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MEDIA STATEMENT

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LABOUR PRODUCTIVITY SECOND QUARTER OF 2025

Labour productivity per hour worked grew 3.4 per cent in the second quarter of 2025, registering RM43.2 per hour

PUTRAJAYA, AUGUST 21, 2025 – Labour productivity per hour worked grew 3.4 per cent in the second quarter of 2025, registering RM43.2 per hour, the Department of Statistics Malaysia (DOSM) reported today in the release of **Labour Productivity Statistics, Malaysia, Second Quarter of 2025**.

According to Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin, “Malaysia's economy grew 4.4 per cent in the second quarter of 2025, maintaining the same growth rate recorded in the previous quarter, while the total hours worked increased by 1.0 per cent to 9.7 billion hours (Q1 2025: 2.1%; 9.7 billion hours).”

Commenting further, the Chief Statistician Malaysia stated, “Labour productivity per employment rose 2.8 per cent in the second quarter of 2025, with value added per employment reaching 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).”

*He added, “The **sectoral performance** for labour productivity expressed as **value added per hour worked** for this quarter was attributed to the growth in the **Construction sector**,*

which continued to increase at 9.3 per cent (Q1 2025: 11.3%), followed by the **Manufacturing sector** at 3.7 per cent (Q1 2025: 3.8%), the **Services sector** at 3.6 per cent (Q1 2025: 2.0%) and the **Agriculture sector** at 3.5 per cent (Q1 2025: 0.4%), while the **Mining and quarrying sector** continued contraction at a negative 4.6 per cent (Q1 2025: -0.9%).”

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 **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 context of the **sectoral performance** for labour productivity measured by **value added per employment**, the **Construction sector** steered the overall performance by posting a continued increase of 11.0 per cent (Q1 2025: 13.2%) during this quarter, followed by the **Services sector** at 2.9 per cent (Q1 2025: 2.4%), the **Manufacturing sector** at 2.8 per cent (Q1 2025: 3.2%) and the **Agriculture sector** at 2.3 per cent (Q1 2025: 0.6%), while the **Mining and quarrying sector** declined at a negative 5.8 per cent (Q1 2025: -3.2%).

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%).

In the meantime, labour productivity per employment in the **Manufacturing sector** expanded this quarter, driven by growth across most subsectors. Notable increases were

recorded in 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%). In contrast, two (2) subsectors declined: Transport equipment, other manufacturing and repair (-2.6%) and Textiles, wearing apparel and leather products (-0.4%).

Concluding his statement, Chief Statistician Malaysia, Dato' Sri Dr. Mohd Uzir Mahidin said, " With the propel of stable economic and sustainable labour market conditions, Malaysia's labour productivity is well positioned for a resilient positive outlook despite challenges in economic uncertainties and labour market reforms. Thus, continued investment in skills development including digital transformation, communications and analytics will be key in sustaining the enhancement of labour efficiency."

ASEAN-Malaysia 2025 Chairmanship: The Department of Statistics Malaysia (DOSM) will chair the 15th ASEAN Community Statistical System Committee (ACSS15) which aims to strengthen the statistical cooperation towards sustainable regional development.

Malaysia, for the first time, ranked as number one (1) globally in the biennial Open Data Inventory (ODIN) 2024/25 report released by Open Data Watch (ODW), surpassing 197 other countries. This achievement marks a significant leap from its 67th position in the ODIN 2022/23 assessment.

The Government of Malaysia has declared October 20th as National Statistics Day (MyStats Day), with the theme 'Statistics is the Essence of Life'. Meanwhile, the Fourth World Statistics Day will be celebrated on 20th October 2025, with the theme 'Driving Change with Quality Statistics and Data for Everyone'.

OpenDOSM NextGen is a medium that provides data catalogue and visualisations to facilitate users' analysis and can be accessed through <https://open.dosm.gov.my>.

Chart 1: Labour productivity, value added per hour worked, Q1 2022 – Q2 2025

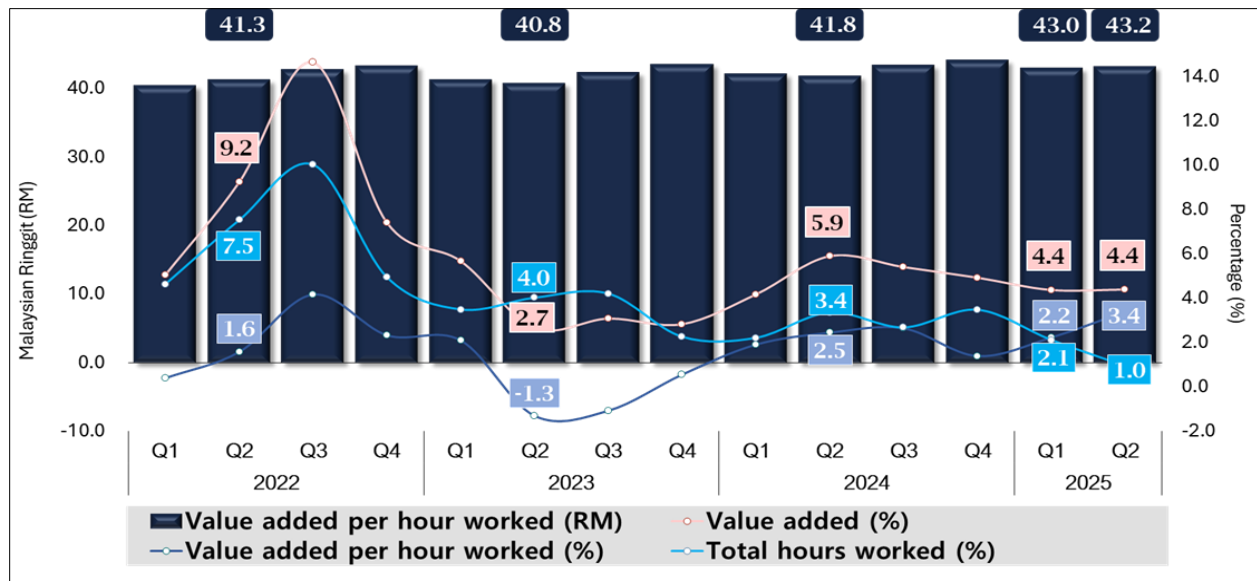
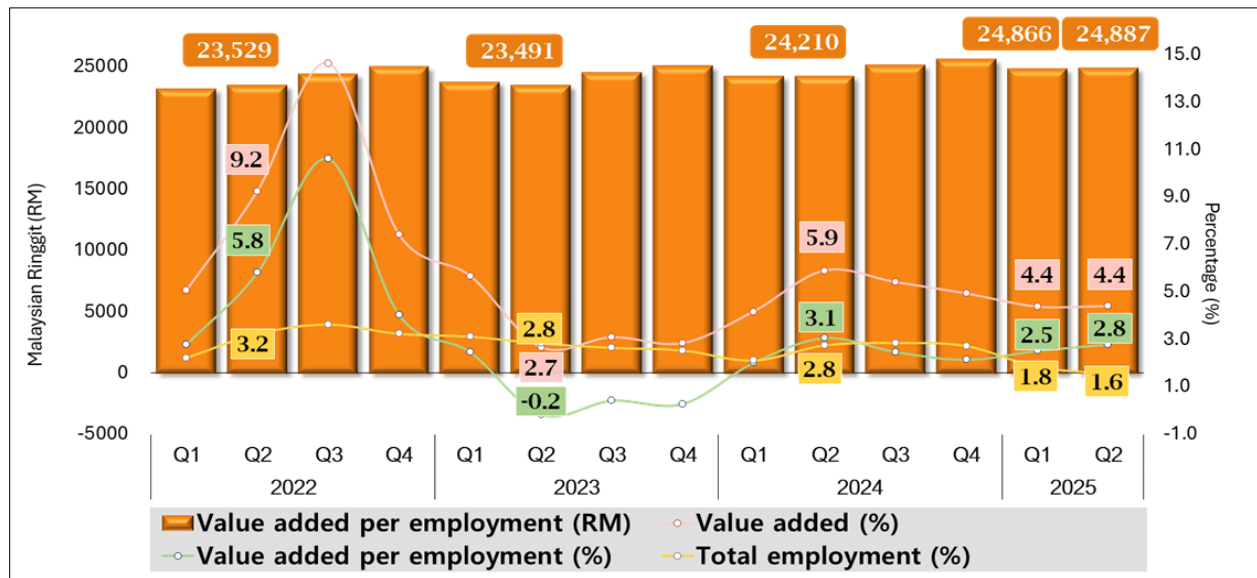


Chart 2: Labour productivity, value added per employment, Q1 2022 – Q2 2025



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