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LABOUR PRODUCTIVITY, FOURTH QUARTER 2025



MALAYSIA'S LABOUR PRODUCTIVITY

Malaysia's economy expanded by 6.3 per cent in the fourth quarter of 2025 up from 5.4 per cent in the preceding quarter, reaching a value of RM457,681 million (Q3 2025: 5.1%; RM443,208 million). During the same period, total hours worked increased by 1.4 per cent to 9.9 billion hours (Q3 2025: 1.3%; 9.8 billion hours). As a result, **labour productivity per hour worked** increased **4.9 per cent** with **value added per hour worked** amounting **RM46.3 per hour** (Q3 2025: 4.1%; RM45.2 per hour). Overall, the performance of **labour productivity per hour worked** for the year 2025 accelerated by **3.7 per cent** (2024: 2.1%), with **value added per hour worked** reaching **RM44.5 per hour** (2024: RM42.9 per hour). **Labour productivity per employment** demonstrated an increase of **4.4 per cent** in Q4 2025, recording **RM26,765 per person** (Q3 2025: 3.9%; RM26,122 per person). Meanwhile, total employment rose to 17.1 million persons, registering a year-on-year growth of 1.8 per cent (Q3 2025: 17.0 million persons; 1.5%). **Labour productivity per employment** for the year of 2025 showed a positive momentum at **3.4 per cent** (2023: 2.4%), with **value added per employment** of **RM102,672 per person** (2024: RM99,265 per person).

AGRICULTURE

Labour productivity per hour worked in the **Agriculture sector** increased **5.5 per cent** to **RM26.5 per hour** (Q3 2025: 1.0%; RM28.4 per hour) during this quarter. Value added recorded 5.4 per cent growth, reaching a value of RM27,080 million (Q3 2025: 0.1%; RM29,088 million). Meanwhile, total hours worked recorded declined marginally by 0.1 per cent, registering 1,021 million hours (Q3 2025: -0.9%; 1,024 million hours), while average hours worked fell by 0.2 per cent to 41.9 hours per week (Q3 2025: -0.8%; 41.4 hours per week). In 2025, **labour productivity per hour worked** for this sector increased by **2.6 per cent** with **value added per hour worked** at **RM25.9 per hour** (2024: 2.3%; RM25.2 per hour). In Q4 2025, **labour productivity** expressed as **value added per employment** for this sector posted **considerable increase of 5.4 per cent** to record **value added per employment** at **RM14,430 per person** (Q3 2025: 0.2%; RM15,264 per person), while the total number of employment marginally grew 0.003 per cent, registering 1,877 thousand persons (Q3 2025: -0.1%; 1,906 thousand persons). Throughout 2025, **labour productivity per employment** increased by **2.2 per cent**, reaching **value added per employment** of **RM55,961 per person** (2024: 2.2%; RM54,762 per person).

MINING & QUARRYING

Labour productivity per hour worked in the **Mining and quarrying sector** in the fourth quarter of 2025 increased by **5.1 per cent** albeit at a slower pace (Q3 2025: 9.7%), recording **value added per hour worked** of **RM579.1 per hour** (Q3 2025: RM522.4 per hour). Value added increased by 2.0 per cent, reaching RM26,678 million (Q3 2025: 9.7%; RM24,468 million). Meanwhile, total hours worked declined by 3.0 per cent, registering 46.1 million hours (Q3 2025: 0.1%; 46.8 million hours) with average hours worked declined by 4.3 per cent, recording 46.1 hours per week (Q3 2025: -1.7%; 47.1 hours per week). In 2025, the performance of **labour productivity per hour worked** for this sector demonstrated a recovery growth of **2.0 per cent** (2024: -0.5%) with **value added per hour worked** at **RM535.1 per hour** (2024: RM524.6 per hour). In the meantime, **labour productivity per employment** for this sector rose **1.3 per cent** to record **value added per employment** at **RM346,036 per person** (Q3 2025: 8.9%; RM317,634 per person). The total number of employment also increased 0.7 per cent, registering 77.1 thousand persons (Q3 2025: 0.8%; 77.0 thousand persons). For the full year 2025, **labour productivity per employment** marginally increased at 0.1 per cent to post **value added per employment** at **RM1,289,415 per person** (2024: 0.7%; RM1,287,906 per person).

MANUFACTURING

During this quarter, the **Manufacturing** sector recorded stable pace of increasing at **6.4 per cent in labour productivity per hour worked** with **value added per hour worked** at **RM61.9 per hour** (Q3 2025: 4.2%; RM59.6 per hour) as value added stood at 6.1 per cent, reaching RM105,338 million (Q3 2025: 4.1%; RM101,438 million). The total hours worked declined at a negative 0.4 per cent, registering 1,700 million hours (Q3 2025: -0.1%; 1,702 million hours) with average hours worked fell by 1.4 per cent, recording RM45.4 hours per week (Q3 2025: -0.6%; RM45.8 hours per week). In 2025, **labour productivity per hour worked** rose **4.6 per cent**, registering **value added per hour worked** of **RM59.0 per hour** (2024: 2.1%; RM56.5 per hour). In Q4 2025, this sector demonstrated growth in **labour productivity per hour worked** across all of its subsectors, except for Transport equipment, other manufacturing and repair (-2.7%). Strong expansions were recorded in Vegetable and animal oils & fats and food processing (15.8%), Electrical, electronic and optical products (11.4%), Beverages and tobacco products (10.6%), Non-metallic mineral products, basic metal and fabricated metal products (4.1%), Textiles, wearing apparel and leather products (2.3%), Wood products, furniture, paper products and printing (2.0%) and Petroleum, chemical, rubber and plastic product (1.5%). Likewise, **labour productivity per employment** for this sector posted a **5.1 per cent growth** to record **value added per employment** at **RM36,479 per person** (Q3 2025: 3.5%; RM35,357 per person) during this quarter, with total employment keeps growing at 0.9 per cent, registering 2,888 thousand persons (Q3 2025: 0.6%; 2,869 thousand persons). Additionally, **labour productivity per employment** for this sector increased **3.7 per cent** in 2025, recording **value added per employment** of **RM139,454 per person** (2024: 2.6%; RM134,532 per person). **Labour productivity per employment** for this sector expanded during this quarter, supported by remarkable surge in Electrical, electronic and optical products (10.7%), Vegetable and animal oils & fats and food processing (9.8%), Beverages and tobacco products (5.8%), Non-metallic mineral products, basic metal and fabricated metal products (4.4%), Wood products, furniture, paper products and printing (2.2%), Petroleum, chemical, rubber and plastic products (0.5%) and Textiles, wearing apparel and leather products (0.3%). By contrast, Transport equipment, other manufacturing and repair recorded a reduction of 1.7 per cent.

CONSTRUCTION

In Q4 2025, **labour productivity per hour worked** in the **Construction sector** demonstrated a sustainable growth of **10.3 per cent**, recording **value added per hour worked** at **RM22.6 per hour** (Q3 2025: 10.2%; RM23.0 per hour), as value added for this sector stood at 12.2 per cent, equivalent to RM19,276 million (Q3 2025: 17.5%; RM19,578 million). Meanwhile, the total hours worked increased 0.6 per cent, recording 854 million hours (Q3 2025: 1.5%; 850 million hours) with average hours worked reduced by 0.1 per cent to record 46.2 hours per week (Q3 2025: 0.2%; RM46.0 hours per week). In 2025, the growth of **labour productivity per hour worked** increased **10.2 per cent** with **value added per hour worked** at **RM22.0 per hour** (2024: 17.6%; RM19.9 per hour). **Labour productivity per employment** increased **10.1 per cent** to record **value added per employment** at **RM13,510 per person** (Q3 2025: 10.8%; RM13,754 per person) during this quarter, while the total number of employment grew 0.8 per cent, registering 1,427 thousand persons (Q3 2025: 0.9%; 1,424 thousand persons). For the full year 2025, **labour productivity per employment** for this sector posted a significant growth of **11.2 per cent**, recording **value added per employment** of **RM52,514 per person** (2024: 16.4%; RM47,223 per person).

SERVICES

In the fourth quarter of 2025, the **Services sector** posted an increase of **4.0 per cent** in **labour productivity per hour worked** with **value added per hour worked** at **RM43.6 per hour** (Q3 2025: 3.4%; RM42.5 per hour). Value added for this sector grew at 6.3 per cent, reaching RM272,938 million (Q3 2025: 5.5%; RM262,502 million). In the meantime, the total hours worked also increased 2.2 per cent, registering

6,259 million hours (Q3 2025: 2.0%; 6,173 million hours) with average hours worked fell by 0.2 per cent to record 44.7 hours per week (Q3 2025: -0.02%; 44.7 hours per week). In 2025, **labour productivity per hour worked** for this sector demonstrated a stable increase of **3.3 per cent** with **value added per hour worked** at **RM42.0 per hour** (2024: 1.3%; RM40.7 per hour). Growth in **labour productivity per hour worked** in the fourth quarter of 2025 was attributed to the expansion across all subsectors, except for Utilities (-1.0%) and Finance and insurance (-2.4%). Food & beverages and accommodation drove the overall performance by posting a growth of 7.9 per cent, followed by Other Services (7.2%), Information and communication (6.4%), Transportation and storage (5.6%), Real estate and business services (2.8%) and Wholesale and retail trade (2.4%). During this quarter, **labour productivity per employment** increased **3.7 per cent** with **value added per employment** at **RM25,197 per hour** (Q3 2025: 3.3 %; RM24,552 per hour) as the total number of employment increased 2.5 per cent, recording 10,832 thousand persons (Q3 2025: 2.1%: 10,692 thousand persons). The expansion in labour productivity per employment in this sector in Q4 2025 was due to increment across most of its subsectors, notably Information and communication (7.3%), Other services (5.9%), Transportation and storage (5.7%), Food & beverages and accommodation (5.1%), Real estate and business services (4.9%), Wholesale and retail trade (3.2%) and Utilities (1.5%). Conversely, Finance and insurance recorded a decline of 0.7 per cent.

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