03%). Malaysia ranked 44th with 1.85%, indicating modest job growth compared to regional peers such as Thailand (6.79%) and Indonesia (6.27%).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

Source: *IMD World Competitiveness Yearbook (WCY) 2025*

1.4.04: Employment – Long Term Growth

Indicator performance over the years

Indicator **Score (%)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*

Indicator **Rank (of 69 countries)**

Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

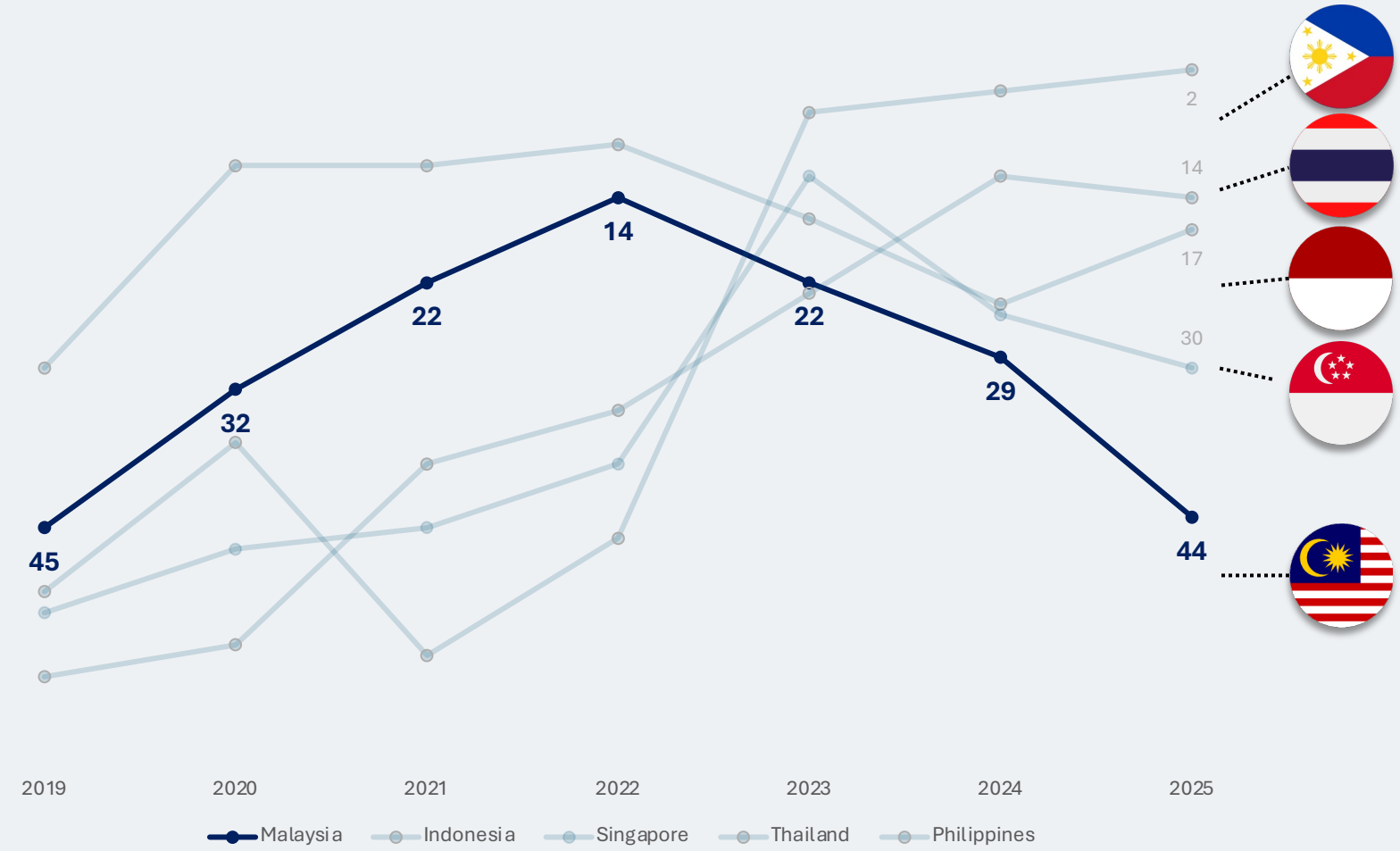
Malaysia's employment long-term growth indicator shows an inconsistent trend, fluctuating from 1.1% in 2019 to a peak of 3.2% in 2022, before declining again to 1.9% in 2025. This variation suggests that job creation has slowed in recent years, reducing momentum for structural labor market improvements.

In terms of ranking, Malaysia achieved its best position in 2022 (14th), reflecting strong job growth during that period. However, the ranking dropped to 44th in 2025, as other economies sustained higher long-term employment growth rates, particularly emerging markets like Türkiye (14.6%), creating a substantial performance gap.

Overall, the indicator highlights the need for Malaysia to strengthen labor market dynamism through sustained employment creation in high-value sectors, ensuring consistent growth and competitiveness in the long term.

1.4.04: Employment – Long Term Growth

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 44th globally for employment long-term growth, which is the lowest position among ASEAN peers in this indicator. This marks a significant decline from its peak position of 14th in 2022, signaling a slowdown in job creation over the past few years.

In contrast, the Philippines surged to the top regional spot, ranking 2nd globally, while Thailand and Indonesia remain in the top 20, at 14th and 17th, respectively. Singapore holds the 30th position, maintaining steady performance despite fluctuations.

Overall, Malaysia's sharp decline indicates the need for strategic measures to boost sustainable employment growth, focusing on creating jobs in high-value sectors and strengthening labor market dynamism to remain competitive in the region.

1.4.04: Employment – Long Term Growth

Definition ambiguity

IMD WCY 2025 Report

There is no explicit statement defining this indicator in the source documentation.

Method of Computation

Employment	1.4.04
EMPLOYMENT - LONG-TERM GROWTH	2024
Estimates: five year percentage change	

Source: *IMD WCY (2025)*

However, we can assume the computation is similar to:

$$\textit{Employment Long-Term Growth (\%)} = \frac{\left(Employment_{recent\ year} - Employment_{\ base\ year}\right)}{\left(\frac{Employment_{base\ year}}{Number\ of\ years_{5-years}}\right)} \times 100$$

Additional note:

1.4.04	**Employment - long-term growth** OECD National Accounts ILOSTAT National sources Data on employment are often estimates and provisional for the most recent year. Austria: break in series in 2004, 2008 and 2021. Botswana: break in series in 2023. Brazil: Break in series in 2011. Coratia: break in series in 2023. Finland: including armed forces. Greece: break in series in 2023. Portugal: break in series in 2011, 4th quarter of 2023. Romania: break in series in 2002. Spain: break in series in 2005. UAE: break in series in 2016 and 2023.

The absence of a clear definition from IMD creates ambiguity in interpretation and benchmarking.

A lack of explicit methodology by IMD necessitates clarification and alignment to ensure accurate representation of Malaysia's performance in global rankings.

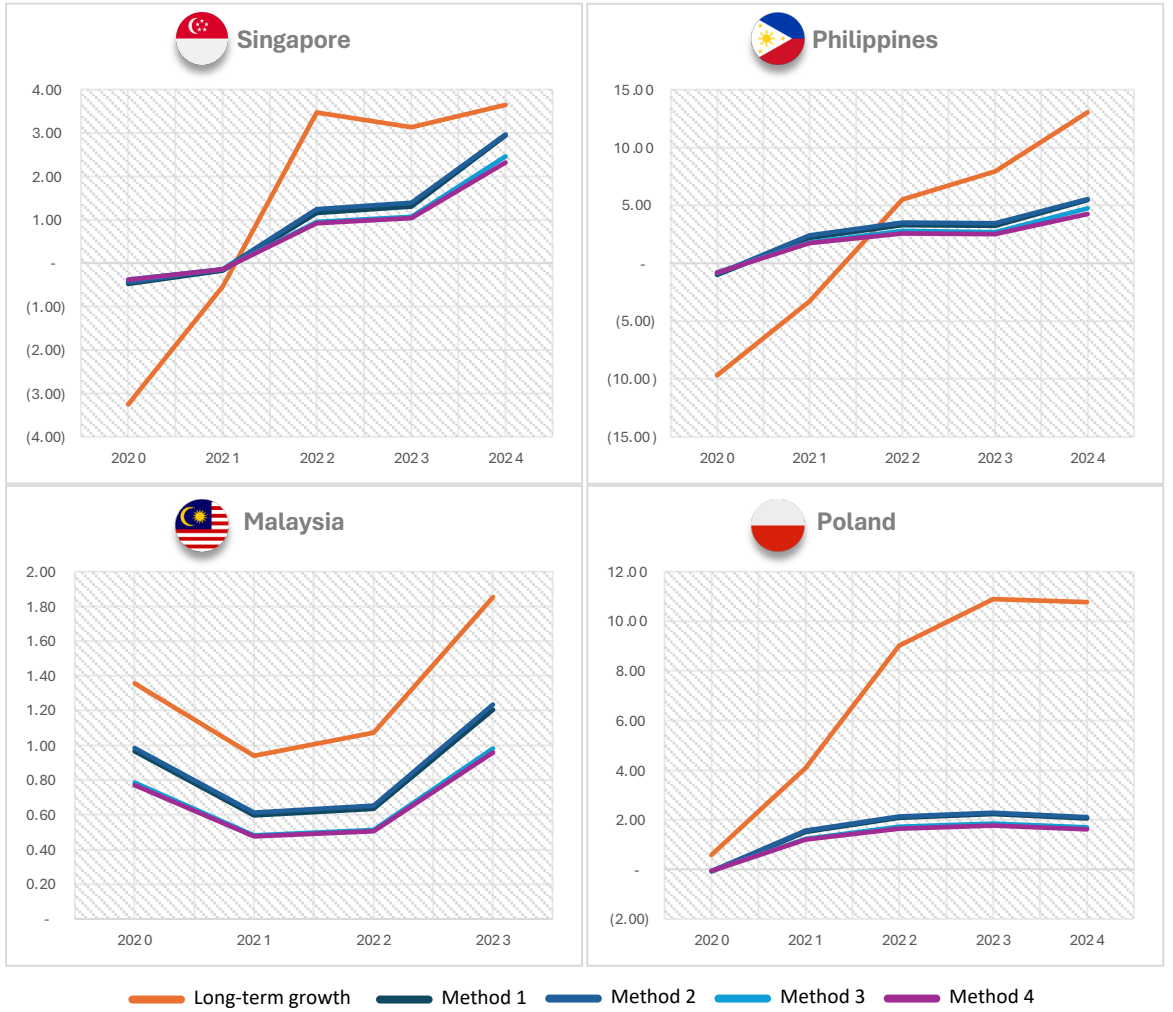
1.4.04: Employment – Long Term Growth

Calculation ambiguity: *An attempt to break the code*

An overview of all possible technical calculation relating to "Long-term growth" are listed below:

1	Compound Annual Growth Rate (CAGR)	$= \left(\frac{Employment_{end}}{Employment_{start}}\right)^{\frac{1}{n}} - 1 \times 100$
2	Average Annual Growth Rate	$= \frac{\sum_{i=1}^{n}\left(\frac{E_t - E_{t-1}}{E_{t-1}} \times 100\right)}{n}$
3	Total Growth over the Period	$= \frac{\left(\frac{Employment_{end} - Employment_{start}}{Employment_{start}} \times 100\right)}{n}$
4	Logarithmic Average Growth Rate	$= \frac{\ln(Employment_{end}) - \ln(Employment_{start})}{n} \times 100$

Not only Malaysia, but other countries also applied…



Source: *Estimated based on data sourced from IMD WCY 2025*

… and the results ?

1.4.04: Employment – Long Term Growth

Areas of improvement – Enhance calculation transparency

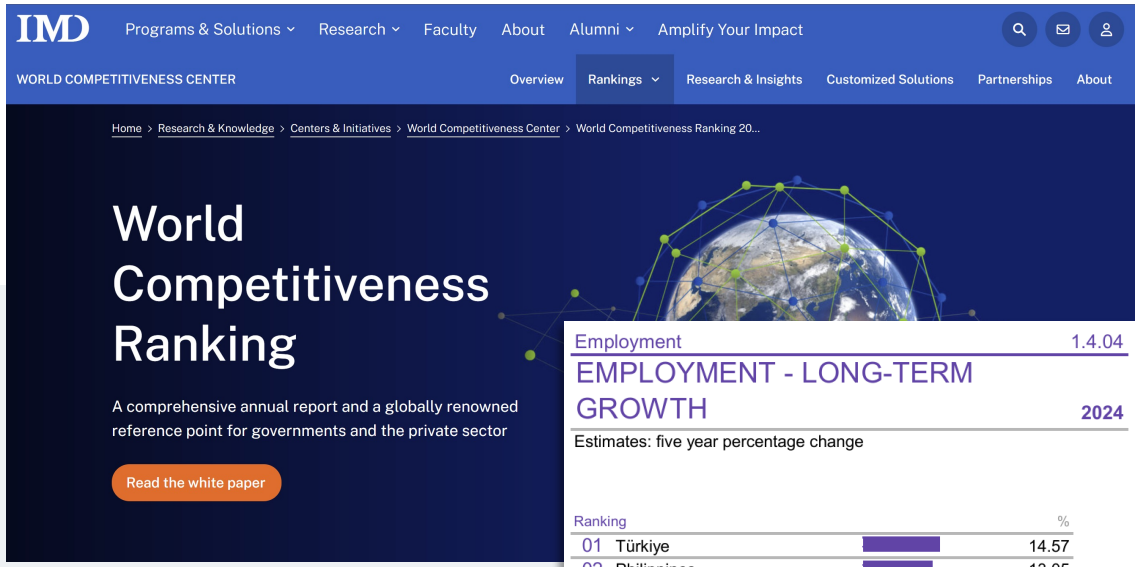
Enhancing transparency in IMD's indicator calculation is critical for improving credibility and comparability across countries. To achieve this, Malaysia should engage with IMD's technical team to clarify computation methods.

Key Rationality

- **Transparency Builds Trust:** Clear disclosure of calculation methods strengthens confidence in global competitiveness rankings and reduces misinterpretation.
- **Supports Informed Policy Decisions:** Policymakers rely on accurate indicators for labor market strategies. Ambiguous methodology risks misleading interventions.
- **Consistency Across Countries:** Without standardization, countries using different data sources or reference periods face unfair comparisons, impacting ranking credibility.

Proposed Actions

- **Request Methodology Disclosure**
  Advocate for IMD to publish clear technical notes on how employment growth is computed (e.g., CAGR vs arithmetic average).



Employment 1.4.04

EMPLOYMENT - LONG-TERM GROWTH 2024

Estimates: five year percentage change

Ranking		%
01	Türkiye	14.57
02	Philippines	13.05
03	Puerto Rico	13.01
04	Saudi Arabia	11.73
05	Greece	11.63
06	Poland	10.79
07	Brazil	9.61
08	Ireland	9.46
09	Argentina	8.18
10	Croatia	7.07
11	Spain	6.95
12	Oman	6.90
13	Mexico	6.80
14	Thailand	6.78
15	Hungary	6.73

2020

1.4.04 Employment - long-term growth

OECD National Accounts
ILOSTAT
National sources

Data on employment are often estimates and provisional for the most recent year. Austria: break in series in 2004, 2008 and 2021. Botswana: break in series in 2023. Brazil: Break in series in 2011. Coratia: break in series in 2023. Finland: including armed forces. Greece: break in series in 2023. Portugal: break in series in 2011, 4th quarter of 2023. Romania: break in series in 2002. Spain: break in series in 2005. UAE: break in series in 2016 and 2023.

ECONOMIC PERFORMANCE

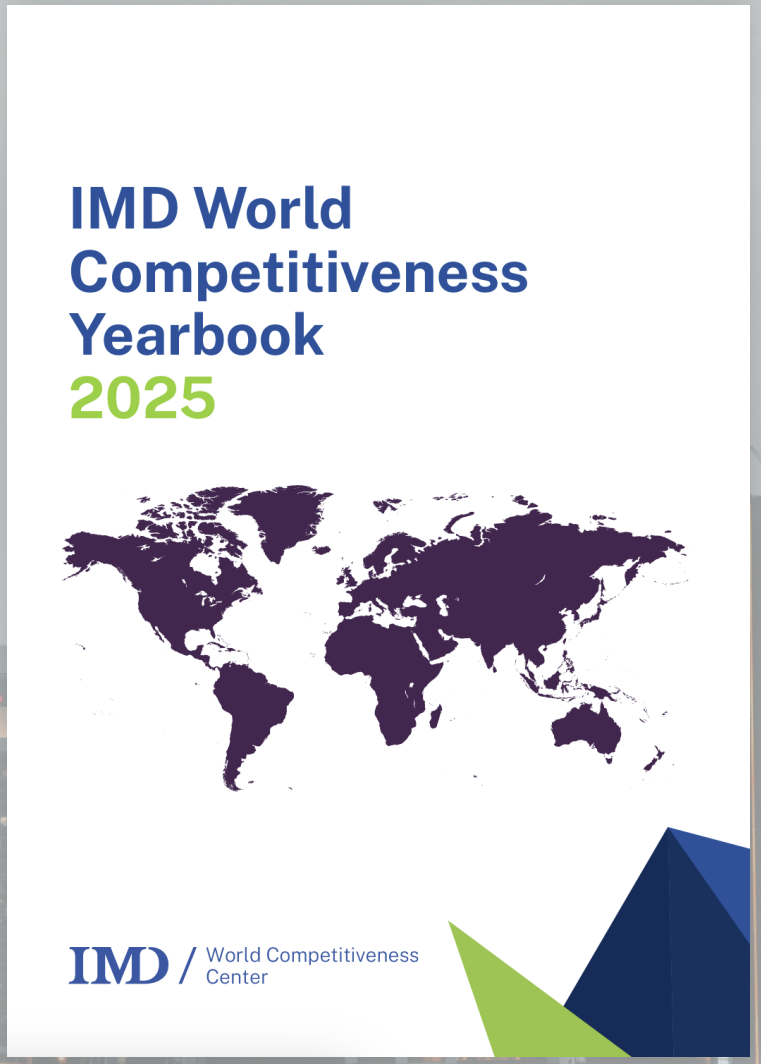
Employment

3.2.16 Part-time Employment

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Economic Performance	Employment	3.2.16 Part-time Employment

3.2.16 : Part-time Employment

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Part-time employment refers to persons who usually work less than 35 hours per week in their main job.

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Part-time Employment (%) =

$$\frac{Number\ of\ Part-time\ Workers}{Total\ Number\ of\ Employed\ Persons} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 473)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- ILOSTAT
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

3.2.16 : Part-time Employment

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Labor Market - Availability of Skills 3.2.16

PART-TIME EMPLOYMENT

2024

Percentage of total employment

Ranking		%	
01	Netherlands	61.11	2023
02	Ghana	51.63	2022
03	Norway	50.23	2023
04	Iceland	50.04	2023
05	Austria	49.93	2023
06	Sweden	47.48	2023
07	Australia	46.57	2020
08	Finland	46.21	2023
09	Ireland	44.20	2023
10	Denmark	44.00	2023
11	Germany	43.71	2023
12	Belgium	42.44	2023
13	Argentina	40.60	2023
14	Canada	40.13	
15	United Kingdom	40.05	
16	Peru	39.80	
17	France	39.07	2023
18	Indonesia	38.22	2023
19	Luxembourg	37.13	2023
20	Spain	35.58	
21	Italy	34.64	2023
22	Switzerland	34.42	2023
23	Nigeria	33.20	2023
24	Estonia	33.19	2023
25	Portugal	32.10	
26	Korea Rep.	31.91	
27	Slovenia	31.14	2023
28	Czech Republic	30.74	2023
29	Slovak Republic	30.16	2023
30	Kenya	30.00	2022
31	Philippines	29.90	2022
32	Cyprus	29.22	2023
33	Chile	28.94	
34	USA	27.01	
35	Hungary	26.54	2023
36	Mexico	26.42	
37	Croatia	26.32	2023
38	Brazil	25.18	
39	India	24.38	
40	Botswana	24.10	2023
41	Türkiye	23.69	2023
42	Lithuania	22.55	2023
43	Greece	22.27	
44	Colombia	22.21	
45	Poland	20.62	2023
46	Latvia	19.75	2023
47	Thailand	19.22	2023
48	Puerto Rico	18.92	
49	South Africa	15.68	
50	Saudi Arabia	13.56	2020
51	Hong Kong SAR	12.76	
52	Bulgaria	12.57	2023
53	Romania	11.27	2023
54	Singapore	10.90	
55	Malaysia	9.68	2022
56	Jordan	7.65	2023
57	Kazakhstan	6.61	2022
58	Mongolia	5.83	2023
59	Taiwan (Chinese Taipei)	3.38	
60	UAE	3.24	2023

The higher the value, the higher the ranking.

RATIONALITY?

The part-time employment rate reflects the proportion of Malaysia's workforce engaged in part-time work relative to total employment. This indicator serves as a proxy for the labor market's flexibility, inclusivity, and capacity to accommodate diverse worker needs — including students, caregivers, older workers, and individuals seeking work-life balance.

Within the IMD World Competitiveness framework, a well-balanced part-time employment rate signals labor market adaptability and the availability of flexible employment arrangements, which can enhance workforce participation, particularly among underrepresented groups.

In 2025 (using 2022 data reference), the Netherlands ranked first with a part-time employment rate of 61.11%, followed by Ghana (51.63%) and Norway (50.23%). Malaysia ranked 55th , with a part-time employment rate of 9.68%, placing it below regional leaders like Indonesia (38.22%) and Philippines (29.90%).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

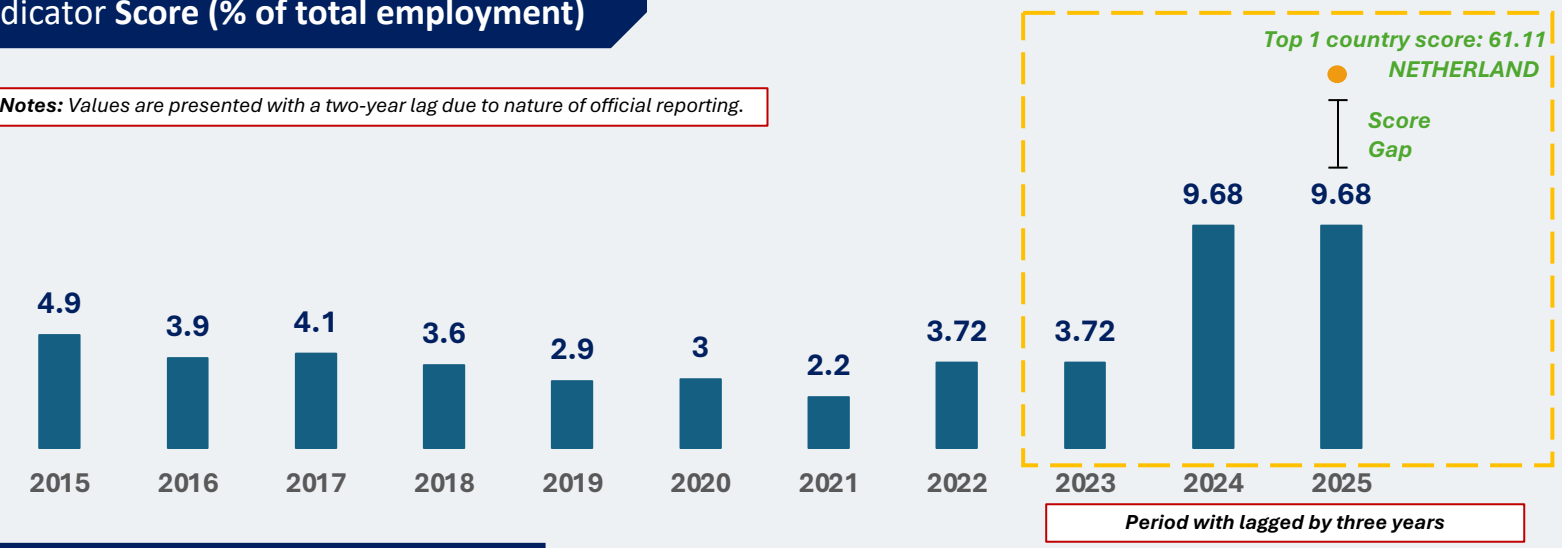
Source: *IMD World Competitiveness Yearbook (WCY) 2025*

3.2.16 : Part-time Employment

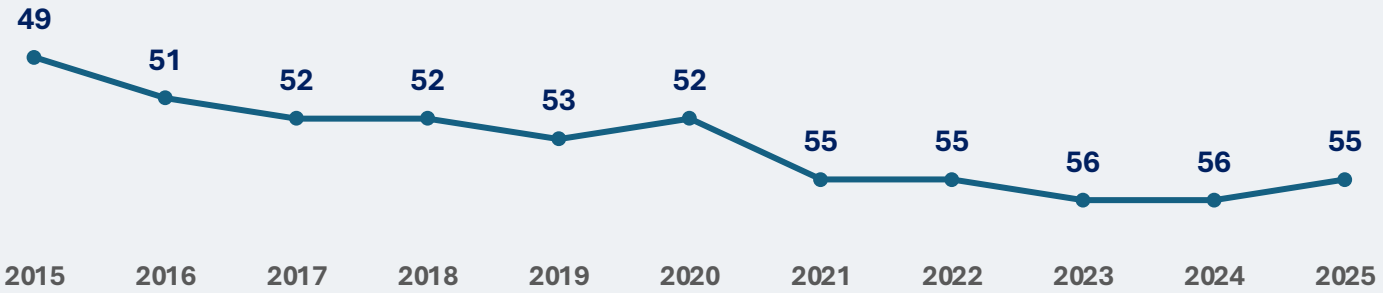
Indicator performance over the years

Indicator **Score (% of total employment)**

Notes: *Values are presented with a two-year lag due to nature of official reporting.*



Indicator **Rank (of 67 countries)**



Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's part-time employment has fluctuated over the past decade, staying between 2.2% and 4.9% from 2015 to 2023. However, from 2023 to 2024, it surged sharply to 9.68% and remained at that level in 2025, indicating a major shift in the labor market, possibly due to higher demand for flexible work or policy changes.

Globally, Malaysia's ranking improved from 49th in 2015 to 56th in 2024 but slightly improved to 55th in 2025. While the rise shows some progress in flexibility, the recent drop suggests other countries advanced faster, affecting Malaysia's competitiveness.

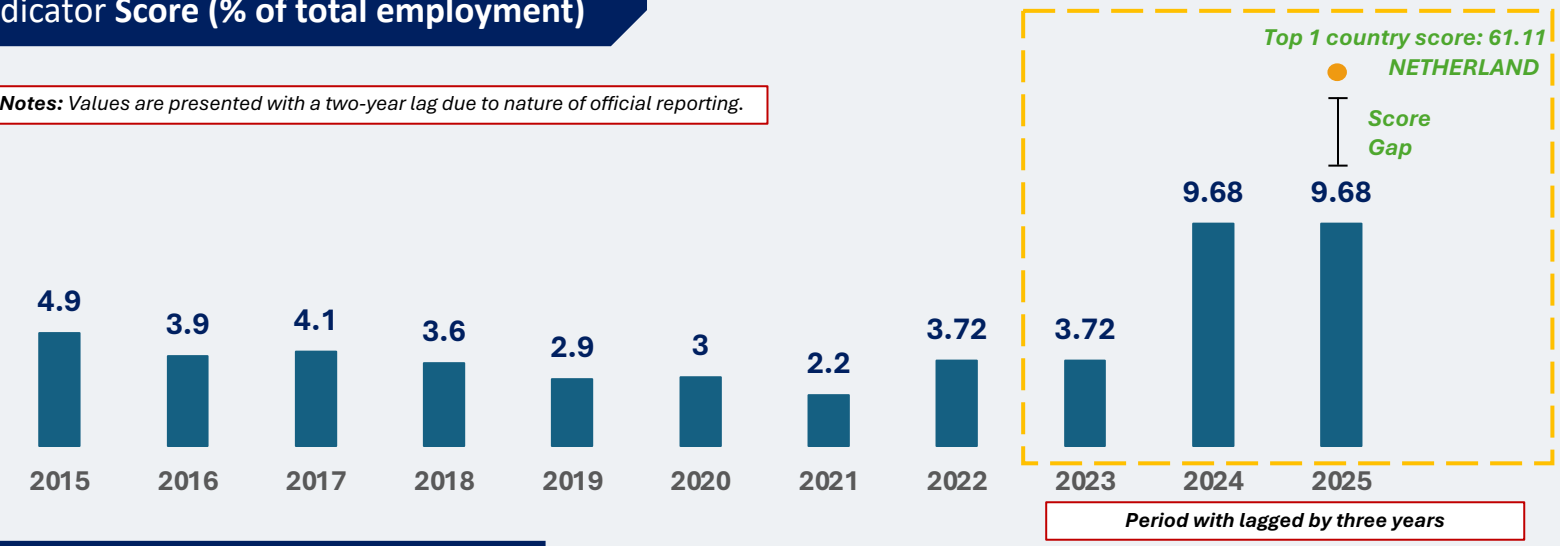
Overall, despite higher numbers, Malaysia remains in the lower-middle global tier, signaling the need to improve the quality and productivity of part-time jobs—not just increase their number.

3.2.16 : Part-time Employment

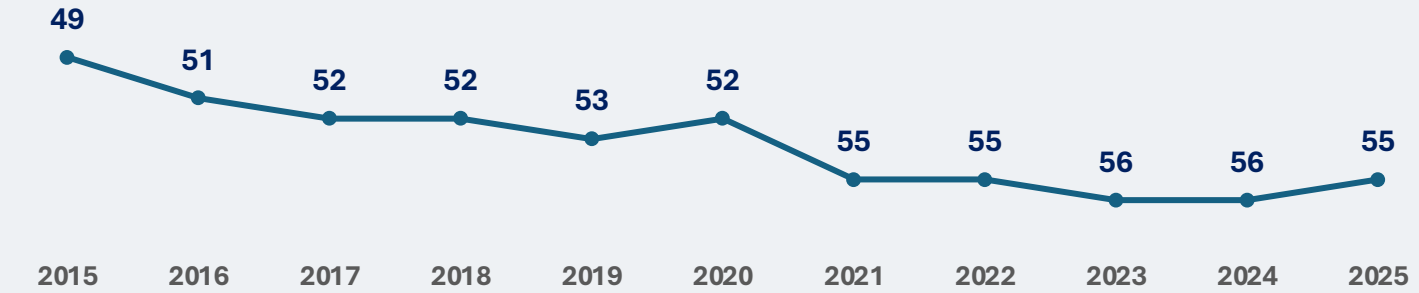
Indicator performance over the years

Indicator **Score (% of total employment)**

Notes: *Values are presented with a two-year lag due to nature of official reporting.*



Indicator **Rank (of 67 countries)**



Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's part-time employment has fluctuated over the past decade, staying between 2.2% and 4.9% from 2015 to 2023. However, from 2023 to 2024, it surged sharply to 9.68% and remained at that level in 2025, indicating a major shift in the labor market, possibly due to higher demand for flexible work or policy changes.

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Overall, despite higher numbers, Malaysia remains in the lower-middle global tier, signaling the need to improve the quality and productivity of part-time jobs—not just increase their number.

3.2.16 : Part-time Employment

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD	IMD

Description

Part-time Employment	Publish data based on national **Labour Force Survey** annually lagged .	Data compiled and integrated internationally with other country profiles By: International Labour Organization	IMD retrieves data from ILO source into their database.	IMD estimates indicator values based on the available data of labor force and population.	Malaysia in **2025**: ***Scored*** 9.68 % ***Ranked*** 55 th 

3.2.16 : Part-time Employment

Definition misalignment

Statistics Netherlands (CBS)

1st

According to CBS (Statistics Netherlands): A part-time job is a position with a permanent or fixed-term contract and an agreed number of working hours that is fewer than those of a full working day or full-time working week:

***Contractual Basis:** Part-time status is defined by contract, not by statutory hour thresholds—i.e., any contract specifying fewer hours than a full-time equivalent qualifies.*

***Usual Hour Threshold:** While there is no fixed legal limit, work **under 35 hours/week** is commonly considered part-time in the Dutch context.*

***Source:** CBS database description. Accessed in July 2025*

Ministry of Manpower

54th

In Singapore, part-time jobs are generally defined as those with **fewer than 35 hours** of work per week. The specific working hours will be detailed in the contract of service between the employee and employer.

***Source:** Ministry of Manpower database description. Accessed in July 2025.*

DOSM, Ministry of Economy

55th

According to DOSM, the indicator is referred to as time-related underemployment, which measures the number and proportion of working individuals who work **less than 30 hours per week** despite being willing and available to work more, typically due to the unavailability of sufficient work opportunities.

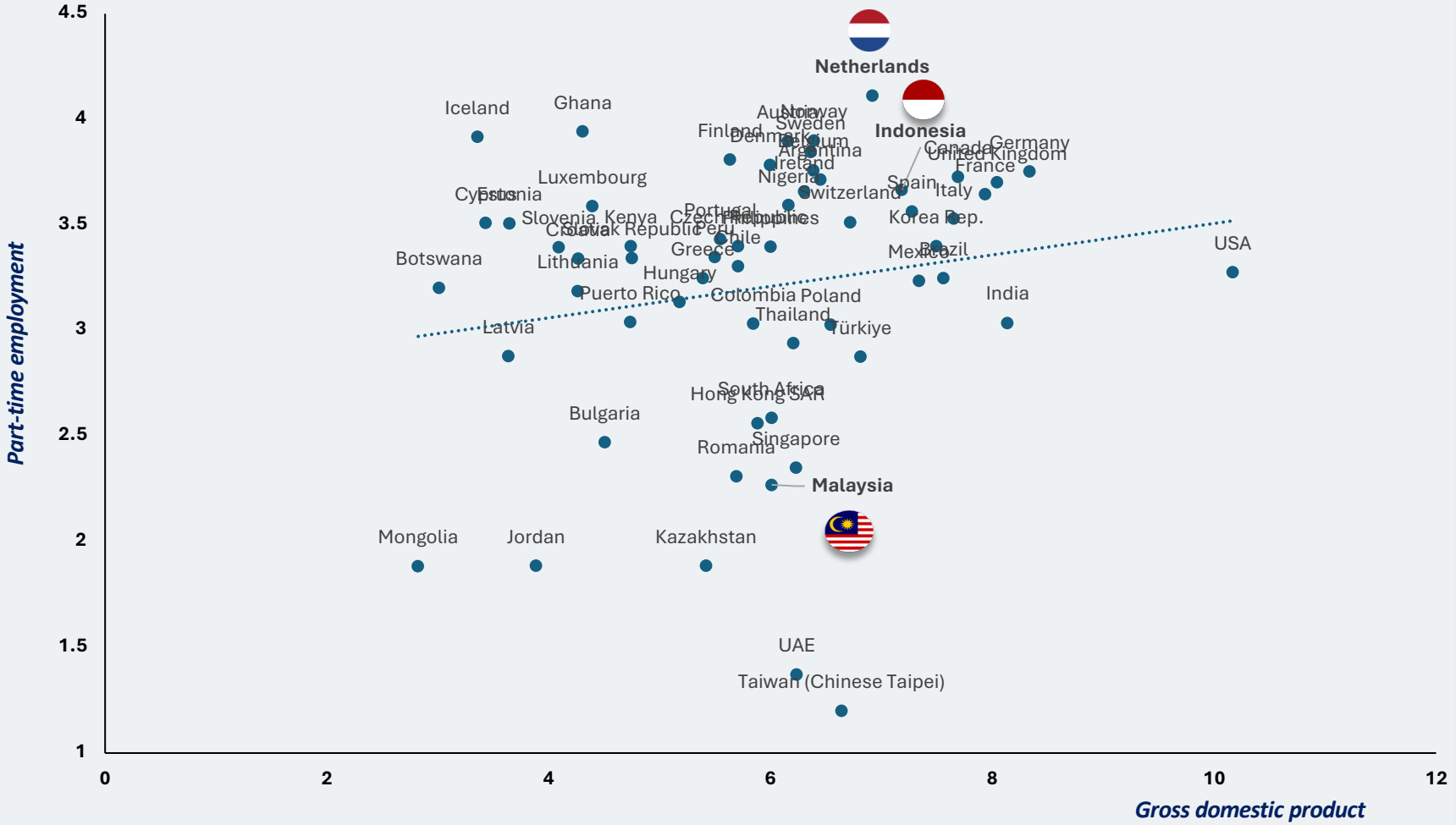
***Source:** Labour Force Survey Report, DOSM (2025)*

Both countries follow the International Labour Organization (ILO) definition, which generally defines part-time work as employment involving fewer hours than a full-time job, typically less than 35 hours per week.

Therefore, each other countries reporting broader definitions, inflating their part-time rates. It reported based on broader, self-reported, or sector-adjusted definitions that can lead to inflated part-time employment rates compared to Malaysia.

3.2.16 : Part-time Employment

Relationship between GDP and part-time employment



Source: *Estimated based on data sourced from IMD WCY (2025).*

Notes: *The calculation have been used log for GDP and Part-time Employment.*

The analysis shows a positive correlation between GDP and part-time employment across countries.

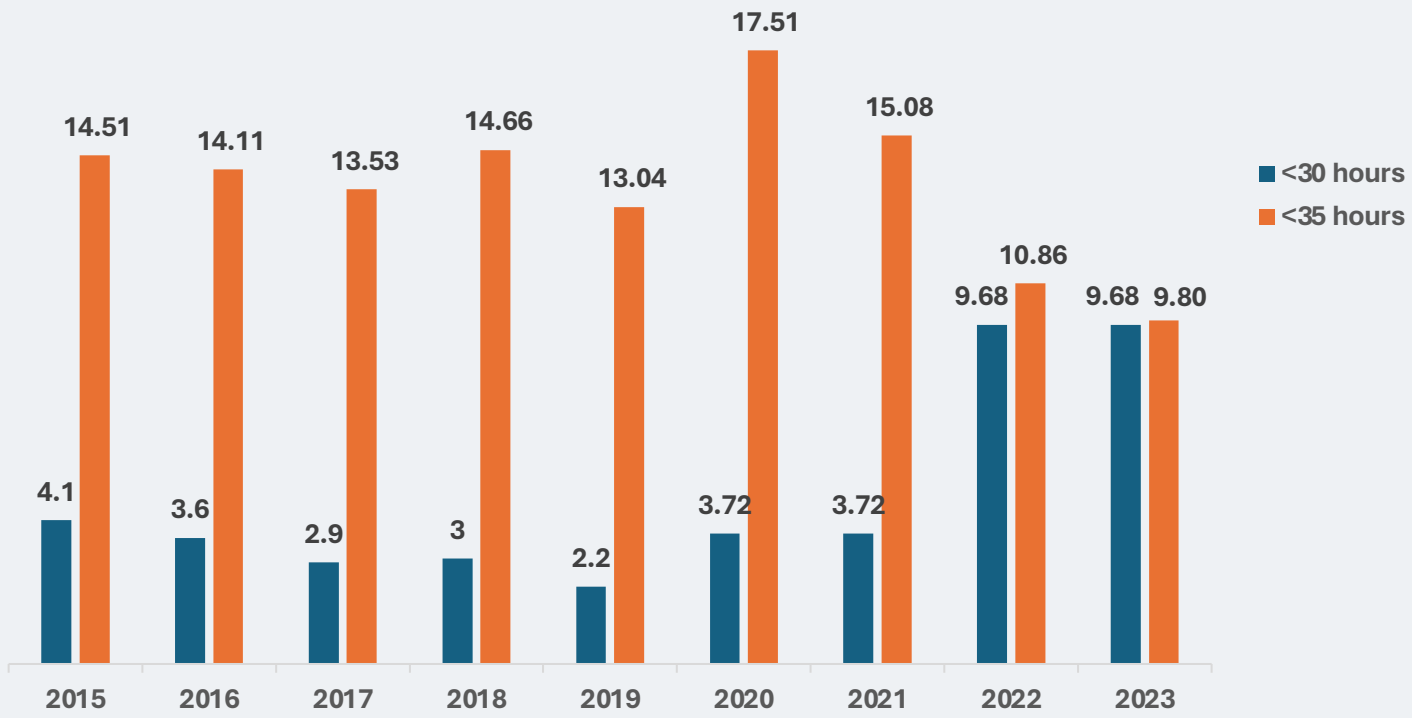
Malaysia's GDP level is comparable to peer economies, yet its reported part-time employment remains notably low.

This discrepancy suggests potential measurement limitations or underreporting within Malaysia's national labor statistics

3.2.16 : Part-time Employment

Area of improvements

Part-time employment: Outcome simulation using definition to <30 hours compared to <35 hours



Source: *Estimated based on data sourced from DOSM (2015-2023)*

Notes: *The calculation is based on raw data provided by DOSM, where the total working hours are less than 35 hours.*

*The **<35 hours data** represents a simulation analysis to suggest what Malaysia's part-time employment rate could be if the threshold were **expanded from less than 30 hours** to less than 35 hours, highlighting the **potential to increase part-time employment** by capturing more workers in the 30–35 hours segment.*

*Therefore, from 2015 to 2023, it shows that Malaysia consistently reported **higher part-time employment rates under the <35 hours** definition **compared** to the stricter **<30 hours threshold.** This reflects that a significant number of workers fall between less than 30 over less than 35 hours — a segment captured only under the broader definition.*

3.2.16 : Part-time Employment

Area of improvements

Differences in Categorizing the Labour Force Survey Questionnaire: Malaysia vs. Austria

Malaysia is encouraged to update its Labour Force Survey questionnaire to place greater focus on the category of part-time employment, following the approach applied in Austria's LFS.

Labour Force Survey Questions (2021), Malaysia

S3	Berapa jam anda bekerja pada minggu rujukan (termasuk kerja-kerja tambahan, pekerjaan kedua, pekerjaan ketiga dan lain-lain)? Jam Jika 30 jam atau lebih, terus ke S7		S3
S4	Mengapa anda bekerja kurang dari 30 jam pada minggu rujukan? Kerja tidak mencukupi: 1 Memang keadaan kerja begitu: 2 Bersara: 3 Lanjut usia: 4 Kerja rumah/ tanggungjawab keluarga/ komuniti: 5 Cuti: 6 Sakit/ cedera: 7 Keadaan cuaca: 8 Terus ke S7 dan seterusnya		S4
S5	Jika bekerja kurang dari 30 jam pada minggu rujukan, adakah anda BOLEH dan SANGGUP menerima tambahan bilangan jam bekerja? Ya 1 Tidak 2 Terus ke S7 dan seterusnya		S5
S6	Mengapa anda tidak bekerja pada minggu rujukan? Sakit/ cedera: 1 Keadaan cuaca: 2 Cuti: 3 Pertikaian buruh: 4 Sebab-sebab sosial/ agama: 5 Henti kerja sementara (pekerja bergaji): 6 Bukan musim/ luar musim/ memang keadaan kerja begitu: 7 Perintah Kawalan Pergerakan (PKP): 8 Terus ke S9 dan seterusnya		S6

Source: Labour Force Survey, DOSM (2021)

Labour Force Survey Questions (2017), Austria

Note: All employed persons; information on main employment.

D14 **Do you work part-time or full-time?**

1 ☐ Part-time

2 ☐ Full time → Continue with D16

D15 **Why do you work part-time?**

1 ☐	Because you care for children or adults in need of care	
2 ☐	Because you don't want to work full-time	→ Continue with D16
3 ☐	For other personal or family reasons	→ Continue with D16
4 ☐	Because you couldn't find full-time work	→ Continue with D16
5 ☐	Because of school or vocational training or further education	→ Continue with D16
6 ☐	Due to illness or impairment	→ Continue with D16
7 ☐	For other reasons, **namely**	→ Continue with D16
D15a	....	

Source: ILOSTAT (2024)

*The survey questions in Malaysia's DOSM Labor Force Survey (LFS) capture part-time employment primarily through the lens of time-related underemployment, **focusing on individuals working less than 30 hours per week due to the unavailability of additional work**.*

***In contrast,** Austria's survey questions are **more directly focused on identifying part-time employment itself,** specifically targeting the nature and structure of part-time work, regardless of whether it arises from underemployment or voluntary arrangements.*

BUSINESS EFFICIENCY

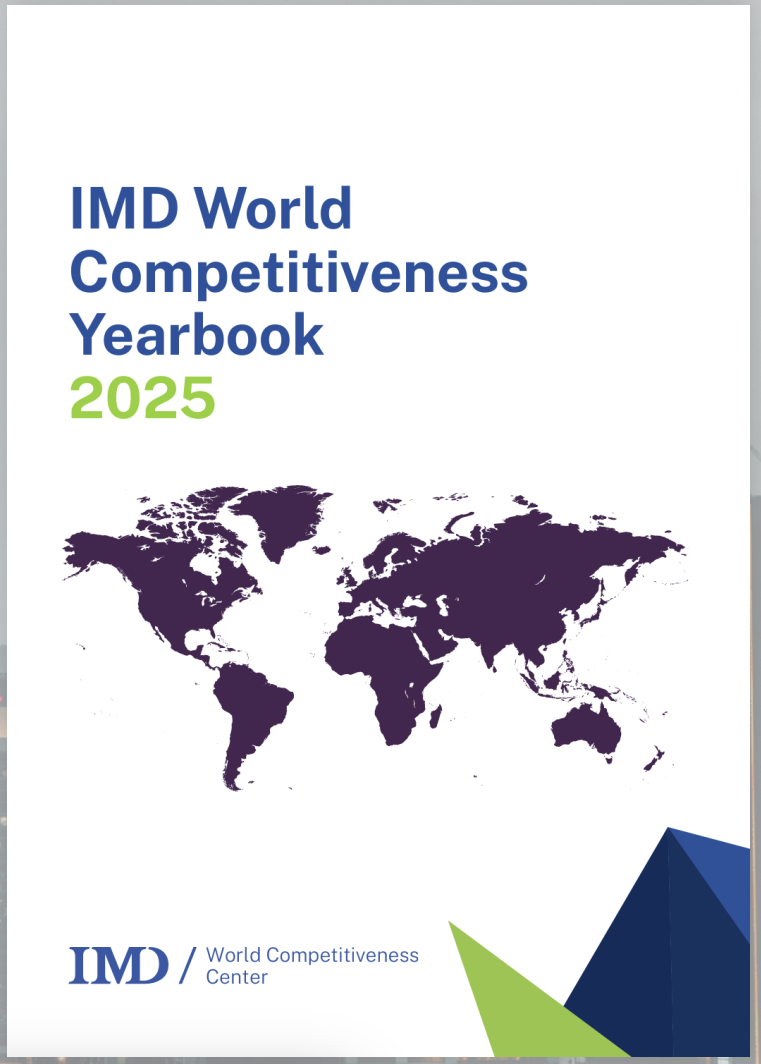
Management Practices

3.4.11 Women in Management

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Business Efficiency	Management Practices	**3.4.11** Women in Management

3.4.11 : Women in Management

Ranking as reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Management Practices 3.4.11

WOMEN IN MANAGEMENT

2023

Female share of senior and middle management (% of management)

Ranking		%	
01	Nigeria	65.80	
02	Botswana	52.69	
03	Jordan	52.26	
04	Mongolia	50.36	
05	Kenya	49.62	2019
06	Bahrain	48.00	2022
07	Latvia	44.50	2022
08	USA	44.36	
09	Sweden	42.19	2022
10	Colombia	41.98	
11	Poland	41.76	
12	Philippines	41.32	2022
13	Kazakhstan	41.20	
14	Bulgaria	40.39	2022
15	Puerto Rico	39.92	2022
16	Singapore	39.80	
17	United Kingdom	39.46	
18	Iceland	39.37	2022
19	Mexico	38.92	
20	Brazil	38.91	
21	Australia	38.90	
22	France	38.72	
23	Peru	38.60	
24	Estonia	38.28	2022
25	Hong Kong SAR	38.00	
26	Argentina	37.98	
27	Portugal	37.75	
28	Hungary	37.06	2022
29	Lithuania	37.01	2022
30	Finland	36.95	2022
31	South Africa	36.03	
32	Spain	35.91	2022
33	Belgium	35.26	2022
34	Ireland	35.13	2022
35	Indonesia	35.02	
36	Thailand	34.69	
37	Slovak Republic	34.11	
38	Romania	33.99	
39	Austria	33.79	
40	Slovenia	33.17	2022
41	Norway	32.47	2022
42	Switzerland	31.90	
43	Chile	31.60	2022
44	Greece	31.36	
45	Denmark	31.17	2022
46	Cyprus	31.05	
47	Kuwait	29.45	
48	Netherlands	29.10	2022
49	Oman	28.90	
50	Taiwan (Chinese Taipei)	27.47	
51	Czech Republic	26.90	
52	Germany	26.54	2022
53	Luxembourg	26.46	2022
54	Malaysia	25.40	
55	Croatia	23.72	2022
56	UAE	23.46	2022
57	Italy	23.36	2022
58	Türkiye	20.55	
59	Korea Rep.	16.30	
60	Japan	14.63	
61	India	12.73	

The higher the value, the higher the ranking.

RATIONALITY?

The women in management indicator shows the share of female managers compared to all management roles in a country. It reflects gender inclusivity, leadership diversity, and how well the labor market supports women in leadership.

In the IMD World Competitiveness framework, a higher rate signals strong gender policies, workplace diversity, and an inclusive labor market, which help improve organizational performance and social equity.

In 2025 (based on 2022 data), the United States ranked first with 50.20% women in management, followed by Botswana (48.50%) and Norway (47.80%). Malaysia ranked 54th with 32.50%, behind the Philippines (44.10%) and Indonesia (40.30%).This shows that while Malaysia has improved, it still lags behind global and regional peers, pointing to the need for stronger gender equality efforts and leadership development for women.

Source: *IMD World Competitiveness Yearbook (WCY) 2025*

3.4.11 : Women in Management

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The proportion of females in total employment in senior and middle management. It corresponds to major group 1 in both ISCO-08 and ISCO-88 minus category 14 in ISCO-08 (hospitality, retail and other services managers) and minus category 13 in ISCO-88 (general managers), since these comprise mainly managers of small enterprises.

Source: *IMD World Competitiveness Yearbook 2025 (page 592)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Women in Management (%) =

$$\frac{Number\ of\ Women\ in\ Management\ Positions}{Total\ Number\ of\ Management\ Positions} \times 100$$

MD World Competitiveness Yearbook 2025 (page 492)

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

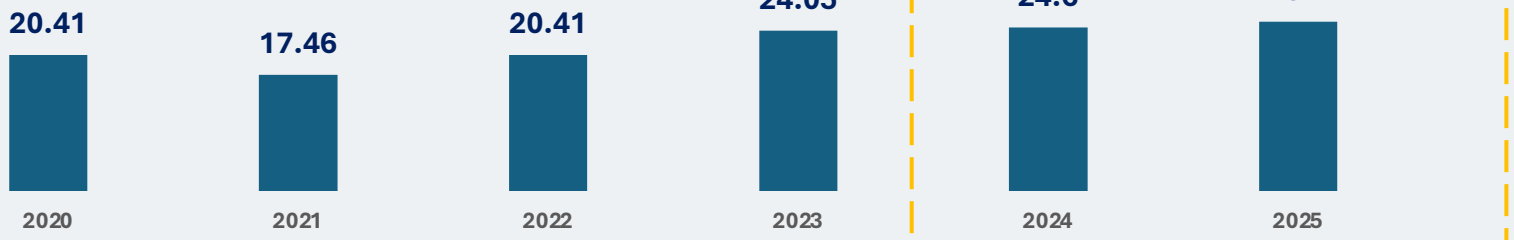
- World Development Indicators (World Bank)
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 592)*

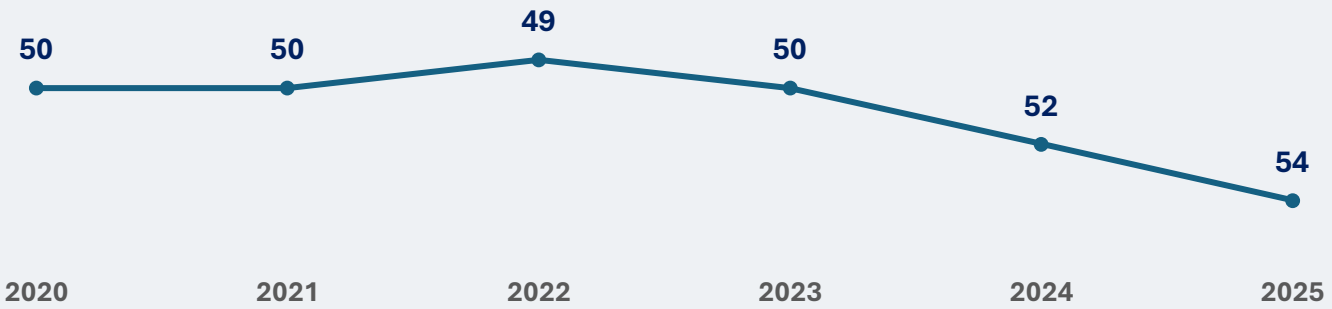
3.4.11 : Women in Management

Indicator performance over the years

Indicator Rank (% of population)



Indicator Rank (of 67 countries)



Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

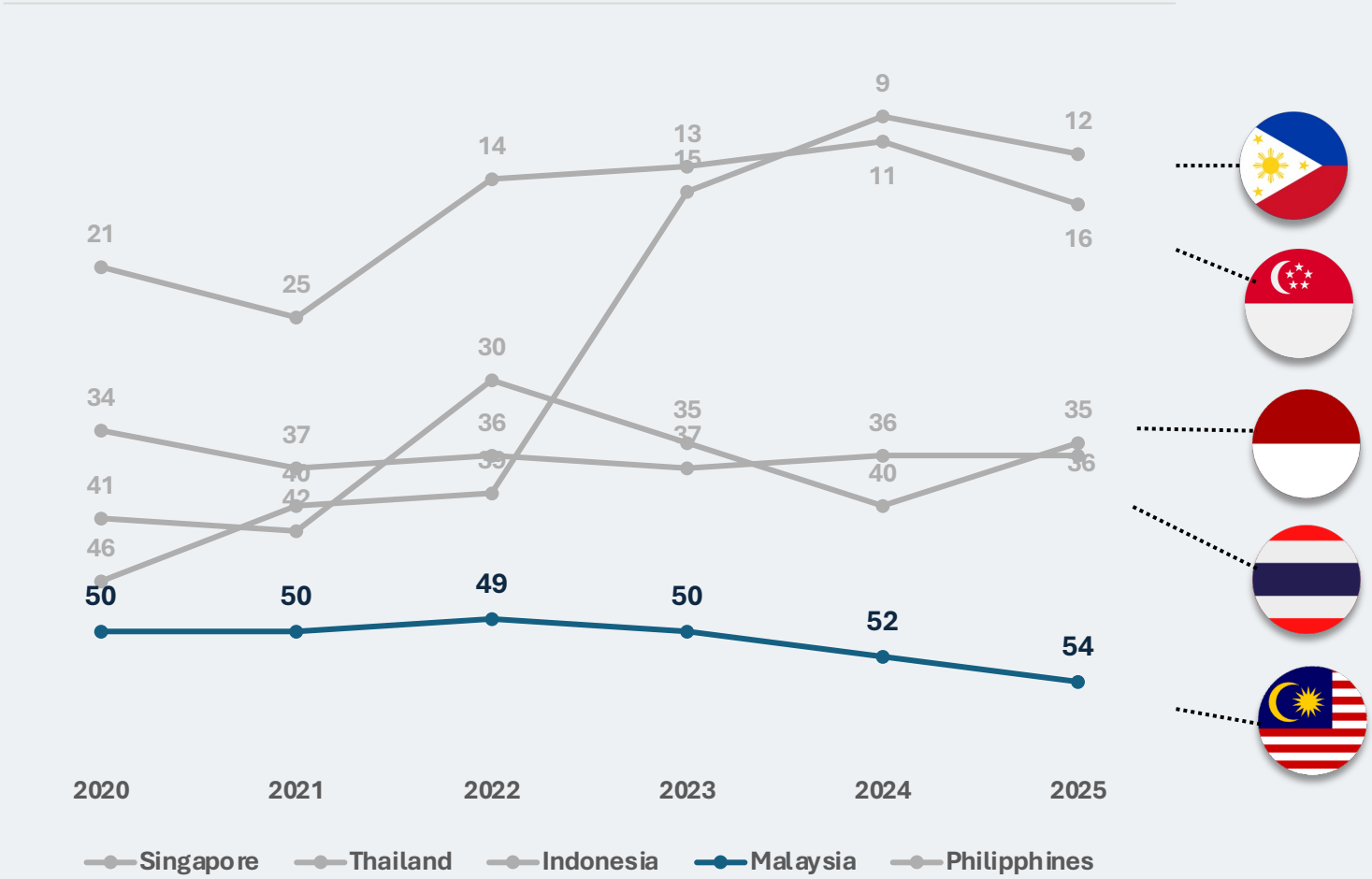
Malaysia's share of women in management has shown gradual improvement, rising from 20.41% in 2020 to 25.4% in 2025.

However, despite this increase, Malaysia's global ranking slipped from 49th in 2022 to 54th in 2025 among 67 countries, indicating that peer countries are progressing at a faster pace.

This suggests that while national progress is occurring, the pace of improvement needs to accelerate to close the gap with global leaders

3.4.11 : Women in Management

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 54th among 67 countries, placing it behind key ASEAN peers.

The Philippines leads the ASEAN group at 12th, followed by Singapore at 16th, Indonesia at 35th, and Thailand at 36th. This indicates that Malaysia has the lowest regional ranking on women in management, signaling the need for accelerated progress to close the gap

3.4.11 : Women in Management

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD	IMD

Description

Women in Management	Other countries Publish data based on national **Labour Force Survey** annually lagged 3 years.	Data compiled and integrated internationally with other country profiles By: THE WORLD BANK	IMD retrieves data from World Bank source into their database.	IMD estimates indicator values based on the available data. **Malaysia:** IMD reports the indicator values based on the available data that provided by the national sources.	Malaysia in **2025**: ***Scored*** 25.4 % ***Ranked*** 54 th 

3.4.11 : Women in Management

The definition for each countries

Malaysia Standard Classification of Occupation (MASCO-08)

54th

*Women in Management by DOSM refers to employed female persons **aged 15 years and over,** whose main job during the reference week is **classified under Major Group 1 (Managers)** of MASCO, encompassing roles involving planning, directing, coordinating, and evaluating activities at enterprise, organizational, or departmental levels, as measured through the Labour Force Survey.*

Source: *CBS database description. Accessed in July 2025*

Standard Occupational Classification Policy Committee (SOCPC 2018)

8th

Women in management refers to female individuals employed in occupations **classified under Management Occupations according to the U.S. Bureau of Labor Statistics (BLS) Standard Occupational Classification (SOC) system.**

Source: *Ministry of Manpower database description. Accessed in July 2025.*

Philippine Standard Occupational Classification (PSOC Updated 2022)

12th

Women in Management in the Philippines refers to employed women aged 15 and over whose main job is as a **manager,** based on the **Philippine Standard Occupational Classification (PSOC).**

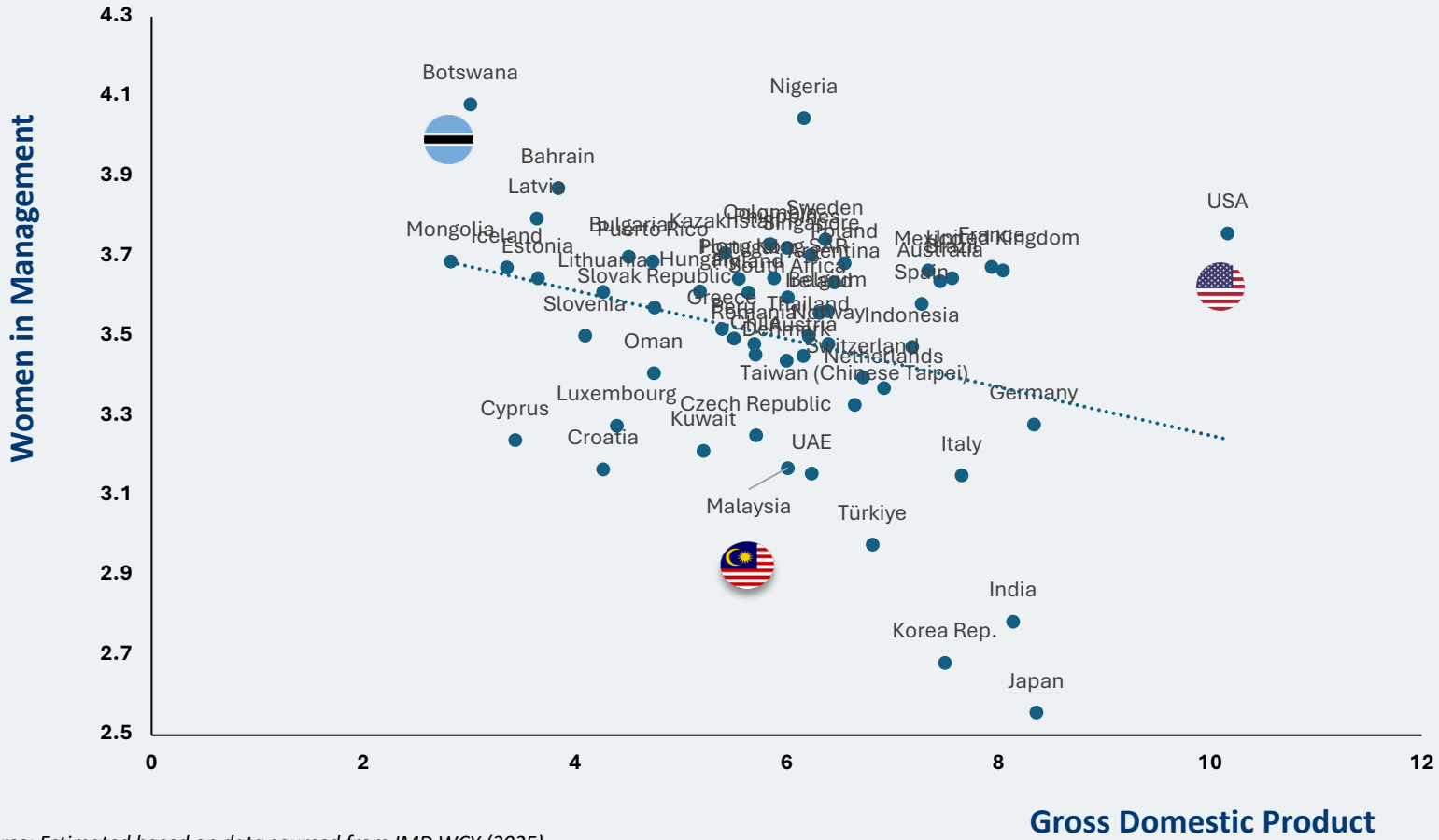
These are roles focused on planning, directing, coordinating, or evaluating activities in companies, organizations, or government — covering positions like general managers, department heads, or executives.

Source: *Labour Force Survey Report, DOSM (2025)*

*In summary, Malaysia, the United States, and the Philippines **apply similar definitions for 'women in management,'** referring to women aged 15 years and above employed in managerial roles involving planning, direction, and oversight of organizational activities. **These definitions align closely with ILO's international standards under ISCO**, enabling cross-country comparability and supporting global gender equality monitoring.*

3.4.11 : Women in Management

Relationship between GDP and women in management



Source: *Estimated based on data sourced from IMD WCY (2025).*

Notes: *The calculation have been used log for GDP and Women in Management.*

Globally, the data shows a clear negative relationship between GDP and the share of women in management, where higher-income countries often report lower representation.

Malaysia, despite its mid-level GDP, ranks lower than expected, with fewer women in management compared to many peer countries.

This pattern points to structural and institutional barriers that limit women's advancement, beyond what economic capacity alone would predict.

3.4.11 : Women in Management (%)

Areas of improvement – Legal binding quotas for women

Norway stands out as a leading country with legally binding quotas for women in management, particularly on corporate boards.

In 2003, the country introduced a mandatory requirement for publicly listed companies to ensure that women make up at least 40% of their board members.

Source:
Lifting Women Up: Gender Quotas and the Advancement of Women on Corporate Boards

Empower women, empower business.

Norway was the first to mandate a 40% gender quota on corporate boards through law, requiring listed companies to comply by 2008.

In 2003, its Parliament amended the Public Limited Liability Companies Act, requiring at least 40% of board seats in publicly listed companies to be held by women.

The government made it clear that this was not a voluntary target but a mandatory legal obligation.

The policy was backed by:

- *State-owned companies already meeting or exceeding the quota, setting an example.*
- *Active monitoring by the Ministry of Trade and Industry.*
- *Public pressure and international attention which created a reputational incentive.*

As a result, women's representation on Norwegian corporate boards rose from 7% in 2002 to over 40% by 2008, showing how strong legal enforcement and public accountability can quickly close gender gaps.

GOVERNMENT EFFICIENCY

Societal Framework

2.5.12 Female in Parliament

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
Government Efficiency	Societal Framework	**2.5.12** Female in Parliament

2.5.12: Female in Parliament

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Share of seats in national parliament: Proportion of seats held by women in a lower/ single house or /and an upper house/senate expressed as percentage of total seats. For countries with bicameral legislative systems, the share of seats is calculated based on both houses.

Source: *IMD World Competitiveness Yearbook 2025 (page 586)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Female in Parliament =

$$\frac{Female\ in\ parliament}{Total\ seats\ in\ parliament} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 413)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- World Development Indicators (World Bank)
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 586)*

2.5.12: Female in Parliament

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Societal Framework 2.5.12

FEMALES IN PARLIAMENT 2023

Percentage of total seats in Parliament

Ranking		%
01	Mexico	50.00
01	UAE	50.00
03	Iceland	47.62
04	Sweden	46.42
05	Norway	46.15
06	Finland	46.00
07	South Africa	45.86
08	Spain	44.29
09	New Zealand	44.26
10	Namibia	44.23
11	Denmark	43.58
12	Argentina	43.19
13	Taiwan (Chinese Taipei)	42.86
14	Belgium	42.67
15	Austria	40.98
16	Netherlands	40.00
17	Peru	38.76
18	Switzerland	38.50
19	Australia	38.41
20	France	37.78
20	Slovenia	37.78
22	Portugal	36.09
23	Chile	35.48
24	Germany	35.19
25	United Kingdom	34.62
26	Luxembourg	33.33
27	Italy	32.25
28	Latvia	32.00
29	Croatia	31.79
30	Puerto Rico	30.80 2022
31	Canada	30.65
32	Poland	29.35
33	Singapore	29.13
34	USA	28.97
35	Colombia	28.88
36	Estonia	28.71
37	Lithuania	28.37
38	Philippines	27.33
39	China	26.54
40	Czech Republic	26.00
41	Bulgaria	24.17
42	Kenya	23.28
43	Ireland	23.13
44	Greece	23.00
45	Venezuela	22.16 2021
46	Slovak Republic	22.00
47	Indonesia	21.57
48	Hong Kong SAR	21.00
49	Bahrain	20.00
50	Saudi Arabia	19.87
51	Türkiye	19.83
52	Romania	19.09
53	Korea Rep.	19.06
54	Thailand	18.84
55	Kazakhstan	18.37
56	Brazil	17.54
57	Mongolia	17.11
58	India	15.24
59	Ghana	14.55
60	Cyprus	14.29
61	Hungary	14.07
62	Malaysia	13.51
63	Jordan	12.31
64	Botswana	11.11
65	Japan	10.34
66	Qatar	4.44
67	Nigeria	3.91
68	Kuwait	3.08
69	Oman	0.00

The higher the value, the higher the ranking.

RATIONALITY?

A higher share of women in parliament indicates stronger gender inclusivity in national governance. It reflects the extent to which countries promote equitable political representation, enabling diverse perspectives in law-making and policy development.

Countries with higher female parliamentary participation often implement structural measures such as gender quotas, leadership development, and electoral reforms. These initiatives strengthen democratic engagement and foster more balanced national agendas.

*In the IMD WCY 2025 rankings, **Mexico** and the **UAE** lead with **50.0%** female representation. In contrast, **Malaysia** ranked **62nd**, with **13.51%**, placing it well below regional and global benchmarks in women's political empowerment.*

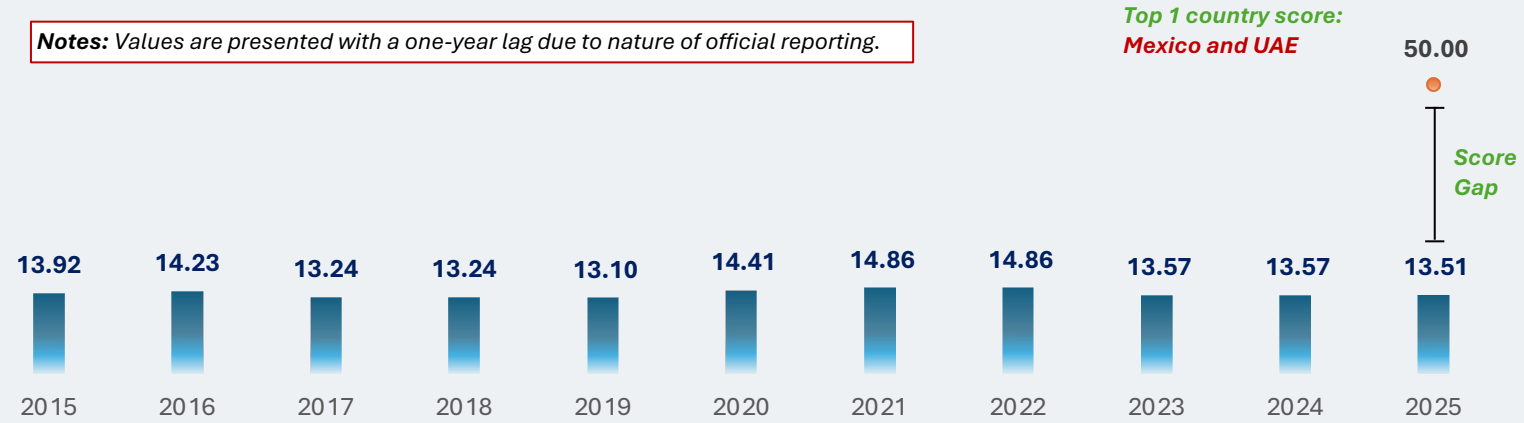
Source: *IMD World Competitiveness Yearbook 2025*

2.5.12: Female in Parliament

Indicator performance over the years

Indicator **Score (% of total seats in parliament)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**

Source: *IMD World Competitiveness Yearbook (various years)*

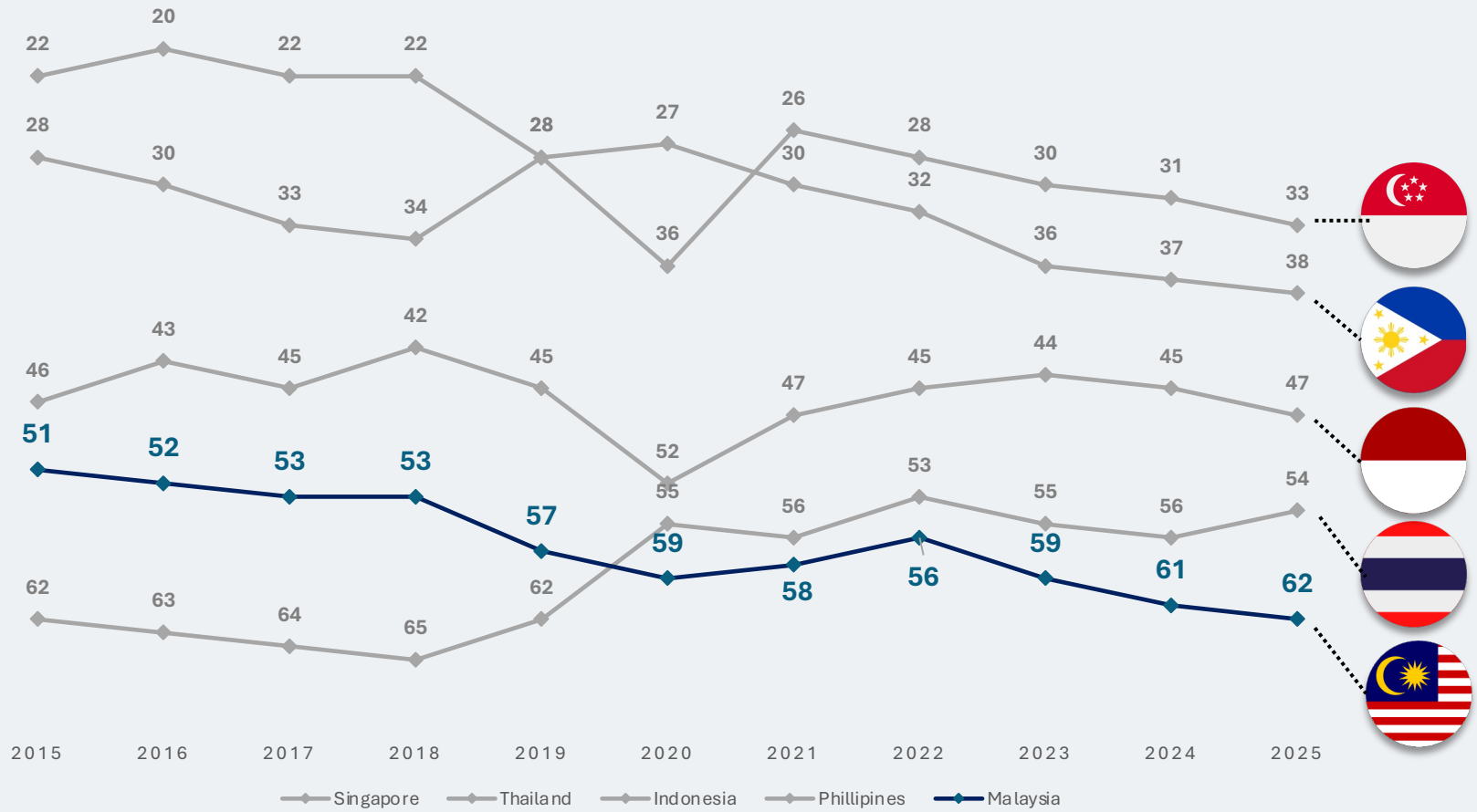
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's share of female in parliament has remained stagnant over the past decade, ranging from 13.10% to 14.86%. In 2025, it dipped slightly to 13.51%, significantly below top performers such as Mexico and the UAE, which recorded 50.00%. This persistent gap underscores the limited inclusion of women in national policymaking and points to the need for structural reforms, including gender quotas, leadership development, and more inclusive political participation.

In terms of ranking, Malaysia declined from 51st in 2015 to 62nd in 2025, indicating a slow pace of progress relative to other countries. While some nations have implemented bold strategies to advance female representation, Malaysia's ranking trend suggests that current efforts have yet to yield meaningful impact.

2.5.12: Female in Parliament

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 62nd globally in WCY 2025 and remains the lowest among the five selected ASEAN countries in terms of female representation in parliament. This position lags far behind Singapore (31st) and the Philippines (37th), which are placed in the mid-range globally. Thailand (45th) and Indonesia (54th) also outperform Malaysia, reflecting stronger policy support for women in leadership roles.

Malaysia's performance has shown a stagnant trend, slipping steadily from 51st place in 2015 to 62nd in 2025. This suggests that while there were minor score improvements since 2019, neighbouring countries have made faster progress in boosting women's presence in legislative institutions.

2.5.12: Female in Parliament

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD

Description

Female in parliament	Publish data based on Subnational Statistics Parliament	Data compiled and integrated internationally with other country profiles by: THE WORLD BANK 1889 Inter-Parliamentary Union For democracy. For everyone.	IMD retrieves data from WDI and IPU sources into their database.	Malaysia in **2025**: ***Scored*** 13.51 % ***Ranked*** 62 nd IMD World Competitiveness Ranking

2.5.12: Female in Parliament

Female in parliament breakdown from IPU (2022)

Current number of members:

222

Female in Parliament:

30

Percentage of female in parliament:

13.5%

Malaysia's female representation in Parliament remains low at only 13.5%, with just 30 out of 222 seats held by women. This underrepresentation reflects a persistent gender imbalance in political leadership and decision-making roles.

Most female parliamentarians are concentrated in the 31–60 age range, particularly in the 51–60 group (12 members). Notably, there are no female MPs below age 30, and only one woman is aged 71 or above. This suggests challenges in both youth entry and retention of women in political leadership over time.

Number of members, by age

	21-30	31-40	41-50	51-60	61-70	71-80	81-90	Total
Male	2	21	47	62	50	9	1	192
Female	0	5	8	12	4	1	0	30
Total	2	26	55	74	54	10	1	222

Source: *Department of Statistics Malaysia (DOSM)*

2.5.12: Female in Parliament

Areas of improvement 1 – benchmarking Mexico (1st ranking)

Malaysia can draw from Mexico's legally enforced gender parity framework to enhance women's representation in Parliament, particularly through binding quotas, equitable candidate distribution, and institutional enforcement mechanisms.

Key Rationality

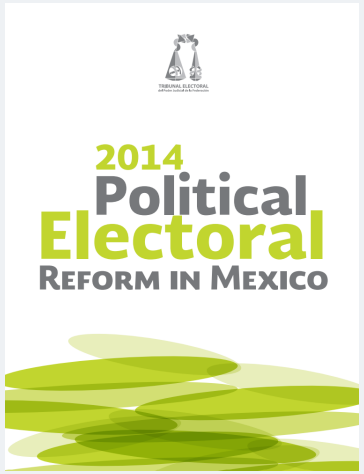
Mexico Key Drivers of Political Gender Equality

Legal Gender Parity Framework
- Constitutional reform in 2014 institutionalized **50% gender parity** for all federal and local election candidacies.
- Parity is enforced across both houses of Congress, leading to near-equal gender distribution.

Candidate Distribution
- Political parties are **prohibited from placing women only in losing districts** where they traditionally underperform.
- This ensures **effective gender representation** across competitive and non-competitive seats.

Institutional Enforcement
- The **National Electoral Institute (INE)** has legal authority to **audit, reject or sanction** non-compliant party lists.
- Parity enforcement applies to **both candidate registration and proportional seat allocation**.

Political-Electoral Reform in Mexico



4.4. Gender affirmative action

With the 2014 reform, the gender affirmative action became a constitutional order, imposing on the political parties the obligation to guarantee gender parity. In other words, all candidate lists for federal and local legislative bodies, including those of plurality elections, must be integrated by 50% women and 50% men (art. 41 of the Constitution). The candidates appear in "formulas" (with ordinary and substitute candidates), and every formula should be integrated only by women or only by men (LEGIPE, art. 14).

The gender affirmative action is a constitutional order, imposing on the political parties the obligation to guarantee gender parity

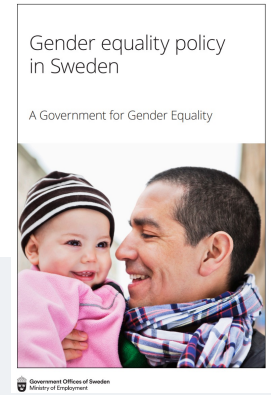
There is also a rule forbidding political parties from nominating candidates of only one gender in the districts where they have normally received the least votes (LGPP, art. 3.5). Additionally, in thesis IX/2014, the High Chamber of the Electoral Tribunal ruled that for the gender quota to be effective, it should generate effects not only at the time of the registration of candidate lists, but also at the time of allocating the proportional representation seats.

It is important to mention that the reform was silent on the application of the parity principle in municipal elections and in the integration of the local electoral authorities[2].

2.5.12: Female in Parliament

Areas of improvement 2 – benchmarking Sweden (4th) ranking)

Malaysia can adapt Sweden's institutionalized approach to gender equality by mainstreaming gender perspectives in governance, applying balanced gender targets, and establishing a dedicated agency to coordinate and monitor women's political participation.



Key Rationality

Sweden Key Drivers of Political Gender Equality

Gender Mainstreaming in Government
- All ministries and agencies must **integrate gender perspectives** in policies, budgets, and outcomes.
- This approach ensures equality is systematically addressed across all levels of governance.

Balanced Gender Targets in Political Leadership
- Sweden applies a **40–60% gender balance** guideline for Parliament, Government, and board positions.
- Gender-balanced representation is a formal political norm in public institutions.

Dedicated Institutional Agency
- The **Swedish Gender Equality Agency** coordinates, monitors, and supports gender equality implementation.
- It enhances coherence across national, regional, and local policy levels.

Gender equality policy in Sweden

Responsibility for the entire Government

To ensure full and effective implementation of the Swedish gender equality policy, all ministers are responsible for promoting a gender equality perspective in decisions and actions in their respective policy area. The Minister for Gender Equality is responsible for the overall coordination, development, and follow-up of gender mainstreaming. Yet, the everyday practical implementation is managed at the level of Heads of Division in all ministries.

the qualitative aspects of the exercise of power can also be nudged in a gender-equal direction.

Women and men have since the mid-1990s been equally represented in the Swedish Parliament and the Government (within the interval 40-60). In the political assemblies at the regional and municipal levels, the gender distribution is within the range of 40-60. The proportion of women among Swedish members of the European Parliament has exceeded 40 percent since Sweden became a

The Swedish Gender Equality Agency was established in January 2018. The Agency is commissioned to contribute to effective implementation of the Swedish gender equality policy. The establishment of the Agency has strengthened the institutional framework and promotes sustainable and strategic gender equality work. The work of the Agency requires close cooperation with other government agencies, regions, municipalities, and civil society. The main task of the Agency is to coordinate, follow up and provide various forms of support to reach the national objectives on gender equality.

BUSINESS EFFICIENCY

Productivity & Efficiency

3.1.01 Overall Productivity (PPP)

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
Business Efficiency	Productivity & Efficiency	**3.1.01** Overall Productivity (PPP)

3.1.01: Overall Productivity (PPP)

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the level of overall productivity measured in terms of purchasing power parity (PPP) per person employed.

Source: *IMD World Competitiveness Yearbook 2025 (page 459)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator is expressed as follows:

Overall Productivity (PPP) =

$$\frac{GDP\ (US\$\ PPP)}{Number\ of\ employed\ persons\ (person)}$$

Source: *IMD World Competitiveness Yearbook 2025 (page 459)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following single source:

© 2024 The Conference Board - Total Economy Database

Source: *IMD World Competitiveness Yearbook 2025 (page 587)*

3.1.01: Overall Productivity (PPP)

Indicator overview sourced from *IMD WCY 2025* Report

WHAT DOES THE SCORE INDICATE?

Productivity & Efficiency 3.1.01

OVERALL PRODUCTIVITY (PPP) 2024

Estimates: GDP (PPP) per person employed, US$

Ranking		US$
01	Singapore	196,237
02	Luxembourg	181,670
03	USA	171,300
04	Taiwan (Chinese Taipei)	153,624
05	Kuwait	152,725
06	Belgium	151,654
07	Norway	150,815
08	Qatar	148,598
09	Hong Kong SAR	148,230
10	Switzerland	148,187
11	Saudi Arabia	145,576
12	UAE	144,620
13	Denmark	141,750
14	Sweden	137,519
15	Austria	130,141
16	Bahrain	127,683
17	France	127,270
18	Iceland	125,530
19	Netherlands	125,265
20	Italy	125,126
21	Australia	123,753
22	Germany	120,492
23	Canada	118,355
24	United Kingdom	118,313
25	Finland	118,214
26	Türkiye	115,203
27	Spain	114,853
28	Cyprus	108,923
29	Ireland	108,028
30	Korea Rep.	105,101
31	Slovenia	99,872
32	Poland	99,339
33	Czech Republic	98,592
34	New Zealand	97,658
35	Slovak Republic	95,809
36	Japan	95,588
37	Croatia	95,465
38	Lithuania	94,921
39	Romania	92,854
40	Portugal	92,226
41	Estonia	88,374
42	Hungary	88,305
43	Oman	88,103
44	Latvia	86,939
45	Greece	84,734
46	Malaysia	77,352
47	Kazakhstan	73,884
48	Chile	65,204
49	Bulgaria	63,469
50	South Africa	60,088
51	Mexico	57,551
52	Argentina	55,744
53	Jordan	53,740
54	China	46,512
55	Colombia	44,453
56	Botswana	44,361
57	Brazil	42,721
58	Thailand	41,232
59	Namibia	38,560
60	Puerto Rico	36,157 2021
61	Indonesia	32,384
62	Peru	29,473
63	Philippines	28,848
64	India	24,819
65	Kenya	16,478
66	Nigeria	16,409
67	Venezuela	15,901
68	Ghana	15,593
-	Mongolia	-

The higher the value, the higher the ranking.

RATIONALITY?

A higher overall productivity (PPP) value indicates that each employed person generates more economic output, adjusted for purchasing power. This reflects efficient use of labor resources, higher technology adoption, and stronger capital-labor synergy—all key drivers of national competitiveness.

Countries with high productivity levels typically have advanced infrastructure, skilled labor, and innovation-driven industries, enabling them to sustain economic growth and attract investment.

In 2024, Singapore ranked first with USD 196,237, followed by Luxembourg (USD 181,670) and USA (USD 171,301). Malaysia ranked 46th at USD 77,352, far below regional leader Singapore and behind countries such as Taiwan (USD 163,079) and Hong Kong (USD 148,528).

Source: *IMD World Competitiveness Yearbook 2025*

3.1.01: Overall Productivity (PPP)

Indicator performance over the years

Indicator **Score (US$ PPP)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*

Indicator **Rank (of 69 countries)**

Source: *IMD World Competitiveness Yearbook (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

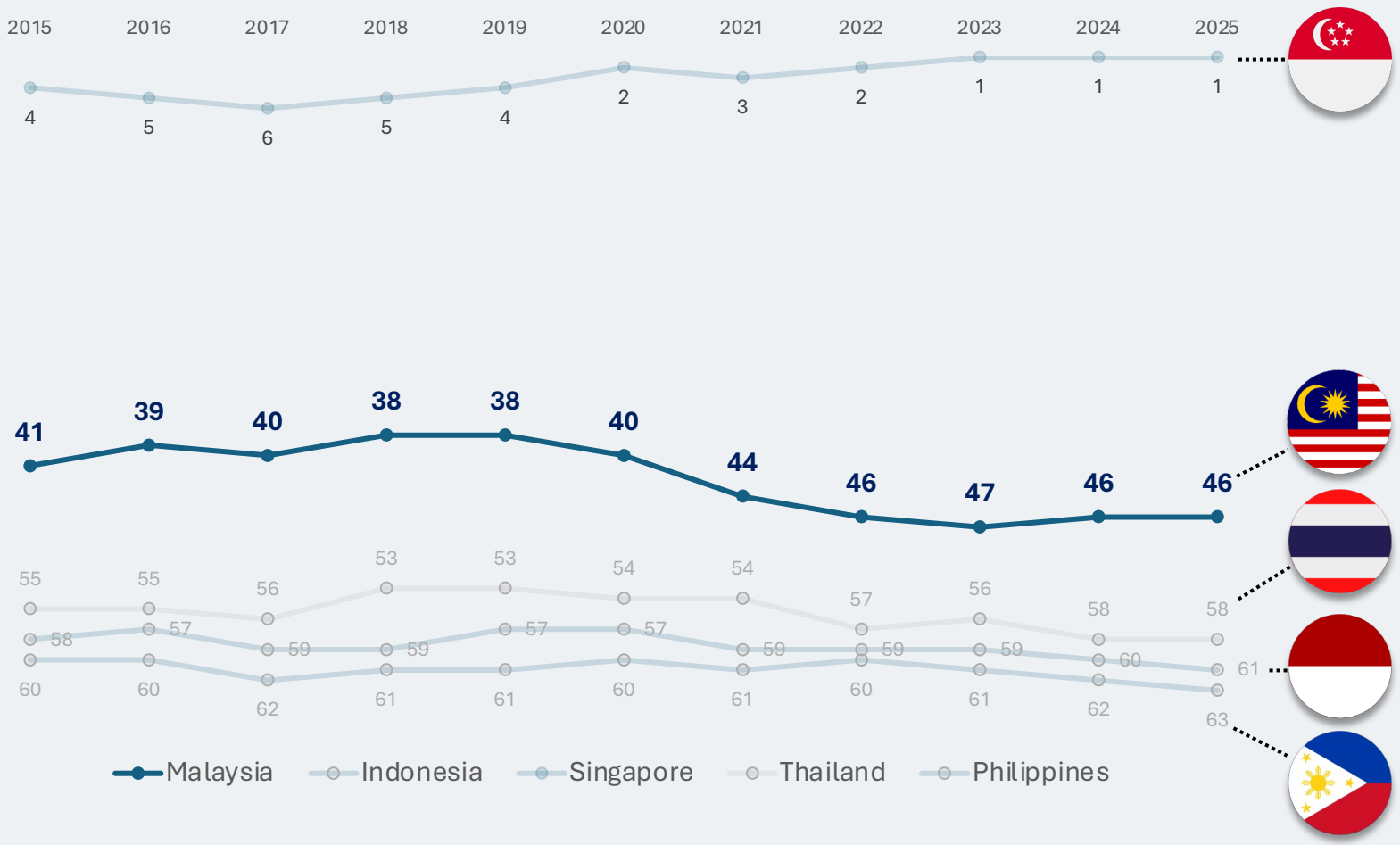
Malaysia's overall productivity (PPP) indicator shows a steady upward trend, rising from US$54,150 in 2015 to US$77,352 in 2025. This improvement reflects gradual gains in labor productivity. However, the increase remains modest compared to the global leader, Singapore, which recorded US$196,237 in 2025, indicating a significant performance gap.

In terms of ranking, Malaysia's position has remained relatively stable within the mid-lower tier, fluctuating between 38th and 47th over the past decade. Despite some progress in absolute productivity, Malaysia dropped from 41st in 2015 to 46th in 2025, suggesting that peer economies improved at a faster pace.

Overall, the indicator underscores the need for accelerated efforts in technology adoption, digitalization, and innovation-driven growth to strengthen productivity and close the gap with leading countries.

3.1.01: Overall Productivity (PPP)

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia ranks 46th globally in overall productivity (PPP) and remains significantly behind the regional leader, Singapore, which consistently holds the top global position (1st). This persistent gap highlights Malaysia's slower progress in productivity growth compared to high-performing ASEAN peers.

Thailand, Indonesia, and the Philippines continue to occupy lower positions, ranking 58th, 60th, and 63rd, respectively. Despite Malaysia's clear lead over these countries, its position has remained relatively stagnant over the past decade, reflecting limited productivity gains in comparison to global benchmarks.

To strengthen competitiveness, Malaysia must accelerate structural transformation through technology adoption, upskilling, and innovation, closing the productivity gap with advanced economies like Singapore while maintaining its advantage over lower-ranked ASEAN peers.

3.1.01: Overall Productivity (PPP)

Understanding the numbers behind the "PPP"

"PPP" definition at international standard

Purchasing power parities (PPPs) are the rates of currency conversion that aim to equalize the purchasing power of different currencies by eliminating differences in price levels between countries.

How PPP works in practice:

United States | **Malaysia**

At market exchange rates, the same basket of goods costs much more in the U.S. compared to Malaysia.

Exchange Rate

More expensive in U.S.

US$ 50

$50 cost

Cheaper in Malaysia

MYR 220

$20 cost equivalent

PPP adjustment

$1 buy **fewer** goods

$1 buy **more** goods

Using PPP, $1 in Malaysia can buys more goods than in the United States

The "*Burgernomics*", an example of measuring PPP:

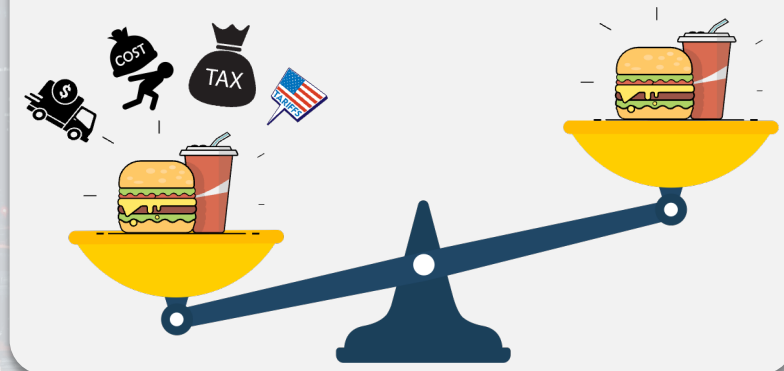
Why does the same burger COST MORE in the U.S. ?

- **Taxes and Regulations:** Higher sales taxes and compliance costs in developed countries.
- **Labor Costs:** Wages in the U.S. are significantly higher than in Malaysia.
- **Rental and Utilities:** Higher property and energy costs in the U.S.
- **Import Costs and Supply Chain:** Ingredients, transport and logistics can be more expensive.

PPP accounts for these cost differences, making cross-country price comparisons fair and realistic.

US$ 15
per set burger

US$ 8
per set burger



3.1.01: Overall Productivity (PPP)

Understanding the numbers behind the "PPP"

How Does the World Bank Calculate PPP? (Methodology Overview)

$$PPP = \frac{P\ local}{P\ reference} \ @\ \frac{GDP\ Deflator\ local}{GDP\ Deflator\ USD} = \left(\frac{Nominal\ GDP\ local}{Real\ GDP\ local}\right) \Big/ \left(\frac{Nominal\ GDP\ USD}{Real\ GDP\ USD}\right)$$

*P *local* = The average price of a standardized basket of goods and services in the local country, measured in local currency.

*P *reference* = The average price of the same standardized basket of goods and services in the reference country (usually the U.S.), measured in U.S. dollars.

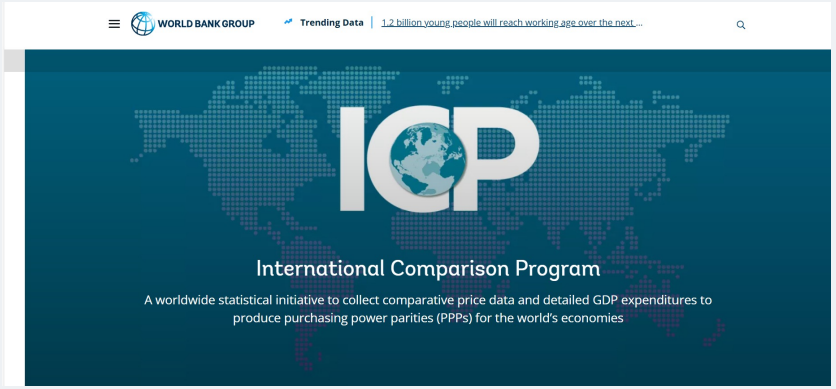
How Is Nominal GDP Converted to GDP at PPP?

$$GDPppp = \frac{GDPnominal\ (in\ USD\ currency)}{Exchange\ Rate \times PPP\ Conversion\ Factor}$$

$$@$$

$$= \frac{GDPlocal\ (in\ local\ currency)}{PPP\ Conversion\ Factor}$$

Origin of PPP: Based on the International Comparison Program (ICP)



The International Comparison Program (ICP) is a global statistical initiative led by the World Bank that collects comparative price data and detailed GDP expenditure data across countries.

Its main objective is to produce Purchasing Power Parities (PPPs), which allow for accurate cross-country comparisons of economic size, living standards, and price levels by adjusting for differences in cost of living.

ICP Implementation Cycle

1) Research & Methodology
2) Standards & Guidelines
3) Identification
4) Collection & Compilation
5) Validation
6) Processing & Results
7) Quality Assurance
8) Dissemination
9) Analysis & Visualization
10) Uses & Application

3.1.01: Overall Productivity (PPP)

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Estimation & Integration	Data Retrieval	Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	THE CONFERENCE BOARD		IMD

Description

Price Household consumption Government consumption Gross Fixed Capital Formation	Publish data based on **System of National Accounts** annually.	Data are estimated and integrated internationally with other country profiles by: THE WORLD BANK	The Conference Board retrieves data from various sources into their database.	The indicators are being estimated based on the available data. ***Notes:*** *Some data are being estimated wherever unapplicable and for international comparability purposes.*	Malaysia in **2025**: ***Scored*** 47.4 % ***Ranked*** 38 th IMD World Competitiveness Ranking
Employment **GDP**	Publish data on employment and national account based on **Labour Force Survey** and **System of National Account** annually.	The data sources are unclear, since The Conference Board doesn't specify which data are taken from either national sources or international institutions. ***All possible sources:*** International Labour Organization, APO, ADB, United Nations, International Monetary Fund			

3.1.01: Overall Productivity (PPP)

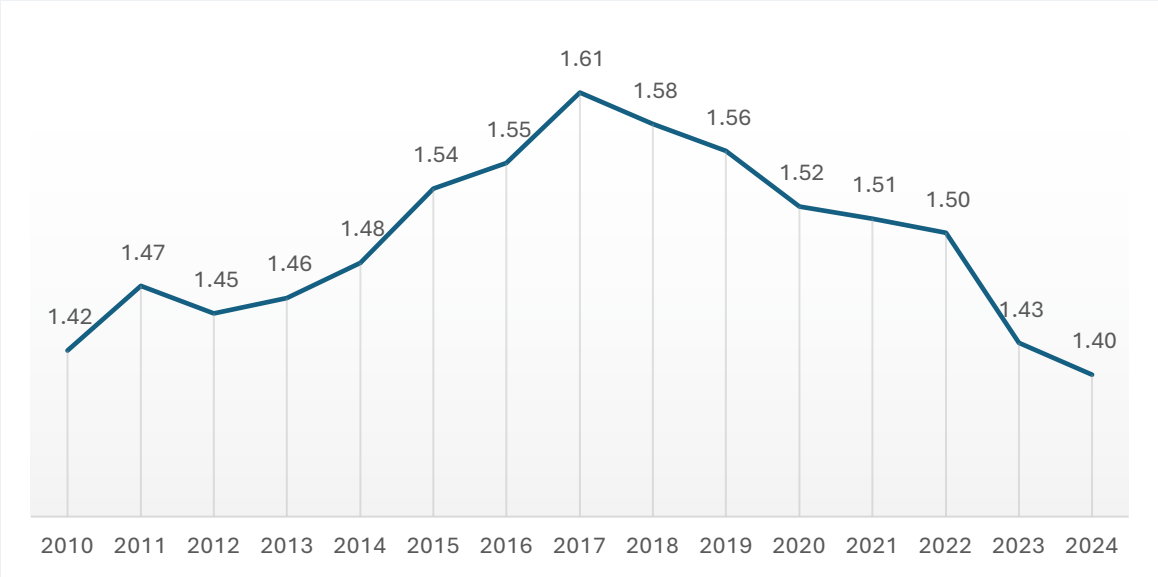
Reasons contribute to lower growth compared to other countries

Malaysia's productivity improved, but ranking stagnated as other countries advanced faster — what possible factors contributed to this?

Since 2017, Malaysia's PPP conversion factor has steadily decreased, from 1.61 in 2017 to 1.40 in 2024. A lower PPP factor reduces the value of real GDP when expressed in international dollars, which impacts Malaysia's position in global productivity comparisons, even if domestic output is growing.

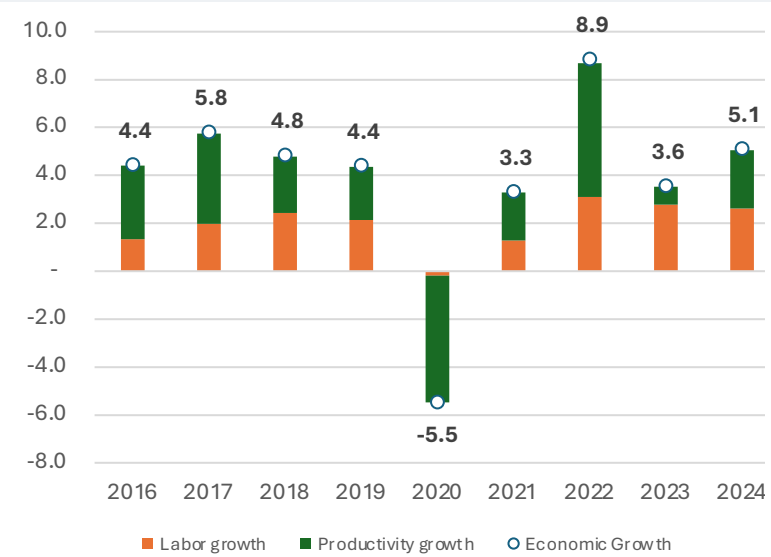
Post-pandemic recovery reveals a structural challenge: real GDP growth is increasingly driven by labor rather than productivity. The share of labor to real growth rose from 40.6% (2016–2019) to 50.8% (2021–2024), signaling reliance on employment expansion rather than efficiency gains. This pattern limits the potential for rapid improvements in productivity rankings.

PPP conversion factor, GDP (LCU per international $, 2010-2024)

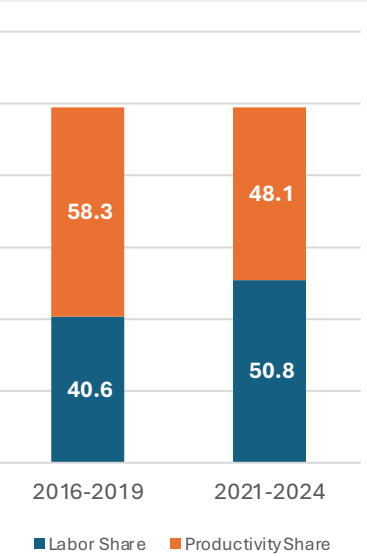


Source: *Estimated based on data sourced from IMD WCY, ILO, IMF, DOSM (various years).*

Source of GDP growth (%, 2016-2024)



Average share to real GDP growth (%)



Source: *Estimated based on data sourced from IMD WCY, MOM, IMF (various years).*

Notes: *Data from the Total Economy Database (TED) were not used as the database has been upgraded to 2025, whereas IMD uses the 2024 version. For comparability, this analysis is based solely on the available data sources.*

GOVERNMENT EFFICIENCY

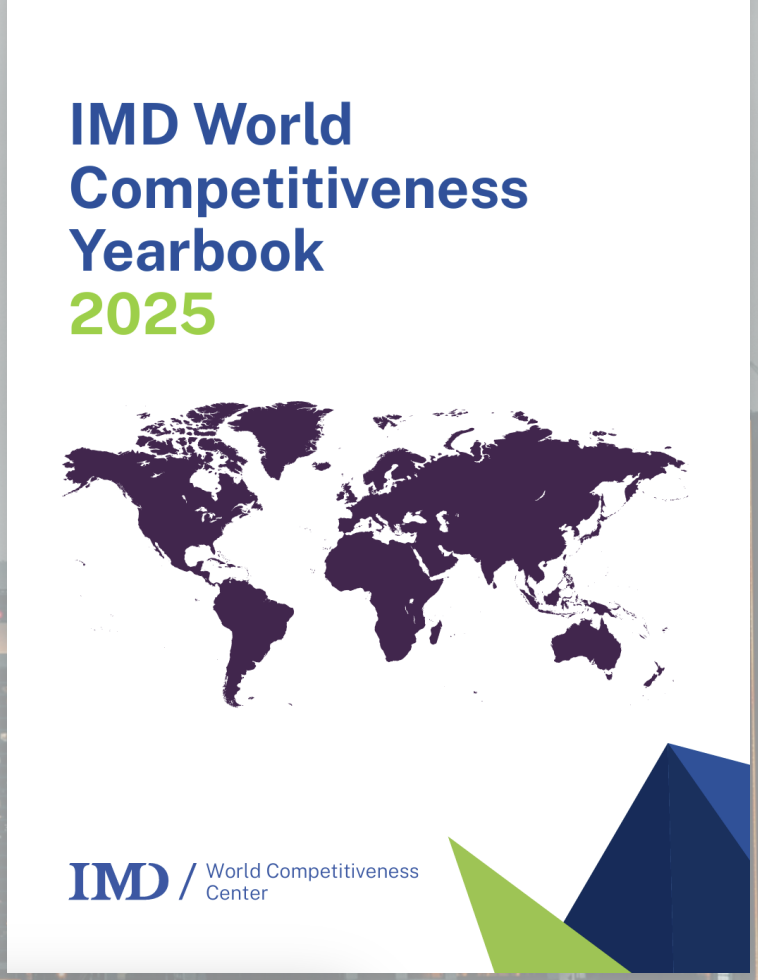
Societal Framework

2.5.13 Unemployment rate - gender ratio

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Government Efficiency	Societal Framework	**2.5.13** Unemployment rate - gender ratio

2.5.13: Unemployment rate - gender ratio

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Percentage of the civilian labor force which is unemployed, female divided by male ratio. The government defines unemployed as people who are jobless, looking for jobs, and available for work. Unemployed persons comprise persons aged 15 to 64 who were: without work during the reference week, i.e. neither had a job nor were at work (for one hour or more) in paid employment or self-employment; currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of at most three months.

Source: *IMD World Competitiveness Yearbook 2025 (page 587)*

INDICATOR MEASUREMENT

The indicator can be simply calculated as follows:

Unemployment rate (gender ratio) =

$$Gender\ ratio = \frac{Unemployment\ rate\ Female}{Unemployment\ rate\ Male}$$

Source: *IMD World Competitiveness Yearbook 2025 (page 413)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- ILOSTAT
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 587)*

2.5.13: Unemployment rate - gender ratio

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Societal Framework 2.5.13

UNEMPLOYMENT RATE - GENDER RATIO 2024

Ratio of the female and male unemployement rates

Ranking		Ratio	
01	Hong Kong SAR	0.67	
02	Bulgaria	0.73	
03	Latvia	0.74	
04	Puerto Rico	0.78	
05	China	0.79	
06	Iceland	0.82	
07	Finland	0.83	
08	Lithuania	0.83	
09	Austria	0.85	
10	Mongolia	0.86	
11	Germany	0.87	
12	Belgium	0.87	
13	Ireland	0.88	
14	Japan	0.89	
15	Romania	0.89	
16	Thailand	0.90	
17	Canada	0.90	
18	United Kingdom	0.91	
19	Norway	0.92	
20	Australia	0.93	
21	Mexico	0.94	
22	USA	0.95	
23	Luxembourg	0.95	
24	Singapore	0.96	
25	France	0.97	2023
26	Hungary	0.97	
27	India	0.97	
28	Croatia	0.98	
29	Estonia	1.00	
30	Indonesia	1.00	
31	Taiwan (Chinese Taipei)	1.01	
32	Botswana	1.03	
33	Korea Rep.	1.04	
34	Sweden	1.04	
35	Malaysia	1.06	2023
36	Cyprus	1.10	
37	Switzerland	1.10	
38	Denmark	1.10	
39	Netherlands	1.11	
40	Venezuela	1.11	2020
41	South Africa	1.13	
42	New Zealand	1.13	2023
43	Argentina	1.13	
44	Philippines	1.13	
45	Portugal	1.13	
46	Slovenia	1.14	
47	Namibia	1.14	2023
48	Poland	1.15	
49	Chile	1.16	
50	Kazakhstan	1.19	
51	Slovak Republic	1.23	
52	Spain	1.25	
53	Italy	1.25	
54	Czech Republic	1.35	
55	Ghana	1.40	2022
56	Peru	1.40	
57	Brazil	1.50	
58	Nigeria	1.50	
59	Greece	1.60	
60	Türkiye	1.66	
61	Colombia	1.70	
62	Jordan	1.81	
63	Kenya	1.99	2023
64	Kuwait	2.01	
65	UAE	2.92	
66	Qatar	4.63	
67	Oman	5.44	2023
68	Saudi Arabia	5.92	
69	Bahrain	7.36	

The lower the value, the higher the ranking.

RATIONALITY?

A lower unemployment rate gender ratio indicates that female and male unemployment rates are more balanced, reflecting equitable participation in the labor market.

Countries that maintain this balance are better positioned to fully leverage their human capital, supporting productivity, income generation, and economic resilience.

In IMD rankings, a lower ratio contributes to a higher score because gender-balanced employment is recognized as a key factor in national competitiveness and sustainable economic performance.

In 2025 rankings (based on 2024 data), Hong Kong SAR ranked first with a gender ratio of 0.67, followed by Bulgaria (0.73) and Latvia (0.74), showing near-equal or even lower female unemployment compared to male. Malaysia ranked 35th, with a gender ratio of 1.06, indicating that female unemployment slightly exceeds male unemployment, and placing it below regional peers such as Thailand (0.90) and Singapore (0.97).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

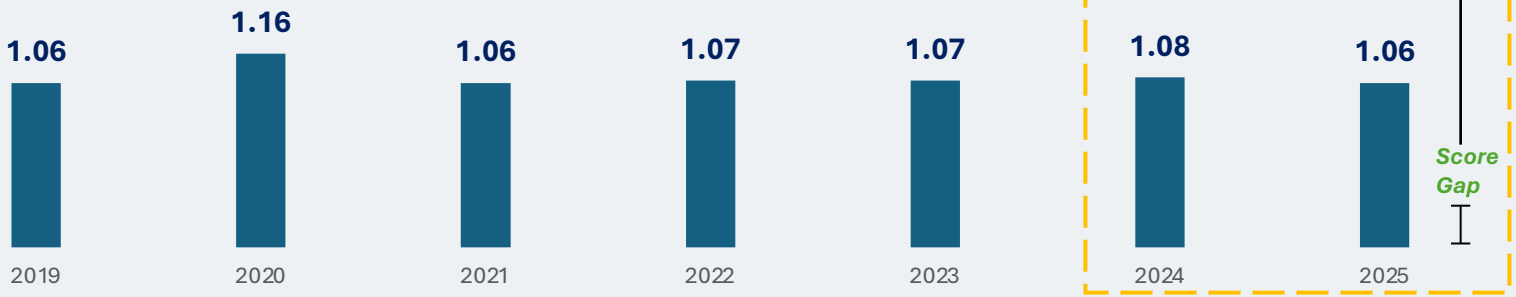
Source: *IMD World Competitiveness Yearbook 2025*

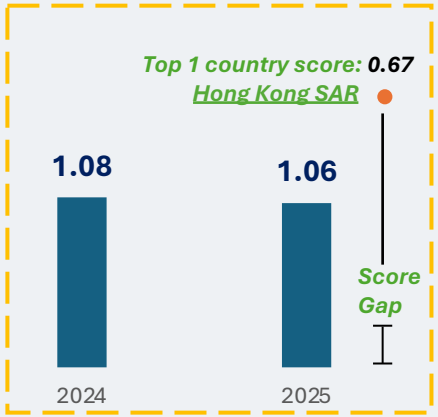
2.5.13: Unemployment rate - gender ratio

Indicator performance over the years

Indicator **Score (ratio)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*





Period with lagged by two years

Indicator **Rank (of 69 countries)**

Source: *IMD World Competitiveness Yearbook (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

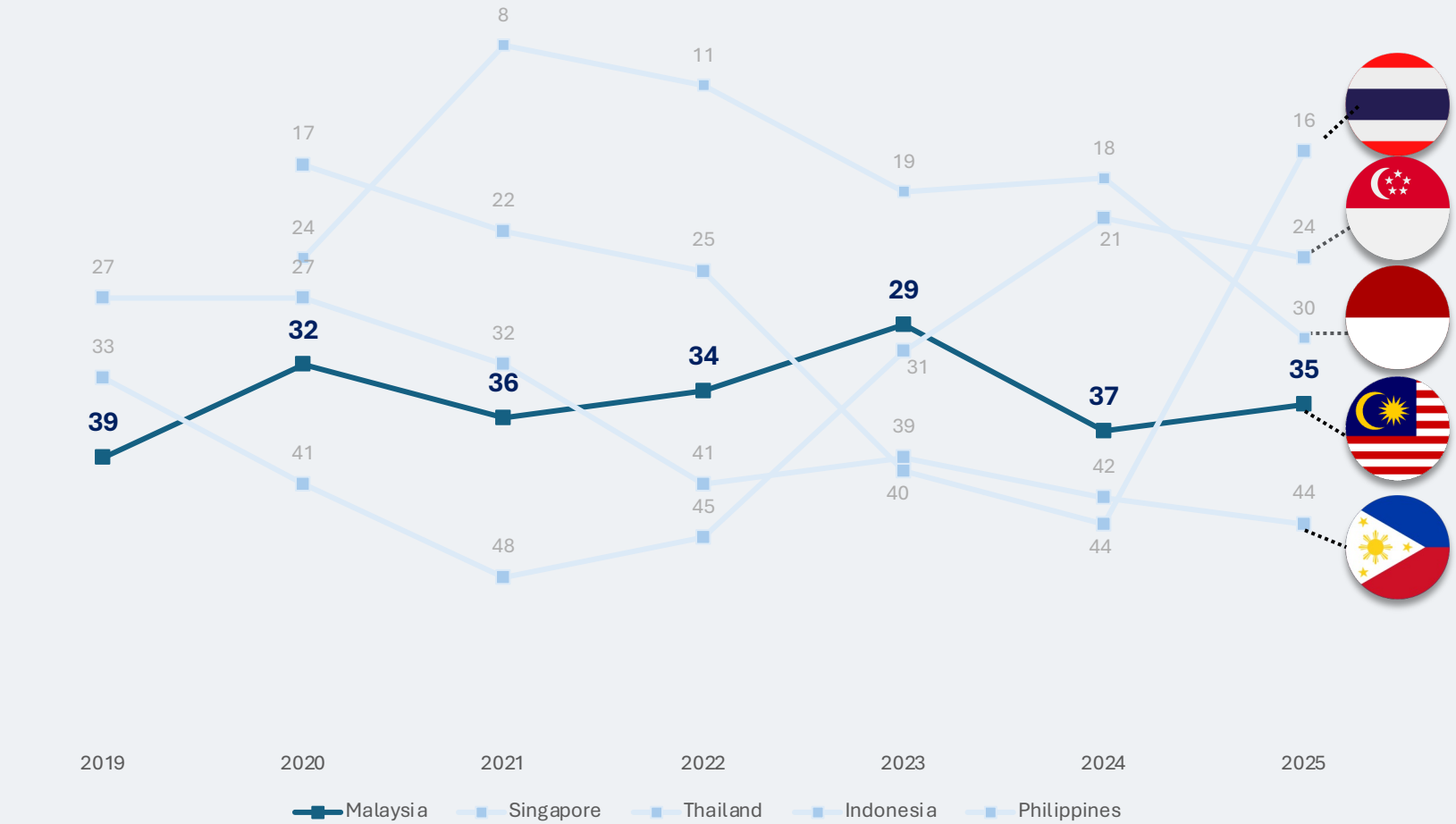
Malaysia's unemployment rate gender ratio indicator has remained relatively stable, fluctuating between 1.06 and 1.16 over 2019–2025. This indicates persistent gender disparities, with female unemployment slightly higher than male across the years.

In terms of ranking, Malaysia moved from 39th in 2019 to 35th in 2025, with minor improvements but no major breakthroughs. Top performers like Hong Kong SAR (0.67) continue to widen the gap by maintaining strong gender balance.

Overall, the indicator suggests that Malaysia needs focused measures to improve female labor market participation and reduce unemployment gaps, ensuring inclusive and competitive labor force outcomes.

2.5.13: Unemployment rate - gender ratio

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 35th globally for unemployment rate gender ratio, placing it third among ASEAN peers. This is a slight improvement from its position of 39th in 2019, showing gradual progress in reducing gender gaps.

In ASEAN, Thailand leads at 16th, followed by Singapore at 24th, while Indonesia and the Philippines rank lower at 30th and 44th, respectively. Malaysia remains in the middle, reflecting moderate performance.

Overall, Malaysia needs to strengthen gender-inclusive labor market policies to close the gap with regional leaders and improve its competitive standing.

2.5.13: Unemployment rate - gender ratio

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Publish
	National institution	International Institution	IMD	IMD

Description

Unemployment rate – gender ratio

Other countries

Publish data based on national **Labour Force Survey** annually.

Data compiled and integrated internationally with other country profiles by: International Labour Organization

IMD retrieves data from ILO and IMF sources into their database.

PRIME MINISTER'S DEPARTMENT
DEPARTMENT OF STATISTICS MALAYSIA

Publish data based on national **Labour Force Survey** annually.

IMD retrieves data from DOSM sources into their database.

Malaysia in **2025**:

Scored

1.06

Ranked

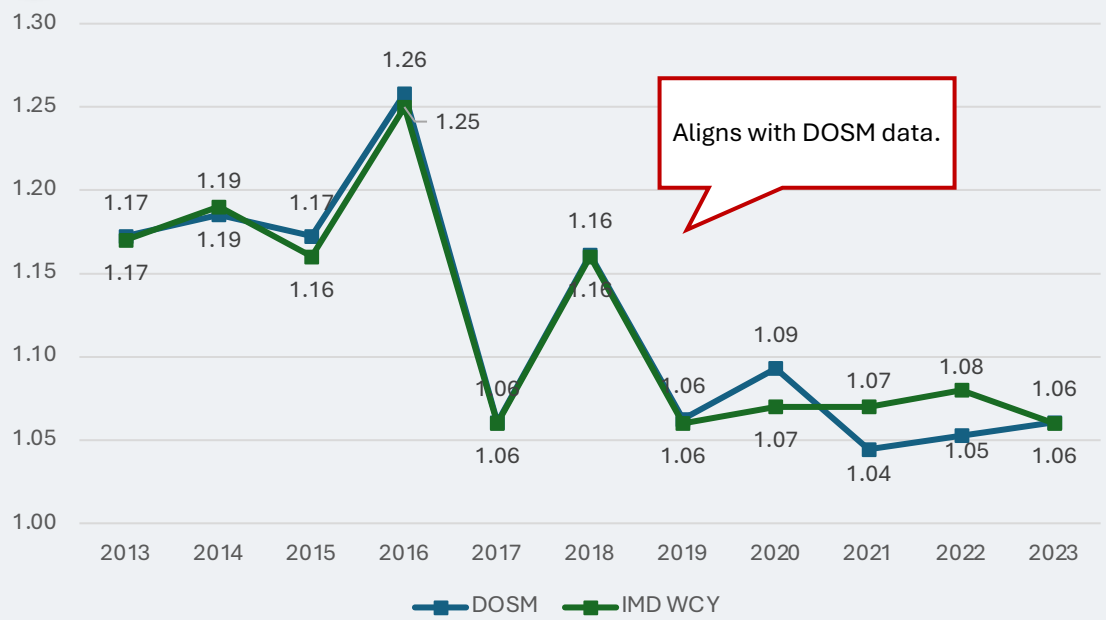
35th

2.5.13: Unemployment rate - gender ratio

Data measurement between IMD, DOSM and ILO

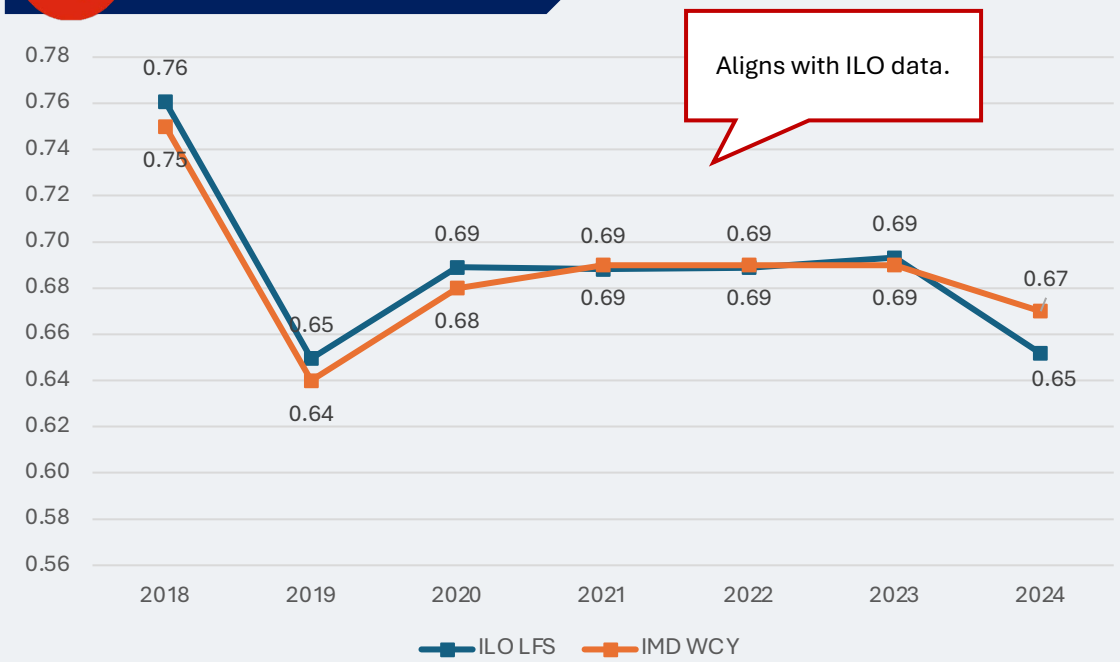
The IMD database aligns closely with data from Malaysia's official statistics. In the case of Hong Kong SAR data, it shows full alignment between ILO and the IMD database.

Data for Malaysia



Source: Estimated based on data sourced from IMD WCY, DOSM (various years).

Data for Hong Kong SAR



Source: Estimated based on data sourced from IMD WCY, ILO (various years).

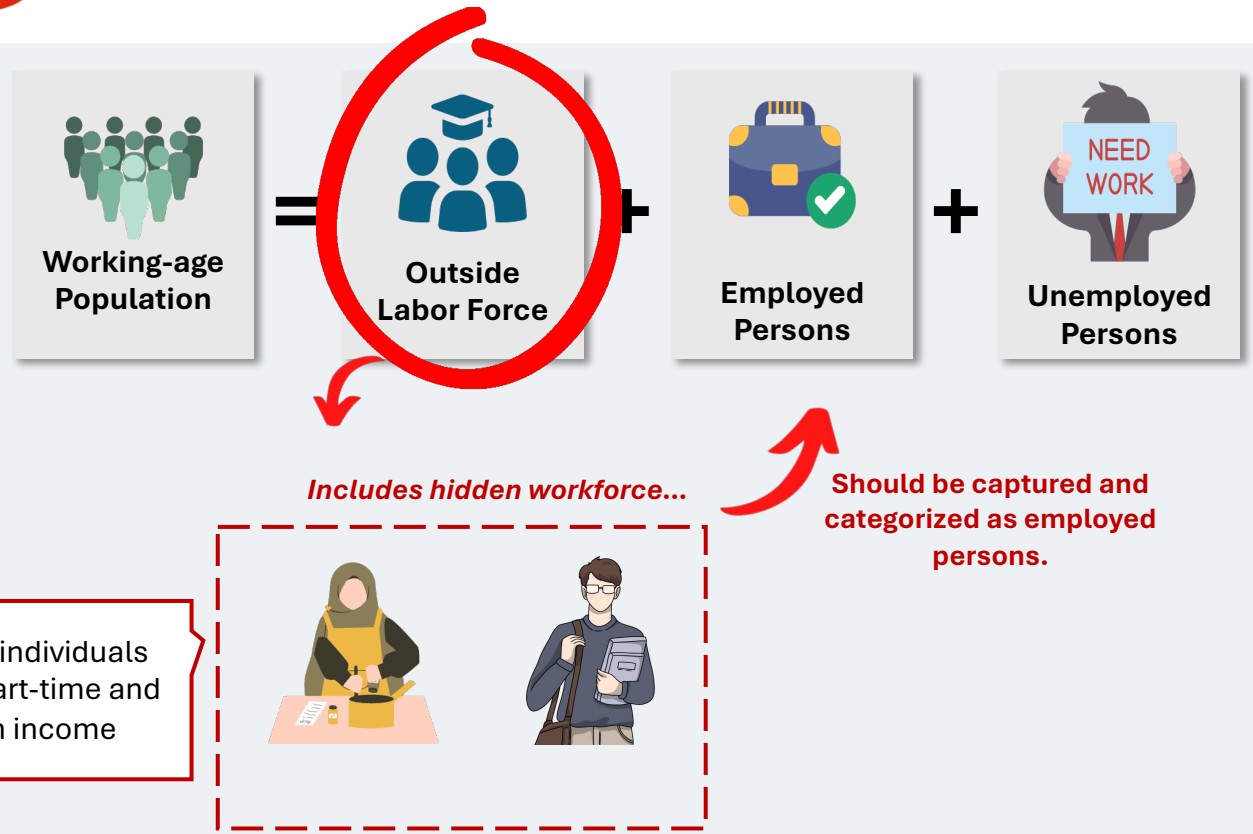
2.5.13: Unemployment rate - gender ratio

Areas of Improvement 1 – Improve labor market participation

Instead of just focusing on unemployment, Malaysia can strengthen its understanding of gender dynamics by focusing on the labor force participation rate (LFPR) and economic inactivity reasons, like Hong Kong SAR does.

Key Rationality

- **Understand who's out, not just who's unemployed:** Hong Kong SAR consistently tracks why women are economically inactive — e.g., caregiving, household duties, early retirement — not just unemployment rates. This gives policymakers better tools to address structural barriers.
- **Gender lens on inactivity and part-time work:** Transitions between employment, unemployment, and inactivity.
- **Focus on structural barriers:** Rather than only counting unemployed women, Hong Kong SAR looks at why women exit or stay out of the labor market — enabling targeted interventions.



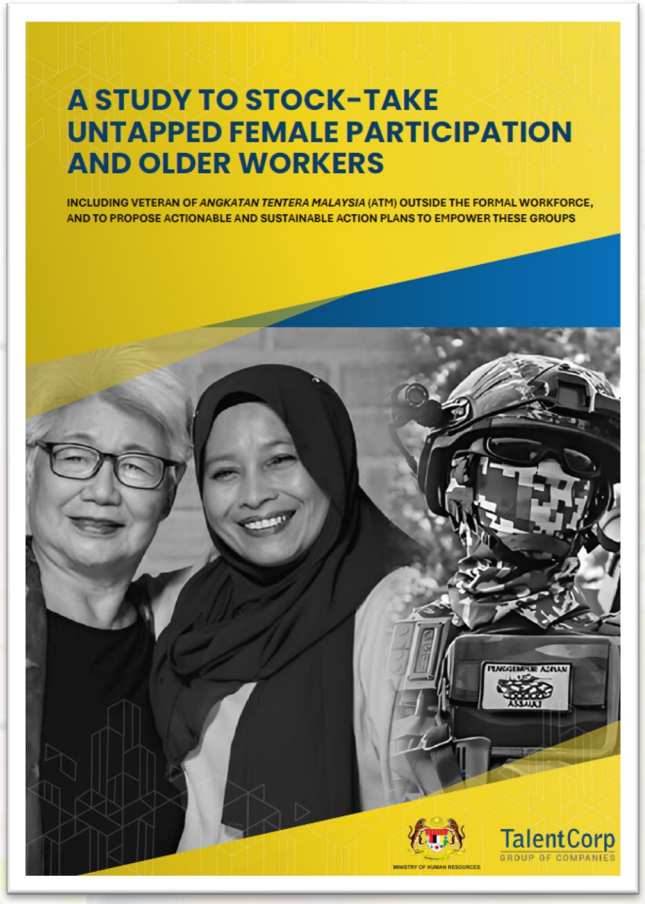
Proposed Actions

- **Track transitions in and out of labor force**
  Monitor movements between employment, unemployment, and non-participation, to understand hidden female labor underutilization.

2.5.13: Unemployment rate - gender ratio

Areas of improvement 2 – Capture data on income-generating activities outside labor force

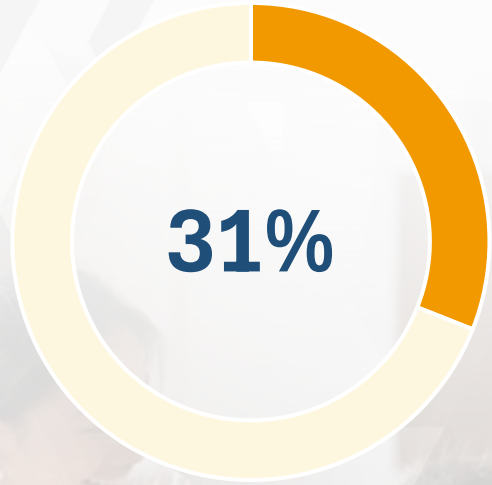
In line with the existing TalentCorp study, there is a need to revise the capturing of data to better reflect that many female outside labor force are actively engaged in income-generating activities, even if they are not counted as formally employed.



Source:
A Study To Stock-take Untapped Female Participation and Older Workers

Most unemployed female aged 15–64 are engaged in income-generating work

Among unemployed women, 31% are employed in roles or activities that generate income, reflecting their significant contribution to the labor market and household economy.



of female outside labor force are engaged in employment or activities that generate income.

BUSINESS EFFICIENCY

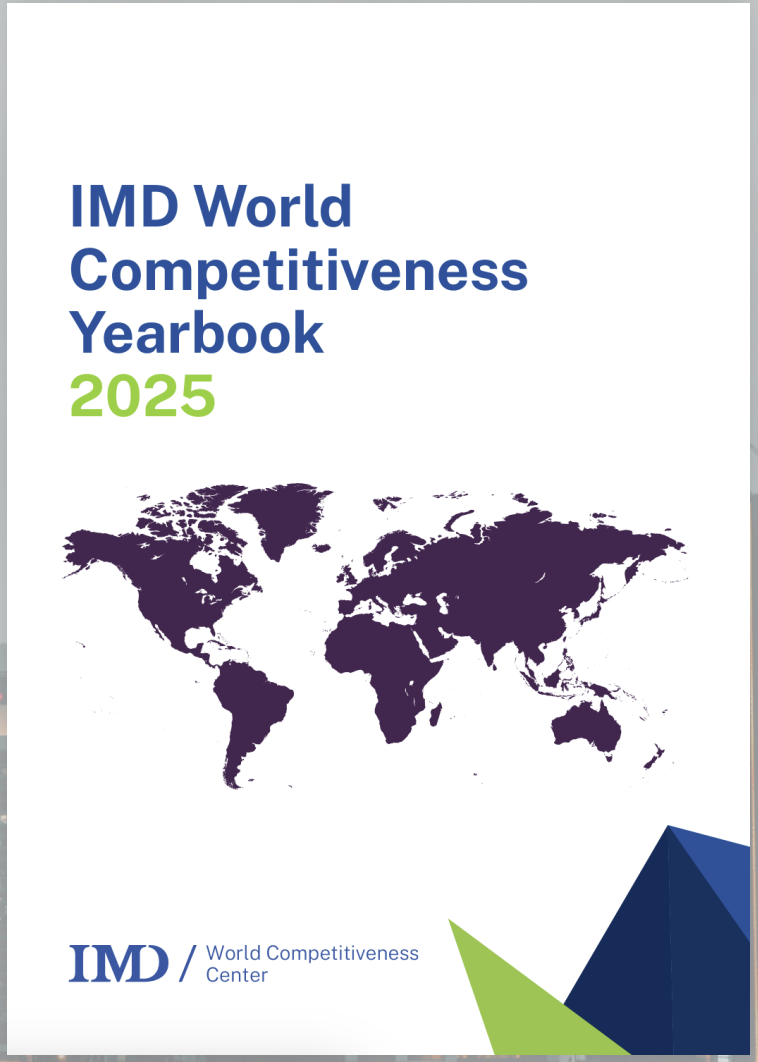
Labor Market

3.2.13 Labor Force (%)

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Business Efficiency	Labor Market	**3.2.13** Labor Force (%)

3.2.13: Labor Force (%)

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the proportion of total labor force expressed as a percentage of the total population. Estimates for the most recent year.

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Labor Force (%) =

$$\frac{Total\ Labor\ Force\ (15-64)}{Population\ (0\ -65+)} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 456)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

3.2.13: Labor Force (%)

Ranking as reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Labor Market - Availability of Skills 3.2.13

LABOR FORCE (%) 2024

Percentage of population

Ranking		%	
01	Luxembourg	80.20	
02	UAE	79.53	
03	Qatar	72.46	
04	Singapore	66.37	
05	Thailand	61.39	
06	Kuwait	59.16	
07	Bahrain	59.06	
08	Iceland	58.07	
09	New Zealand	57.54	
10	Netherlands	57.04	
11	Switzerland	56.87	
12	Korea Rep.	56.81	
13	Japan	56.22	
14	Australia	55.43	
15	Estonia	55.10	
16	China	54.78	2023
17	Denmark	54.66	
18	Sweden	54.62	
19	Lithuania	54.49	
20	Norway	54.22	
21	Indonesia	54.02	
22	Canada	53.80	
23	Peru	53.79	
24	Oman	53.60	2023
25	Ireland	53.36	
26	Germany	52.86	
27	Cyprus	52.60	
28	Portugal	51.72	
29	Austria	51.68	
30	Brazil	51.61	
31	Hungary	51.49	
32	Taiwan (Chinese Taipei)	51.29	
33	Slovak Republic	51.08	
34	Latvia	50.74	
35	United Kingdom	50.73	
36	Finland	50.70	
37	Hong Kong SAR	50.60	
38	Chile	50.54	
39	Colombia	50.19	
40	Spain	50.07	
41	USA	49.43	
42	Malaysia	49.00	2023
43	Slovenia	48.77	
44	Czech Republic	48.73	
45	Belgium	48.42	
46	Kazakhstan	47.94	
47	Argentina	47.77	2023
48	Bulgaria	47.25	
49	Mexico	46.86	
50	Saudi Arabia	46.17	2020
51	Poland	46.13	2023
52	Croatia	45.91	
53	France	45.70	
54	Greece	44.39	
55	Philippines	44.37	
56	India	44.31	
57	Italy	43.40	
58	Venezuela	43.40	2021
59	Romania	42.78	2023
60	Türkiye	41.71	
61	Mongolia	40.31	
62	Kenya	40.07	2022
63	South Africa	39.78	
64	Ghana	38.29	2022
65	Botswana	38.28	
66	Puerto Rico	38.28	
67	Nigeria	30.69	2023
68	Namibia	29.62	2023
69	Jordan	17.10	

The higher the value, the higher the ranking.

RATIONALITY?

A higher labor force participation rate indicates that a larger proportion of the population is economically active, either employed or actively seeking work. This reflects the country's capacity to mobilize its human capital, which is essential for driving economic growth and maintaining competitiveness.

Countries with strong labor force participation leverage their workforce more effectively, enhancing productivity, reducing dependency ratios, and strengthening economic resilience.

In IMD rankings, this translates into a higher score and better positioning because an active labor market supports sustainable growth and inclusive development.

In 2025 (using 2024 data reference), Luxembourg ranked first with a labor force participation rate of 80.20%, followed by the UAE (79.53%) and Qatar (72.46%). Malaysia ranked 42nd, with a participation rate of 49.00%, placing it significantly below regional leaders such as Singapore (66.37%) and Thailand (61.39%).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

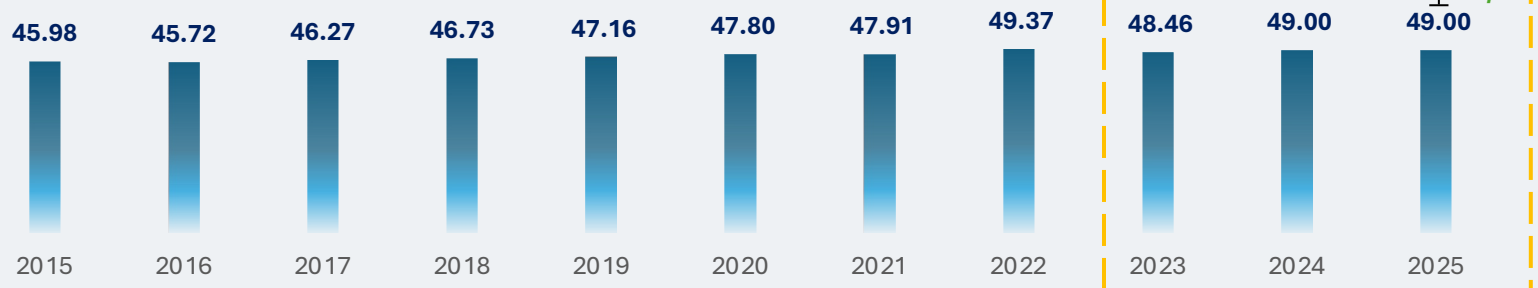
Source: *IMD World Competitiveness Yearbook 2025*

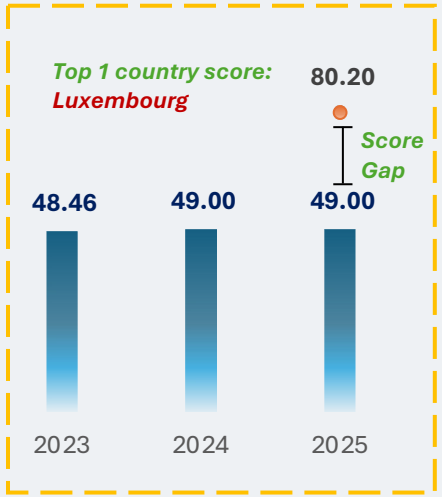
3.2.13: Labor Force (%)

Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*





Period with lagged by two years

Indicator **Rank (of 69 countries)**

Source: *IMD World Competitiveness Yearbook (various years)*

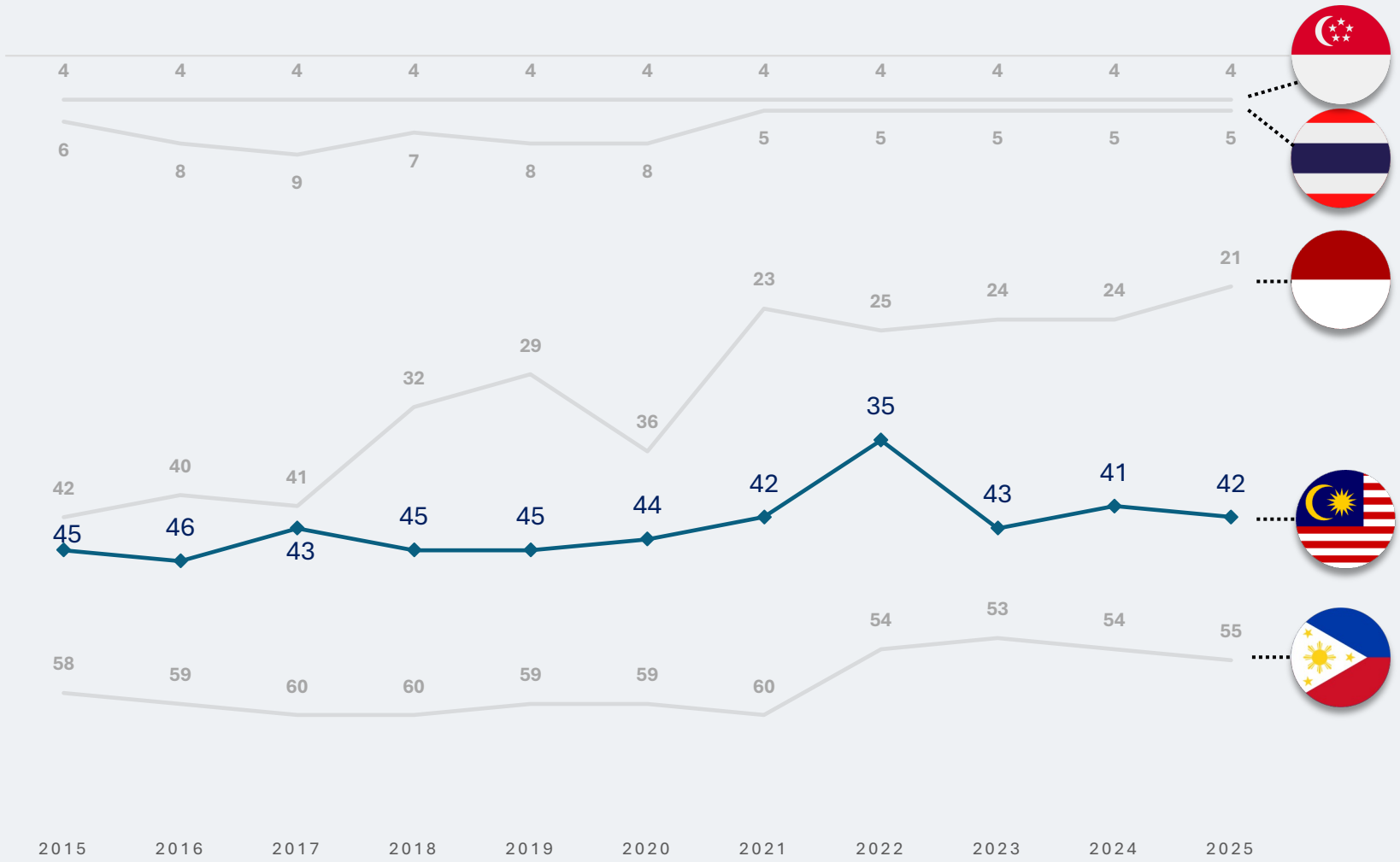
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's labor force participation rate has shown gradual improvement over the past decade, rising from 45.98% in 2015 to 49.00% in 2025. This steady upward trend indicates moderate progress in mobilizing the working-age population for economic activities; however, the improvement is relatively small compared to the top-performing country, Luxembourg, which achieved 80.20% in 2025. This gap highlights the need for strategies that encourage broader workforce engagement, particularly among underrepresented groups such as women, youth, and older workers.

In terms of ranking, Malaysia fluctuated between 41st and 46th place from 2015 to 2025, with its best position recorded in 2022 (35th). Despite maintaining 49.00% participation in 2024 and 2025, Malaysia's ranking declined to 42nd as other countries advanced more significantly, narrowing Malaysia's competitiveness standing in labor market engagement.

3.2.13: Labor Force (%)

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

*Malaysia currently ranks **42nd globally** in 2025 and **4th among major ASEAN countries** for employment performance. Singapore consistently leads the region, holding the **4th global position** across the entire period, followed by Thailand, which remained in the **top 10 globally**. Indonesia showed significant improvement, climbing from 42nd in 2015 to **21st in 2025**, reflecting strong labor absorption in recent years.*

*Malaysia's ranking fluctuated between 35th and 46th over the past decade, peaking at **35th in 2022**, before dropping to 42nd in 2025. This suggests that while Malaysia achieved moderate improvements, other ASEAN countries advanced more rapidly. The Philippines continues to lag behind the group, ranking **55th in 2025**, despite some progress since 2022.*

3.2.13: Labor Force (%)

The measure used by IMD does not match the international standard

IMD WCY 2025 Report

There is no explicit statement defining this indicator in the source documentation.

Method of Computation

LABOR FORCE (%) 2024

Percentage of population

Source: *IMD WCY (2025)*

International Labour Organization

The labor force (as percentage of population) is defined as the proportion of a country's working-age population that is employed.

Method of Computation

The labour force participation rate (LFPR) is calculated as follows:

LFPR (%) = 100 x Labour force / Working-age population

Source: *ILOSTAT database description, ILO. Accessed in July 2025.*

DOSM, Ministry of Economy

The labor force (as percentage of population) is defined as the proportion of labor force to working-age population.

Method of Computation

$$\text{Labour force participation rate} = \frac{\text{Number of persons in the labour force}}{\text{Number of persons in the working age (15 - 64 years)}} \times 100$$

Source: *Labour Force Survey Report 2024, DOSM (2025)*

The IMD WCY report does not adopt the standard *Labor force (as percentage of population)* definition.

Instead, it uses independent indicator, calculated based on total labor force relative to the entire population, not just the working-age group.

Definition based on ILO and DOSM are aligned, meaning that if referring to "Labor force (as percentage of population)," they define it as employment over the working-age population (typically ages 15–64).

3.2.13: Labor Force (%)

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD	IMD

Description

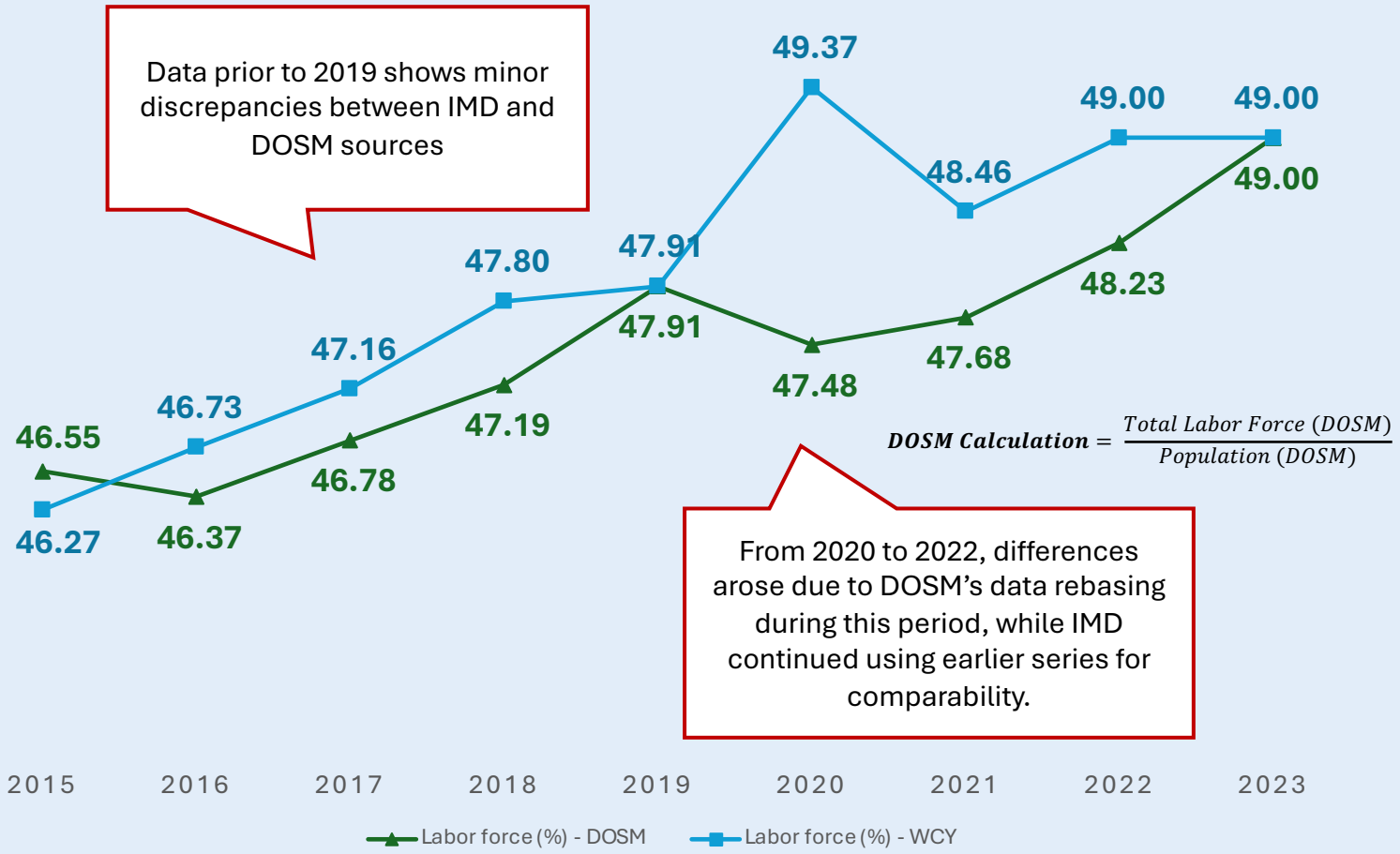
Labour Force	Publish data based on national **Labour Force Survey** annually lagged 2 years.	Data compiled and integrated internationally with other country profiles by: International Labour Organization	IMD retrieves data from ILO and IMF sources into their database.	IMD estimates indicator values based on the available data of labor force and population.	Malaysia in **2025**: ***Scored*** 49.0 % ***Ranked*** 42 nd IMD World Competitiveness Ranking
Population	Publish data on population estimates based on **Population and Housing Census Malaysia** annually lagged 1 year.	Data compiled and integrated internationally with other country profiles by: International Monetary Fund ***Via*** CEIC			

3.2.13: Labor Force (%)

Comparative differences between two measures

Indicator **Value**

$$\textbf{IMD Calculation} = \frac{Total\ Labor\ Force\ (DOSM)}{Population\ (external\ source)}$$



$$\textbf{DOSM Calculation} = \frac{Total\ Labor\ Force\ (DOSM)}{Population\ (DOSM)}$$

From 2020 to 2022, differences arose due to DOSM's data rebasing during this period, while IMD continued using earlier series for comparability.

KEY OBSERVATIONS ON DATA ALIGNMENT

The comparison between IMD and DOSM data highlights value differences in labor force reporting. While overall trends are broadly consistent, discrepancies prior to 2019 were minor and likely due to difference in data sources.

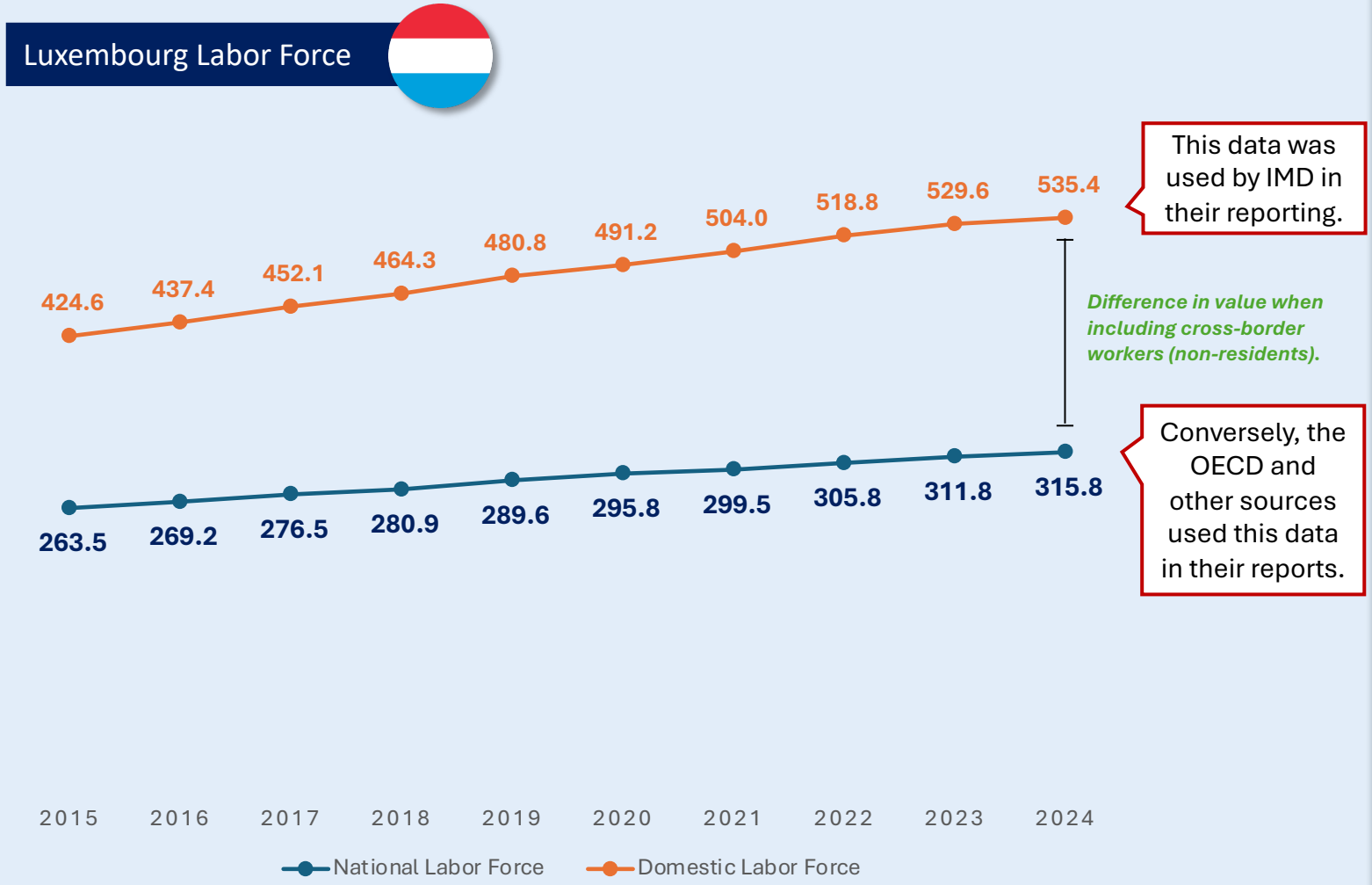
From 2020 to 2022, the gap widened as DOSM implemented a rebasing exercise aligned with the latest population census, capturing updated demographic and labor force structures. In contrast, IMD maintained its earlier international data series to ensure global comparability across economies.

By 2023, both sources converged at 49.0%, reflecting harmonization of updated figures. This underscores the importance of understanding data context when interpreting competitiveness indicators, as national improvements in statistical methodology may temporarily create divergence from international benchmarks.

Source: *IMD World Competitiveness Yearbook 2025 and Department of Statistic Malaysia 2025*

3.2.13: Labor Force (%)

How top performer addresses this issue?



1. ***National Labor Force*** = *Sum of total unemployed and total employment of residents (including national wage-earners and national self-employment)*
2. ***Domestic Labor Force*** = *Sum of total unemployed and total employment on national territory (including total employment of residents and non-resident borderers)*

The chart illustrates two distinct measures for Luxembourg's labor force: ***National Labor Force*** *and* ***Domestic Labor Force****. IMD adopts the Domestic Labor Force concept, which includes all employment on national territory (both residents and cross-border workers), resulting in higher reported values. Conversely, organizations such as the OECD often use the National Labor Force definition, which accounts only for resident workers, excluding cross-border employment.*

This methodological difference explains the variance between datasets, as Luxembourg has a significant proportion of cross-border commuters contributing to its workforce. Understanding this distinction is crucial for accurate interpretation of competitiveness rankings, especially for countries with large cross-border labor flows, as it affects labor market indicators and international comparisons.

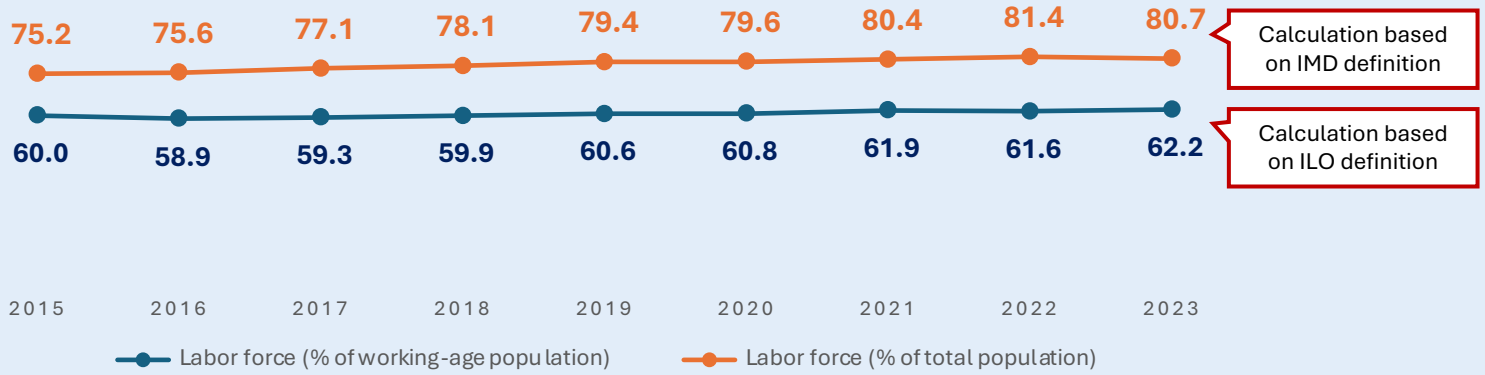
Source: *IMD World Competitiveness Yearbook 2025 and Department of Statistic Malaysia 2025*

3.2.13: Labor Force (%)

Comparison between IMD and ILO calculation methods

Malaysia

Luxembourg



*The comparison illustrates methodological differences between IMD and ILO in reporting labor force participation. The **ILO method, which calculates labor force as a percentage of the working-age population (15–64 years), is the global standard** used by most international labor statistics and policy assessments. This approach reflects actual engagement of individuals within the economically active age group, providing a precise measure of labor market participation.*

*Conversely, IMD applies labor force as a percentage of the **total population**, which results in consistently lower values because it includes non-working-age groups such as children and the elderly. For example, in 2023, Malaysia's labor force participation rate is **70.0% under the ILO standard**, compared to **49.0% using IMD's method**. Similarly, Luxembourg shows **62.2% (ILO)** versus **80.7% (IMD)**, driven by IMD's broader denominator and inclusion of cross-border workers.*

Source: *IMD World Competitiveness Yearbook 2025, Department of Statistic Malaysia 2025 and OECD 2025*

3.2.13: Labor Force (%)

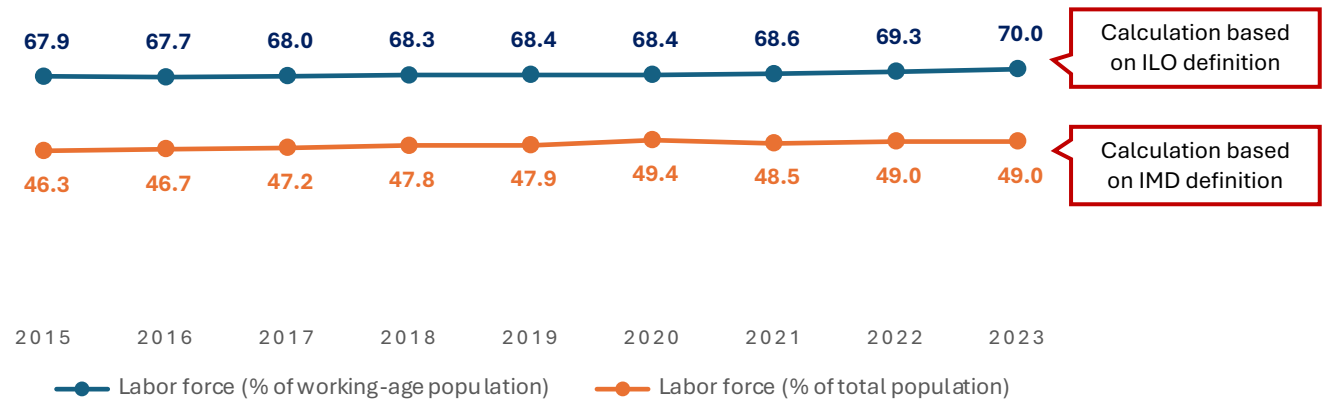
Areas of improvement 1 – standardize the definition

IMD should align its calculation of the labor force indicator with the Labor Force (as percentage of population) definition as set by the International Labour Organization (ILO).

Key Rationality

- **Global Standard:** The ILO definition is internationally recognized and widely adopted by major institutions, including the World Bank, IMF, and OECD.
- **Comparability:** Using a standard measure ensures consistency across countries, improving the credibility of IMD's rankings.
- **Accuracy:** Current IMD methodology (using total population) can distort results for countries with varying age structures, whereas the ILO standard reflects the working-age population (15+), which is more meaningful for labor market analysis.

Comparison between IMD and ILO calculation methods



Proposed Actions

- **Engage IMD in Technical Discussions**
  Highlight the methodological gap and present the case for adopting ILO's Labor Force (as percentage of population).

3.2.13: Labor Force (%)

Areas of improvement 2 – revise the definition

The definition of labor force need to be revised by referring extended age brackets to 15-74 or 15+ to includes older workers.

Key Rationality

- The current labor force definition may not fully capture older workers who remain economically active, leading to underestimation of participation rates and misalignment with international standards.
- Aligning with ILO and OECD definitions, which consider extended age brackets (15+ or 15–74), promotes international comparability and reflects demographic shifts such as aging populations and higher retirement ages.
- A broader definition ensures better measurement of workforce potential and supports evidence-based policy for inclusive labor markets.

Concepts and definitions

The working-age population is the population above the legal working age, but for statistical purposes it comprises all persons above a specified minimum age threshold for which an inquiry on economic activity is made. To promote international comparability, the working-age population is often defined as all persons aged 15 and older, but this may vary from country to country based on national laws and practices (some countries also apply an upper age limit).

Statistical concept and methodology	The working-age population is the population above the legal working age, but for statistical purposes it comprises all persons above a specified minimum age threshold for which an inquiry on economic activity is made. To promote international comparability, the working-age population is often defined as all persons aged 15 and older, but this may vary from country to country based on national laws and practices (some countries also apply an upper age limit).

Working-age population

The infra-annual dataflow on working age population is a subset of the infra-annual labour statistics database, which contains predominantly monthly and quarterly statistics on the working age population by age groups (15+, 15-24, 25-54, 55-64, 15-64 and 15-74 where available) and sex and associated statistical methodological information, for the OECD member countries and selected other economies.

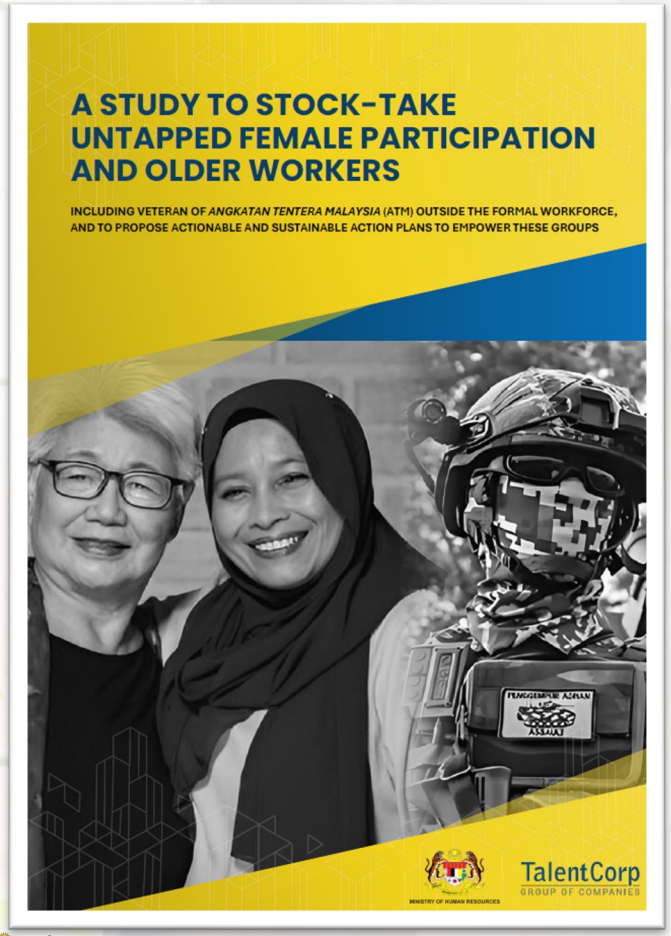
The working-age population is commonly defined as persons aged 15 years and older.

The infra-annual labour statistics compiled for all OECD member countries, are drawn from Labour Force Surveys based on definition provided by the 19th Conference of Labour Statisticians in 2013. The uniform application of these definitions across all OECD member countries results in estimates that are internationally comparable.

3.2.13: Labor Force (%)

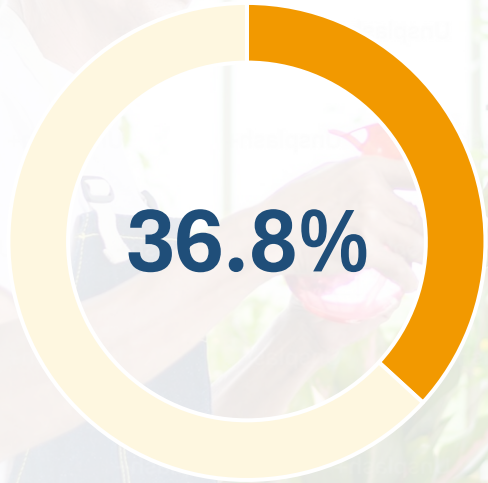
Areas of improvement 2 – revise the definition

In line with the existing TalentCorp study, there is a need to revise the definition of the working-age population to include older workers, as most of those surveyed intend to remain in the workforce.



Source:
A Study To Stock-take Untapped Female Participation and Older Workers

Most older workers (retirees) intend to remain active in the workforce, primarily in roles such as employees, employers, or self-employed individuals.



of older workers (retirees) are engaged in employment or activities that generate income.

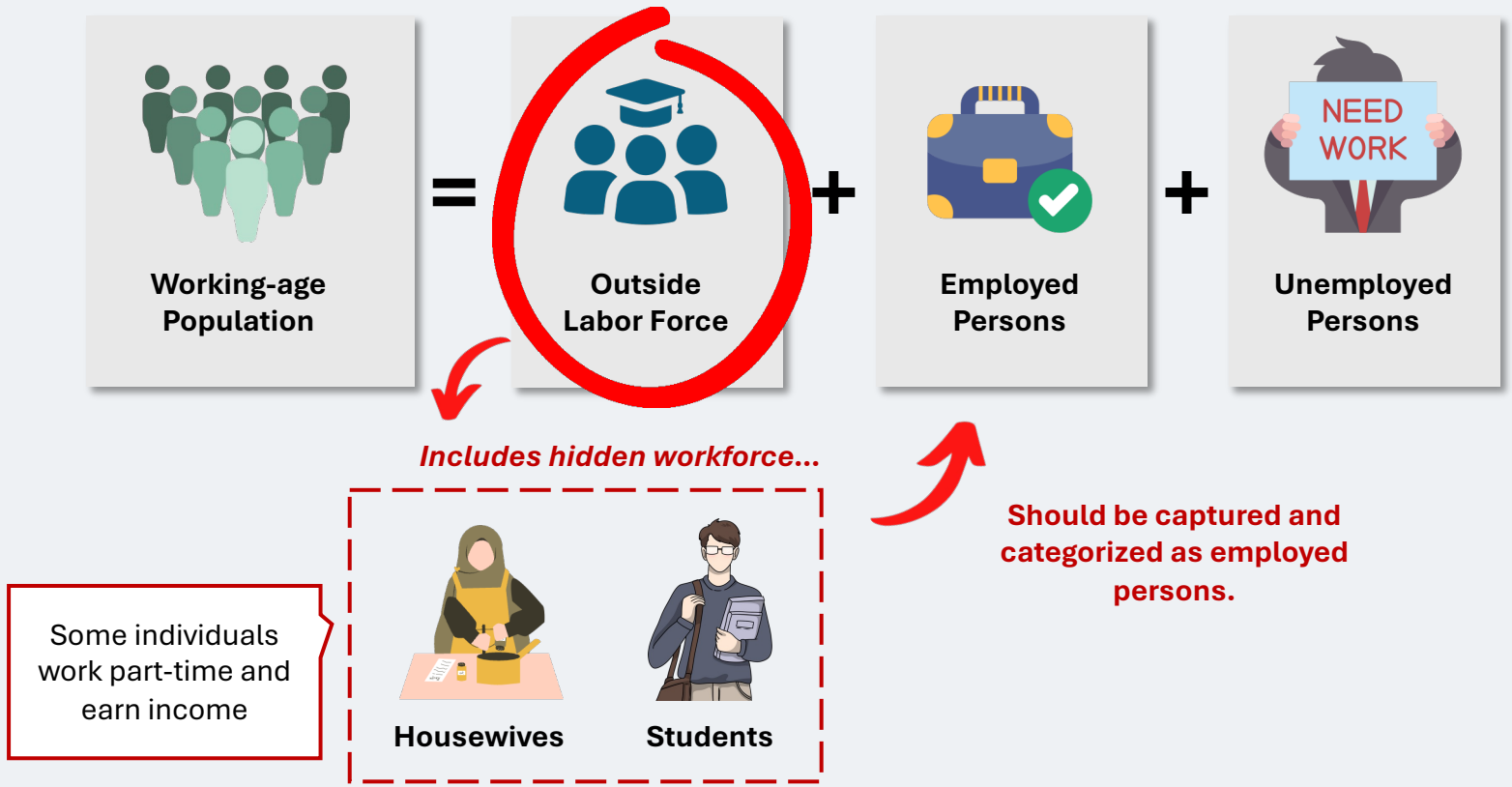
3.2.13: Labor Force (%)

Areas of improvement 3 – capturing hidden workforce

Enhance labor statistics by incorporating measures to identify hidden workers in the 'Outside the Labor Force' category

Key Rationality

- **Hidden workforce is underestimated:** Many individuals categorized as "outside the labor force" (such as housewives and students) are engaged in part-time or informal income-generating activities but remain statistically invisible.
- **Misrepresentation of labor market dynamics:** Excluding these groups leads to underreporting of actual labor participation, affecting the accuracy of labor statistics and competitiveness rankings.



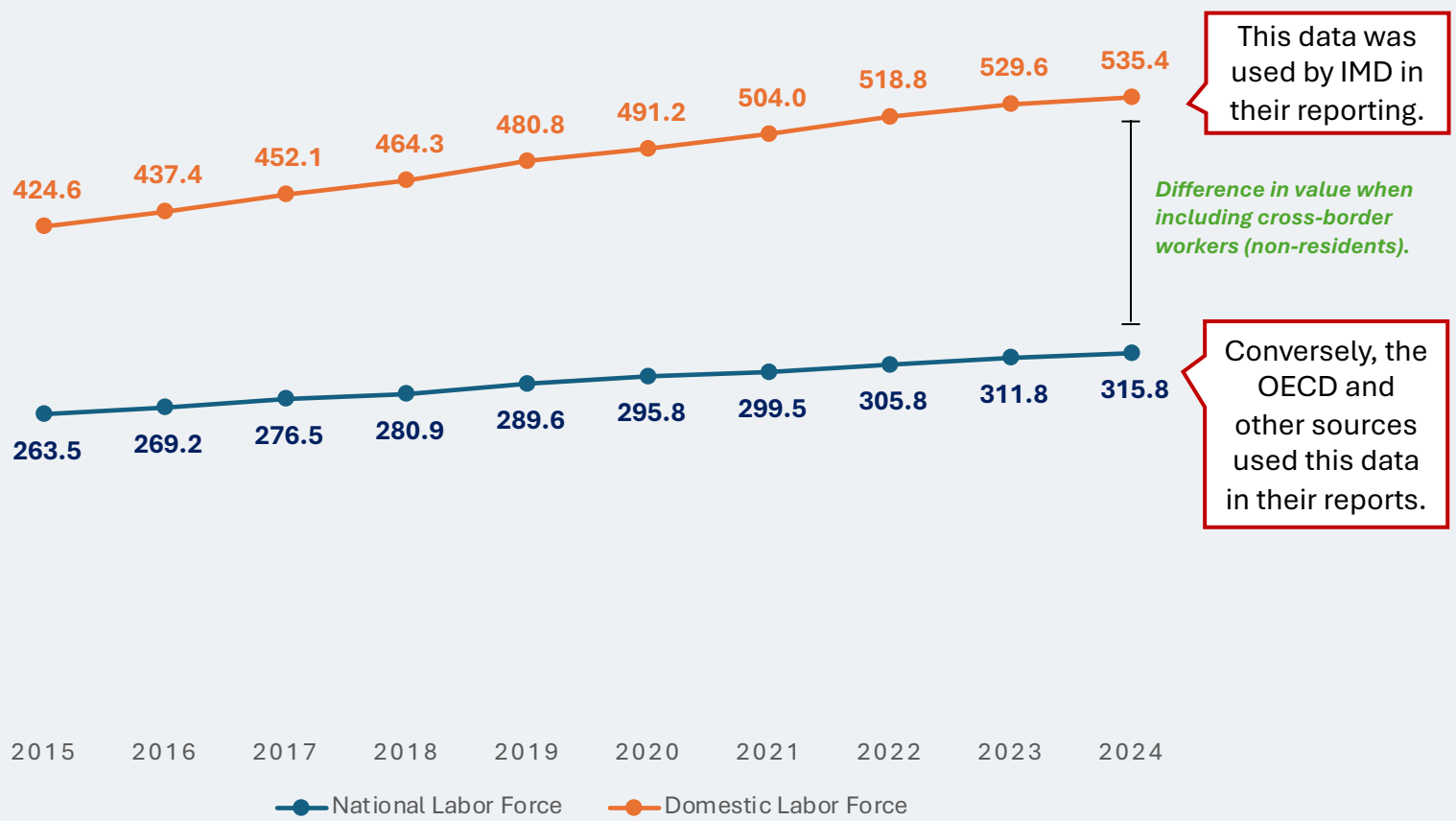
3.2.13: Labor Force (%)

Areas of improvement 4 – benchmarking Luxembourg

Drawing from Luxembourg's approach, Malaysia could consider incorporating cross-border or non-resident workers into employment and labor force calculations to better reflect the actual labor market size.

Key Rationality

- Including non-resident workers who contribute to Malaysia's economy provides a more accurate representation of labor market capacity and productivity.
- Countries with significant cross-border employment, like Luxembourg, benefit in competitiveness rankings by capturing the full economic contribution of all active workers.
- Adopting a broader labor force definition aligns Malaysia with global practices in economies that rely on cross-border labor, enhancing international comparability.



1. ***National Labor Force*** = *Sum of total unemployed and total employment of residents (including national wage-earners and national self-employment)*
2. ***Domestic Labor Force*** = *Sum of total unemployed and total employment on national territory (including total employment of residents and non-resident borderers)*

BUSINESS EFFICIENCY

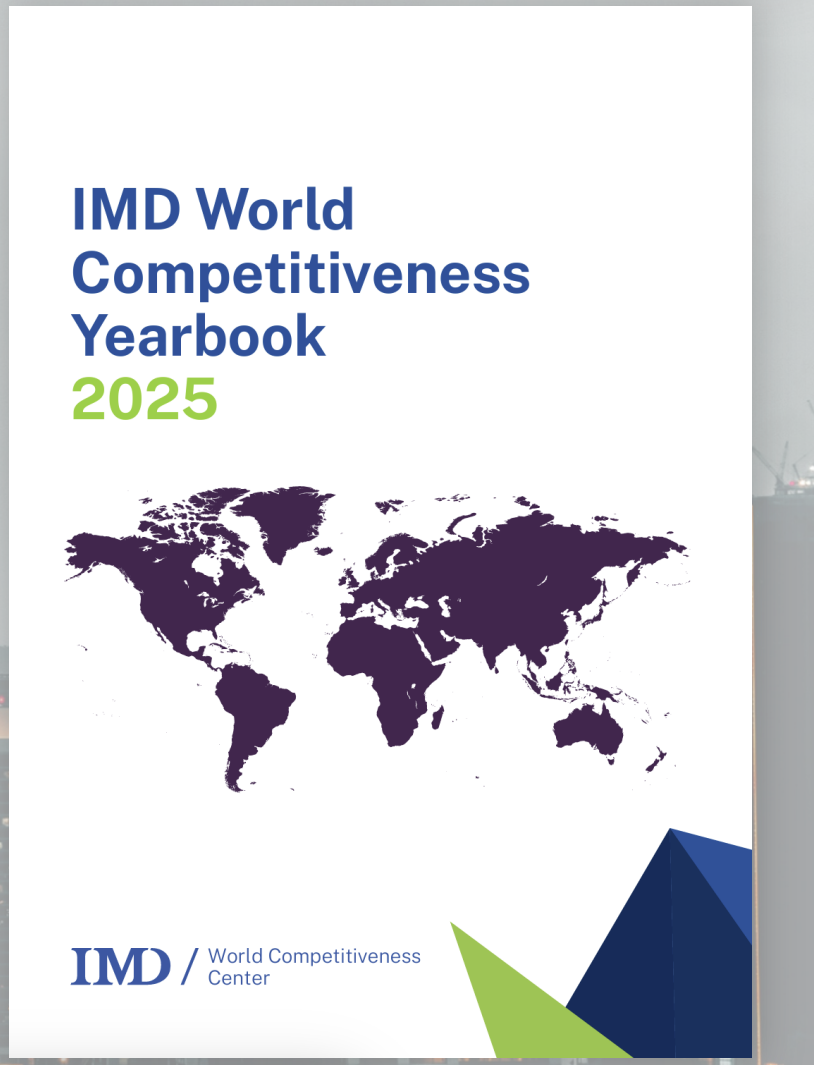
Labor Market

3.2.15 Labor Force Long-term Growth

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Business Efficiency	Labor Market	**3.2.15** Labor Force Long-term Growth

3.2.15: Labor Force Long-term Growth

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the five-year percentage change of labor force. Estimates for the most recent year.

Source: *IMD World Competitiveness Yearbook 2025 (page 456)*

INDICATOR MEASUREMENT

There is no explicit calculation provided in WCY 2025.
However, we can assume the computation is similar to:

Labor Force Long-term Growth (%) =

$$\frac{\left[\frac{(Labor\ Force_{recent\ year} - Labor\ Force_{base\ year})}{Labor\ force_{base\ year}}\right]}{Number\ of\ years_{5-years}} \times 100$$

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

3.2.15: Labor Force Long-term Growth

Indicator overview sourced from *IMD WCY 2025* Report

WHAT DOES THE SCORE INDICATE?

Labor Market - Availability of Skills 3.2.15

LABOR FORCE - LONG-TERM GROWTH 2024

Estimates: five year percentage change

Ranking		%	
01	Oman	11.27	2023
02	Puerto Rico	9.45	
03	Türkiye	9.02	
04	Saudi Arabia	8.86	2020
05	Philippines	8.68	
06	Ireland	8.23	
07	Hungary	7.23	
08	Netherlands	6.09	
09	Thailand	6.08	
10	Croatia	5.77	
11	Mexico	5.10	
12	Indonesia	5.10	
13	Chile	4.99	
14	Portugal	4.79	
15	Mongolia	4.59	
16	Korea Rep.	4.42	
17	Iceland	4.33	
18	Jordan	4.29	
19	France	3.82	
20	Peru	3.82	
21	Argentina	3.78	2023
22	Denmark	3.75	
23	South Africa	3.68	
24	Estonia	3.57	
25	Cyprus	3.51	
26	Finland	3.48	
27	Poland	3.39	2023
28	Kenya	3.38	2022
29	Lithuania	3.32	
30	Australia	3.27	
31	Norway	3.12	
32	Brazil	2.96	
33	India	2.84	
34	Spain	2.76	
35	Sweden	2.64	
36	New Zealand	2.63	
37	Japan	2.58	
38	Bahrain	2.48	
39	Greece	2.46	
40	Slovak Republic	2.27	
41	Malaysia	2.23	2023
42	Botswana	2.20	
43	Belgium	1.83	
44	Luxembourg	1.63	
45	Singapore	1.49	
46	Italy	1.22	
47	Austria	1.06	
48	Canada	1.04	
49	Taiwan (Chinese Taipei)	0.88	
50	USA	0.75	
51	Germany	0.37	
52	Latvia	-0.56	
53	United Kingdom	-0.64	
54	Switzerland	-0.65	
55	Slovenia	-1.04	
56	Colombia	-1.16	
57	UAE	-1.93	
58	China	-2.58	2023
59	Kazakhstan	-2.94	
60	Hong Kong SAR	-3.95	
61	Czech Republic	-4.16	
62	Qatar	-4.59	
63	Bulgaria	-5.92	
64	Romania	-7.23	2023
65	Nigeria	-8.70	2023
66	Venezuela	-9.18	2021
67	Kuwait	-9.71	
-	Ghana	-	
-	Namibia	-	

The higher the value, the higher the ranking.

RATIONALITY?

A higher long-term growth rate of the labor force reflects sustained expansion in the working-age population actively participating in the economy. This trend indicates the country's ability to strengthen its labor market base, supporting economic growth, productivity, and competitiveness over time.

Countries experiencing consistent labor force growth benefit from a larger talent pool, improved labor supply for industries, and reduced demographic pressure, which collectively enhance national resilience and economic dynamism.

In IMD rankings, this indicator captures structural labor market trends and demographic shifts that shape future economic performance.

In 2025 (using 2024 data reference), Oman recorded the highest labor force growth at 11.27%, followed by Puerto Rico (9.45%) and Türkiye (9.02%). Malaysia ranked 41st, with a five-year growth rate of 2.23%, placing it significantly below regional peers like the Philippines (8.68%) and Thailand (6.08%).

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

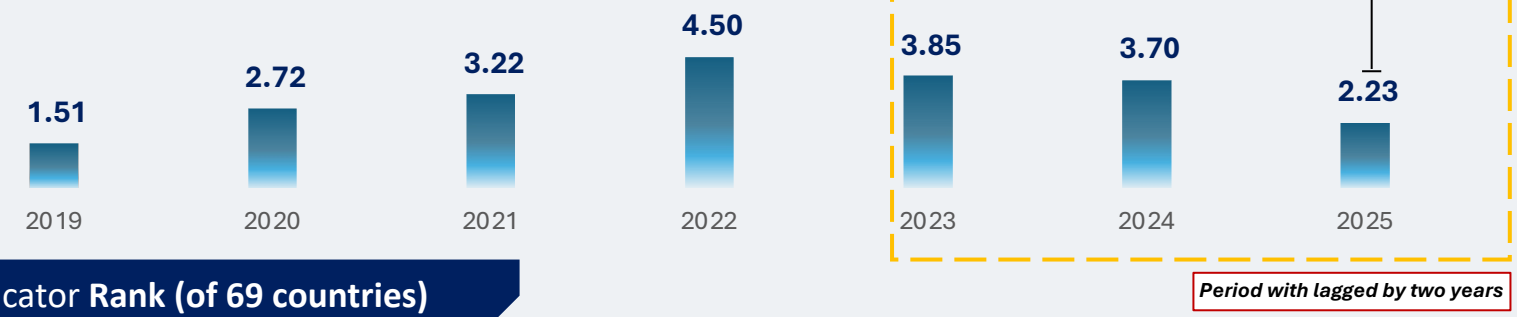
Source: *IMD World Competitiveness Yearbook 2025*

3.2.15: Labor Force Long-term Growth

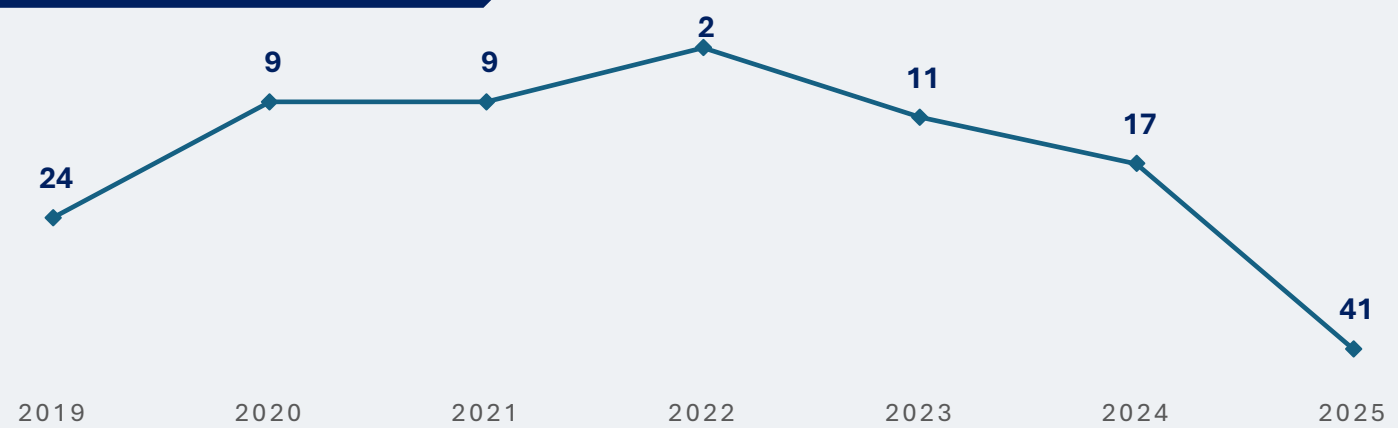
Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

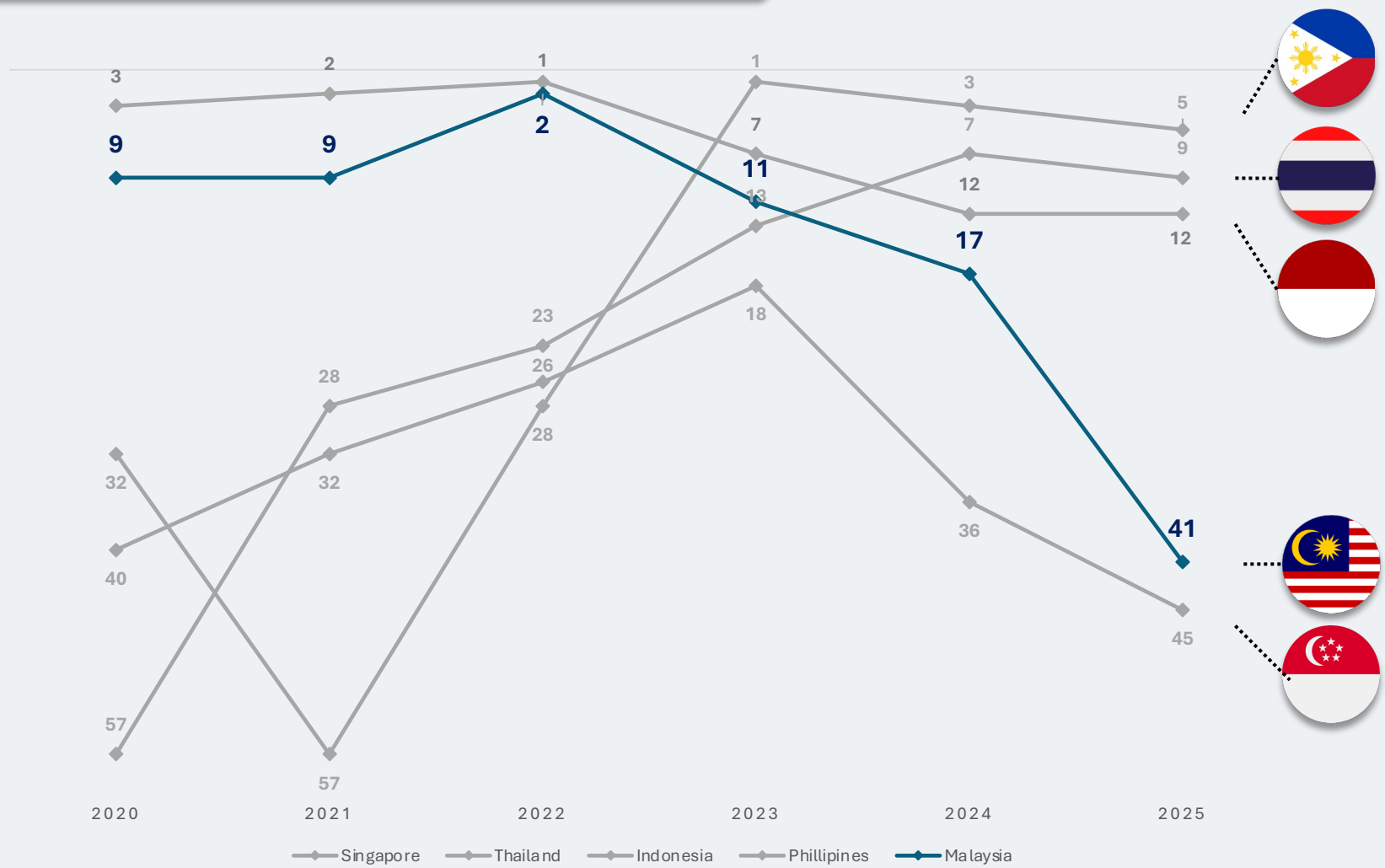
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

*Malaysia's labor force long-term growth indicator exhibited significant fluctuations over the past six years. The growth rate improved steadily from **1.51% in 2019 to 4.50% in 2022**, placing Malaysia at its peak ranking of **2nd globally** in 2022. This upward trend reflected strong labor market expansion supported by economic recovery and workforce participation initiatives during that period.*

*However, from 2023 onward, growth momentum slowed, dropping to **3.85% in 2023**, **3.70% in 2024**, and further down to **2.23% in 2025**. Consequently, Malaysia's ranking declined sharply from **11th in 2023 to 41st in 2025**, as other economies sustained higher labor force growth rates. The current gap is evident when compared to the top performer, Oman, which recorded **11.27%** in the latest assessment.*

3.2.15: Labor Force Long-term Growth

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

*Malaysia's ranking among ASEAN peers for labor force participation shows a **sharp decline in recent years**. In **2020 and 2021**, Malaysia held a strong position at **9th place**, improving to **2nd in 2022**, which was its best ranking during the period. However, after 2022, Malaysia's rank **dropped significantly to 11th in 2023, 17th in 2024, and 41st in 2025**, marking the steepest decline among ASEAN countries.*

*In contrast, the **Philippines consistently dominated the region**, improving to **1st in 2023 and maintaining leadership through 2025**. Thailand and Indonesia also showed resilience, staying within the **top 12 ranks**, while **Singapore dropped from 40th in 2020 to 45th in 2025**, indicating volatility due to its saturated labor market.*

3.2.15: Labor Force Long-term Growth

Definition ambiguity

IMD WCY 2025 Report

There is no explicit statement defining this indicator in the source documentation.

Method of Computation

Labor Market - Availability of Skills	3.2.15
LABOR FORCE - LONG-TERM GROWTH	2024
Estimates: five year percentage change	

Source: *IMD WCY (2025)*

However, we can assume the computation is similar to:

Employment Long-Term Growth (%) =

$$\frac{\left[\frac{(Labor\ Force_{recent\ year} - Labor\ Force_{base\ year})}{Labor\ force_{base\ year}}\right]}{Number\ of\ years_{5-years}} \times 100$$

Additional note:

3.2.15 **Labor force - long-term growth**
OECD National Accounts
National sources

Estimates for the most recent year. Austria: break in series in 2008. Brazil: break in series in 2014. Denmark: break in series in 2009. Hong Kong SAR: data have been revised based on the revised population figures since 2016. Lithuania: break in series 2011 - census revised labor force figure downwards by 10% (emigration to EU over past decade). Latvia: break in series in 2012. Malaysia: break in series in 2010. Philippines: 2023 data are preliminary figures . Portugal: methodological change in 2011. Singapore: estimates from the Ministry of Manpower. Slovenia: Estimate based on quarterly data for 2021. Spain: break in series in 2005.

The absence of a clear definition from IMD creates ambiguity in interpretation and benchmarking.

A lack of explicit methodology by IMD necessitates clarification and alignment to ensure accurate representation of Malaysia's performance in global rankings.

3.2.15: Labor Force Long-term Growth

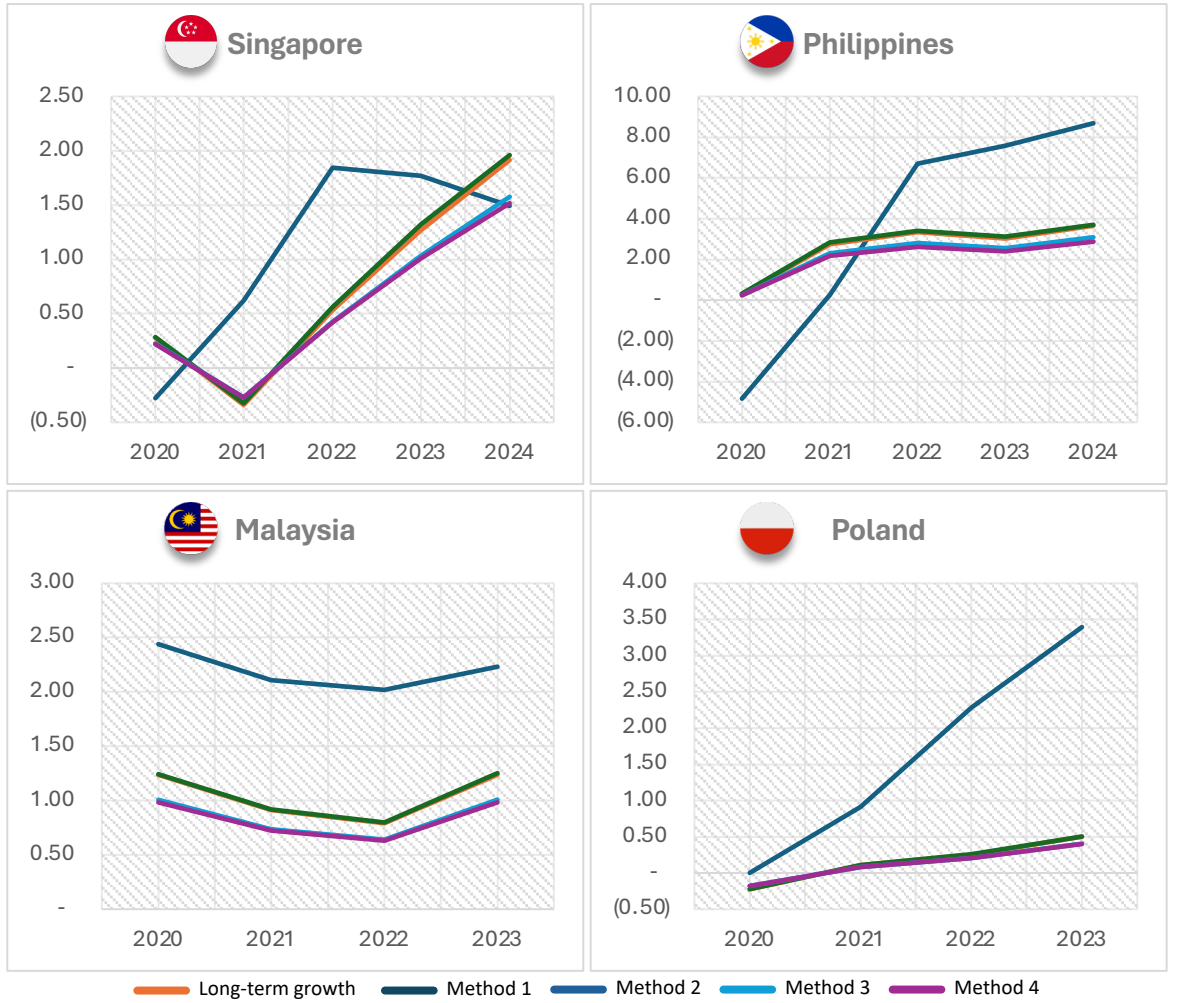
Calculation ambiguity: *An attempt to break the code*

An overview of all possible technical calculation relating to "Long-term growth" are listed below:

1 Compound Annual Growth Rate (CAGR)	$= \left(\frac{Labor\ Force_{end}}{Labor\ Force_{start}}\right)^{\frac{1}{n}} - 1 \times 100$
2 Average Annual Growth Rate	$= \frac{\sum_{i=1}^{n}\left(\frac{LF_t - LF_{t-1}}{E_{t-1}} \times 100\right)}{n}$
3 Total Growth over the Period	$= \frac{\left(\frac{Labor\ Force_{end} - Labor\ Force_{start}}{Labor\ Force_{start}} \times 100\right)}{n}$
4 Logarithmic Average Growth Rate	$= \frac{\ln(Labor\ Force_{end}) - \ln(Labor\ Force_{start})}{n} \times 100$

… and the results ?

Not only Malaysia, but other countries also applied…



Source: *Estimated based on data sourced from IMD WCY 2025*

3.2.15: Labor Force Long-term Growth

Areas of improvement – enhance calculation transparency

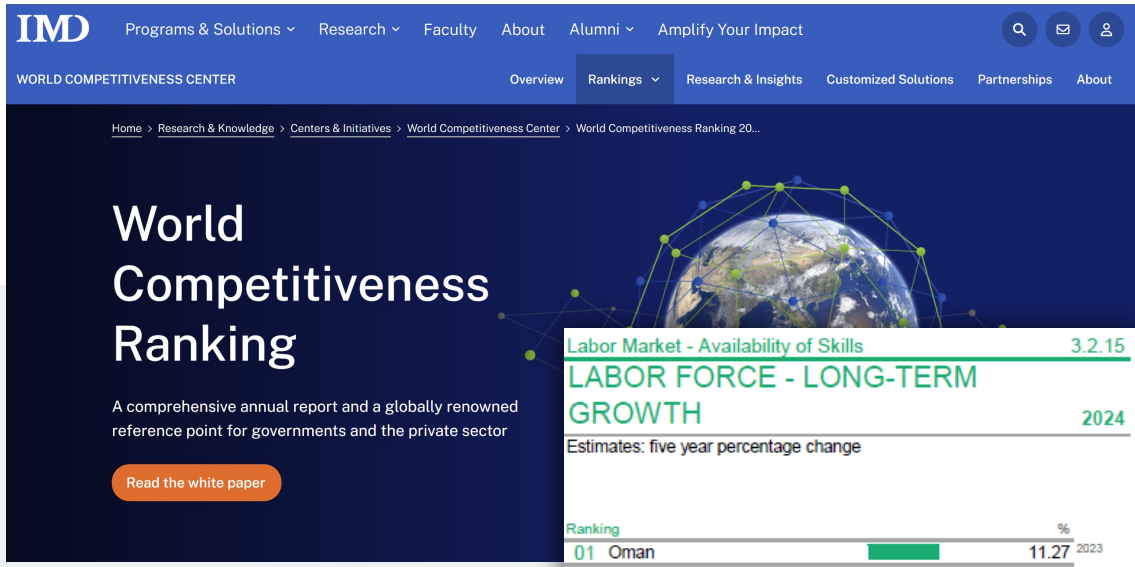
Enhancing transparency in IMD's indicator calculation is critical for improving credibility and comparability across countries. To achieve this, Malaysia should engage with IMD's technical team to clarify computation methods.

Key Rationality

- **Transparency Builds Trust:** Clear disclosure of calculation methods strengthens confidence in global competitiveness rankings and reduces misinterpretation.
- **Supports Informed Policy Decisions:** Policymakers rely on accurate indicators for labor market strategies. Ambiguous methodology risks misleading interventions.
- **Consistency Across Countries:** Without standardization, countries using different data sources or reference periods face unfair comparisons, impacting ranking credibility.

Proposed Actions

- **Request Methodology Disclosure**
  Advocate for IMD to publish clear technical notes on how labor force long-term growth is computed (e.g., CAGR vs arithmetic average).



Labor Market - Availability of Skills 3.2.15

LABOR FORCE - LONG-TERM GROWTH 2024

Estimates: five year percentage change

Ranking		%	
01	Oman	11.27	2023
02	Puerto Rico	9.45	
03	Türkiye	9.02	
04	Saudi Arabia	8.86	2020
05	Philippines	8.68	
06	Ireland	8.23	
07	Hungary	7.23	
08	Netherlands	6.09	
09	Thailand	6.08	
10	Croatia	5.77	
11	Mexico	5.10	
12	Indonesia	5.10	
13	Chile	4.99	
14	Portugal	4.79	
15	Mongolia	4.59	

3.2.15 **Labor force - long-term growth**
OECD National Accounts
National sources

Estimates for the most recent year. Austria: break in series in 2008. Brazil: break in series in 2014. Denmark: break in series in 2009. Hong Kong SAR: data have been revised based on the revised population figures since 2016. Lithuania: break in series 2011 - census revised labor force figure downwards by 10% (emigration to EU over past decade). Latvia: break in series in 2012. Malaysia: break in series in 2010. Philippines: 2023 data are preliminary figures . Portugal: methodological change in 2011. Singapore: estimates from the Ministry of Manpower. Slovenia: Estimate based on quarterly data for 2021. Spain: break in series in 2005.

BUSINESS EFFICIENCY

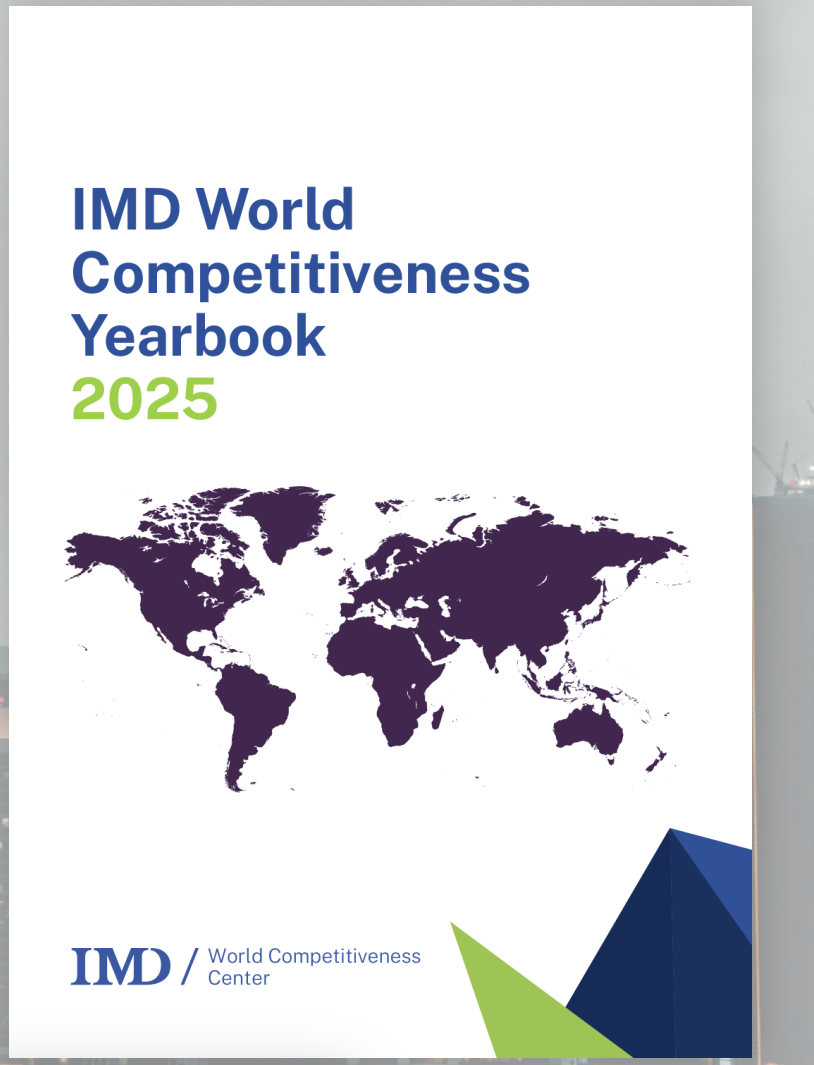
Labor Market

3.2.17 Female Labor Force

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Business Efficiency	Labor Market	**3.2.17** Female Labor Force

3.2.17: Female Labor Force

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as the proportion of female labor force expressed as a percentage of the total labor force. Estimates for the most recent year.

Source: *IMD World Competitiveness Yearbook 2025 (page 456)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Female Labor Force =

$$\frac{Female\ Labor\ Force\ (15-64)}{Total\ Labor\ Force\ (15-64)} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 456)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD National Accounts
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

3.2.17: Female Labor Force

Indicator overview sourced from *IMD WCY 2025* Report

WHAT DOES THE SCORE INDICATE?

Labor Market - Availability of Skills 3.2.17

FEMALE LABOR FORCE 2024

Percentage of total labor force

Ranking		%	
01	Ghana	54.37	2022
02	Bulgaria	53.02	
03	Kazakhstan	51.50	
04	Botswana	50.96	
05	Hong Kong SAR	50.79	
06	Estonia	50.22	
07	Latvia	50.04	
08	Portugal	48.98	
09	Lithuania	48.85	
10	France	48.76	
11	United Kingdom	48.45	
12	Nigeria	48.44	2023
13	Cyprus	48.30	
14	Finland	48.26	
15	Australia	47.62	
16	Singapore	47.60	
17	Sweden	47.60	
18	New Zealand	47.56	
19	Denmark	47.26	
20	Austria	47.24	
21	Croatia	47.19	
22	Netherlands	47.19	
23	Switzerland	47.14	
24	Spain	47.13	
25	USA	47.07	
26	Canada	47.07	
27	Ireland	47.07	
28	Norway	47.06	
29	Hungary	46.99	
30	Namibia	46.99	2023
31	Slovak Republic	46.97	
32	Germany	46.77	
33	Thailand	46.42	
34	Kenya	46.29	2022
35	Iceland	46.19	
36	South Africa	46.18	
37	Poland	46.12	2023
38	Slovenia	45.52	
39	Czech Republic	45.40	
40	Japan	45.38	
41	Mongolia	45.23	
42	Taiwan (Chinese Taipei)	45.15	
43	China	45.08	2023
44	Peru	44.86	
45	Greece	44.60	
46	Korea Rep.	44.30	
47	Brazil	43.75	
48	Chile	43.31	
49	Colombia	43.12	
50	Italy	42.87	
51	Argentina	42.50	2022
52	Romania	42.46	2023
53	Puerto Rico	42.34	
54	Luxembourg	42.31	2023
55	Philippines	41.71	
56	Belgium	41.23	
57	Mexico	40.23	
58	Indonesia	39.71	
59	Venezuela	39.31	2021
60	Malaysia	37.75	2023
61	Türkiye	34.30	
62	Kuwait	29.48	2022
63	India	26.09	2023
64	Bahrain	24.17	
65	UAE	23.61	
66	Jordan	21.90	
67	Saudi Arabia	21.52	2020
68	Oman	17.80	2023
69	Qatar	17.06	

The higher the value, the higher the ranking.

RATIONALITY?

A higher share of females in the labor force reflects greater gender inclusivity and optimal utilization of human capital, which is essential for sustainable economic growth and competitiveness. Economies with stronger female labor participation often demonstrate better productivity outcomes, higher household incomes, and improved social equity.

In global competitiveness assessments such as IMD WCY, this indicator signals how effectively countries integrate women into economic activities, which correlates with innovation potential and workforce diversity. Countries leading in this metric, like Portugal (48.58%) and France (48.76%), exhibit proactive policies supporting female employment, whereas Malaysia's low ranking (60th, 37.75%) highlights significant room for improvement in gender-focused labor policies.

Malaysia reports 2023 data due to delays in official labor market releases. Other countries used early 2024 estimates or year-end figures to comply with IMD timelines.

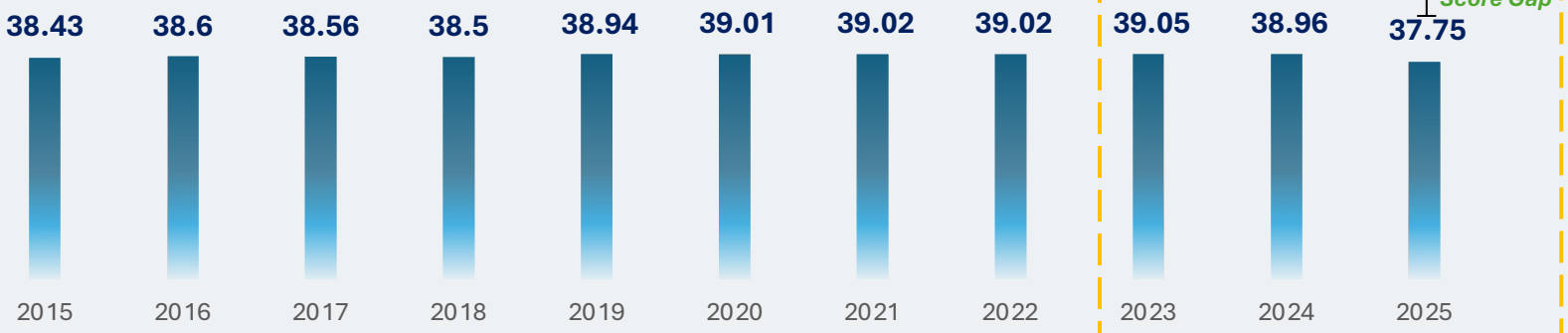
Source: *IMD World Competitiveness Yearbook 2025*

3.2.17: Female Labor Force

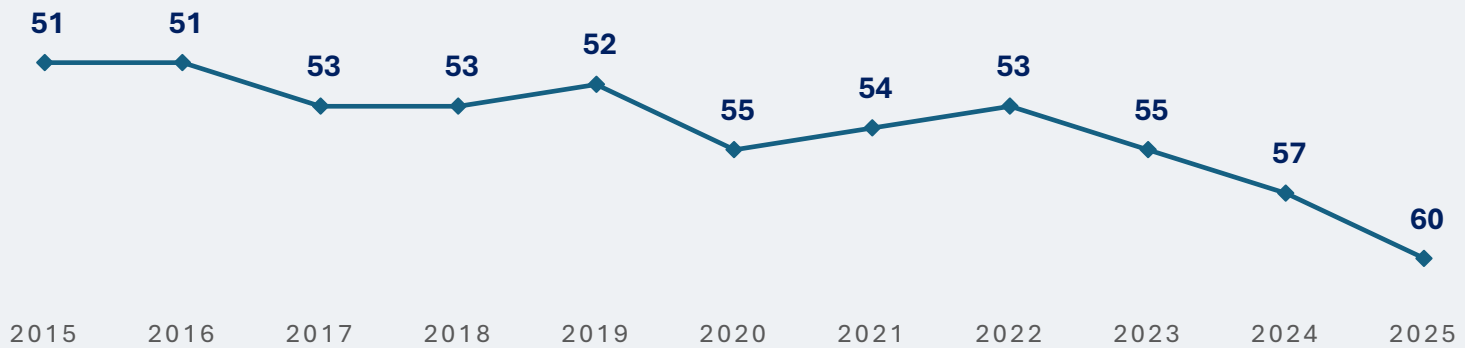
Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

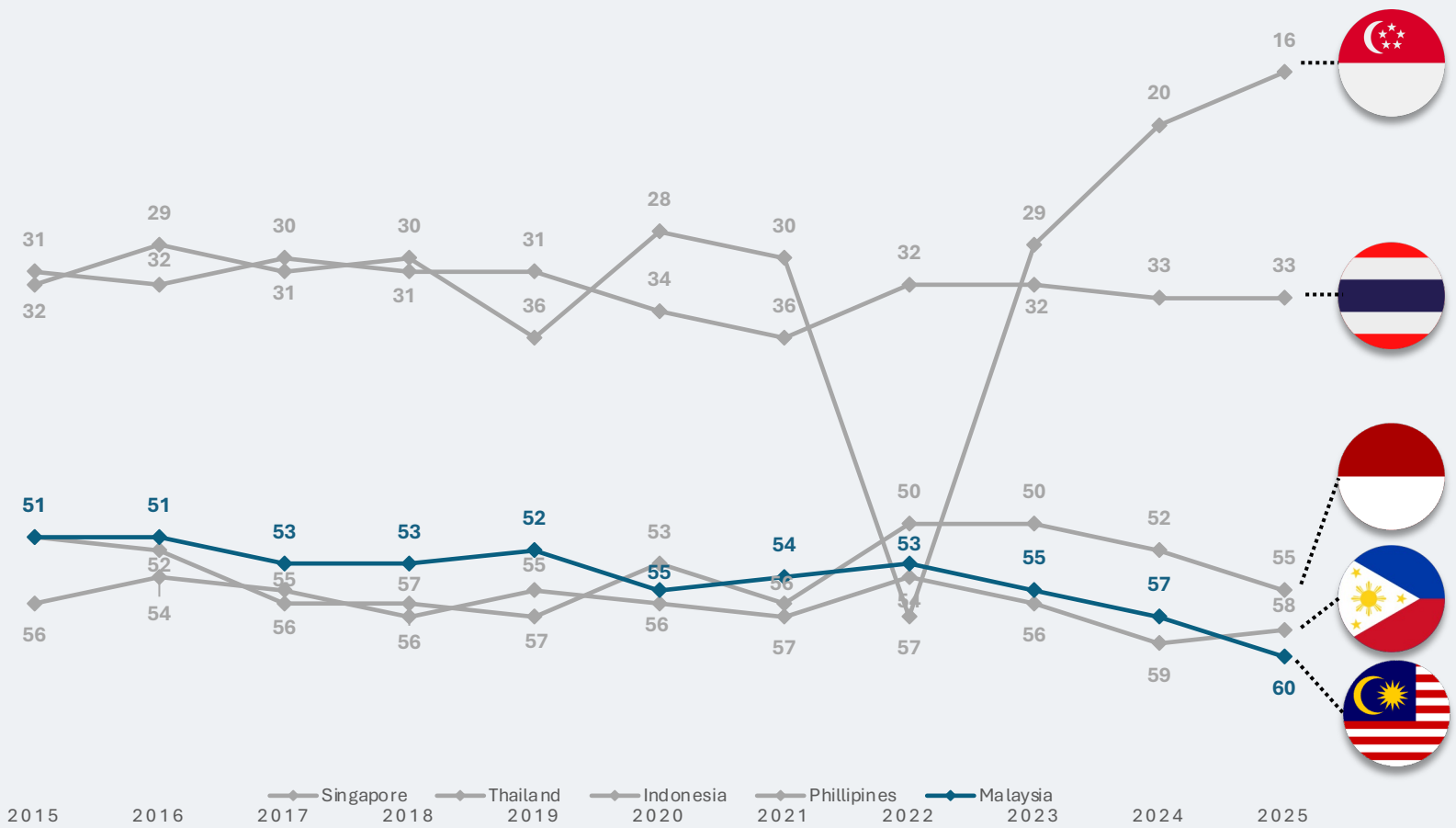
Malaysia's female labor force share has remained relatively stable but low, averaging around 38–39% between 2015 and 2022, before showing a slight decline to 37.75% in 2025. This indicates that despite some structural improvements in labor participation policies, gender representation within the overall labor force has not significantly improved.

In terms of global ranking, Malaysia fell from 51st in 2015 to 60th in 2025, reflecting slower progress compared to other countries that have implemented targeted initiatives for gender inclusion.

The downward trend suggests challenges such as gender-based employment barriers, limited support for work-life balance, and concentration of women in informal sectors. Closing this gap is essential to enhance labor market diversity, productivity, and overall competitiveness.

3.2.17: Female Labor Force

Indicator performance over the years



Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

*Malaysia's position for **female labor force as a percentage of total labor force** shows a **consistent downward trend** over the years. From **51st in 2015**, Malaysia slipped to **55th in 2023** and further down to **60th in 2025**, signaling persistent gender imbalance in labor participation relative to other economies.*

*In comparison, **Singapore improved significantly**, climbing from the mid-30s to **16th in 2025**, indicating strong policy measures to integrate women into the workforce. **Thailand and Indonesia maintained relatively stable positions** around the mid-30s range, while the Philippines recorded modest improvements, overtaking Malaysia since 2021.*

This highlights Malaysia's urgent need to adopt gender-inclusive labor strategies to boost competitiveness and leverage untapped talent pools.

3.2.17: Female Labor Force

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Calculation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD	IMD	IMD

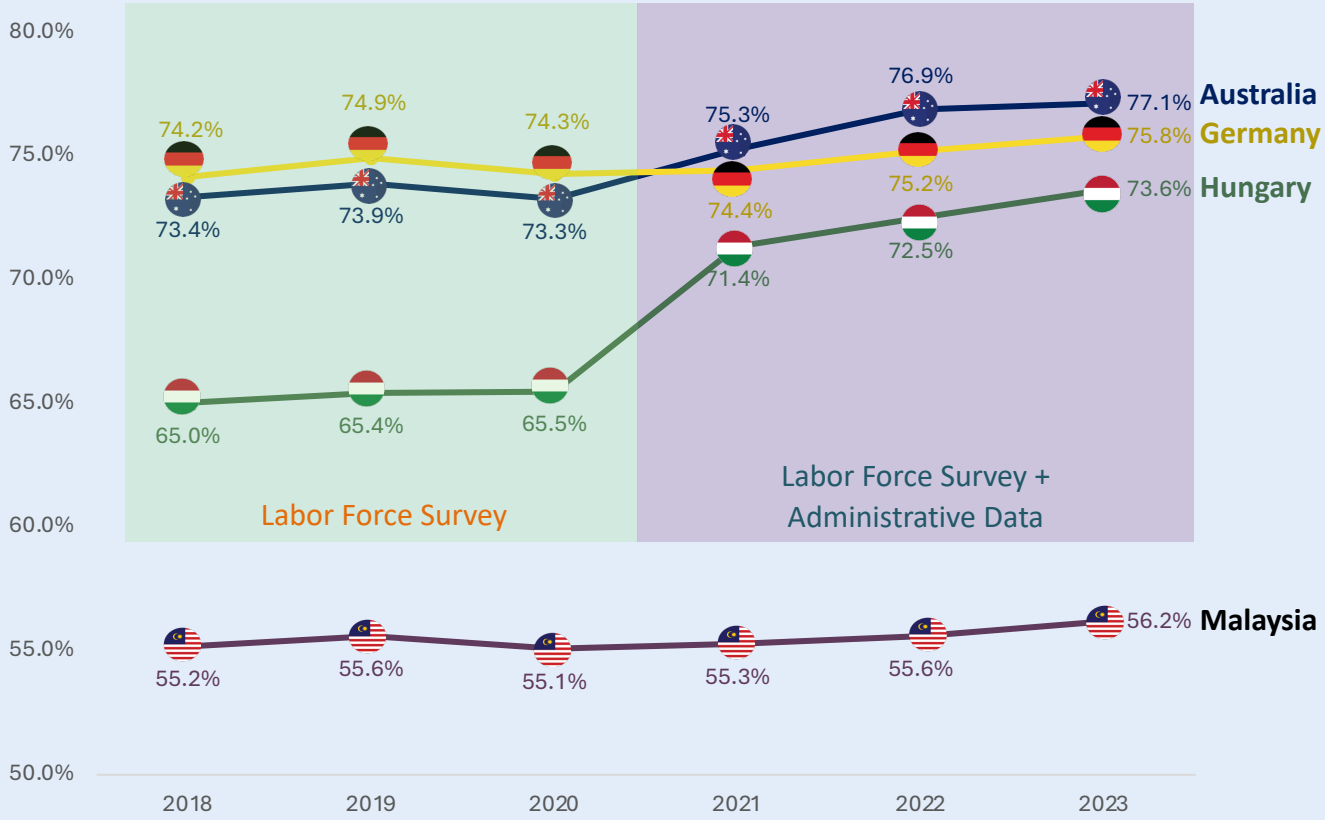
Description

Female Labour Force	Publish data based on national **Labour Force Survey** annually lagged 2 years.	Data compiled and integrated internationally with other country profiles by: International Labour Organization	IMD retrieves data from ILO and IMF sources into their database.	IMD calculates indicator values based on the available data of labor force.	Malaysia in **2025**: ***Scored*** 37.75% ***Ranked*** 60th IMD World Competitiveness Ranking

Female participation – measurement constraint

A low participation rate among women results in a smaller share of females in the overall labour force—contributing to Malaysia's low score under IMD's Female Labor Force indicator.

Female labor force participation rate in Malaysia and benchmarking countries, 2018-2023



Source: ILOSTAT (2025)

*Countries that have adopted this dual-data approach (combining **Labor Force Survey with Administrative Data**) since 2021 demonstrate **visible improvements in reported female participation rates**, closing gaps that previously reflected **measurement constraints**. This approach ensures a more **accurate and inclusive representation** of women's contributions, particularly in sectors often overlooked by traditional surveys such as informal work, self-employment, and gig economy roles.*

*In contrast, Malaysia's participation rate remains largely **stagnant at around 55–56%**, signaling a continued reliance on conventional survey methods without full integration of administrative data. This may lead to **systematic underestimation of actual female engagement**, undermining evidence-based policymaking for gender equality and economic planning.*

3.2.17: Female Labor Force

Areas of improvement 1 – integrating administrative data

Integrating administrative data into labor force measurement frameworks significantly enhances the visibility of female participation in the economy.

Key Rationality

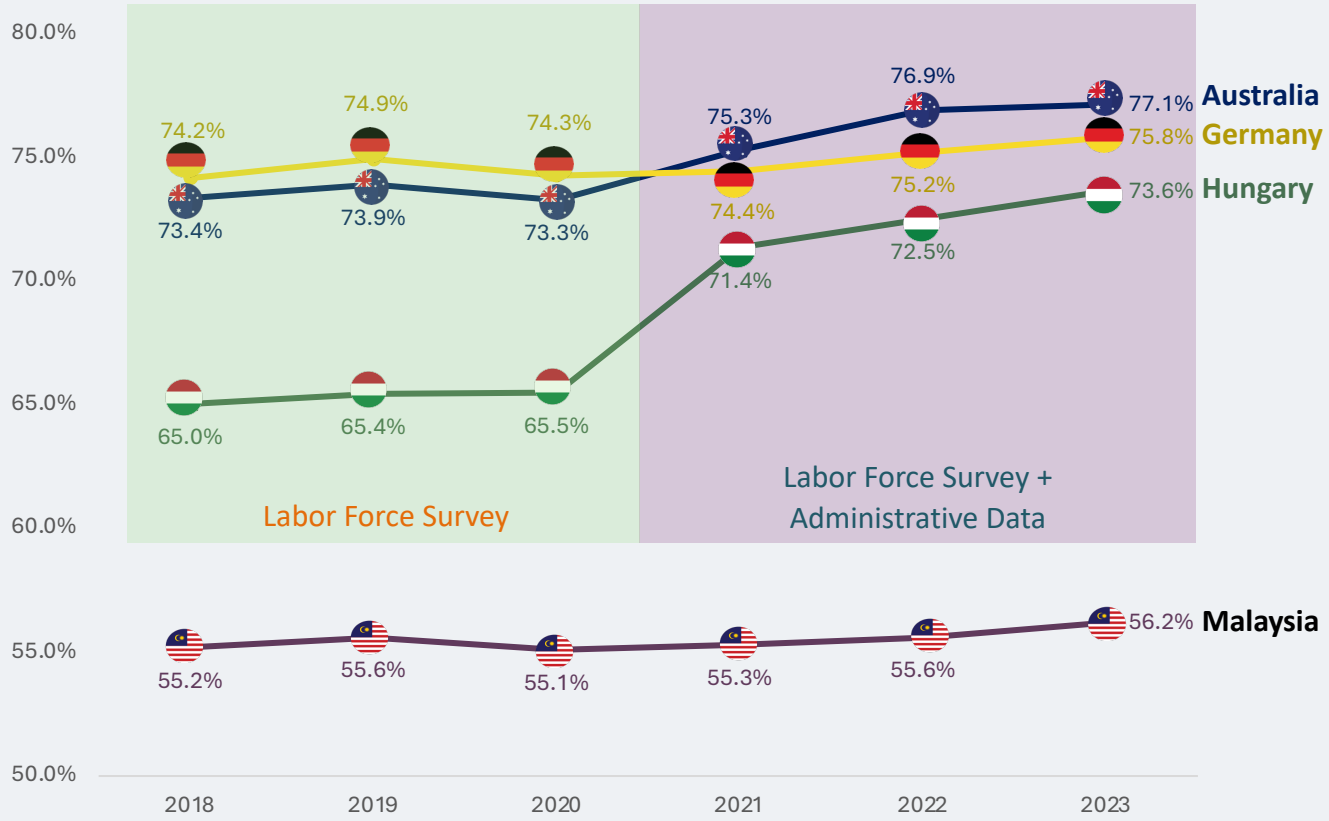
- Labor Force Surveys alone may undercount female participation due to limited coverage of informal employment, part-time workers, and sectors captured through administrative records (e.g., social security, tax data, maternity benefits).
- Integrating administrative data improves measurement accuracy and reflects actual engagement in economic activities. Combining survey and administrative data, resulting in more inclusive and reliable labor statistics.

Proposed Actions

- Develop a **data integration framework** that links labor force surveys with administrative records (social protection, income tax, pension contributions) to capture informal and part-time female workers.

Countries that have adopted this dual-data approach since 2021 show notable improvements in participation rates, reflecting a more complete picture of women's involvement in the labor market.

Female labor force participation rate in Malaysia and benchmarking countries, 2018-2023



Source: ILOSTAT (2025)

3.2.17: Female Labor Force

Areas of improvement 1 – integrating administrative data

Countries that have adopted this dual-data approach since 2021 show notable improvements in participation rates, reflecting a more complete picture of women's involvement in the labor market.

	Labor Force Survey	Administrative Data	
		Employment Database	**Unemployment Database**
	☑	Single Touch Payroll (STP)	JobSeeker and Youth Allowance
	☑	Federal Employment Agency	
	☑	National Tax and Customs Administration	National Employment Service
	☑		

How they do it:

- **Australia**: Combines LFS with administrative data to improve labour statistics at the regional level, enabling more accurate measurement of female labour force participation across states and local areas.
- **Germany**: Integrates LFS with Federal Employment Agency data by cross-referencing survey estimates with administrative records to improve the accuracy, granularity, and policy relevance of female labor force participation statistics.
- **Hungary**: Supplements LFS data with administrative records, such as tax and social security data, to provide comprehensive insights into earnings, hours worked, and employment patterns.

Source: ILOSTAT (2025)

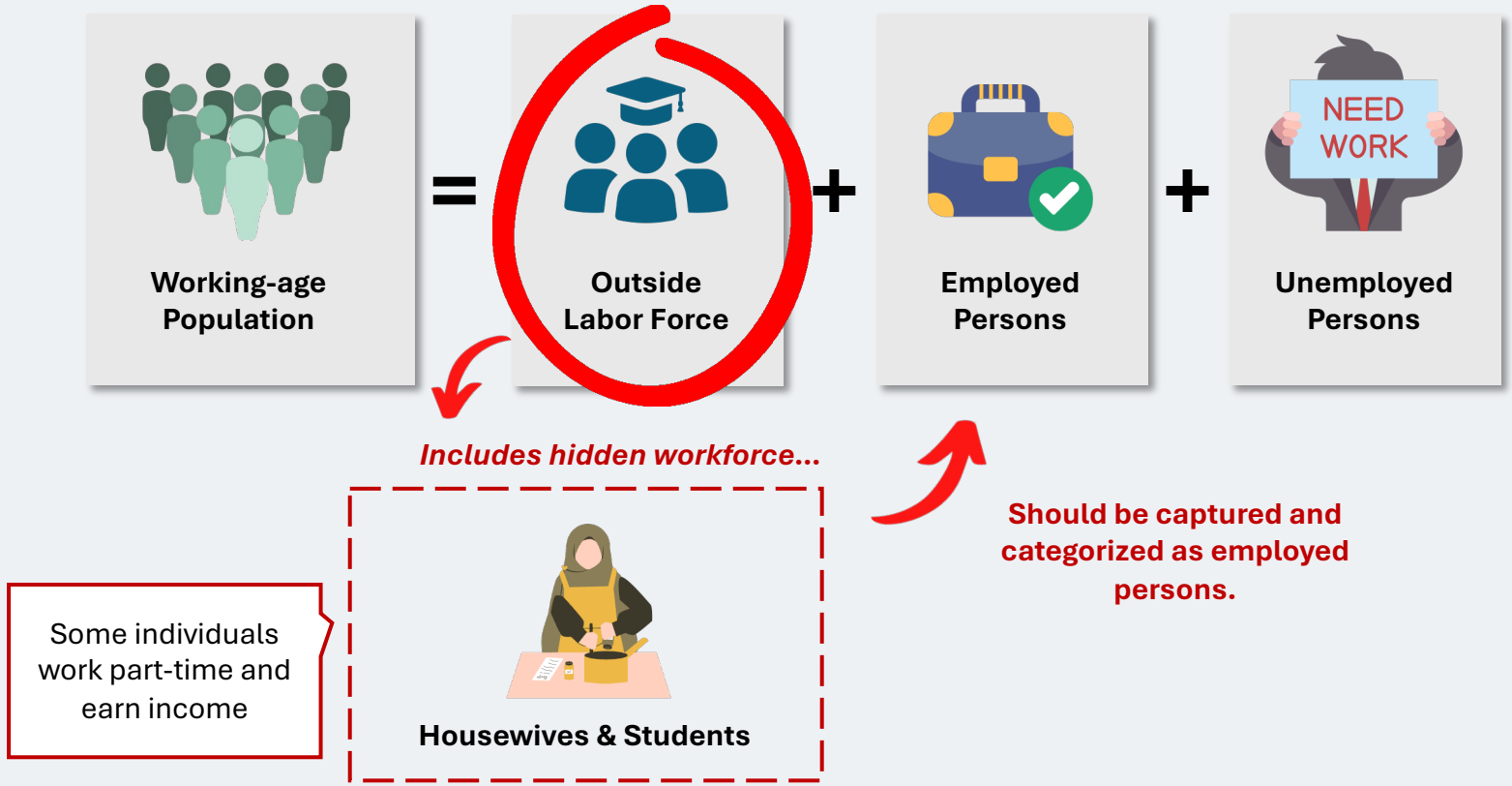
3.2.13: Labor Force (%)

Areas of improvement 2 – capturing hidden workforce

Enhance labor statistics by incorporating measures to identify hidden workers in the 'Outside the Labor Force' category

Key Rationality

- **Hidden workforce is underestimated:** Many individuals categorized as "outside the labor force" (such as housewives and students) are engaged in part-time or informal income-generating activities but remain statistically invisible.
- **Misrepresentation of labor market dynamics:** Excluding these groups leads to underreporting of actual labor participation, affecting the accuracy of labor statistics and competitiveness rankings.



ECONOMIC PERFORMANCE

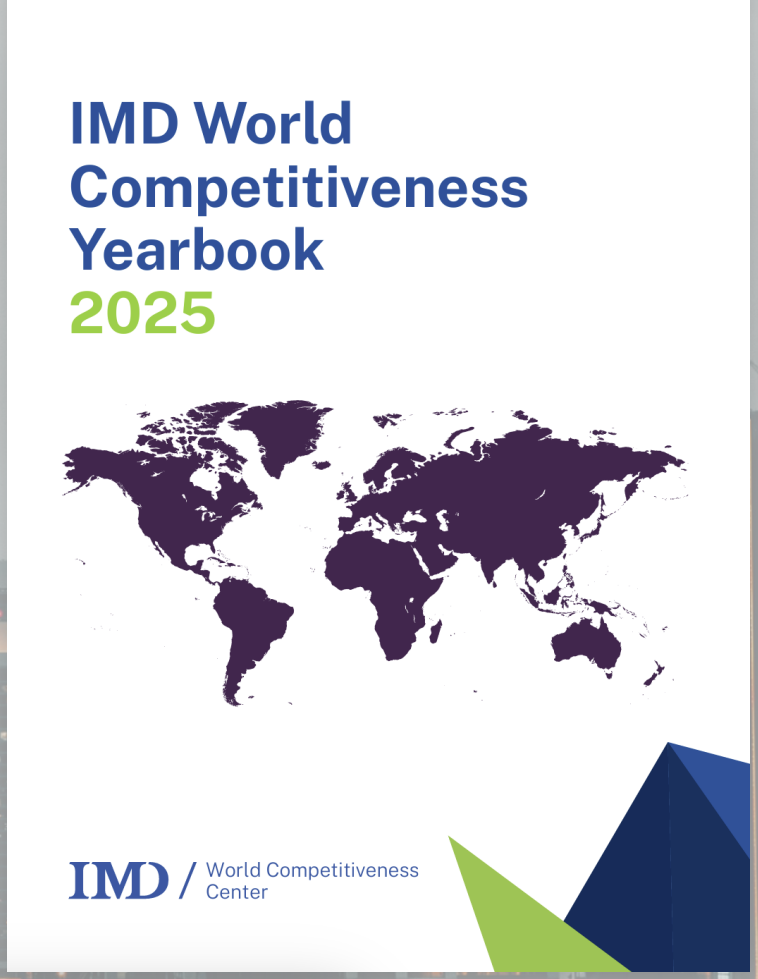
Labor Market

3.2.18 Foreign labor force - migrant stock

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Economic Performance	Availability of Skills	**3.2.18** Foreign labor force - migrant stock

3.2.18: Foreign labor force - migrant stock

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The share of foreign or foreign-born workers in a country's labor force. Not always comparable through countries. For the European countries, the main difficulty consists in covering EU nationals, who have free labor market access in EU Member States. They are sometimes issued work permits, but this information is not always as readily available as for third-country nationals.

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

INDICATOR MEASUREMENT

There is no explicit calculation provided in WCY 2025.
However, we can assume the computation is similar to:

Foreign labor force – migrant stock =

Migrant stock, age 20-64, % of population

$$\text{Foreign labor force} = \frac{International\ migrant\ stock\ age\ 20-64}{Total\ population\ 20\ -64}$$

Source: *IMD World Competitiveness Yearbook 2025 (page 456)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- United Nations Department of Economic and Social Affairs, Population Division

Source: *IMD World Competitiveness Yearbook 2025 (page 590)*

3.2.18: Unemployment rate - gender ratio

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Labor Market - Availability of Skills 3.2.18

FOREIGN LABOR FORCE - MIGRANT STOCK 2024

Migrant stock, age 20-64, % of population

Ranking		%
01	Qatar	76.66
02	UAE	73.97
03	Kuwait	67.35
04	Bahrain	52.28
05	Luxembourg	51.16
06	Singapore	48.72
07	Jordan	45.70
08	Oman	43.23
09	Hong Kong SAR	41.31
10	Saudi Arabia	40.29
11	Switzerland	31.09
12	Australia	30.36
13	New Zealand	28.16
14	Austria	25.51
15	Iceland	25.12
16	Ireland	23.14
17	Canada	22.16
18	Sweden	21.42
19	Belgium	20.01
20	Germany	19.81
21	Spain	18.51
22	Norway	18.15
23	United Kingdom	17.13
24	Netherlands	16.22
25	USA	15.16
26	Estonia	14.92
27	Cyprus	14.88
28	Slovenia	14.87
29	Denmark	14.18
30	Greece	14.17
31	France	13.80
32	Croatia	13.62
33	Latvia	11.78
34	Italy	11.04
35	Portugal	10.81
36	Malaysia	10.71
37	Kazakhstan	10.15
38	Czech Republic	9.55
39	Finland	9.16
40	Türkiye	8.10
41	Chile	7.78
42	Hungary	7.13
43	Puerto Rico	6.89
44	Lithuania	6.13
45	Slovak Republic	5.88
46	Colombia	5.79
47	Peru	5.37
48	Taiwan (Chinese Taipei)	4.90
49	Botswana	4.62
50	Poland	4.51
51	Venezuela	4.45
52	Thailand	4.44
53	Bulgaria	4.43
54	Argentina	4.28
55	South Africa	4.11
56	Namibia	3.83
57	Korea Rep.	3.50
58	Romania	3.45
59	Japan	2.76
60	Kenya	1.76
61	Ghana	1.55
62	Mexico	1.32
63	Brazil	0.66
64	Mongolia	0.65
65	Nigeria	0.60
66	India	0.33
67	Indonesia	0.16
68	China	0.12
69	Philippines	0.08

The higher the value, the higher the ranking.

RATIONALITY?

A higher migrant stock shows a country's openness to foreign talent, helping fill local skill gaps and support key industries. This strengthens labor flexibility, knowledge transfer, and overall competitiveness.

Countries with more foreign labor can better meet market demands, drive productivity, and sustain growth. Global talent access boosts innovation, entrepreneurship, and economic resilience.

In IMD rankings, a higher migrant stock improves a country's score, reflecting its success in attracting and retaining foreign workers. This complements domestic labor and enhances national performance.

In 2025 (2024 data), Qatar ranked first (76.06%), followed by UAE (73.97%) and Kuwait (67.35%). Malaysia ranked 35th at 10.71%, behind Singapore (48.70%) and Hong Kong SAR (41.31%), showing room for improvement.

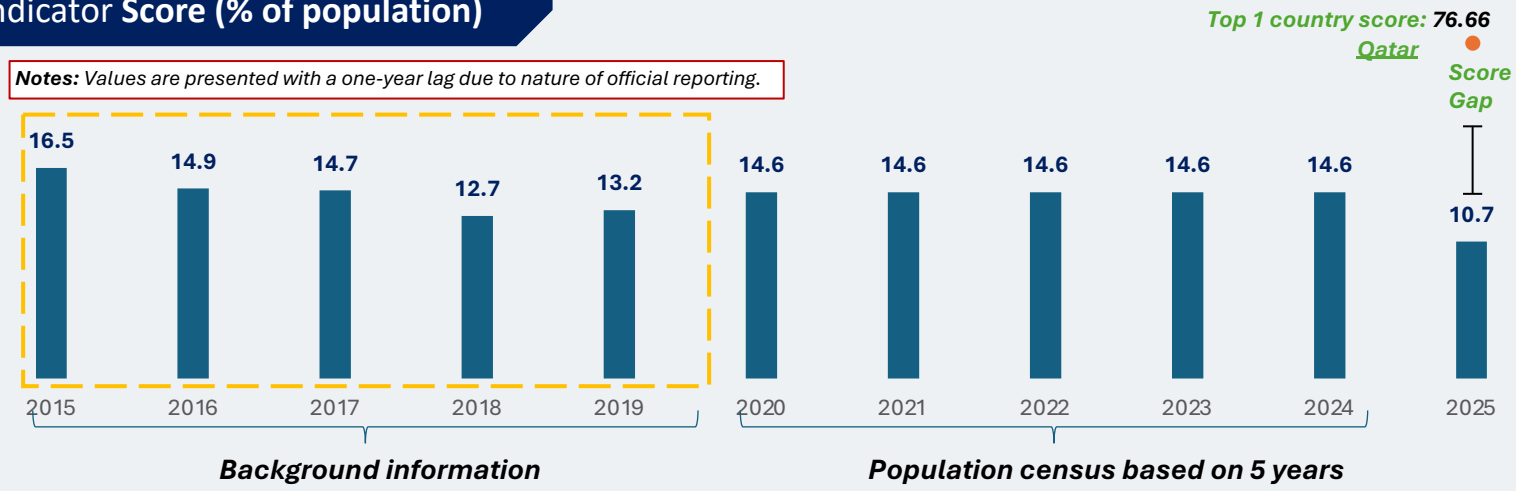
Source: *IMD World Competitiveness Yearbook 2025*

3.2.18: Foreign labor force - migrant stock

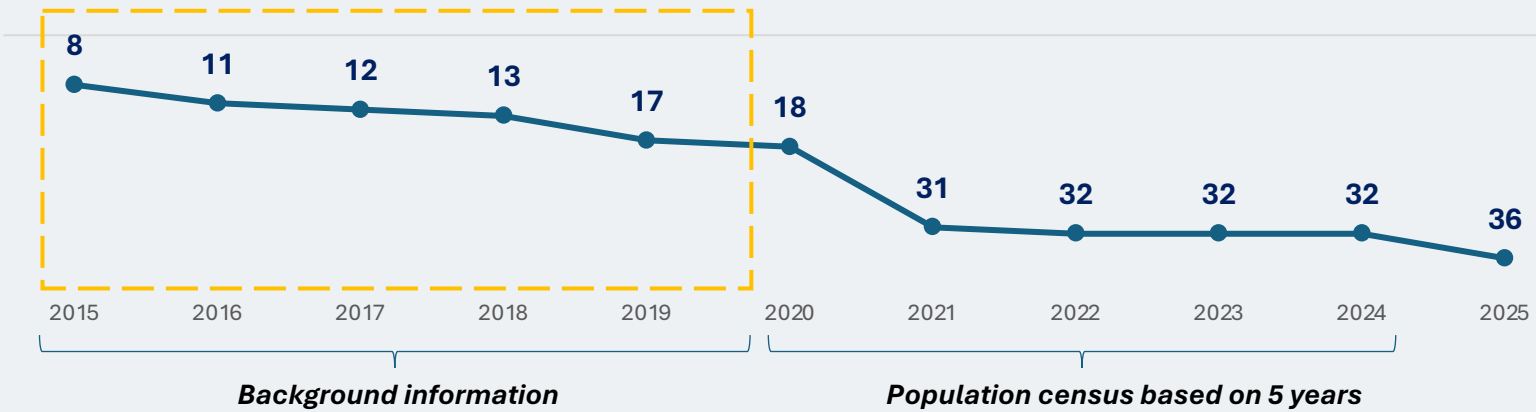
Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

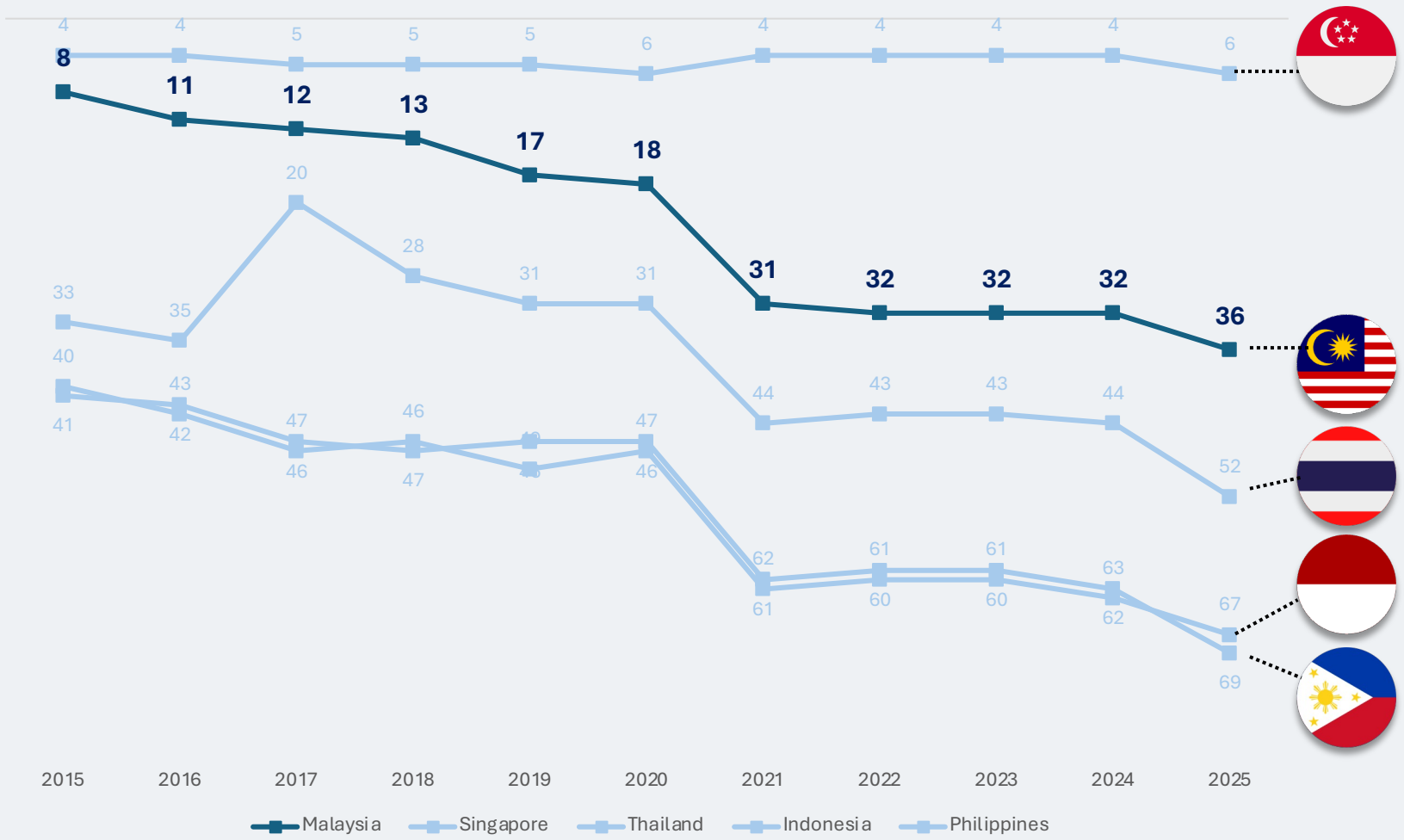
Malaysia's foreign labor force indicator shows a declining trend, dropping from 16.5% in 2015 to 10.7% in 2025. This decrease suggests that the intake and retention of foreign workers have slowed over time, reducing Malaysia's labor market openness.

In terms of ranking, Malaysia held its best position in 2015 (8th) but fell to 36th in 2025, as other economies like Qatar (76.66%) and UAE (73.97%) expanded their foreign labor share, creating a wide performance gap.

Overall, the indicator highlights the need for Malaysia to enhance its attractiveness to foreign talent, especially in high-skilled categories, to maintain competitiveness and meet labor market demands.

3.2.18: Foreign labor force - migrant stock

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 36th globally for foreign labor force – migrant stock, placing it second among ASEAN peers. This marks a decline from its peak position of 8th in 2015, reflecting a reduced share of migrant workers over time.

In contrast, Singapore leads the ASEAN group at 6th globally, maintaining its long-standing top-tier position. Thailand and Indonesia follow behind Malaysia at 52nd and 67th, respectively, while the Philippines ranks lowest at 69th.

Overall, Malaysia's declining trend signals a need to strengthen foreign talent attraction and retention, particularly in skilled segments, to remain competitive alongside regional leaders.

3.2.18: Foreign labor force - migrant stock

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Data Retrieval and Estimation	Publish
	PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	International Institution	IMD

Description

Foreign Labor Force – migrant stock

Note: *The labor force is defined as the total number of people who are either employed or actively seeking employment (unemployed)*

Publish data based on national **Population and Housing Census Malaysia** based on **10 years.**

Data integrated internationally and estimated **every 5 years** based on **Population and Housing Census Malaysia**

by:

United Nations | Department of Economic and Social Affairs

Malaysia in **2025**:

Scored

10. 7 %

Ranked

36 th

3.2.18: Foreign labor force - migrant stock

Indicator footprint – tracking the data sources

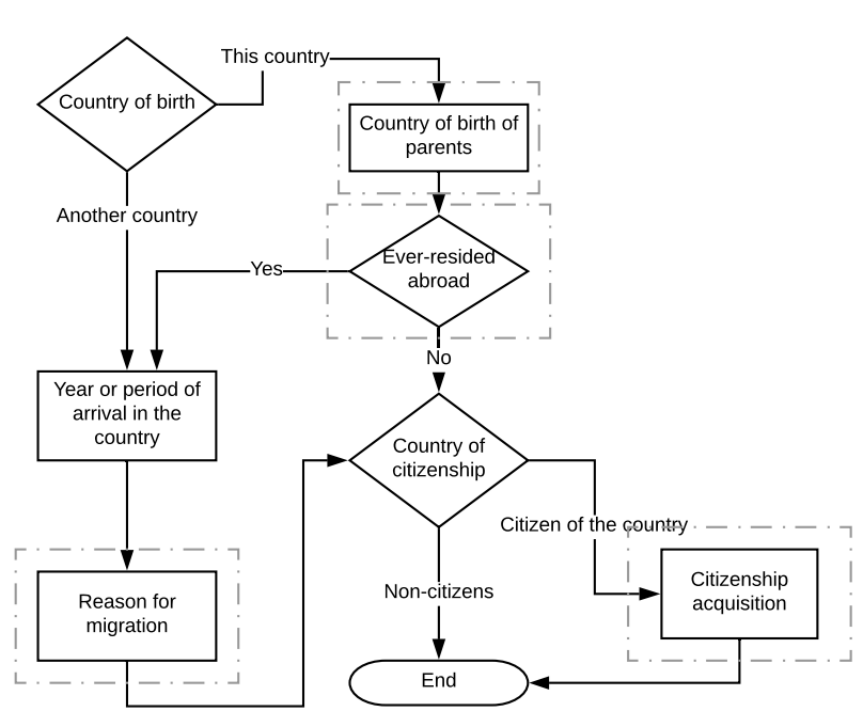
United Nations | Department of Economic and Social Affairs

International Migrant Stock 2024: Destination and origin

Table 1: International migrant stock at mid-year by sex and by region, country or area of destination and origin, 1990-2024

POP/DB/MIG/Stock/Rev.2024

Flowchart of international migration survey questions



Population and Housing Census Malaysia

50	**E10**	Di manakah tempat lahir anda / ahli Isi Rumah ini?
51	**E11**	(a) Adakah anda / ahli Isi rumah ini warganegara Malaysia?
52		(b) Apakah kewarganegaraan anda / ahli Isi Rumah ini?
53		(c) Apakah status kependudukan anda / ahli Isi Rumah ini?
54	**E12**	Di manakah tempat tinggal biasa anda/ ahli Isi Rumah ini pada satu (1) tahun yang lalu?
55	**E13**	Di manakah tempat tinggal biasa anda/ ahli Isi Rumah ini pada lima (5) tahun yang lalu?

These survey questions serve as the foundation for deriving the foreign labor force – migrant stock indicator, capturing key information on migrant background, citizenship, and residence history for use in national and international statistics.

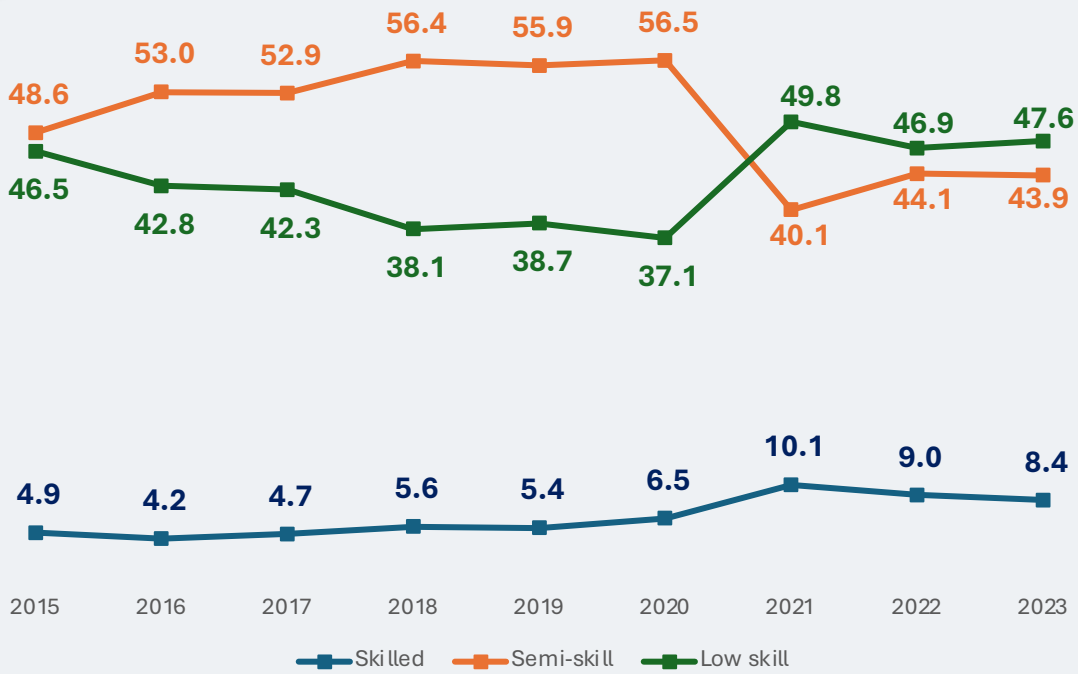
3.2.18: Foreign labor force - migrant stock

Areas of improvement – shift towards skilled migrant

Malaysia is encouraged to strengthen its foreign labor structure by boosting the intake of high-skilled workers and expatriates, reducing its over-reliance on low-skilled foreign labor — following the successful approach seen in Singapore.

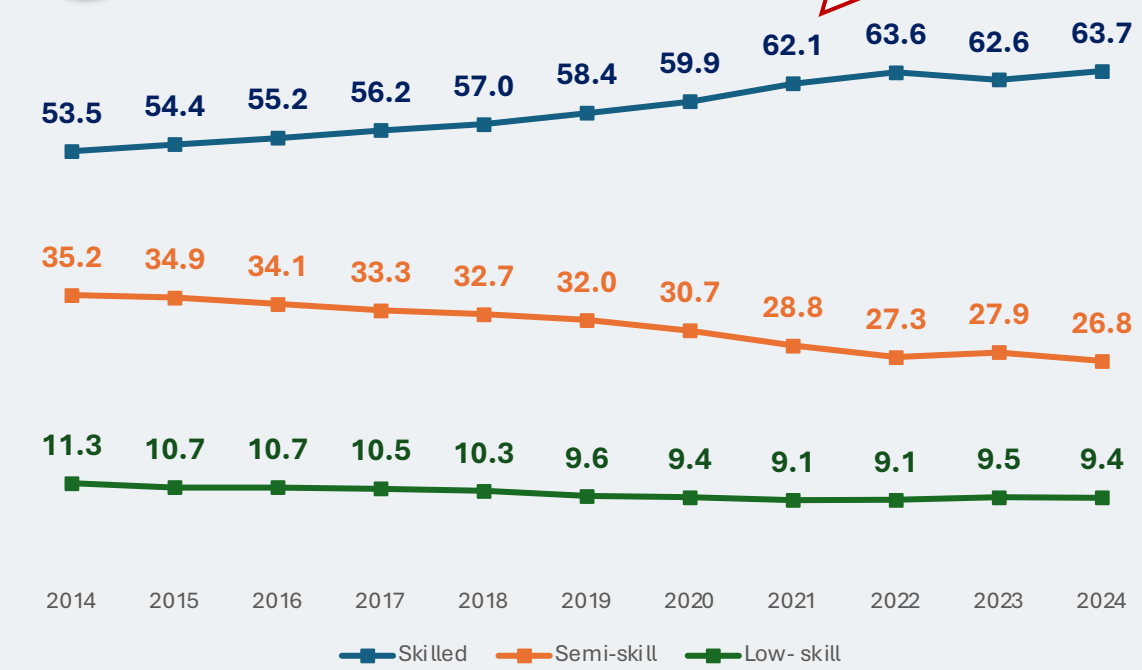
Singapore demonstrates a strong focus on attracting and retaining skilled foreign labor, with a steady increase in the proportion of high-skilled workers compared to semi- and low-skilled segments.

% share of skills in Malaysia



Source: *Data sourced DOSM (various years).*

% share of skills in Singapore



Source: *Data sourced from MOM (various years).*

INFRASTRUCTURE

Health and Environment

4.4.11 Human Development Index

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
Infrastructure	Health and Environment	**4.4.11** Human Development Index

4.4.11: Human Development Index

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report defines this indicator as HDI examines three basic dimensions to measure a country's growth and achievements in human development. The first of these is health for the country's people. This is measured by life expectancy at birth and those with higher life expectancies rank higher than those with lower life expectancies. The second dimension measured in the HDI is a country's overall knowledge level as measured by the adult literacy rate combined with the gross enrollment ratios of students in primary school through the university level. The third and final dimension in the HDI is a country's standard of living. Those with higher standards of living rank higher than those with lower standards of living. This dimension is measured with the gross domestic product per capita in purchasing power parity terms, based on United States dollars. The human development index values were calculated by the UNDP using a consistent methodology and data series; they are not strictly comparable with those published in earlier Human Development Reports. Break in series in 2009.

Source: *IMD World Competitiveness Yearbook 2025 (page 600)*

INDICATOR MEASUREMENT

The technical notes in WCY 2025 **DOES NOT** include the detailed calculations pertaining to the indicator.

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- UNDP Human Development Report
- National sources

4.4.11: Human Development Index

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Health & Environment 4.4.11

HUMAN DEVELOPMENT INDEX 2023

Combines economic - social - educational indicators/ Source: Human Development Report

Ranking		index
01	Iceland	0.972
02	Norway	0.970
02	Switzerland	0.970
04	Denmark	0.962
05	Germany	0.959
05	Sweden	0.959
07	Australia	0.958
08	Hong Kong SAR	0.955
08	Netherlands	0.955
10	Belgium	0.951
11	Ireland	0.949
12	Finland	0.948
13	Singapore	0.946
13	United Kingdom	0.946
15	UAE	0.940
16	Canada	0.939
17	New Zealand	0.938
17	USA	0.938
19	Korea Rep.	0.937
20	Slovenia	0.931
21	Austria	0.930
22	Japan	0.925
22	Taiwan (Chinese Taipei)	0.925
24	Luxembourg	0.922
25	France	0.920
26	Spain	0.918
27	Czech Republic	0.915
27	Italy	0.915
29	Cyprus	0.913
30	Greece	0.908
31	Poland	0.906
32	Estonia	0.905
33	Saudi Arabia	0.900
34	Bahrain	0.899
35	Lithuania	0.895
36	Portugal	0.890
37	Croatia	0.889
37	Latvia	0.889
39	Qatar	0.886
40	Puerto Rico	0.880 2021
40	Slovak Republic	0.880
42	Chile	0.878
43	Hungary	0.870
44	Argentina	0.865
45	Oman	0.858
46	Türkiye	0.853
47	Kuwait	0.852
48	Bulgaria	0.845
48	Romania	0.845
50	Kazakhstan	0.837
51	Malaysia	0.819
52	Thailand	0.798
53	China	0.797
54	Peru	0.794
55	Mexico	0.789
56	Colombia	0.788
57	Brazil	0.786
58	Jordan	0.754
59	Mongolia	0.747
60	South Africa	0.741
61	Botswana	0.731
62	Indonesia	0.728
63	Philippines	0.720
64	Venezuela	0.709
65	India	0.685
66	Namibia	0.665
67	Ghana	0.628
67	Kenya	0.628
69	Nigeria	0.560

The higher the score, the higher the ranking.

RATIONALITY?

A higher Human Development Index (HDI) generally signals better life expectancy, education outcomes, and income levels — core elements that underpin a country's economic competitiveness and long-term resilience.

Countries with high HDI values, such as Switzerland (0.970), benefit from strong healthcare systems, broad educational access, and sustained income growth, which strengthen domestic capacity and productivity. These advantages often translate into higher IMD rankings, as human capital quality is a key driver of national performance.

These advantages often translate into higher IMD rankings, as human capital quality is a key driver of national performance and resilience.

In 2025 (using 2023 data reference), Iceland ranked first with an HDI of 0.972, followed by Norway (0.970) and Switzerland (0.970). These top-ranked countries are advanced economies characterized by strong governance, mature healthcare and education systems, and high per capita incomes — reflecting decades of investment in human capital, innovation, and social development.

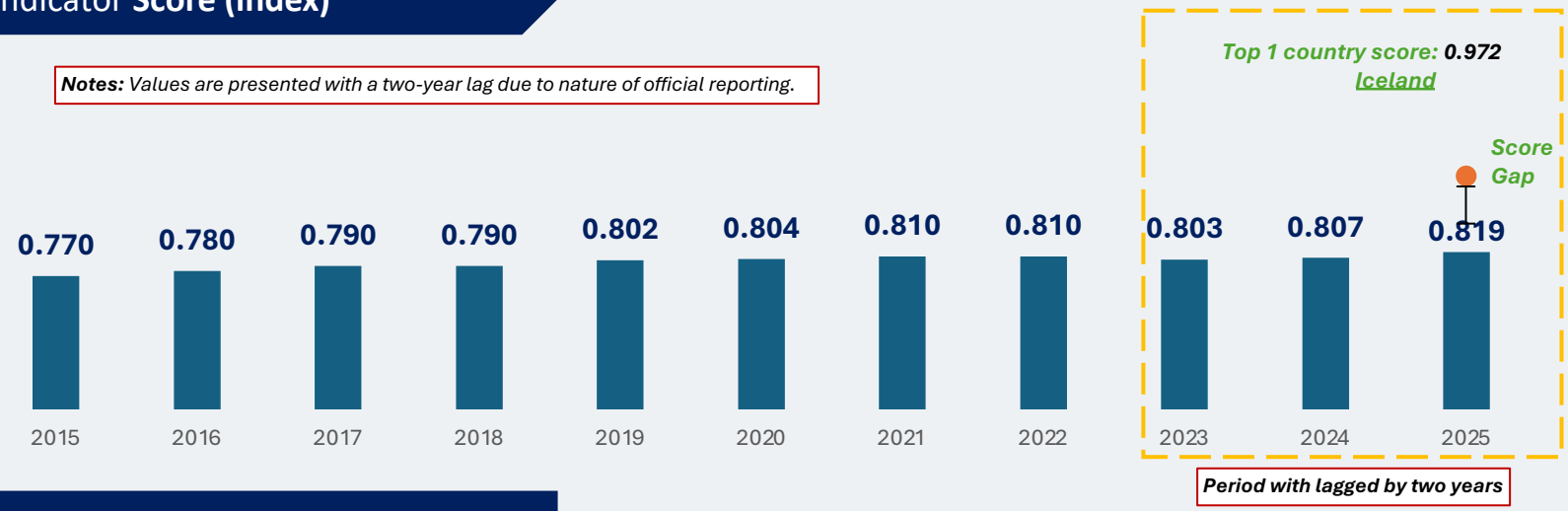
Source: *IMD World Competitiveness Yearbook (WCY) 2025*

4.4.11: Human Development Index

Indicator performance over the years

Indicator **Score (index)**

Notes: *Values are presented with a two-year lag due to nature of official reporting.*



Indicator **Rank (of 69 countries)**

Source: *IMD World Competitiveness Yearbook (various years)*

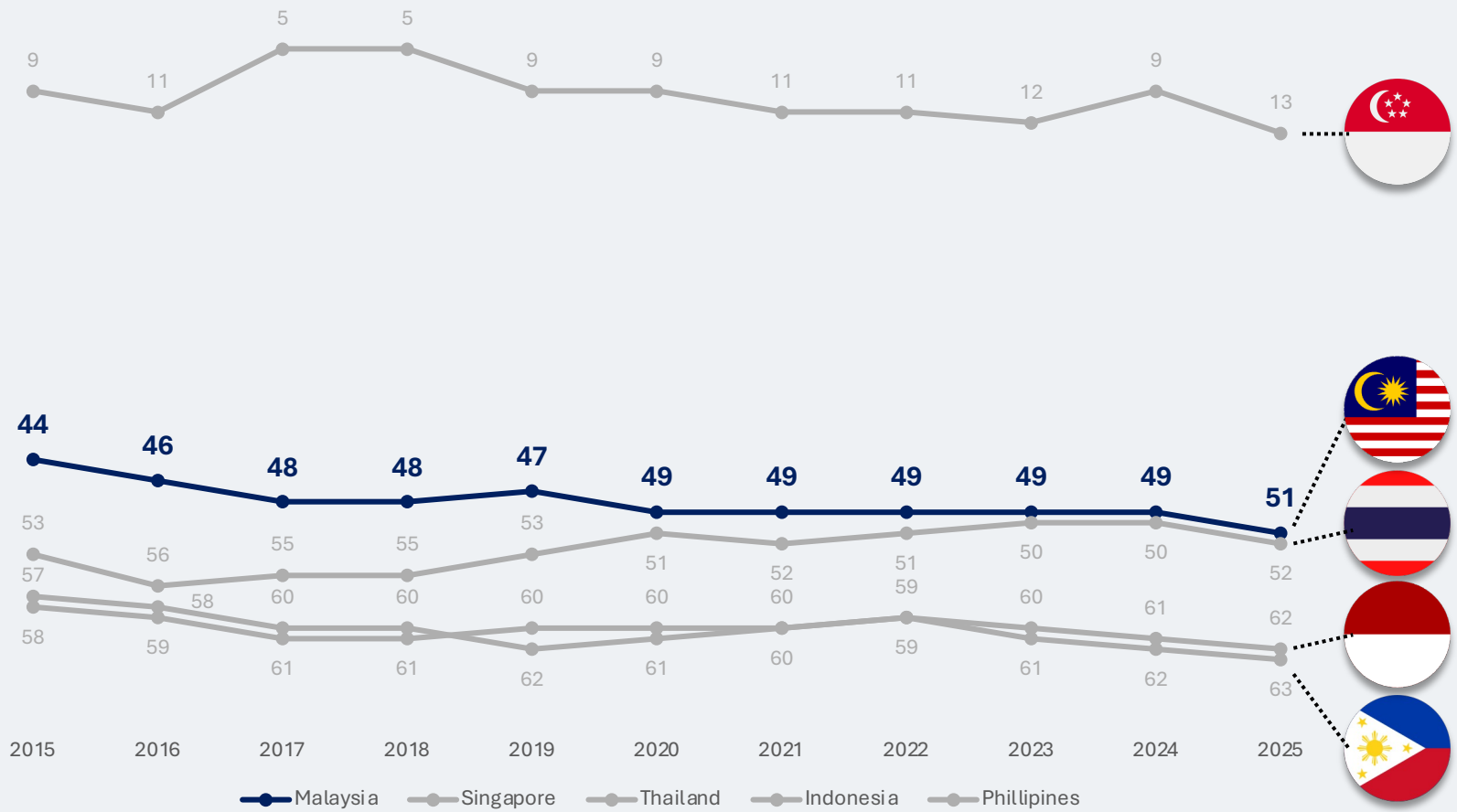
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's Human Development Index (HDI) has shown gradual progress, increasing from 0.770 in 2015 to 0.819 in 2025. While this upward trend reflects improvements in life expectancy, education, and income, the pace remains moderate compared to the top performer, Iceland, with a score of 0.972, indicating a persistent development gap.

In terms of global ranking, Malaysia has hovered around the mid-to-lower tier, ranging from 44th to 51st place over the past decade. Although the score has improved, the relatively stagnant rank suggests that peer countries are advancing at a comparable or faster rate, underscoring the need for accelerated efforts to strengthen human capital and social development to improve Malaysia's competitive position.

4.4.11: Human Development Index

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

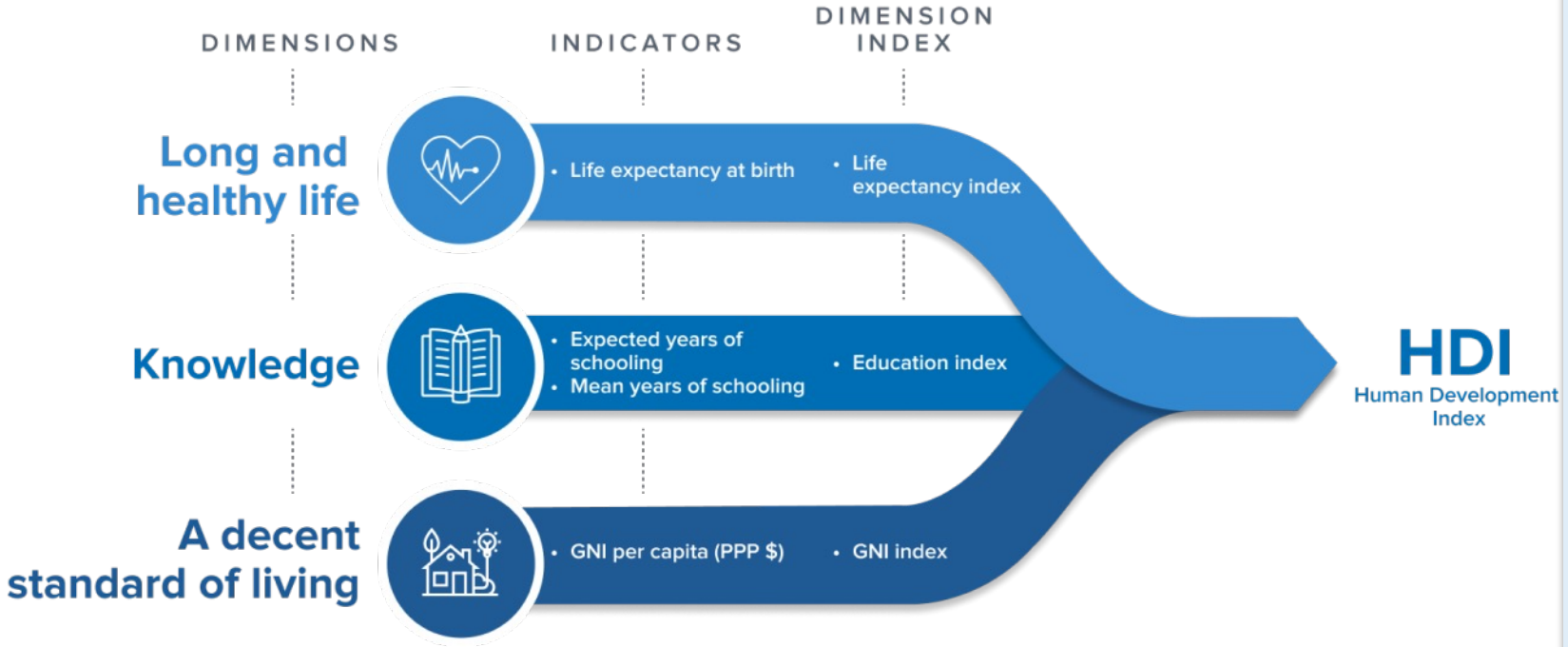
WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 51st globally in HDI, placing it second among ASEAN countries after Singapore, which maintains a strong global position at 13th. Thailand follows closely behind Malaysia at 52nd, while Indonesia and the Philippines trail at 62nd and 63rd, respectively.

Over the past decade, Malaysia's relative position in ASEAN has remained stable, but the widening gap with Singapore and the rising momentum of neighboring countries, especially Thailand and Indonesia, highlight the need for Malaysia to strengthen its human capital development to maintain regional competitiveness.

4.4.11: Human Development Index

Understanding HDI dimensions and indicators



HDI measures a country's overall development by combining life expectancy, education (expected and mean years of schooling), and income (GNI per capita) into one composite index.

Source: UNDP Human Development Report 2024

HOW IS THE INDEX COMPUTED?

Life expectancy at birth index =

$$\frac{country\ value\ -minimum\ value}{maximum\ value\ -minimum\ value}$$

Education index =

$$\frac{expected\ years\ of\ schooling\ index\ +\ mean\ years\ of\ schooling\ index}{2}$$

Expected years of schooling index =

$$\frac{country\ value\ -minimum\ value}{maximum\ value\ -minimum\ value}$$

Mean years of schooling index =

$$\frac{country\ value\ -minimum\ value}{maximum\ value\ -minimum\ value}$$

GNI index =

$$\frac{\ln(country\ value)\ -\ln(minimum\ value)}{\ln(maximum\ value)\ -\ln(minimum\ value)}$$

Notes: Minimum and Maximum Values (as set by UNDP):

Dimension	Indicator	Minimum	Maximum
Health	Life expectancy at birth (years)	20	85
Education	Expected years of schooling (years)	0	18
	Mean years of schooling (years)	0	15
Standard of living	GNI per capita (2017 PPP$)	100	75,000

HDI Human Development Index =

$$\frac{life\ expectancy\ at\ birth\ index\ +\ education\ index\ +\ GNI\ index}{3}$$

4.4.11: Human Development Index

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	National Sources	International Institution	UNDP	UNDP	IMD

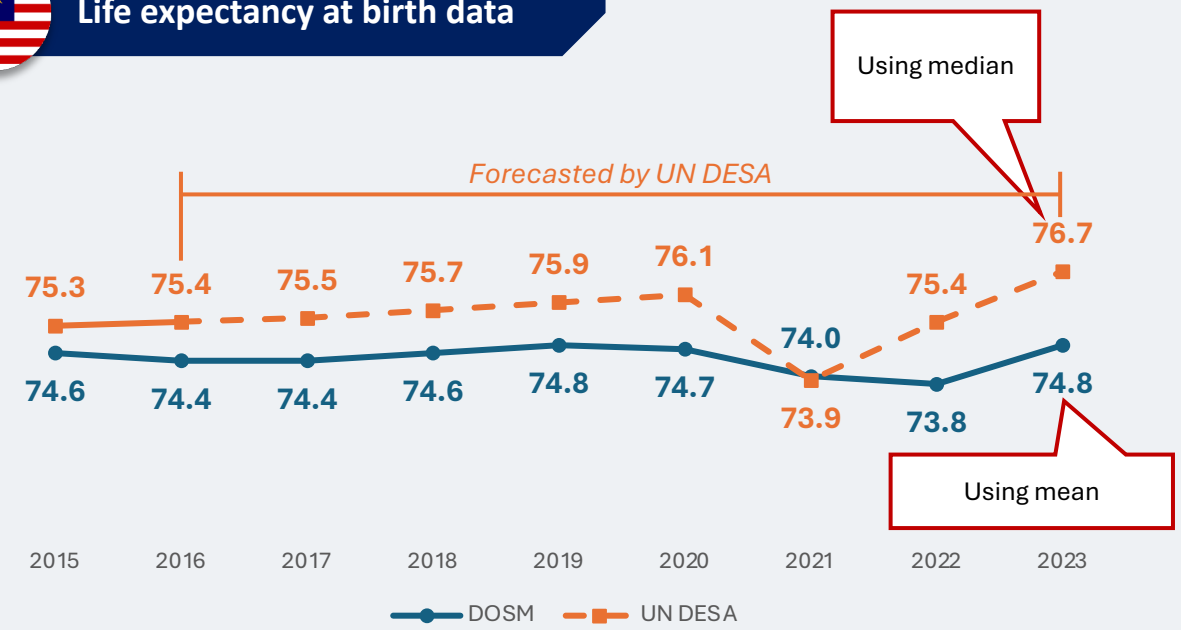
Description

Life expectancy at birth	The data sources are unclear, as UN DESA uses the median, while the data in the Abridged Life Tables by DOSM are reported as averages	Data compiled, forecast and integrated internationally with other country profiles by: United Nations Department of Economic and Social Affairs	UNDP retrieves data from UN DESA, UIS and IMF sources into their database.	UNDP calculates the index values.	Malaysia in 2025: *Scored* 0.819 *Ranked* 51st IMD World Competitiveness Ranking
Education	Expected years of schooling: Provided by Ministry of Education. Mean years of schooling: Micro data derived from **Labour Force Survey** and compiled by: MINISTRY OF EDUCATION	Data compiled, and integrated internationally with other country profiles by: unesco Institute for Statistics			
GNI	Publish data based on national **National Account** annually by: PRIME MINISTER'S DEPARTMENT DEPARTMENT OF STATISTICS MALAYSIA	Data compiled and integrated internationally with other country profiles by: International Monetary Fund			

Data discrepancies – different methods, different results

Discrepancies arise from differences in data sources, methods, and assumptions between national statistics and international estimates.

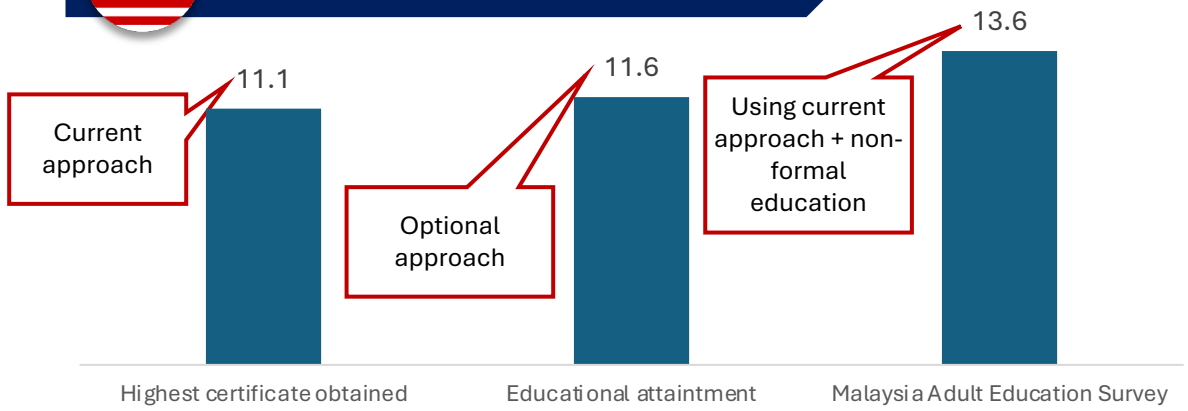
Life expectancy at birth data



There is a clear discrepancy between the national data (DOSM) and the data used by UN DESA to calculate the HDI. The national data uses mean values, while UN DESA uses median values and projections based on 2015 data.

Source: *UN DESA and DOSM (various years).*

Mean years of schooling (MYS) data



The mean years of schooling increases slightly when using educational attainment data and increases significantly when using Small Scale Adult Education Survey data that includes non-formal education.

Source: *Estimated based on data sourced DOSM (2024) and Malaysia Adult Education Survey by MPC (2025).*

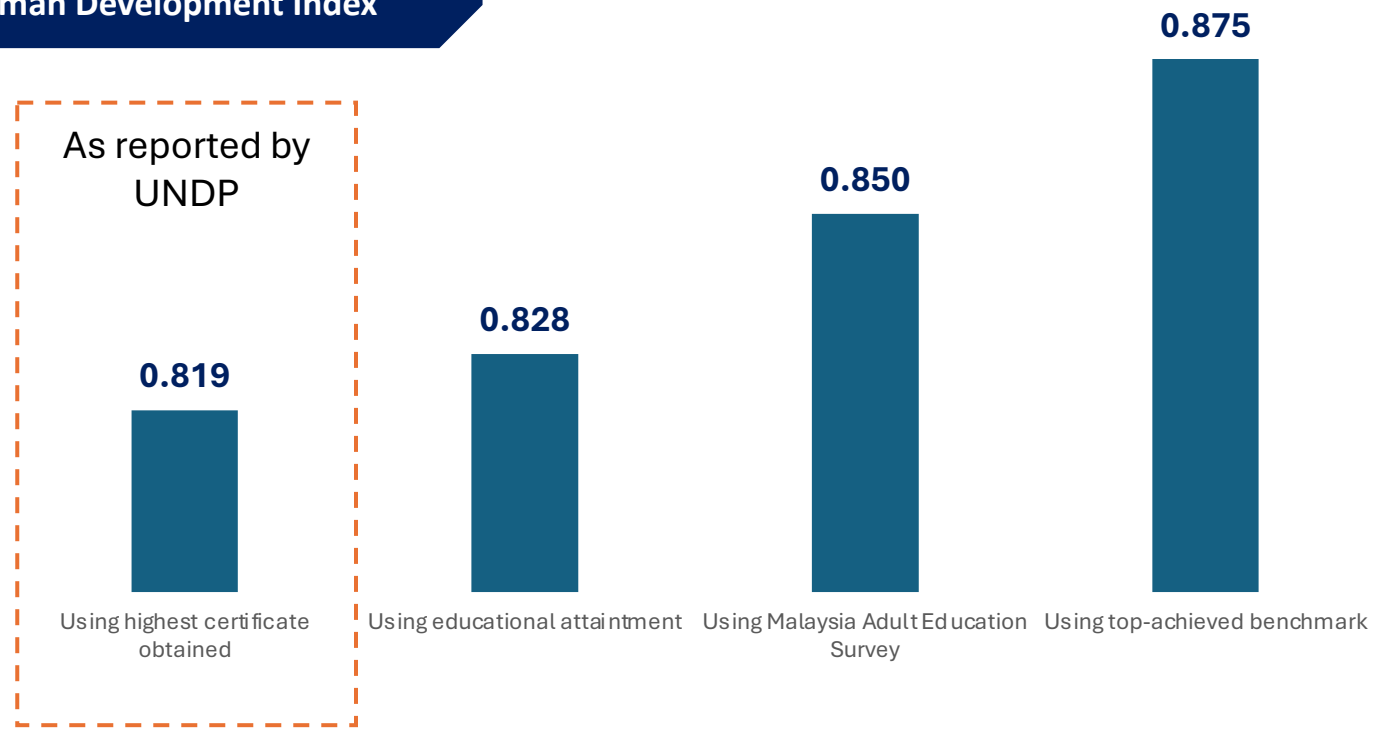
Notes:

1. *The calculation for mean years of schooling has been standardized using the methodology published by the UNESCO Institute for Statistics, taking into account the average number of completed years of education among a country's population aged 25 years and older. There are two (2) calculation methods that can be applied:*
   - *based on the highest certificate obtained (e.g., SPM, Diploma, Degree) or*
   - *based on educational attainment levels (e.g., primary, secondary , tertiary)*
2. *The Small Scale Adult Education Survey, conducted by MPC, incorporates non-formal education in the calculation of mean years of schooling.*

4.4.11: Human Development Index

New HDI calculation approach

Human Development Index



Revised Ranking

51st	~ 51st	~ 45th – 47th	~ 40th – 44th

Source: *UNDP and Estimated based on data sourced DOSM (2024) and Malaysia Adult Education Survey by MPC (2025).*

WHAT HAPPENS TO MALAYSIA'S HDI RANKING WITH THE NEW APPROACH?

By applying the new HDI calculation approach, Malaysia's index improves from 0.819 to 0.850 when non-formal education is included through the Malaysia Adult Education Survey (MAES), potentially raising its global ranking from 51st to around 45th–47th. When benchmarked against top-achieved global levels, Malaysia's index could reach 0.875, highlighting significant untapped potential if both formal and non-formal educational attainments are fully harnessed and aligned with international best practices.

WHAT IS MALAYSIA ADULT EDUCATION SURVEY?

The Malaysia Adult Education Survey (MAES) was conducted by MPC in collaboration with DOSM. It was designed to capture a detailed and accurate representation of educational attainment, including non-formal education, among Malaysia's adult population. The survey aims to establish critical links between formal and non-formal education and labor market outcomes

4.4.11: Human Development Index

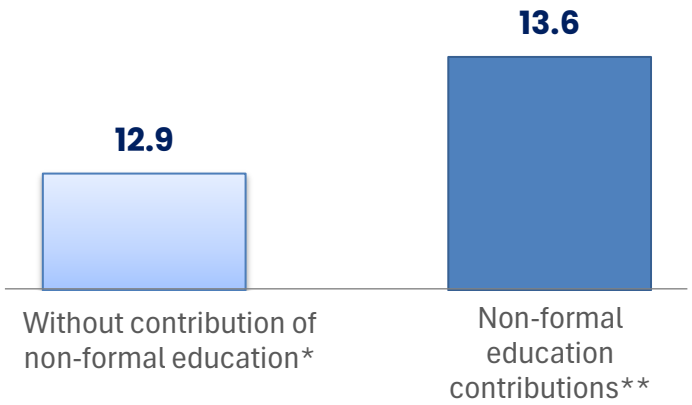
Areas of improvement – getting the right measure

Efforts to enhance data collection methods have resulted in a more accurate representation of Malaysia's mean years of schooling

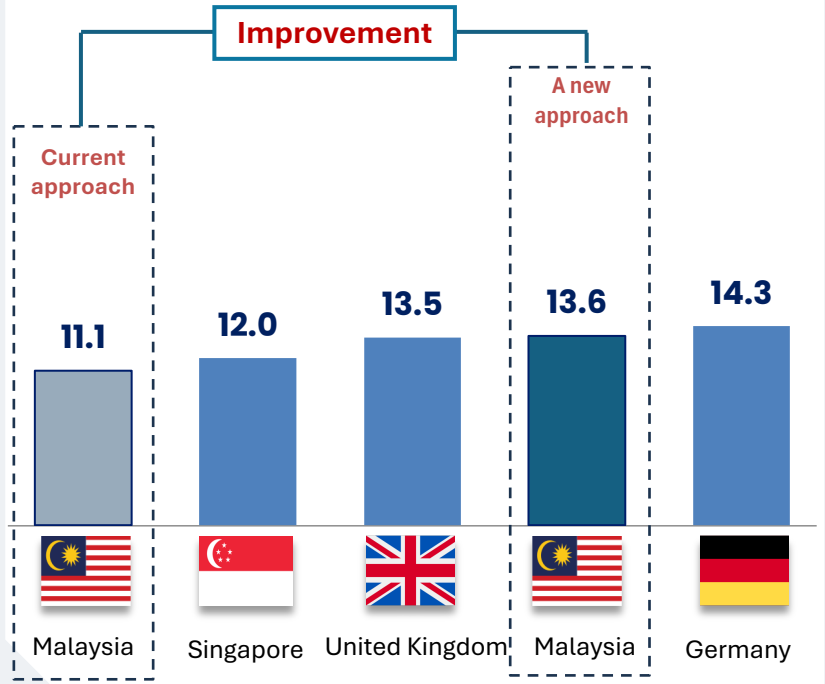
Small-scale Adult Education Survey (AES, pilot survey)

A household-based survey at the national level was performed with a total respondent of 616. A national representative sampling was provided by the DOSM to ensure broad demographic and educational coverage.

The increase in mean years of schooling is attributed to 67% of respondents participating in non-formal education



Improving Malaysia's position among high-income countries



(*) A measurement that takes into account the achievement of the highest certificate and multiple formal education only. (**) A measurement that takes into account the achievement of the highest and multiple certificates for formal education and non-formal education

This adjustment places Malaysia closer to countries already recognizing non-formal education, highlighting the need to capture all learning forms for an accurate picture of progress.

	Formal		Non- Formal	Informal
	Highest certification	Multiple certification		
	☑	☑	☑	
	☑	☑	☑	☑
	☑	☑	☑	
	☑			

Capture the highest education obtained in the formal education with limited information on non-formal education. Unable to capture the multiple education attainments.

Notes (for details, refer to UNESCO Institute for Statistics):

- Formal – institutionalized, recognized and structured
- Non-formal - institutionalized, not recognized and structured
- Informal – not institutionalized, not recognized and not structured

INFRASTRUCTURE

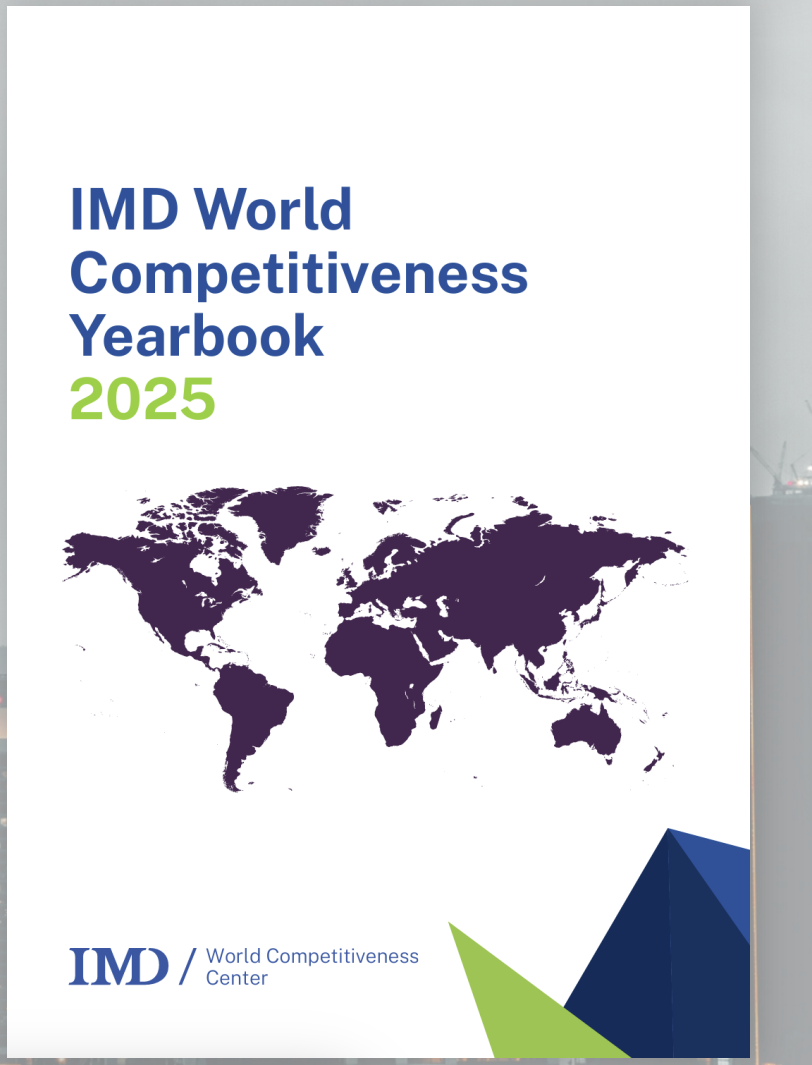
Education

4.5.01 Total public expenditure on education

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Infrastructure	Education	**4.5.01** Total public expenditure on education

4.5.01: Total public expenditure on education

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Total general (local, regional and central) government expenditure in educational institutions (current and capital). It excludes transfers to private entities such as subsidies to households and students, but includes expenditure funded by transfers from international sources to government. It includes pre-primary, primary, secondary all levels and tertiary public institutions.

Source: *IMD World Competitiveness Yearbook 2025 (page XX)*

INDICATOR MEASUREMENT *(page XX)*

The technical notes in WCY 2025 **DOES NOT** include the detailed calculations pertaining to the indicator.

DATA SOURCE USED IN WCY 2025 *(page XX)*

The WCY 2025 report states that this indicator may be derived from the following sources:

- IMF Government Finance Statistics
- Eurostat
- UNESCO
- National sources

4.5.01: Total public expenditure on education

Ranking as reported in IMD WCY 2025

WHAT DOES THE SCORE INDICATE?

Education 4.5.01

TOTAL PUBLIC EXPENDITURE ON EDUCATION 2023

Percentage of GDP

Ranking		%	
01	Namibia	9.1	
02	South Africa	7.3	2022
03	Sweden	7.2	
04	Iceland	6.7	
05	Belgium	6.6	
06	Kuwait	6.5	
07	Finland	6.3	
08	Estonia	6.3	
09	Latvia	6.1	
10	Switzerland	5.6	
11	Denmark	5.5	
12	New Zealand	5.5	2021
13	Slovenia	5.4	
14	USA	5.4	2022
15	Croatia	5.3	
16	Colombia	5.2	2020
17	Saudi Arabia	5.2	
18	Cyprus	5.2	
19	Hungary	5.2	
20	Lithuania	5.1	
21	Australia	5.1	2022
22	Netherlands	5.1	
23	Luxembourg	5.0	
24	France	5.0	
25	Slovak Republic	5.0	
26	Brazil	5.0	
27	Poland	5.0	
28	Oman	5.0	
29	Chile	4.9	
30	Austria	4.9	
31	United Kingdom	4.9	2022
32	Thailand	4.8	
33	Argentina	4.8	2022
34	Kazakhstan	4.7	
35	Norway	4.6	
36	Korea Rep.	4.6	2021
37	Czech Republic	4.5	
38	Mongolia	4.5	
39	Germany	4.5	
40	Canada	4.5	
41	Portugal	4.3	
42	Türkiye	4.3	
43	Malaysia	4.2	
44	Spain	4.2	
45	Peru	4.1	
46	Bulgaria	4.1	
47	Greece	4.0	
48	Italy	3.9	
49	Hong Kong SAR	3.9	2022
50	Kenya	3.8	
51	UAE	3.8	2021
52	Jordan	3.6	
53	Taiwan (Chinese Taipei)	3.4	
54	Romania	3.3	
55	Philippines	3.3	
56	Japan	3.2	2022
57	China	3.2	
58	Mexico	3.0	
59	India	2.8	
60	Ireland	2.8	
61	Puerto Rico	2.7	2022
62	Bahrain	2.1	
63	Singapore	2.1	
64	Ghana	2.0	
65	Qatar	1.9	
66	Indonesia	1.3	
67	Venezuela	1.0	2022
68	Nigeria	0.5	
-	Botswana	-	

The higher the value, the higher the ranking.

RATIONALITY?

A higher share of public expenditure on education (as % of GDP) reflects a country's commitment to investing in human capital, strengthening the foundation for long-term growth, innovation, and social development.

Countries that prioritize education funding can improve workforce quality, close skill gaps, and enhance social mobility. This investment supports productivity, innovation capacity, and economic competitiveness.

In the IMD rankings, a higher education spending ratio boosts a country's score, signaling its focus on developing talent and future-proofing its economy.

In 2025 (2023 data), Namibia ranked first (9.1%), followed by South Africa (7.3%) and Sweden (7.2%). Malaysia ranked 42nd at 4.2%, below Thailand (4.8%) and Hong Kong SAR (3.9%), indicating room to strengthen education investment.

Source: *IMD World Competitiveness Yearbook 2025*

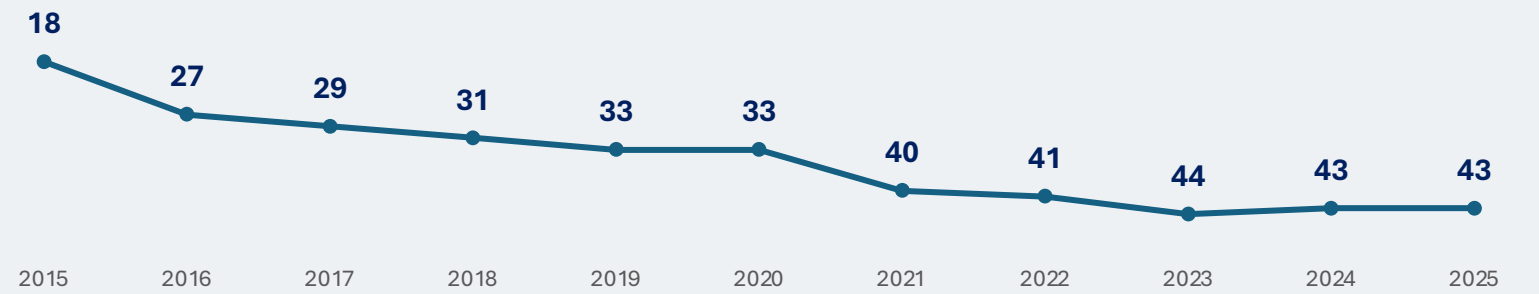
4.5.01: Total public expenditure on education

Indicator performance over the years

Indicator **Score (% of GDP)**

Notes: *Values are presented with a two-year lag due to nature of official reporting.*

Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

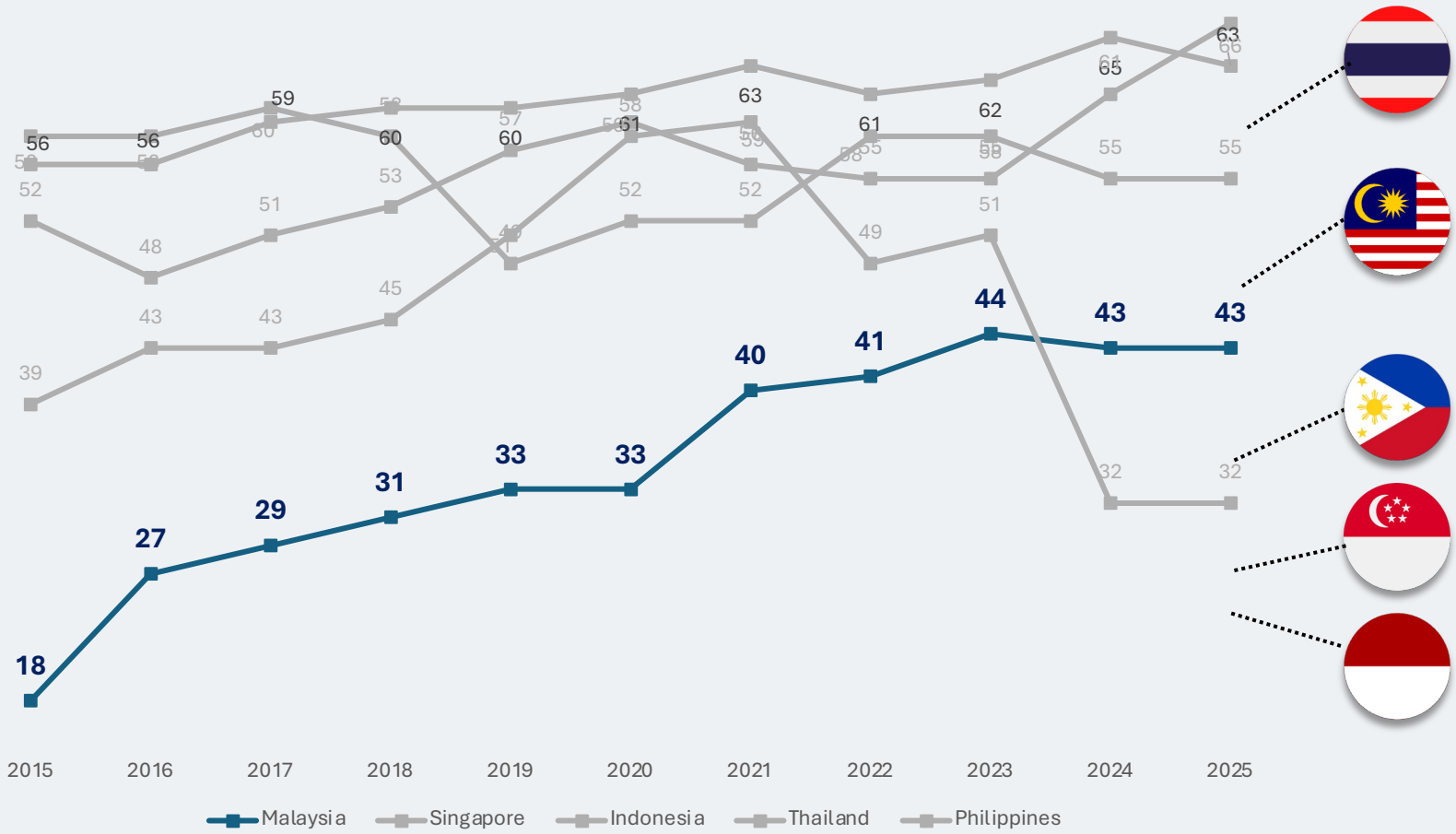
Malaysia's public expenditure on education has shown a gradual decline, from 5.5% of GDP in 2015 to 4.2% in 2025. This downward trend reflects reduced budget prioritization toward education relative to the size of the economy.

In terms of ranking, Malaysia started at 18th position in 2015 but has slipped to 43rd in 2025, widening the gap with top performers like Namibia (9.1%) and South Africa (7.3%). This indicates slower progress compared to global peers in committing resources to human capital development.

Overall, the indicator highlights the need for Malaysia to strengthen education investment to boost talent development, workforce competitiveness, and long-term economic resilience.

4.5.01: Total public expenditure on education

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia ranks 32nd among 69 countries in 2025, placing it 2nd among ASEAN countries after Thailand (32nd) and ahead of the Philippines (55th), Singapore (63rd), and Indonesia (66th).

Over the past decade, Malaysia's position has gradually declined from 18th in 2015 to 43rd globally, but it maintains a relatively stronger standing regionally. In contrast, Indonesia and Singapore have seen sharper declines, widening the gap.

This indicator highlights Malaysia's need to strengthen education spending and policy effectiveness to maintain its ASEAN edge and improve global competitiveness.

4.5.01: Total public expenditure on education

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Publish
	National institution	International Institution	IMD	IMD

Description

Total public expenditure on education

Other countries

Publish data based on national **Labour Force Survey** annually.

Data compiled and integrated internationally with other country profiles by:

IMF, eurostat, unesco Institute for Statistics

IMD retrieves data from IMF, EUROSTAT and UNESCO sources into their database.

Malaysia in **2025**:

Scored 4.2 %

Ranked 43rd

MINISTRY OF FINANCE

Publish data based on national **Public Finance Statistics** annually.

IMD retrieves data from MOF sources into their database.

4.5.01: Total public expenditure on education

Indicator footprint – tracking the data sources

Summary of Public Expenditure on Education Component

Main Ministries
- Ministry of Education (MOE)
- Ministry of Higher Education (MOHE)
- Public Service Commission (Education)

Core Education Areas
- Basic Education (schools, early childhood, public health education)
- Higher Education (universities, MARA scholarships, student allowances)
- Community Education (adult/continuing education, community learning centers)

Skills & Technical Training
- Technical & Vocational Education (IKBN, IKTBN, ILP, CIAST, KEMAS, KBS, KESUMA)
- Agricultural & Industrial Training (national agriculture, ILKAP, Labuan, industrial training centers)
- Leadership & Specialized Training (leadership, KPKT, ILKEB, INSTUN, ILKAP)

Upgrading & Infrastructure
- Upgrading training institutes (Johor, Kedah, Sarawak, Melaka, Ipoh, Kangar)
- Facility development (ICT, equipment, fire prevention tech, training site construction)

Support Programs & Services
- Meals in training institutes (KBS, KESUMA)
- Internship/industrial training schemes
- Graduate training schemesIn-service & pre-service training

Source: *IMD World Competitiveness Yearbook (various years)*

Breakdown of calculation for 2023

$$\text{Public Expenditure on Education (\% of GDP)} = \frac{\text{Total of public expenditure on education}}{\text{Total of GDP (current prices)}}$$

$$= \frac{76.727 \text{ RM billion}}{1{,}822.647 \text{ RM billion}}$$

$$= 4.2\%$$

4.5.01: Total public expenditure on education

Indicator footprint – tracking the data sources

List of component public expenditure on education

TOTAL PUBLIC EXPENDITURE ON EDUCATION 2023	Mengurus	Pembangunan	JUMLAH (RM)
Kementerian Pendidikan	51,473,721,027.00	4,832,027,066.00	56,305,748,093.00
Kementerian Pendidikan Tinggi	11,699,999,252.00	3,391,268,809.00	15,091,268,061.00
Suruhanjaya Perkhidmatan pendidikan			21,142,025.00
Pendidikan Masyarakat			11,314,700
Pembangunan modal insan dan pendidikan			137,255,700
pendidikan kemahiran			18,864,368
pendidikan awal kanak-kanak			4,469,406
program penajaan pendidikan MARA			2,253,205,000
cawangan kerja pendidikan			11,712,800
urusan pengambilan dan perkhidmatan anggota perkhidmatan pendidikan			21,142,400
pendidikan kesihatan			51,871,000
korporat dan pembangunan kemahiran			2,119,400
program pembangunan kemahiran			2,480,000
program pembangunan kemahiran			7,443,209
pertandingan kemahiran			1,000,000
pembangunan kemahiran belia			165,634,600
program kemahiran belia			3,000,000
elaun pelajar institut kemahiran belia			20,276,000
IKBN			16,066,368
naiktaraf institut kemahiran tinggi belia negara (IKTBN), sepang			3,634,336
pembangunan kemahiran dan pengiktirafan			67,235,400
program latihan kemahiran			3,400,000
pembangunan kemahiran			308,089,542
ILKAP			14,600,000
pembangunan kapasiti dan latihan pertanian			32,780,000
bahagian kapasiti dan latihan pertanian			11,223,788
latihan pertanian kebangsaan			1,629,860

	JUMLAH (RM)
latihan dan pembangunan profesional KEMAS	4,795,187
pembangunan teknologi penggunaan kayu latihan pencegahan kebakaran hutan	1,388,800
Pembinaan Institut Latihan Tanah,Ukur dan Pemetaan Negara INSTUN	2,075,931
Skim latihan siswazah	5,000,000
bayaran latihan industri	800,000
pengurusan latihan	411,923,500
naiktaraf projek latihan	589,562
latihan dalam perkhidmatan	33,836,199
I-KPKT	8,130,100
Perkhidmatan bekalan makanan bermasak di institut latihan KBS	42,000,000
program latihan dan pembangunan sukan majlis sukan negara	52,000,000
naiktaraf institut latihan kepimpinan belia negara ILKEB	6,460,281
pusat latihan khas	2,000,000
elaun pelajar institut latihan jabatan tenaga manusia	20,276,000
perkhidmatan bekalan makanan bermasak di institut latihan KESUMA	54,500,000
Perkhidmatan bekalan makanan bermasak di institut latihan KBS	42,000,000
naiktaraf institut latihan jabatan tenaga manusia johor	9,073,750
naiktaraf institut latihan jabatan tenaga manusia kedah	1,869,901
naiktaraf institut latihan jabatan tenaga manusia sarawak	40,576,965
Pusat latihan pengajar dan latihan lanjutan CIAST	2,700,000
institut latihan perindustrian labuan	4,690,000
pusat latihan pdrm	2,953,774
pusat latihan penjara	7,230,990
latihan pra perkhidmatan	517,587,500
latihan dalam perkhidmatan	13,050,500
latihan kepimpinan	75,758,000
komplek latihan islam/tahfiz/pusat komuniti orang asli	1,878,882
naiktaraf tenaga manusia di melaka	2,742,110
naiktaraf tenaga manusia di ipoh	1,410,961
naiktaraf tenaga manusia di kangar	182,215

Source: *Estimated federal expenditure (2024)*

4.5.01: Total public expenditure on education

Areas of improvement

Malaysia should strengthen both the level and efficiency of education investment to improve its global standing and meet future workforce demands.

Key Rationality

- **Enhance Spending Effectiveness:** Ensure funds are not just increased but are efficiently allocated to improve learning outcomes, reduce inequalities, and align education with industry needs.
- **Focus on Workforce-Ready Skills:** Channel investment into critical areas like STEM, digital literacy, TVET, and lifelong learning to better prepare the workforce for innovation and competitiveness.
- **Benchmark Regional Peers:** Monitor and learn from ASEAN peers (like Thailand) to stay competitive regionally and avoid falling behind in talent development capacity.

Proposed Actions

- **Enhancing Education Impact Through Partnerships**
  work closely with partner governments, local organizations, and educational institutions to design programs that match local needs and bring long-term benefits.

INFRASTRUCTURE

Education

4.5.06 Secondary Education Enrolment

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
Infrastructure	Education	**4.5.06** Secondary Education Enrollment

4.5.06: Secondary School Enrollment

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Net enrollment ratio, all programs, is the number of children of official school age (as defined by the education system) enrolled in secondary school, expressed as a percentage of the number of children of official school age for those levels in the population. Enrollment data are based on annual enrollment surveys, typically conducted at the beginning of the school year. They do not reflect actual attendance or dropout rates during the school year. Problems affecting cross-country comparisons of enrollment data stem from inadvertent or deliberate misreporting of age, and from errors in estimates of school-age populations. Average of lower and upper secondary. Romania: upper secondary.

Source: *IMD World Competitiveness Yearbook 2025 (page 603)*

INDICATOR MEASUREMENT

$$\textbf{\textit{Secondary School Enrollment}} = \frac{\textit{Total enrollment in secondary education}}{\textit{Population of secondary school age (13 – 17 years old)}} \times 100$$

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- UNESCO
- National sources

4.5.06: Secondary School Enrollment

Indicator overview sourced from *IMD WCY 2025* Report

WHAT DOES THE SCORE INDICATE?

Education 4.5.06

SECONDARY SCHOOL ENROLLMENT 2023

Percentage of relevant age group receiving full-time education

Ranking		%	
01	UAE	99.9	
02	Portugal	99.5	2022
03	Poland	99.4	
04	Ireland	99.3	2022
05	Cyprus	99.1	2022
06	Singapore	99.1	2022
07	Bahrain	99.1	
08	Lithuania	99.0	2022
09	Japan	99.0	2022
10	Saudi Arabia	98.9	2022
11	Chile	98.7	
12	Belgium	98.5	2022
13	Sweden	98.4	
14	Greece	98.2	2022
15	Czech Republic	98.1	2022
16	France	97.9	2022
17	Korea Rep.	97.7	2022
18	Slovenia	97.6	
19	Netherlands	97.3	2022
20	Argentina	97.2	2022
21	United Kingdom	97.2	2022
22	Finland	97.1	
23	USA	97.1	2022
24	Türkiye	96.9	2022
25	Hong Kong SAR	96.7	2022
26	Kazakhstan	96.3	
27	Norway	96.3	
28	Italy	96.2	
29	Spain	96.1	
30	Switzerland	96.0	
31	Australia	95.9	
32	Taiwan (Chinese Taipei)	95.5	
33	New Zealand	95.5	
34	Austria	95.2	
34	Denmark	95.2	
36	Latvia	95.1	
37	Slovak Republic	95.1	
38	Mongolia	94.4	
39	Estonia	94.2	
40	Croatia	94.2	2022
41	Brazil	94.0	2022
42	Malaysia	93.6	
43	Hungary	93.4	
44	Germany	93.0	
45	Canada	92.3	2022
46	Luxembourg	92.3	2022
47	Bulgaria	91.6	
48	Thailand	91.4	
49	Colombia	91.3	2022
50	Qatar	91.1	2022
51	Iceland	91.0	2022
52	Peru	90.6	
53	Jordan	89.0	
54	Namibia	89.0	
55	South Africa	87.4	2021
56	Indonesia	85.3	
57	Philippines	84.4	
58	Oman	81.1	2022
59	Mexico	80.5	2022
60	Botswana	80.1	2022
61	Puerto Rico	80.0	
62	Ghana	78.5	2021
63	Romania	78.4	
64	Venezuela	78.1	
65	India	71.2	
66	Nigeria	70.3	2021
67	Kenya	49.0	2022
-	China	-	
-	Kuwait	-	

The higher the score, the higher the ranking.

RATIONALITY?

Secondary school enrollment is a foundational indicator of human capital development and long-term economic competitiveness. High enrollment reflects broad access to basic education and suggests that a country is building a capable and literate future workforce equipped for higher learning and skilled employment.

Within the IMD World Competitiveness framework, this indicator signals a nation's capacity to mobilize and educate its youth population, which directly impacts productivity, innovation, and social inclusion. Improving enrollment rates strengthens the talent pipeline and enhances socioeconomic resilience over time.

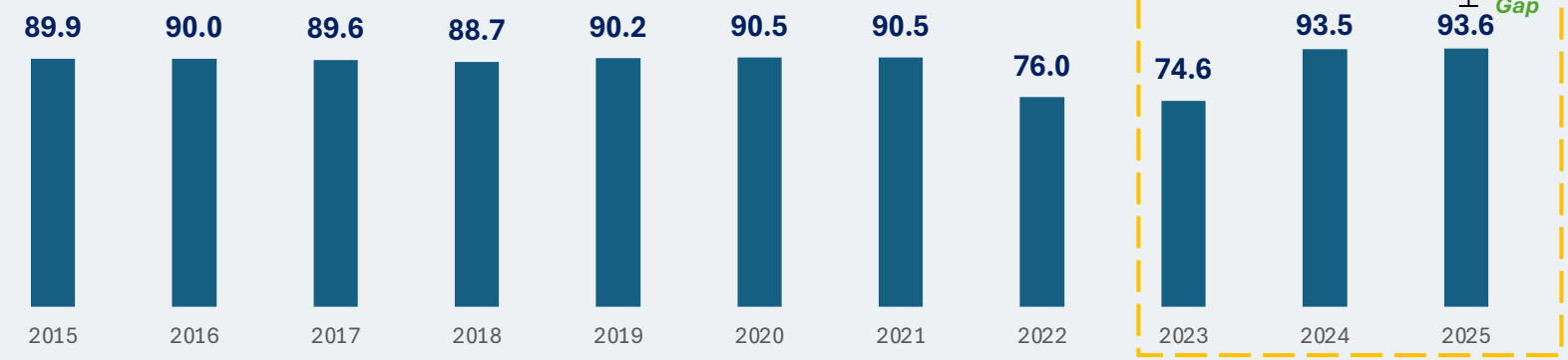
Source: *IMD World Competitiveness Yearbook 2025*

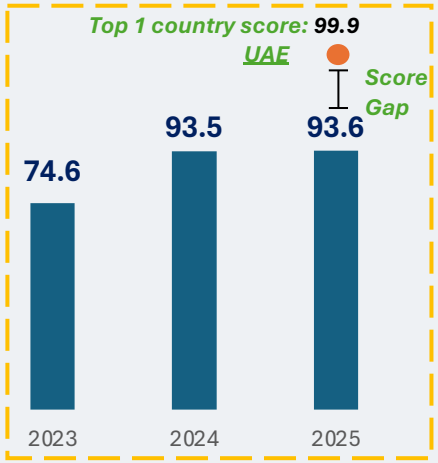
4.5.06: Secondary School Enrollment

Indicator performance over the years

Indicator **Score (% of population secondary school age 13-17 years old)**

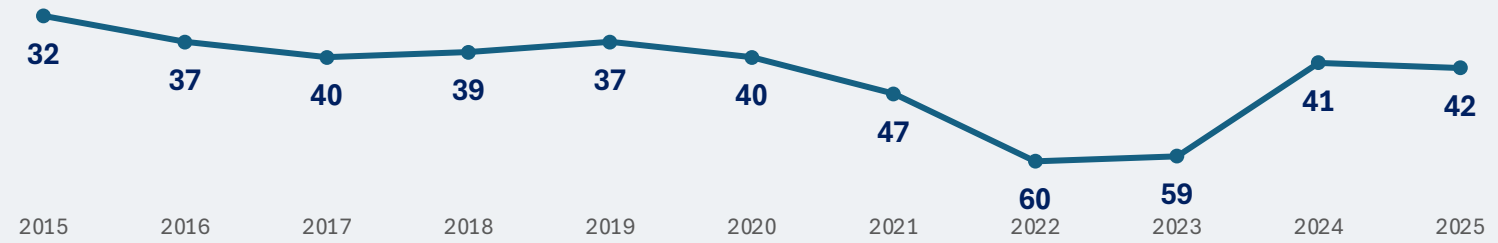
Notes: *Values are presented with a two-year lag due to nature of official reporting.*





Period with lagged by two years

Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

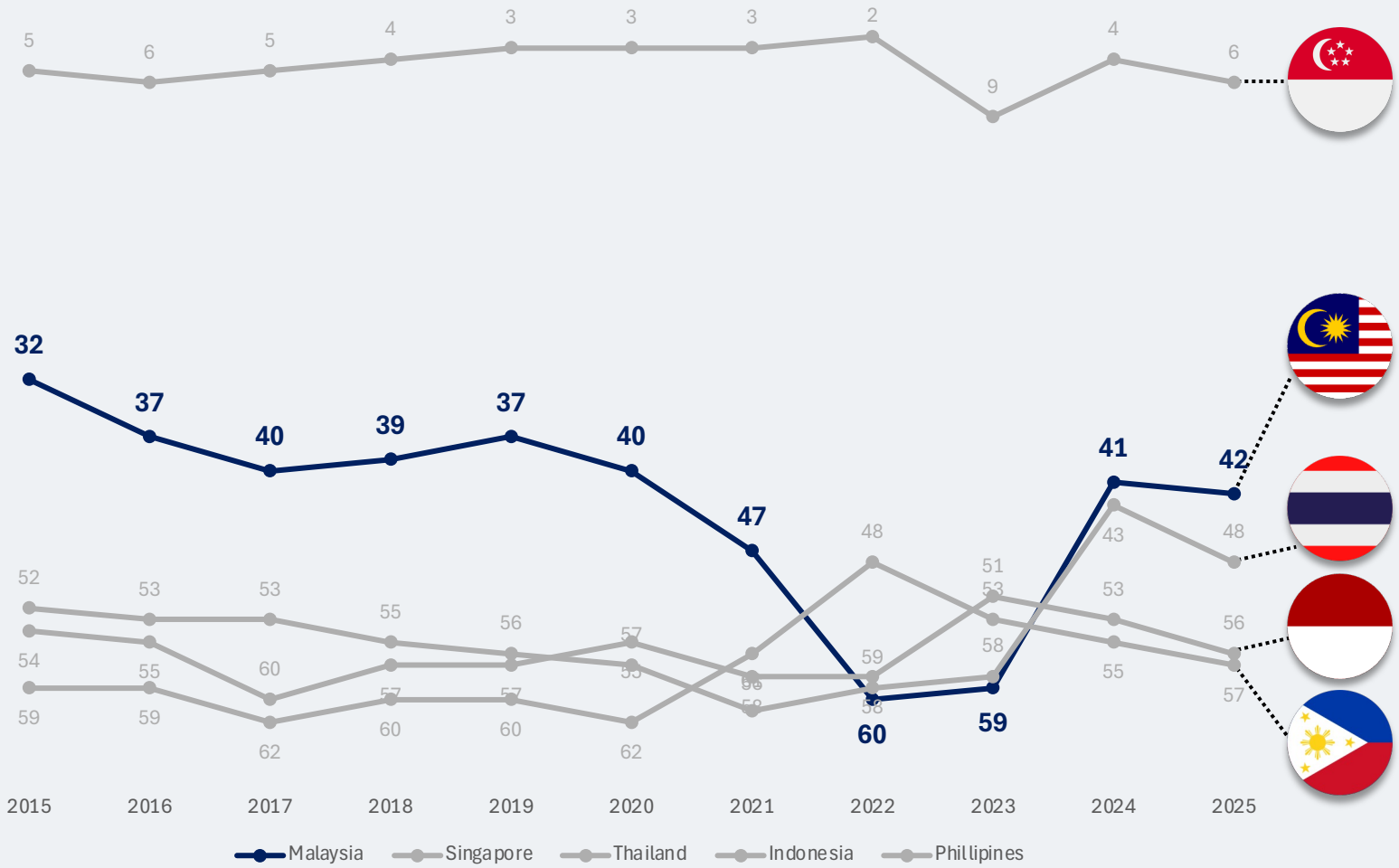
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's secondary school enrollment indicator showed stable performance from 2015 to 2020, with scores above 88%, but saw a sharp decline in 2022 to 76% before recovering to 93.6% in 2025.

Despite this rebound, Malaysia ranks 42nd among 69 countries, reflecting a widening gap compared to the global leader, UAE, with a score of 99.9%. The trend highlights the need for Malaysia to strengthen enrollment coverage and address data consistency to improve its global standing and competitiveness in education.

4.5.06: Secondary School Enrollment

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 42nd globally in secondary school enrollment, placing it second among ASEAN countries after Singapore, which consistently leads at 6th place.

Thailand and Indonesia follow closely at 48th and 56th, respectively, while the Philippines lags behind at 57th.

Although Malaysia remains ahead of some regional peers, the narrowing gap signals an urgent need to improve enrollment coverage and data consistency to strengthen its regional competitiveness.

4.5.06: Secondary School Enrollment

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Estimation	Publish
	MINISTRY OF EDUCATION MALAYSIA	unesco Institute for Statistics	IMD	IMD	IMD

Description

Enrollment	**UIS Dynamic template** based on data provided *One year lagged*	Data compiled and internationally with other country profiles	IMD retrieves data from UIS sources into their database.	IMD calculated the indicator values based on the data retrieved.	Malaysia in **2025**: ***Scored*** 93.6 % ***Ranked*** 42 nd 
Population	**UIS Dynamic template** based on data provided *One year lagged*	Data compiled and internationally with other country profiles			

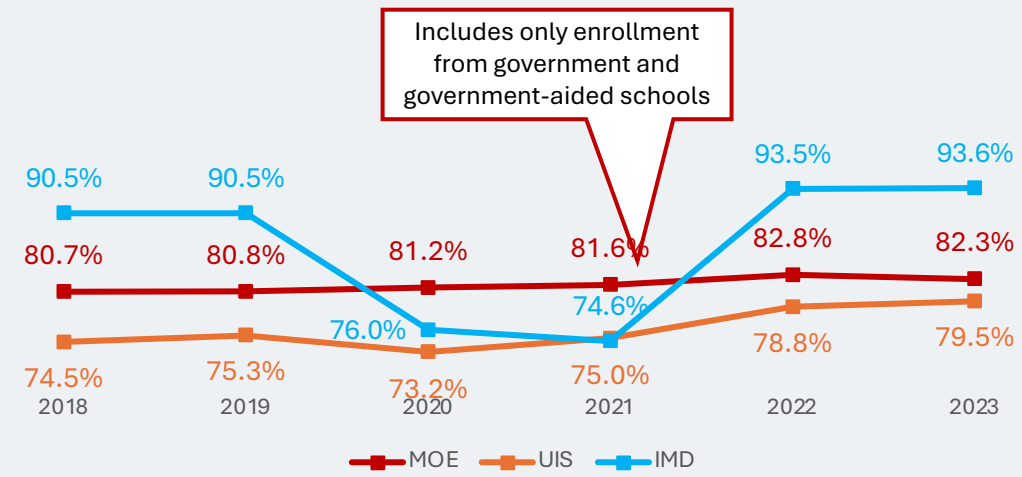
4.5.06: Secondary School Enrollment

Data discrepancies between IMD, UIS and MOE

UAE and Poland show patterns similar to Malaysia, where inconsistencies between UIS and IMD are influenced by variations in reporting practices and methodological frameworks.

Similar to Malaysia, discrepancies are observed for UAE and Poland between UIS and IMD data sources, reflecting differences in reporting coverage, definitions, or estimation methods.

Data for Malaysia

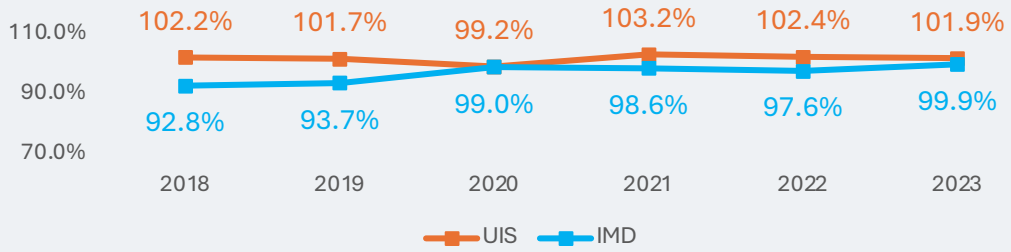


Source: *Estimated based on data sourced from IMD WCY, UIS, MOE (various years).*

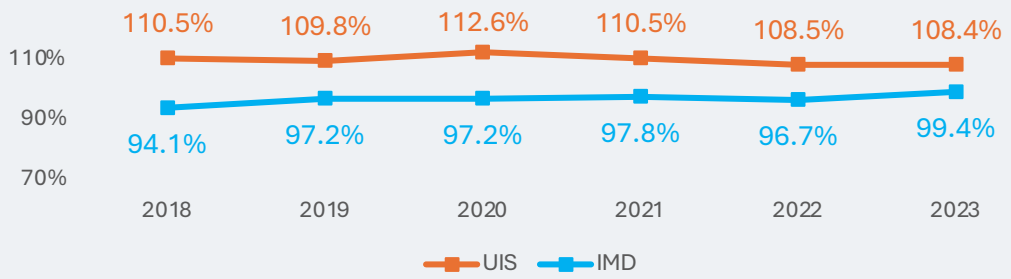
Notes: *The calculation have been standardized using the ones that being defined as in IMD WCY Report 2025.*

- *MOE refers to Ministry of Education Malaysia (employment & population data)*
- *UIS refers to UNESCO Institute for Statistics database (employment data)*

Data for UAE



Data for Poland



Source: *Estimated based on data sourced from IMD WCY, UIS (various years).*

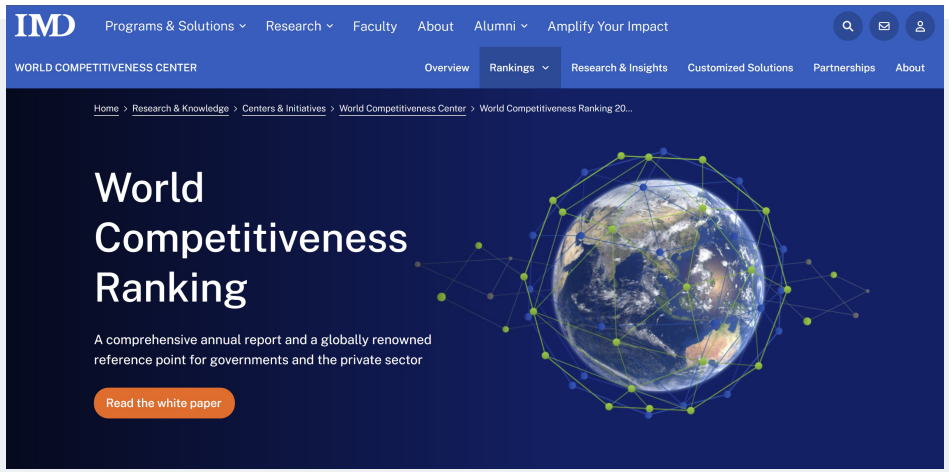
4.5.06: Secondary School Enrollment

Areas of improvement – enhance calculation transparency

Enhancing transparency in IMD's indicator calculation is critical for improving credibility and comparability across countries. To achieve this, Malaysia should engage with IMD's technical team to clarify computation methods and also request the Ministry of Education (MOE) to provide the UIS Dynamic Template used for data submission, ensuring a clearer understanding of data sources and reporting flows.

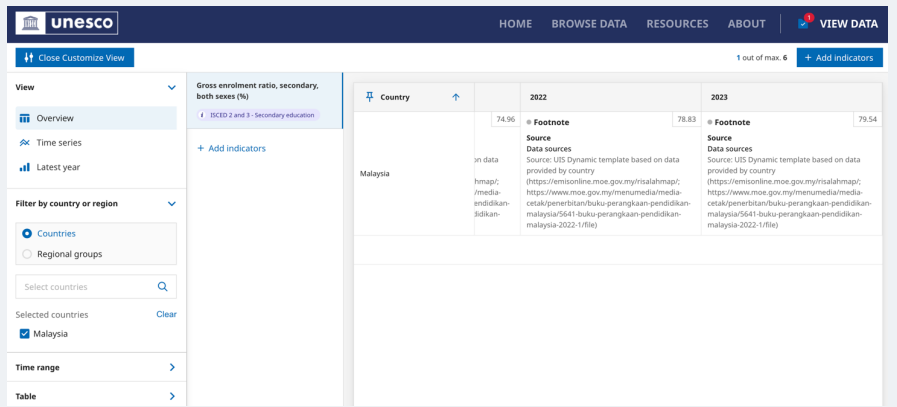
Key Rationality

- **Transparency Builds Trust:** Clear disclosure of calculation methods strengthens confidence in global competitiveness rankings and reduces misinterpretation.
- **Supports Informed Policy Decisions:** Policymakers rely on accurate indicators for labor market strategies. Ambiguous methodology risks misleading interventions.



Proposed Actions

- **Request Methodology Disclosure**
  Advocate for IMD to publish clear technical notes on how data is collected and calculated.
- **Request MOE to Provide UIS Dynamic Template**
  Request the Ministry of Education Malaysia (MOE) to share the UIS Dynamic Template to understand the data submission and reporting process.



INFRASTRUCTURE

Education

4.5.07 Higher Education Achievement

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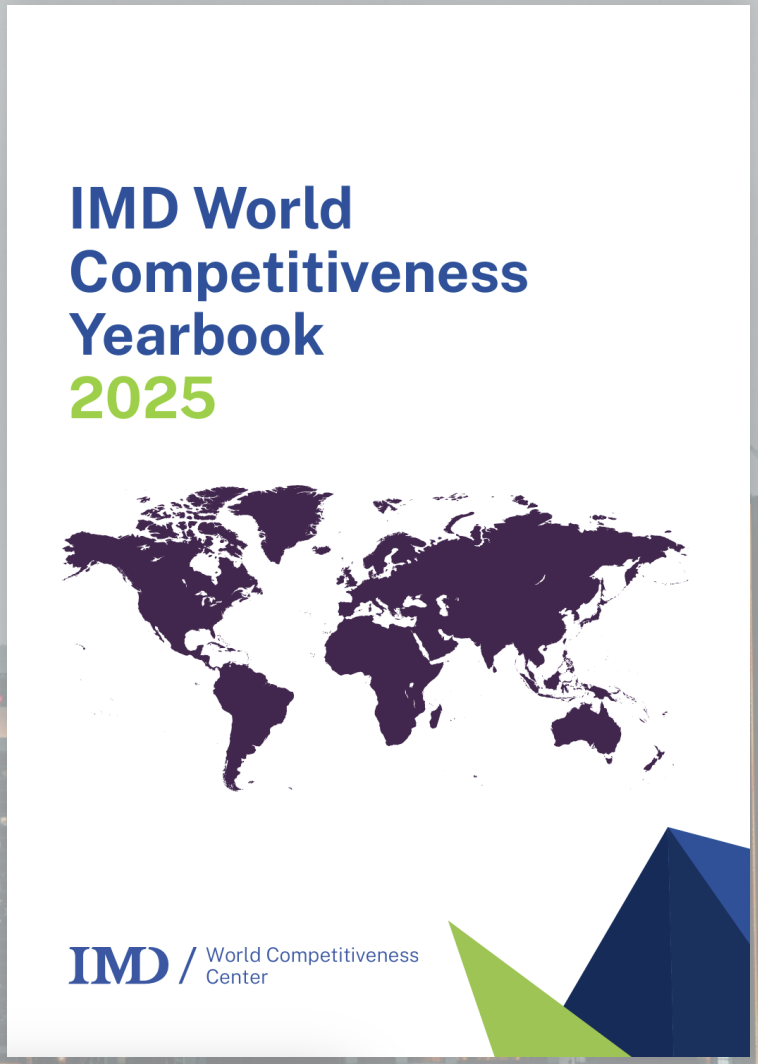
See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Infrastructure	Education	**4.5.07** Higher Education Achievement

4.5.07: Higher Education Achievement

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

Percentage of the population aged 25-34 that has attained tertiary-type B and tertiary-type A and advance research programs. Tertiary-type A education covers more theoretical programs that give access to advanced research programs and to professions with high general skills requirements. Tertiary-type B education covers more practical or occupationally specific programs that provide participants with a qualification of immediate relevance to the labor market. Hong Kong SAR: Figures starting from 2012 exclude post-secondary diploma or certificate and exclude foreign domestic helpers. Kazakhstan: The data were reviewed taking into account the inclusion of graduates in technical and vocational education organizations (MCKO-5). New-Zealand and Slovenia: break in series. Peru: Tertiary education type A refers to University tertiary level and terciary education type B refers to Non-university tertiary level; for 25 years and more. Singapore: proportion of resident non-students aged 25-34 years with polytechnic, professional qualification or other diploma, or university qualification. Japan: Data for tertiary education include upper secondary or post-secondary non-tertiary programmes (less than 5% of adults are in this group).

Source: *IMD World Competitiveness Yearbook 2025 (page 604)*

INDICATOR MEASUREMENT

Higher Education Achievement =

$$\frac{\textit{Tertiary education attainment aged 25-34}}{\textit{Total population aged 25-34}} \times 100$$

*includes those employed, unemployed and outside labor force

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- OECD Education at a Glance
- National sources

4.5.07: Higher Education Achievement

Ranking as reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Education 4.5.07

HIGHER EDUCATION ACHIEVEMENT 2023

Percentage of population that has attained at least tertiary education for persons 25-34

Ranking		%	
01	Kazakhstan	97.0	
02	Singapore	82.8	
03	Taiwan (Chinese Taipei)	81.0	
04	Hong Kong SAR	69.7	
05	Korea Rep.	69.7	
06	Canada	66.9	
07	Japan	65.5	
08	Ireland	63.4	
09	Cyprus	61.6	
10	China	60.2	
11	United Kingdom	60.2	
12	Luxembourg	59.8	
13	Lithuania	57.4	
14	Norway	57.0	
15	Australia	56.3	
16	Netherlands	54.5	
17	Sweden	54.1	
18	UAE	54.0	
19	Oman	52.3	
20	Spain	52.0	
21	France	51.9	
22	Switzerland	51.9	
23	USA	51.8	
24	Belgium	50.0	
25	Denmark	49.0	
26	Mongolia	48.4	2022
27	Poland	46.3	
28	Peru	46.1	
29	New Zealand	45.9	
30	Latvia	45.1	
31	Saudi Arabia	45.0	
32	Greece	44.5	
33	Iceland	43.5	
34	Austria	43.5	
35	Estonia	43.5	
36	Türkiye	42.7	
37	Chile	41.1	
38	Slovenia	41.1	
39	Malaysia	41.0	
40	Portugal	40.9	
41	Kenya	40.7	2021
42	Slovak Republic	39.8	
43	Finland	39.1	
44	Croatia	38.8	
45	Germany	38.5	
46	Bulgaria	35.8	
47	Thailand	35.0	
48	Colombia	34.9	
49	Czech Republic	33.7	
50	Italy	30.6	
51	Hungary	29.4	
52	Qatar	29.0	
53	Mexico	28.2	
54	Puerto Rico	27.4	2021
55	Philippines	25.2	2020
56	Brazil	23.8	
57	India	23.1	
58	Romania	22.5	
59	Bahrain	19.0	
60	Argentina	18.7	
61	Indonesia	17.9	
62	South Africa	13.1	
63	Kuwait	9.7	
64	Ghana	3.8	2022
-	Botswana	-	
-	Jordan	-	
-	Namibia	-	
-	Nigeria	-	
-	Venezuela	-	

The higher the value, the higher the rank.

RATIONALITY?

Higher education achievement reflects a country's success in equipping its younger adult population with tertiary-level qualifications. This indicator serves as a proxy for workforce readiness in knowledge-intensive industries and signals the strength of a nation's innovation capacity and human capital base.

Within the IMD World Competitiveness framework, a higher rate indicates greater talent availability, which is crucial for driving productivity, attracting high-value investments, and supporting long-term economic transformation. Sustained improvement in this area contributes to a more adaptive, future-ready labor force

Source: *IMD World Competitiveness Yearbook 2025*

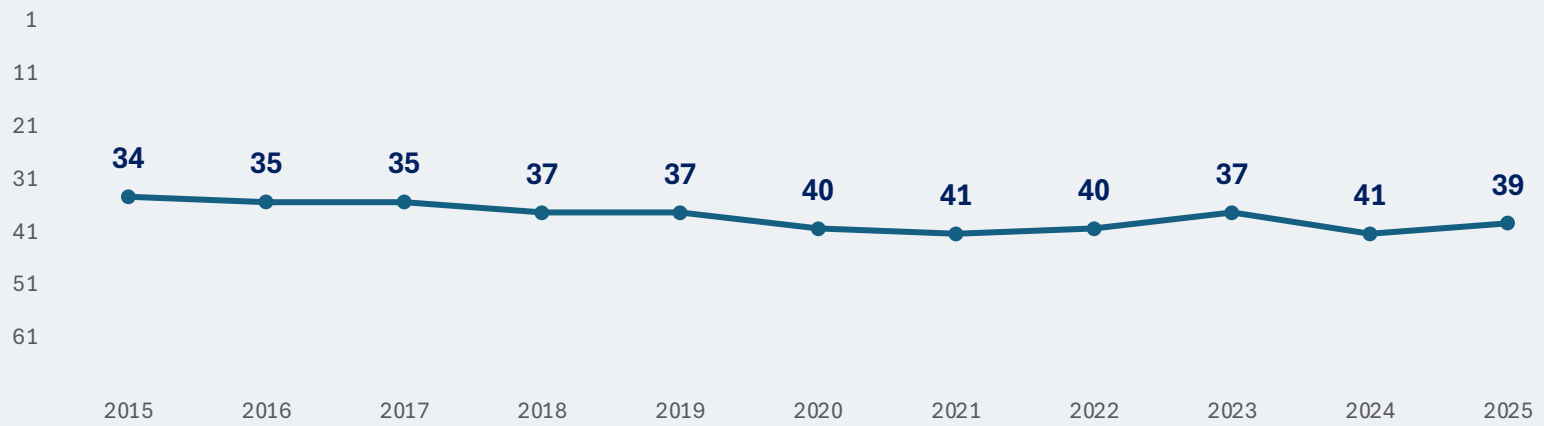
4.5.07: Higher Education Achievement

Indicator performance over the years

Indicator **Score (% of population that has attained at least tertiary education for persons 25-34)**

Notes: *Values are presented with a two-year lag due to nature of official reporting.*

Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

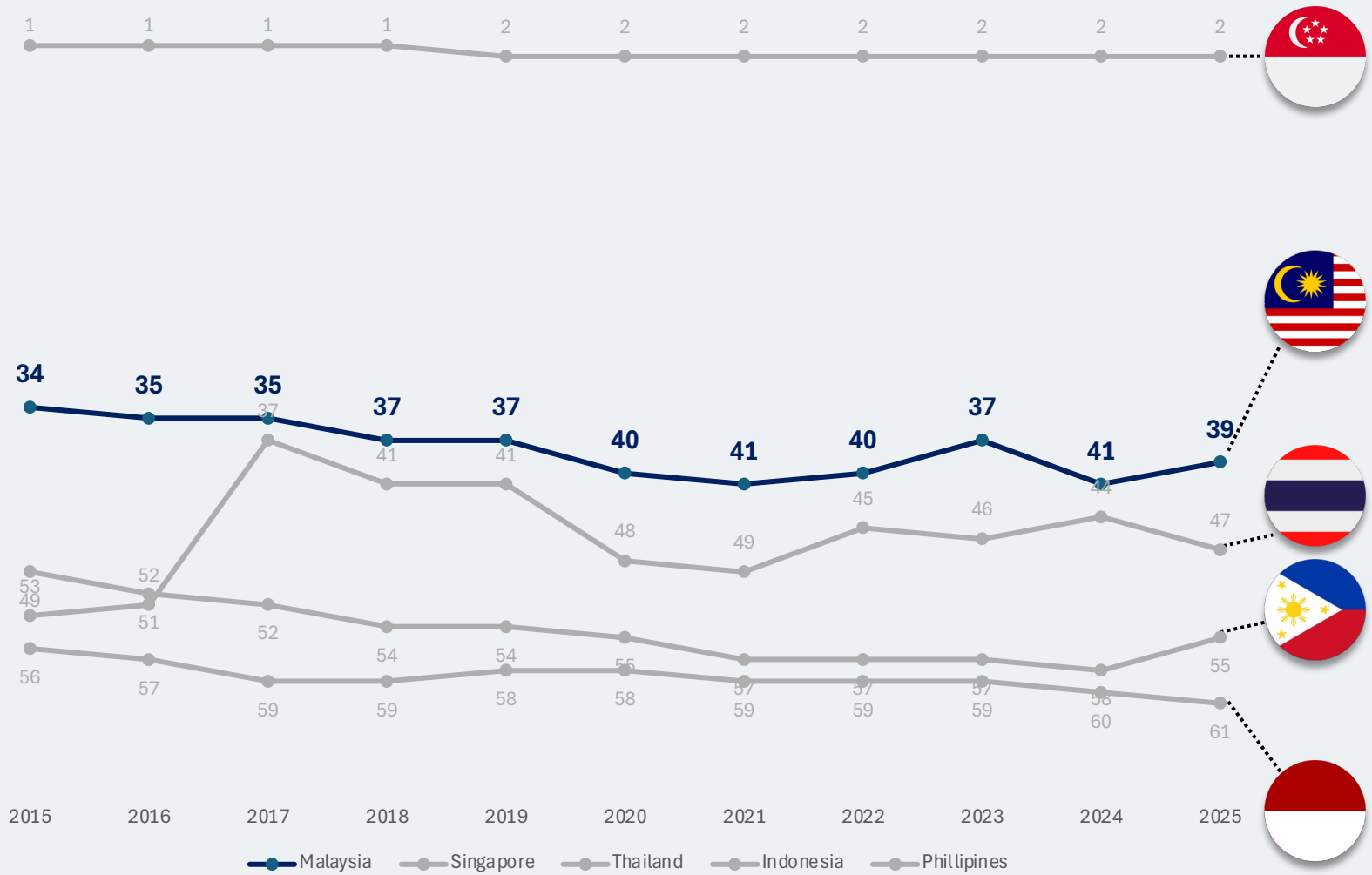
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's higher education achievement indicator shows a gradual upward trend, increasing from 31.3% in 2015 to 41.0% in 2025 among the population aged 25–34. While this marks steady progress, Malaysia's score remains significantly behind the global leader, Kazakhstan, at 97.0%, highlighting a substantial gap in tertiary education attainment.

In terms of ranking, Malaysia has fluctuated between 34th and 41st place over the past decade, with the best position recorded at 34th in 2015 and a recovery to 39th in 2025 after recent declines. This trend signals the need for Malaysia to intensify efforts in expanding access to higher education and improving completion rates to enhance its global competitiveness and talent pipeline.

4.5.07: Higher Education Achievement

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 39th globally in higher education achievement, placing it second among ASEAN countries after Singapore, which has consistently held the top global position. Thailand follows at 47th, while the Philippines and Indonesia are positioned at 55th and 61st, respectively. Malaysia's ranking has remained relatively stable over the past decade, but progress has been modest compared to regional leaders.

This trend highlights the need for Malaysia to expand access to and completion of tertiary education to strengthen its human capital competitiveness. Strategic investments in higher education quality, relevance, and inclusiveness will be key for Malaysia to close the performance gap and enhance its regional and global standing.

4.5.07: Higher Education Achievement

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Publish
	National institution	International Institution	IMD	IMD

Description

Higher Education Achievement

Other countries

Publish data based on national **Labour Force Survey** annually or other survey.

PRIME MINISTER'S DEPARTMENT
DEPARTMENT OF STATISTICS MALAYSIA

Publish data based on national **Labour Force Survey** annually.

Data compiled and integrated internationally with other country profiles by:

OECD

IMD retrieves data from OECD and national source into their database.

Malaysia in **2025**:

Scored

41.0

Ranked

39th

4.5.07: Higher Education Achievement

Scope of higher education

Definition:
Percentage of the population aged 25-34 that has attained tertiary-type B and tertiary-type A and advance research programs. Tertiary-type A education covers more theoretical programs that give access to advanced research programs and to professions with high general skills requirements. Tertiary-type B education covers more practical or occupationally specific programs that provide participants with a qualification of immediate relevance to the labor market.

Type of tertiary education

Tertiary Type	ISCED Classification	Malaysian Education Equivalency
Tertiary-type A education Largely theory-based programs designed to provide sufficient qualifications for entry to advanced research programs and professions with high skill requirements, such as medicine, dentistry or architecture. Duration at least 3 years full-time, though usually 4 or more years. These programs are not exclusively offered at universities; and not all programs nationally recognized as university programs fulfil the criteria to be classified as tertiary-type A. Tertiary-type A programs include second-degree programs, such as the American master's degree.	ISCED 5A	• Degree • Master Degree
Tertiary-type B education Programs are typically shorter than those of tertiary-type A and focus on practical, technical or occupational skills for direct entry into the labor market, although some theoretical foundations may be covered in the respective programs. They have a minimum duration of two years full-time equivalent at the tertiary level.	ISCED 5B	• Diploma • Advanced Diploma
Advanced research programs Programs that lead directly to the award of an advanced research qualification, e.g. Ph.D. The theoretical duration of these programs is 3 years, full-time, in most countries (for a cumulative total of at least 7 years full-time equivalent at the tertiary level), although the actual enrolment time is typically longer. Programs are devoted to advanced study and original research.	ISCED 6	• PhD

Notes: The definition types of tertiary education is based on Education at a Glance by the OECD.

Different definition, different outcomes

These definitional differences impact cross-country comparisons and rankings, highlighting the importance of interpreting results with caution.

Singapore

Additional definition:

Data for tertiary education include proportion of resident non-students aged 25-34 years with polytechnic, professional qualification or other diploma, or university qualification

Source: *IMD World Competitiveness Yearbook (2025)*

Revised Ranking

2nd

Hong Kong SAR

Additional definition:

Figures starting from 2012 exclude post-secondary diploma or certificate and exclude foreign domestic helpers.

Source: *IMD World Competitiveness Yearbook (2025)*

4th

Japan

Additional definition:

Data for tertiary education include upper secondary or post-secondary non-tertiary programs (less than 5% of adults are in this group)

Source: *IMD World Competitiveness Yearbook (2025)*

7th

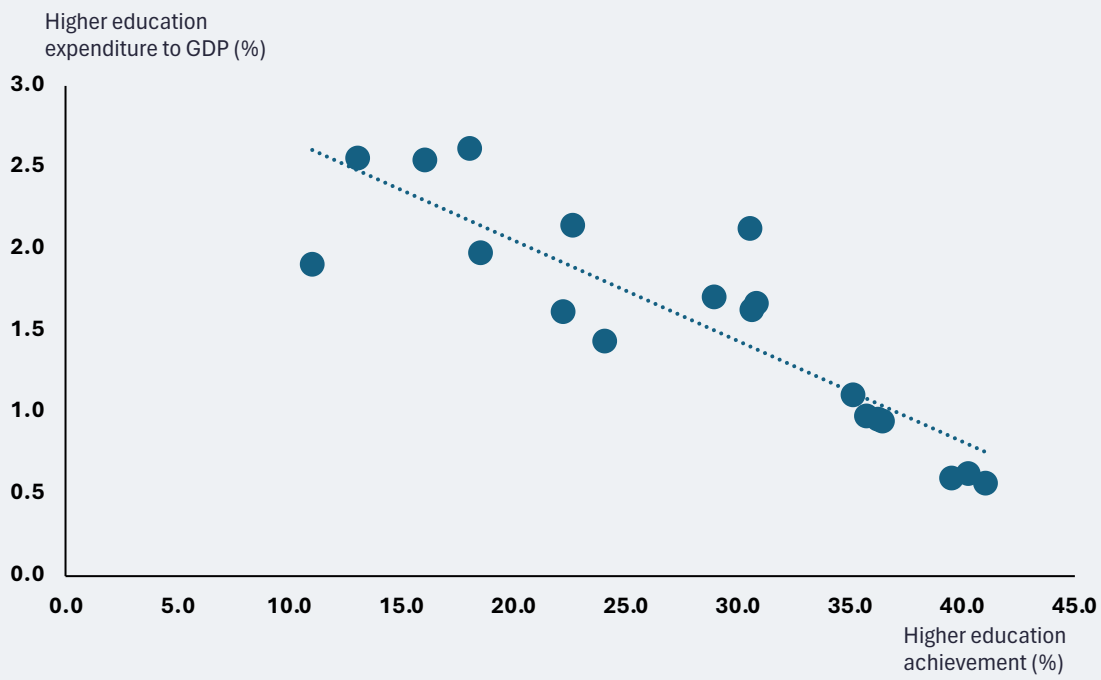
4.5.07: Higher Education Achievement

Different definition, different outcomes

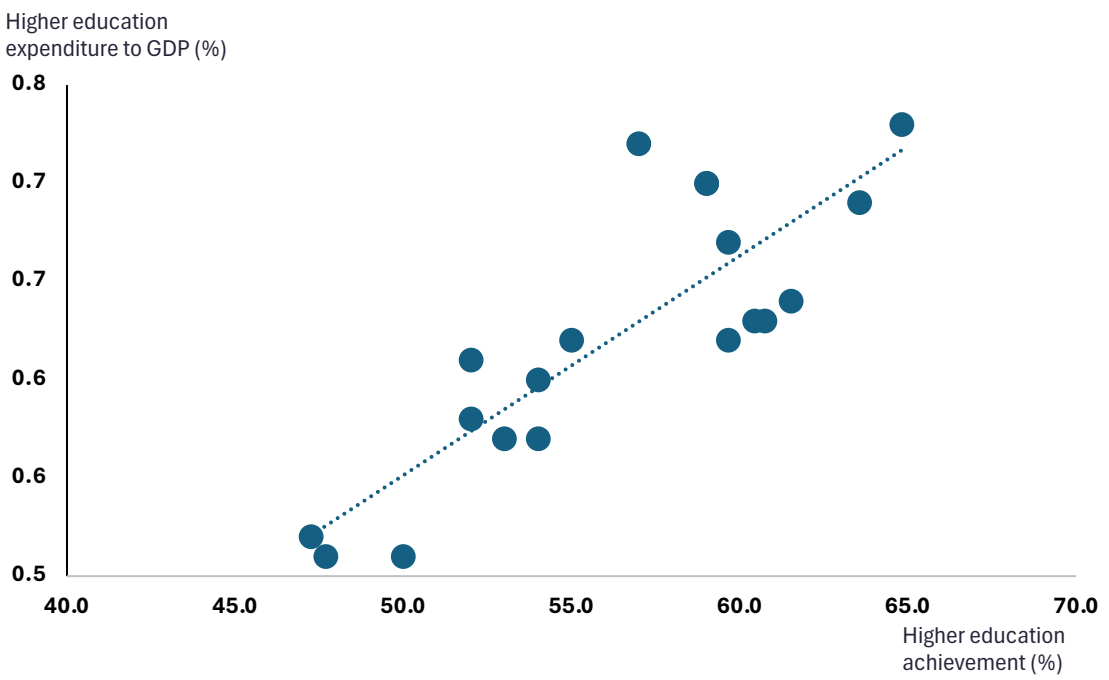
Trends in Malaysia indicate a negative correlation between higher education spending and higher education achievement, suggesting that current higher education expenditures are not effectively enhancing higher education achievement.

The relationship between higher education spending and higher education achievement, 2000-2023

Data for Malaysia



Data for Japan



Source: *Estimated based on data sourced from IMD WCY, UIS (various years).*

INFRASTRUCTURE

Education

4.5.11 Education Assessment – PISA

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See more ↗

HD HARD DATA

Factor:	Sub-Factor:	Indicator:
Infrastructure	Education	**4.5.11** Education Assessment – PISA

4.5.11: Educational Assessment – PISA

Indicator Overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The OECD's Programme for International Student Assessment (PISA) is a regular survey of 15-year olds which assesses aspects of their preparedness for adult life. PISA selects a sample of students that represents the full population of 15-year-old students in each participating country or education system, in both public and private schools. Mathematical literacy: an individual's capacity to identify and understand the role that mathematics plays in the world, to make well-founded judgments and to use and engage with mathematics in ways that meet the needs of that individual's life as a constructive, concerned and reflective citizen. Scientific literacy: an individual's scientific knowledge and use of that knowledge to identify questions, to acquire new knowledge, to explain scientific phenomena, and to draw evidence based conclusions about science-related issues, understanding of the characteristic features of science as a form of human knowledge and enquiry, awareness of how science and technology shape our material, intellectual, and cultural environments, and willingness to engage in science-related issues, and with the ideas of science, as a reflective citizen. Hong Kong SAR, Netherlands, Portugal and United States: Data did not meet the PISA technical standards but were accepted as largely comparable. China: limited regions (B-S-J-Z); the municipalities of Beijing and Shanghai and the provinces of Jiangsu and Zhejiang participated.

Source: *IMD World Competitiveness Yearbook 2025 (page 604)*

INDICATOR MEASUREMENT

Educational Assessment – PISA =

$$\frac{\textit{Reading performance} + \textit{Science performance} + \textit{Mathematics performance}}{3}$$

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- PISA (OECD)
- http://www.oecd.org/pisa/

4.5.11: Educational Assessment – PISA

Ranking as Reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Education 4.5.11

EDUCATIONAL ASSESSMENT - PISA

2022

PISA survey of 15-year olds

		Mathematics	Sciences	Reading	Average	
01	China	591	590	555	579	2018
02	Singapore	575	561	543	560	
03	Taiwan (Chinese Taipei)	547	537	515	533	
04	Japan	536	547	516	533	
05	Korea Rep.	527	528	515	524	
06	Hong Kong SAR	540	520	500	520	
07	Estonia	510	526	511	516	
08	Canada	497	515	507	506	
09	Ireland	492	504	516	504	
10	Switzerland	508	503	483	498	
11	Australia	487	507	498	497	
12	Finland	484	511	490	495	
13	New Zealand	479	504	501	495	
14	United Kingdom	489	500	494	494	
15	Poland	489	499	489	492	
16	Czech Republic	487	498	489	491	
17	Denmark	489	494	489	491	
18	USA	465	499	504	489	
19	Sweden	482	494	487	488	
20	Belgium	489	491	479	486	
21	Austria	487	491	480	486	
22	Slovenia	485	500	469	485	
23	Latvia	483	494	475	484	
24	Germany	475	492	480	482	
25	Netherlands	493	488	459	480	
26	France	474	487	474	478	
27	Portugal	472	484	477	478	
28	Hungary	473	486	473	477	
28	Spain	473	485	474	477	
30	Lithuania	475	484	472	477	
31	Italy	471	477	482	477	
31	Luxembourg	483	477	470	477	2018
33	Norway	468	478	477	474	
34	Croatia	463	483	475	474	
35	Türkiye	453	476	456	462	
36	Slovak Republic	464	462	447	458	
37	Iceland	459	447	436	447	
38	Greece	430	441	438	436	
39	Chile	412	444	448	435	
40	Romania	428	428	428	428	
41	UAE	431	432	417	427	
42	Qatar	414	432	419	422	
43	Bulgaria	417	421	404	414	
44	Kazakhstan	425	423	386	411	
45	Mexico	395	410	415	407	
46	Mongolia	425	412	378	405	
47	Malaysia	409	416	388	404	
48	Cyprus	418	411	381	403	
49	Peru	391	408	408	402	
50	Colombia	383	411	409	401	
51	Brazil	379	403	410	397	
52	Argentina	378	406	401	395	
53	Thailand	394	409	379	394	
54	Saudi Arabia	389	390	383	387	
55	Indonesia	366	383	359	369	
56	Jordan	361	375	342	359	
57	Philippines	355	356	347	353	
-	Bahrain	-	-	-	-	
-	Botswana	-	-	-	-	
-	Ghana	-	-	-	-	
-	India	-	-	-	-	
-	Kenya	-	-	-	-	
-	Kuwait	-	-	-	-	
-	Namibia	-	-	-	-	
-	Nigeria	-	-	-	-	
-	Oman	-	-	-	-	
-	Puerto Rico	-	-	-	-	
-	South Africa	-	-	-	-	
-	Venezuela	-	-	-	-	

The higher the score, the higher the ranking.

RATIONALITY?

The PISA (Programme for International Student Assessment) indicator measures the proficiency of 15-year-old students in mathematics, science, and reading across participating countries. It reflects the effectiveness of national education systems in equipping students with critical knowledge and problem-solving skills essential for future learning and labor market readiness. Higher PISA scores indicate stronger student performance, better educational quality, and greater alignment with global benchmarks, making it a key indicator of a country's human capital strength and future competitiveness.

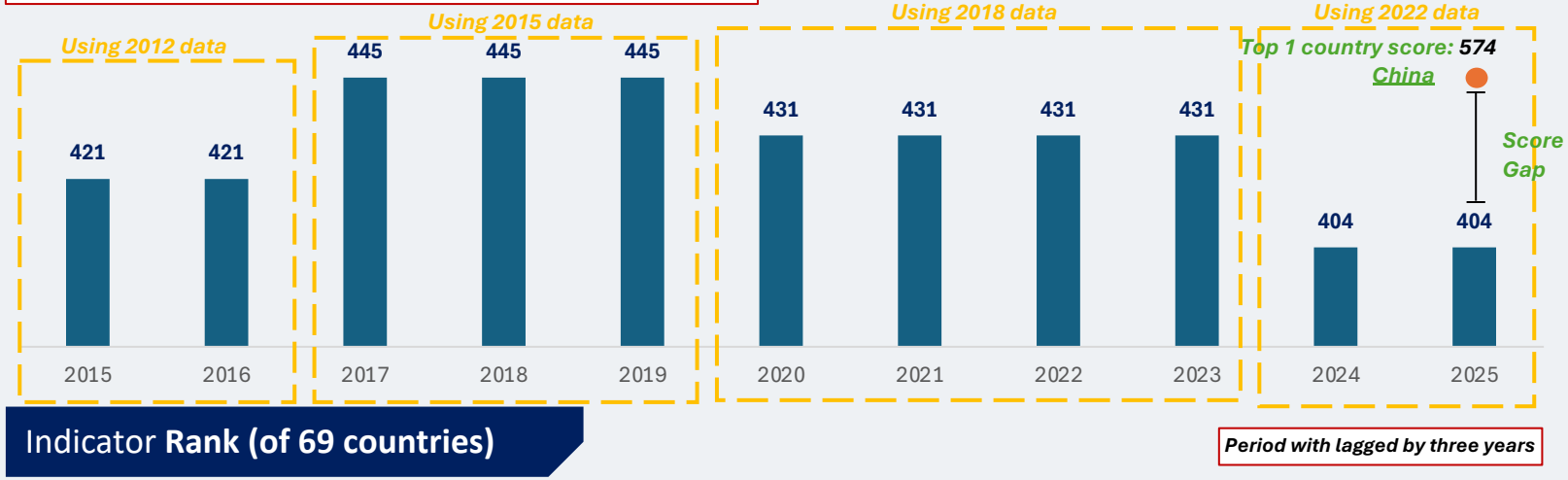
Source: *IMD World Competitiveness Yearbook 2025*

4.5.11: Educational Assessment – PISA

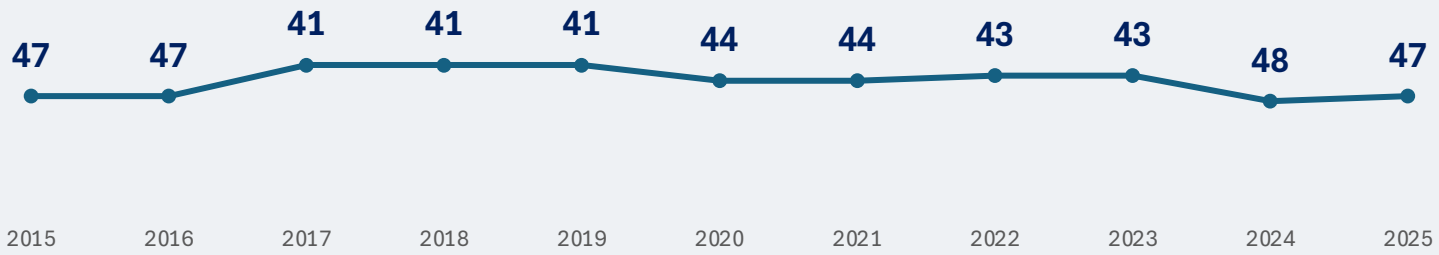
Indicator performance over the years

Indicator **Score (PISA survey of 15-year olds)**

Notes: *Values are presented with availability of the latest report.*



Indicator **Rank (of 69 countries)**



Source: *IMD World Competitiveness Yearbook (various years)*

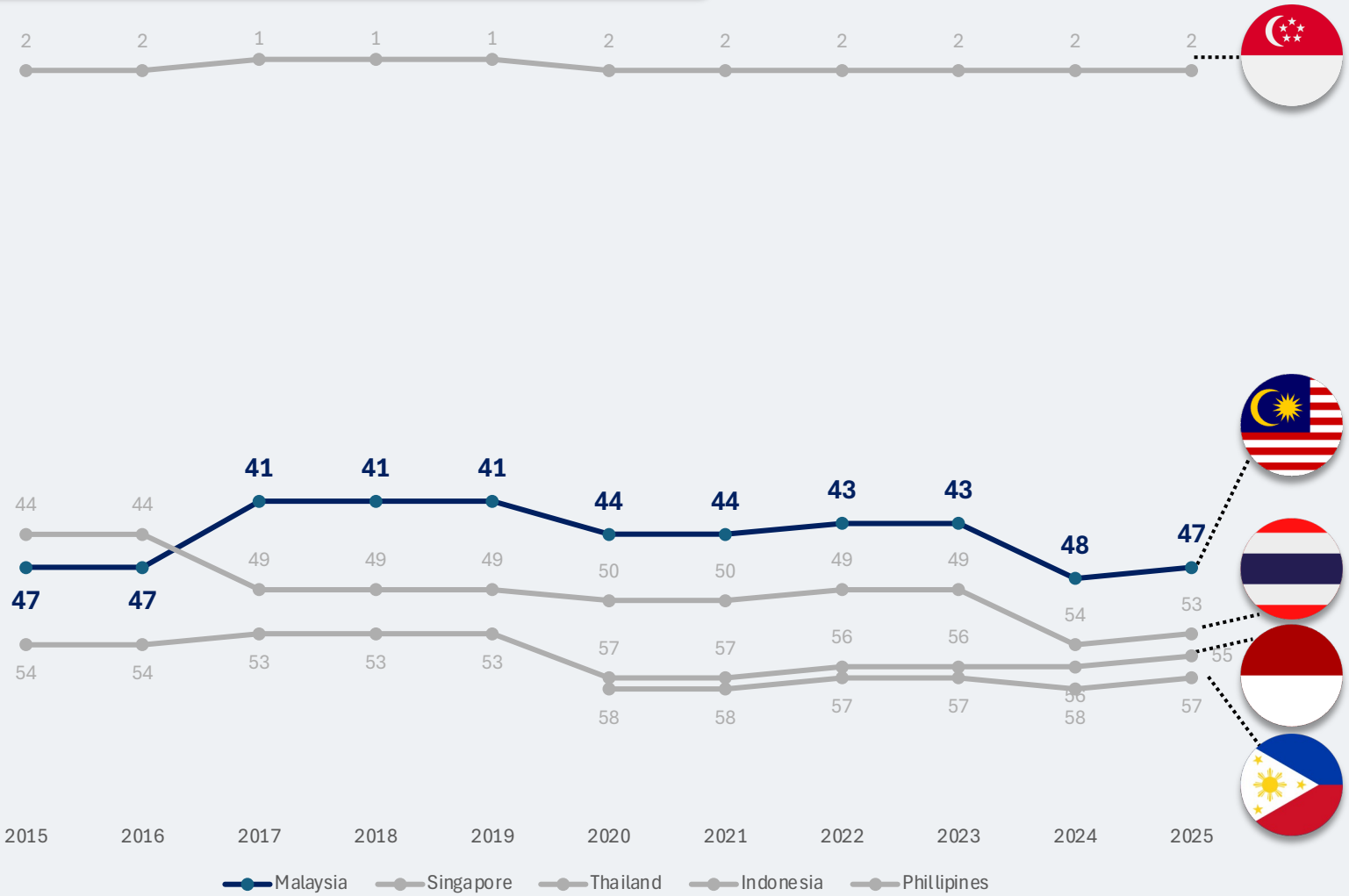
HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's PISA performance has shown a gradual decline, with scores dropping from 445 in 2017–2019 to 404 in 2024–2025, highlighting a widening gap compared to the global leader, China, which scored 574. Over the past decade, Malaysia's ranking has fluctuated between 41st and 48th out of 69 countries, reflecting relative stagnation while other nations advance more rapidly in educational outcomes.

This trend highlights the need for Malaysia to strengthen the quality of education, particularly in mathematics, science, and reading, to enhance student learning and performance. Addressing these gaps is critical not only for improving PISA scores but also for bolstering Malaysia's long-term human capital development and global competitiveness.

4.5.11: Educational Assessment – PISA

Indicator performance over the years



Source: *IMD World Competitiveness Yearbook (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 47th globally in PISA performance, placing it second among ASEAN countries after Singapore, which has consistently held the 2nd position worldwide. Thailand and Indonesia follow closely at 53rd and 54th, while the Philippines remains at the lower end, ranking 58th. This shows Malaysia's middle-tier standing in the region but highlights room for improvement to close the performance gap with top performers.

While Malaysia has maintained a relatively stable position over the past decade, the persistent lead by Singapore and the gradual improvement of Thailand and Indonesia signal the urgency for Malaysia to strengthen its education system. Focused efforts to boost student outcomes in mathematics, science, and reading will be critical to enhance Malaysia's competitiveness and human capital strength within ASEAN.

4.5.11: Educational Assessment – PISA

Understanding PISA assessment

Purpose of PISA

- Assesses to what extent 15-year-olds have acquired knowledge and skills essential for full participation in modern society.
- Focuses not just on knowledge reproduction but on applying knowledge in unfamiliar contexts.

Data Collection Process

- **Who was tested?**
  ~690,000 students representing ~29 million 15-year-olds in 81 countries/economies.
- **How was it administered?**
  Computer-based assessment (CBA) as the main mode; paper-based only in limited cases for trend items.
- **Sampling & governance:**
  - Joint effort between OECD, national governments, expert groups, and contractors
  - Involvement of students, teachers, schools, and education ministries across 81 participating countries/economies.

Core Assessment Domains

Mathematics Literacy

Reason mathematically; formulate, employ, interpret math to solve real-world problems

Major Domain

Reading & Science Literacy

Reading: Understand, use, evaluate, and reflect on texts

Science: Engage with science-related issues and reason scientifically

Minor Domains

Creative Thinking

Generate, evaluate, and improve ideas

Innovative Domain

Financial Literacy

Understand and apply financial knowledge

Optional Domain

WHAT MAKES PISA UNIQUE?

- *Policy-driven, cross-country comparability*
- *Focus on applying knowledge, problem-solving, and reasoning*
- *Measures not just achievement but also learning context, attitudes, and motivation*

Source: Organisation for Economic Co-operaton and Development (OECD, 2023)

4.5.11: Educational Assessment – PISA

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Data Collection	Data Analysis	Estimation	Publish
	MINISTRY OF EDUCATION MALAYSIA	OECD	OECD	IMD	IMD

Description

Educational Assessment – PISA	MOE provides the school and student database that enables the OECD to apply its stratified sampling methodology for the PISA assessment.	OECD collected survey data through nationally coordinated samples.	OECD analyzes the data using rigorous quality checks	IMD calculated the indicator values based on the data retrieved.	Malaysia in **2025**: ***Scored*** **404** ***Ranked*** **47th**

4.5.11: Educational Assessment – PISA

Areas of Improvement – early intervention is necessary!

Early intervention ensures Malaysia is well-prepared for the next PISA cycle by identifying schools and students early, conducting pre-assessment trials, and coordinating data provision with OECD, ultimately strengthening assessment quality and national readiness.

EARLY INTERVENTION BY MOE + MPC

PISA SURVEY BY OECD

Year 1

Preparation Phase

- Compile early list of eligible schools and students for the upcoming PISA cycle
- Communicate with selected schools to confirm participation and readiness for pre-assessment

Year 2

Pre-assessment Phase

- Conduct early survey at selected schools based on previous PISA survey
- Provide schools with guidance and familiarize teachers and students with PISA procedures

Year 3

Main Survey Phase

- MOE provides the school and student database to OECD based on early list
- OECD administers the official PISA assessment at national level

=

PISA Assessment Report

MOE provides the predetermined list of schools and students

INFRASTRUCTURE

Education

4.5.18 Illiteracy

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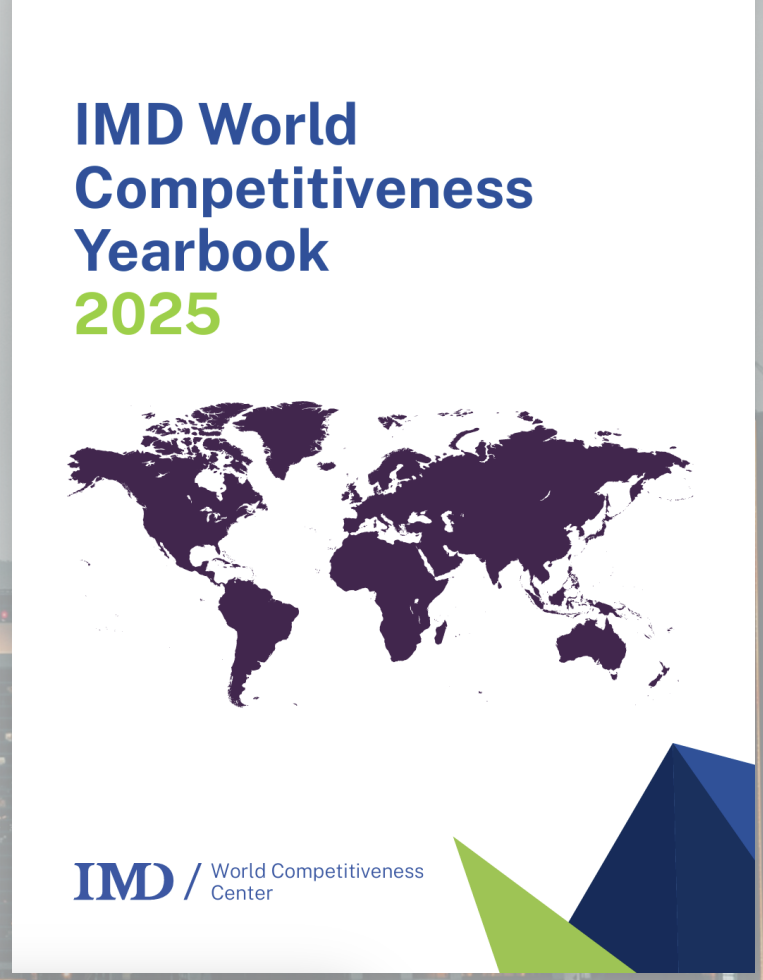
See more ↗

HD HARD DATA



Factor:	Sub-Factor:	Indicator:
Business Efficiency	Management Practices	**4.5.18** Illiteracy

4.5.18 : Illiteracy

Indicator overview sourced from *IMD WCY 2025* Report

INDICATOR DEFINED IN THE REPORT

The IMD WCY 2025 report **does not** provide a definition for this indicator.

Source: *IMD World Competitiveness Yearbook 2025 (N/A)*

INDICATOR MEASUREMENT

According to the technical notes in WCY 2025, the indicator can be simply calculated as follows:

Illiteracy (%) =

$$\frac{Number\ of\ Illiterate\ Adults\ (15+)}{Total\ Population\ (15+)} \times 100$$

Source: *IMD World Competitiveness Yearbook 2025 (page 558)*

DATA SOURCE USED IN WCY 2025

The WCY 2025 report states that this indicator may be derived from the following sources:

- UNESCO
- National sources

Source: *IMD World Competitiveness Yearbook 2025 (page 605)*

4.5.18 : Illiteracy

Ranking as reported in *IMD WCY 2025*

WHAT DOES THE SCORE INDICATE?

Education 4.5.18

ILLITERACY

2023

Adult (over 15 years) illiteracy rate as a percentage of population

Ranking		%	
01	Taiwan (Chinese Taipei)	0.8	
02	Argentina	1.0	
02	Australia	1.0	
02	Austria	1.0	
02	Belgium	1.0	
02	Canada	1.0	
02	Croatia	1.0	
02	Cyprus	1.0	
02	Czech Republic	1.0	
02	Denmark	1.0	
02	Estonia	1.0	
02	Finland	1.0	
02	France	1.0	
02	Germany	1.0	
02	Hong Kong SAR	1.0	
02	Hungary	1.0	
02	Iceland	1.0	
02	Ireland	1.0	
02	Italy	1.0	
02	Japan	1.0	
02	Kazakhstan	1.0	
02	Korea Rep.	1.0	
02	Latvia	1.0	
02	Lithuania	1.0	
02	Luxembourg	1.0	
02	Netherlands	1.0	
02	New Zealand	1.0	
02	Norway	1.0	
02	Poland	1.0	
02	Romania	1.0	2021
02	Slovak Republic	1.0	
02	Slovenia	1.0	
02	Sweden	1.0	
02	Switzerland	1.0	
02	United Kingdom	1.0	
02	USA	1.0	
37	Mongolia	1.3	2022
38	Spain	1.4	2020
39	Bulgaria	1.6	2021
40	Bahrain	2.0	
40	Philippines	2.0	2020
40	Saudi Arabia	2.0	2020
40	Singapore	2.0	2021
40	UAE	2.0	
45	China	3.0	2020
45	Oman	3.0	2022
45	Türkiye	3.0	2021
48	Colombia	4.0	2020
48	Kuwait	4.0	2020
48	Malaysia	4.0	2022
51	Indonesia	4.0	2020
52	Jordan	5.0	
52	Mexico	5.0	2020
54	Peru	6.0	2020
55	Brazil	7.0	2022
56	Puerto Rico	7.6	2021
57	Thailand	8.9	2022
58	South Africa	10.0	2021
59	India	18.0	
60	Ghana	23.5	2021
61	Nigeria	37.0	2021

Note:
UNESCO or national estimates. Rounded up to 1 for all countries that are below 1%.

The lower the value, the higher the ranking.

RATIONALITY?

The illiteracy rate shows the share of adults who cannot read or write simple sentences. It reflects how well a country's education system provides basic skills to its people.

In the IMD World Competitiveness framework, a low illiteracy rate means stronger human capital, better job prospects, and more social inclusion. Reducing illiteracy also boosts competitiveness by improving access to skills and learning.

In 2025, Singapore and the Philippines (both 40th) had the lowest illiteracy rates among ASEAN-5, followed by Malaysia (48th), Indonesia (51st), and Thailand (57th). Malaysia has made some progress but still needs more effort to close literacy gaps and improve education outcomes.

Malaysia reports 2022 data due to delays in the official release of labor market statistics, whereas other countries report through the UNESCO database using data sourced directly from their respective national authorities.

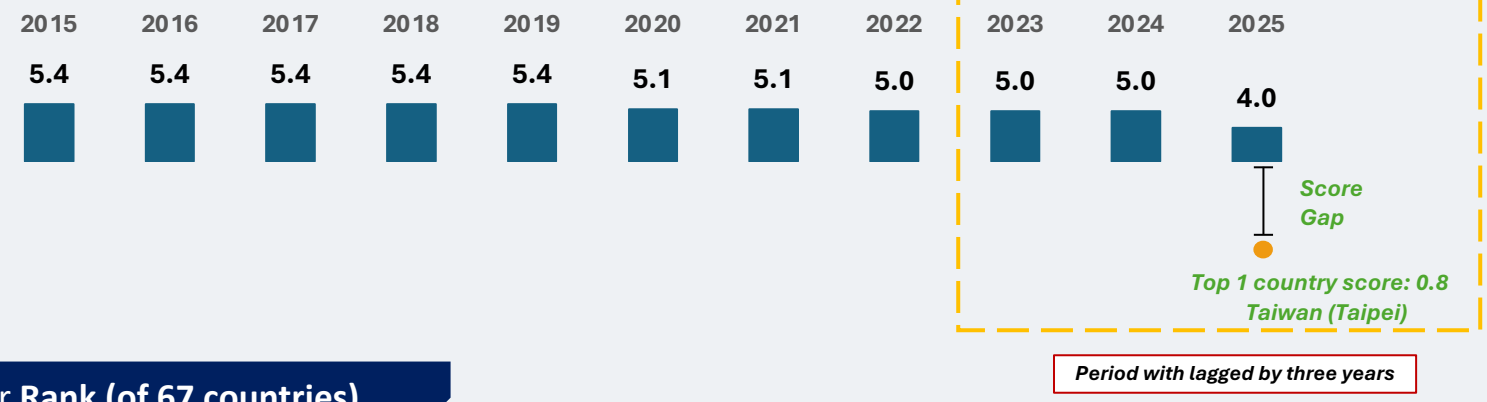
Source: *IMD World Competitiveness Yearbook (WCY) 2025*

4.5.18 : Illiteracy

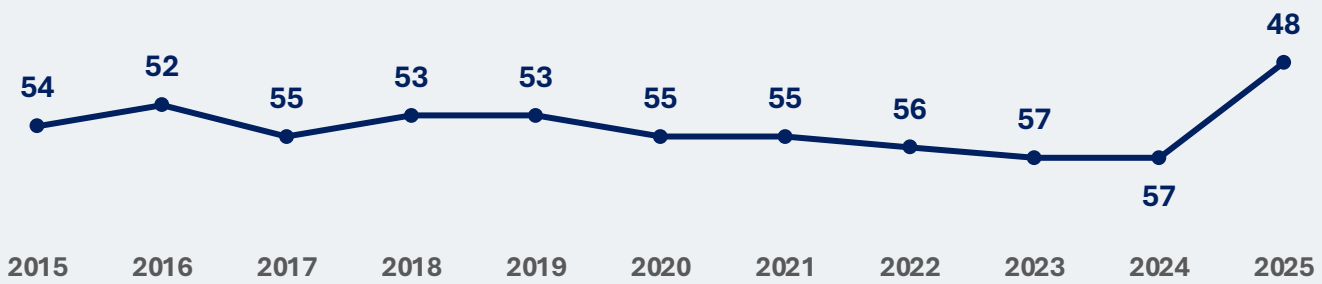
Indicator performance over the years

Indicator **Score (% of population)**

Notes: *Values are presented with a one-year lag due to nature of official reporting.*



Indicator **Rank (of 67 countries)**



Source: *IMD WCY (various years)*

HOW DO THE INDICATORS PERFORM ACROSS YEARS?

Malaysia's illiteracy rate has remained largely unchanged at around 5% from 2015 to 2024, showing slow efforts with no consistent improvement over the past decade. Only in 2025 did the rate slightly decrease to 4%, suggesting modest progress, likely due to recent literacy initiatives or targeted interventions.

Malaysia's illiteracy rank remained largely stagnant between 2015 and 2024, fluctuating mildly between 53rd and 56th, reflecting slow efforts and no consistent progress in addressing literacy challenges.

However, in 2025, Malaysia saw a sharp improvement in rank to 48th, likely driven by recent education policy shifts, targeted literacy programs, or adult education initiatives that have finally translated into measurable outcomes.

Overall, Malaysia has underperformed for years, but the big rank jump in 2025 shows positive momentum. To stay globally competitive, Malaysia must keep up its literacy efforts, especially for vulnerable groups.

4.5.18 : Illiteracy

Indicator performance over the years

Source: *IMD WCY (various years)*

WHERE ARE MALAYSIA NOW? RANKS AMONG ASEAN COUNTRIES

Malaysia currently ranks 48th globally for illiteracy, showing some improvement and placing ahead of Indonesia (51st) and Thailand (57th).

Singapore and the Philippines are tied at 40th, leading the ASEAN-5 in literacy outcomes.

While Indonesia and Thailand face ongoing challenges, Philippines and Singapore shows stands out for its significant improvements.

Overall, Malaysia sits in the middle among ASEAN-5 countries. Stronger literacy efforts are needed to close the gap with top performers like Singapore and the Philippines, while Thailand lags furthest behind with the most room for progress.

4.5.18 : Illiteracy

Indicator footprint – tracking the data sources

Phase & Institution Involvement	Data Source	Compilation	Data Retrieval	Publish
	National institution	International Institution	IMD	IMD

Description

Illiteracy

Other countries

Publish data based on national **Labour Force Survey** annually or other survey.

PRIME MINISTER'S DEPARTMENT
DEPARTMENT OF STATISTICS MALAYSIA

Publish data based on national **Labour Force Survey** annually.

Data compiled and integrated internationally with other country profiles

by:

UNESCO

IMD retrieves data from UNESCO source into their database.

Malaysia in **2025**:

Scored

4.0

Ranked

48th

4.5.18 : Illiteracy

Different definition, different outcomes

UNESCO

According to UNESCO, illiteracy is defined as:

- Illiteracy refers to the inability of a person to read and write a simple statement related to daily life.
- UNESCO classifies this across age groups:
  - Youth: Ages 15–24
  - Adults:
  - Ages 15 and above
  - Elderly: Ages 65 and above
- It is important to distinguish illiteracy from low functional literacy, which refers to not meeting minimum proficiency levels across a range of reading and writing skills.

Source: *UNESCO Database. Accessed in July 2025*

Statistics Canada

- **Literacy** is the ability to understand and use printed information in daily life — at home, at work, and in the community.
- **Low literacy** refers to adults who score at Level 1 or below on literacy scales, meaning they may struggle with tasks such as:
  - Reading simple text.
  - Following basic instructions, completing everyday forms or documents

Source: *Statistics Canada Database, Accessed in July 2025*

ILMIA, DOSM

According to ILMIA, DOSM, illiteracy applies to people who have had no formal or informal schooling and have never enrolled in any form of educational or training institutions.

Source: *Labour Force Survey Report, DOSM (2025)*

*In summary, ILMIA-DOSM, Statistics Canada, and UNESCO **define illiteracy with slightly different lenses** — education access, skills proficiency, or functional ability , however **they share the underlying principle that literacy** is about understanding and using written information for everyday life.*

4.5.18 : Illiteracy

Area of Improvement: Limitation of Malaysia's education attainment–based definition

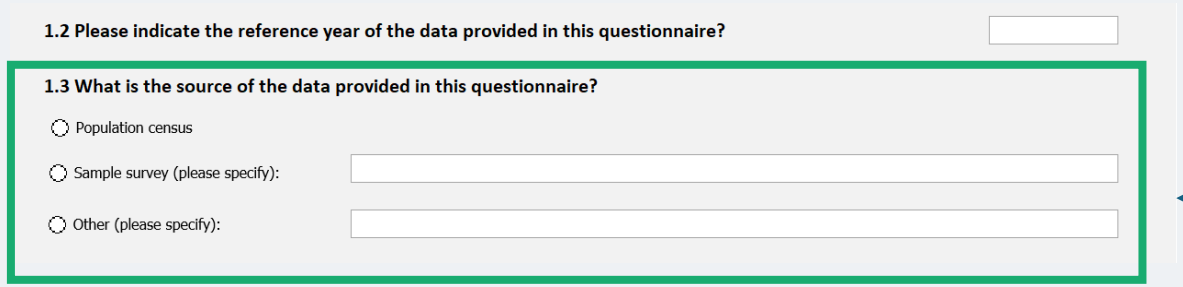
Aspect	Limitation/s
Misses functional literacy gaps	Focus on formal/informal schooling overlooks adults who attended school but lack actual reading, writing, or problem-solving abilities.
Underestimates at-risk groups	Fails to capture populations with low literacy due to poor-quality education, dropouts, or marginal learning outcomes, leading to underestimation of needs.
Limited policy targeting	Provides little insight into proficiency levels or types of literacy challenges, making it harder to design targeted literacy or upskilling programs.
Weak comparability internationally	Limits Malaysia's ability to benchmark against global standards (e.g., PIAAC, UNESCO reports) that focus on measurable abilities, not just educational history.
Narrow understanding of human capital	Overlooks the role of informal, non-formal, or lifelong learning pathways that may build literacy outside the formal education system.
Risks masking inequalities	Aggregated education data may mask gender, regional, or socio-economic disparities in actual literacy abilities.

*Therefore, in order to strengthen Malaysia's illiteracy measurement and align with international standards, it is **recommended that ILMIA – DOSM consider incorporating skills-based literacy assessments alongside educational attainment data**.*

4.5.18 : Illiteracy

Area of improvement 2: capturing illiteracy through specific questionnaire surveys

UNESCO LITERACY SURVEY, 2023



1.2 Please indicate the reference year of the data provided in this questionnaire?

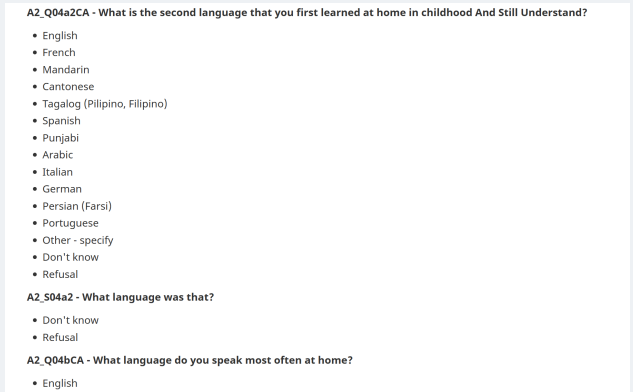
1.3 What is the source of the data provided in this questionnaire?

- ◯ Population census
- ◯ Sample survey (please specify):
- ◯ Other (please specify):

Source: Labour Force Survey, DOSM (2021)

*The UNESCO literacy survey, **particularly Question 1.3**, offers added advantages for countries that conduct literacy-specific surveys beyond their regular Labour Force Surveys, as it allows for **more nuanced insights into literacy levels, enabling better-targeted education policies** and complementing labour market data with human capital assessments.*

PROGRAMME FOR THE INTERNATIONAL ASSESSMENT OF ADULT COMPETENCIES (PIAAC), STATISTICS CANADA



A2_Q04a2CA - What is the second language that you first learned at home in childhood And Still Understand?

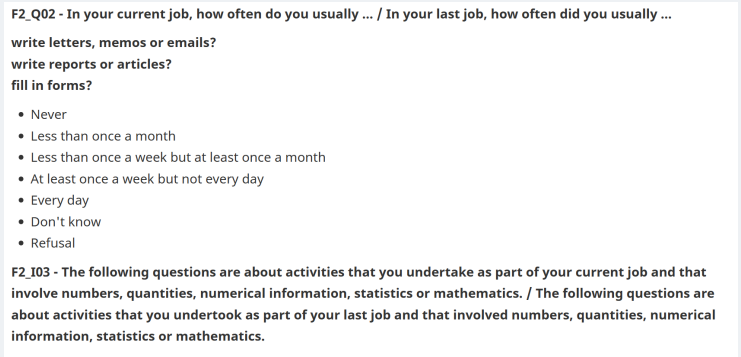
- English
- French
- Mandarin
- Cantonese
- Tagalog (Pilipino, Filipino)
- Spanish
- Punjabi
- Arabic
- Italian
- German
- Persian (Farsi)
- Portuguese
- Other - specify
- Don't know
- Refusal

A2_S04a2 - What language was that?

- Don't know
- Refusal

A2_Q04bCA - What language do you speak most often at home?

- English



F2_Q02 - In your current job, how often do you usually ... / In your last job, how often did you usually ...

write letters, memos or emails?
write reports or articles?
fill in forms?

- Never
- Less than once a month
- Less than once a week but at least once a month
- At least once a week but not every day
- Every day
- Don't know
- Refusal

F2_I03 - The following questions are about activities that you undertake as part of your current job and that involve numbers, quantities, numerical information, statistics or mathematics. / The following questions are about activities that you undertook as part of your last job and that involved numbers, quantities, numerical information, statistics or mathematics.

Source: PIACC, Accessed in July 2025

Example:

The PIAAC survey conducted by Statistics Canada provides detailed, internationally benchmarked data on adult literacy, numeracy, and problem-solving skills, enabling Canada to design evidence-based education and upskilling policies, address skill gaps, and ultimately improve its literacy performance and ranking in global competitiveness indexes such as the WCY 2025

Thank You

20th – 22nd July 2025 | Pulse Grande Hotel, Putrajaya

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