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## LABOUR PRODUCTIVITY, SECOND QUARTER 2025

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## MALAYSIA'S LABOUR PRODUCTIVITY

Malaysia's **labour productivity per hour worked** in the second quarter of 2025 demonstrated an **increase of 3.4 per cent** (Q1 2025: 2.2%), **with value added per hour worked at RM43.2 per hour** (Q1 2025: RM43.0 per hour), while the total hours worked increased by 1.0 per cent to 9.7 billion hours (Q1 2025: 2.1%; 9.7 billion hours). Meanwhile, Malaysia's economy recorded 4.4 per cent growth in the second quarter of 2025, maintaining the same growth rate recorded in the previous quarter, reaching value added of RM419,315 million (Q1 2025: RM415,338 million). In the meantime, **labour productivity per employment increased 2.8 per cent** in Q2 2025 to record **value added per employment at RM24,887 per person** (Q1 2025: 2.5%; RM24,866 per person), supported by a 1.6 per cent increase in total employment to 16.8 million persons (Q1 2025: 1.8%; 16.7 million persons).

## AGRICULTURE

In Q2 2025, the **Agriculture sector** posted a **3.5 per cent increase in productivity per hour worked** with **value added per hour worked at RM25.2 per hour** (Q1 2025: 0.4%; RM23.4 per hour). The value added rose 2.1 per cent, reaching a value of RM25,673 million (Q1 2025: 0.7%; RM23,738 million). Simultaneously, the total hours worked fell at a negative 1.3 per cent to register 1,020 million hours (Q1 2025: 0.3%; 1,015 million hours), with average hours worked declined at a negative 1.1 per cent to record 41.5 hours per week (Q1 2025: 0.2%; 41.6 hours per week). This sector demonstrated a **steady increase in productivity per employment at 2.3 per cent**, recorded **value added per employment of RM13,550 per person** (Q1 2025: 0.6%; RM12,646 per person) during this quarter, while the total number of employed persons declined at a negative 0.1 per cent, posted 1,895 thousand persons (Q1 2025: 0.1%; 1,877 thousand persons).

## MINING & QUARRYING

In the second quarter of 2025, the **Mining and quarrying sector** recorded **labour productivity per hour worked at a negative 4.6 per cent** with **value added per hour worked of RM490.5 per hour** (Q1 2025: -0.9%; RM551.1 per hour), as value added slumped at a negative 5.2 per cent, equivalent to RM22,532 million (Q1 2025: -2.7%; RM25,492 million). Meanwhile, total hours worked declined at a negative 0.7 per cent to post 46 million hours (Q1 2025: -1.8%; 46 million hours) with average hours worked fell at a negative 0.05 per cent to record 46.8 hours per week (Q1 2025: 1.0%; 47.1 hours per week). **Labour productivity per employment for this sector continued contraction at a negative 5.8 per cent** to record **value added per employment at RM292,813 per person** (Q1 2025: -3.2%; RM332,946 per person) during this quarter. The total number of employed persons increased 0.6 per cent, registered a total of 77 thousand persons (Q1 2025: 0.5%; 77 thousand persons).

## MANUFACTURING

During this quarter, the **Manufacturing sector** experienced **an expansion of 3.7 per cent in labour productivity per hour worked**, to record **value added per hour worked at RM57.6 per hour** (Q1 2025: 3.8%; RM56.9 per hour) as value added increased 3.7 per cent, reaching RM96,887 million (Q1 2025: 4.1%; RM95,676 million). The total hours worked rose 0.03 per cent to register 1,681 million hours (Q1 2025: 0.4%; 1,681 million hours), while average hours worked fell at a negative 0.6 per cent to record 45.5 hours per week (Q1 2025: -0.7%; 45.6 hours per week). In Q2 2025, the Manufacturing sector demonstrated growth variation in labour productivity per hour worked across most of its subsectors, including Vegetable and animal oils & fats and food processing (13.9%), Petroleum, chemical, rubber and plastic product (5.4%), Electrical, electronic and optical products (5.1%), Wood products, furniture, paper products and printing (1.4%) and Non-metallic mineral

products, basic metal and fabricated metal products (0.3%). However, the negative growth was registered by Textiles, wearing apparel and leather products (-2.2%), Transport equipment, other manufacturing and repair (-1.9%) and Beverages and tobacco products (-0.3%). In the meantime, **labour productivity per employment** for this sector **increased 2.8 per cent** to record **value added per employment at RM33,972 per person** (Q1 2025: 3.2%; RM33,620 per person) during this quarter, with total employment sustained at 1.0 per cent, registering 2,852 thousand persons (Q1 2025: 0.9 per cent; 2,846 thousand persons). The expansion in labour productivity per employment for the Manufacturing sector during this quarter was contributed by growth in most of its subsectors, namely Vegetable and animal oils & fats and food processing (9.5%), Electrical, electronic and optical products (6.1%), Non-metallic mineral products, basic metal and fabricated metal products (2.4%), Wood products, furniture, paper products and printing (1.7%), Beverages and tobacco products (1.2%) and Petroleum, chemical, rubber and plastic products (0.04%), while two (2) other subsectors deteriorated, namely Transport equipment, other manufacturing and repair (-2.6%) and Textiles, wearing apparel and leather products (-0.4%).

## CONSTRUCTION

In the second quarter of 2025, the **Construction sector** demonstrated **a continued increase of 9.3 per cent in labour productivity per hour worked**, registering **value added per hour worked at RM21.4 per hour** (Q1 2025: 11.3%; RM20.9 per hour) as value added surged 12.1 per cent, reaching RM18,091 million (Q1 2025: 14.2%; RM17,760 million). Meanwhile, the total hours worked increased 2.5 per cent to post 844 million hours (Q1 2025: 2.5%; 851 million hours), with average hours worked increased 1.8 per cent, to record 46.0 hours per week (Q1 2025: 1.7%; RM46.3 hours per week). Simultaneously, **labour productivity per employment** for this sector **rose 11.0 per cent** with **value added per employment at RM12,728 per person** (Q1 2025: 13.2%; RM12,519 per person) during this quarter. Meanwhile, the total employment sustained at 1.0 per cent, registering 1,421 thousand persons (Q1 2025: 0.9%; 1,419 thousand persons).

## SERVICES

The **Services sector** demonstrated **an increase of 3.6 per cent in labour productivity per hour worked** for this quarter to record **value added per hour worked at RM41.0 per hour** (Q1 2025: 2.0%; RM40.9 per hour) as value added grew 5.1 per cent, reaching RM250,700 million (Q1 2025: 5.0%; RM247,972 million). Meanwhile, the total hours worked rose 1.4 per cent to register 6,112 million hours (Q1 2025: 2.9%; 6,060 million hours), with average hours worked fell at a negative 0.8 per cent, recording 44.6 hours per week (Q1 2025: 0.4%; 44.8 hours per week). The growth in the labour productivity per hour worked for the Services sector in Q2 2025 was due to increment across all of its subsectors, including Real estate and business services (9.1%), Transportation and storage (7.1%), Other services (6.7%), Wholesale and retail trade (3.5%), Information and communication (3.3%), Food & beverages and accommodation (2.3%) and Finance and insurance (0.6%), except for Utilities which declined at a negative 0.4 per cent. During this quarter, the **Services sector** saw **an increase of 2.9 per cent in labour productivity per employment**, recording **value added per employment at RM23,642 per person** (Q1 2025: 2.4 %; RM23,650 per person) as the total number of employed persons increased 2.1 per cent, registering 10,604 thousand persons (Q1 2025: 2.6%; 10,485 thousand persons). The performance in labour productivity per employment for the Services sector in the second quarter of 2025 was attributed to the expansion across all subsectors, except for Utilities which declined at a negative 0.9 per cent. Real estate and business services drove the overall performance by posting a growth of 6.8 per cent, followed by Transportation and storage (6.6%), Food & beverages and accommodation

(5.3%), Other services (4.3%), Wholesale and retail trade (2.3%), Finance and insurance (1.2%) and Information and communication (0.8%).

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