

**EMBARGO:** Only to be published or disseminated at **12:00 hour, Thursday, 20 November 2025**

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## LABOUR PRODUCTIVITY, THIRD QUARTER 2025

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## MALAYSIA'S LABOUR PRODUCTIVITY

Malaysia's economy remained resilient, recording a 5.2 per cent increase in value added to RM442,017 million (Q2 2025: 4.4%; RM419,420 million). Total hours worked also grew by 1.3 per cent to 9.8 billion hours (Q2 2025: 1.0%; 9.7 billion hours). Consequently, **labour productivity per hour worked** which is measured as the ratio of value added to total hours worked rose **3.8 per cent** to **RM45.1 per hour**, higher than the growth of 3.4 per cent (RM43.2 per hour) in Q2 2025. Meanwhile, **labour productivity per employment** recorded a year-on-year rise of **3.6 per cent** with value added per employment amounting to **RM26,052 per person** (Q2 2025: 2.8%; RM24,893 per person). This performance was supported by overall economy expansion and the marginal growth in total number of employments with 1.5 per cent to 17.0 million persons (Q2 2025: 1.6%; 16.8 million persons).

## AGRICULTURE

The value added for **Agriculture** sector rose modestly by 0.4 per cent to RM29,173 million in the third quarter of 2025 (Q2 2025: 2.5%; RM25,779 million). At the same time, average hours worked registered a negative growth of 0.8 per cent recording 41.4 hours per week (Q2 2025: -1.1%; 41.6 hours per week). Consequently, total hours worked declined by 0.9 per cent to 1,024 million hours (Q2 2025: -1.3%; 1,020 million hours). As a result, **labour productivity per hour worked** increased by **1.3 per cent** to **RM28.5 per hour** compared to 3.9 per cent and RM25.3 per hour in the previous quarter. In addition, the sector recorded a **0.5 per cent** increase in **labour productivity** which measured as value added **per employment** amounting to **RM15,309 per person** (Q2 2025: 2.7%; RM13,605 per person). Total number of employments continues to decline by 0.1 per cent reaching 1,906 thousand persons, compared to a decline of 0.1 per cent and 1,895 thousand persons in the second quarter of 2025.

## MINING AND QUARRYING

In third quarter of 2025, the **Mining and quarrying** sector registered a sharp increase of **9.7 per cent** in **labour productivity per hour worked** reaching **RM522.5 per hour** (Q2 2025: -5.1%; RM488.0 per hour). This growth was driven by a 9.7 per cent increase in value added, amounting to RM24,468 million (Q2 2025: -5.2%; RM22,532 million), as well as a shift to positive growth in total hours worked from negative 0.1 per cent (46 million hours) to 0.1 per cent (47 million hours) in this quarter. Meanwhile, average hours worked decreased by 1.7 per cent recording 47.1 hours per week (Q2 2025: 0.5%; 47.0 hours per week). **Labour productivity per employment** in this sector also increased by **8.9 per cent** with value added per employment amounting to **RM317,634 per person**, compared to negative 5.8 per cent and RM292,813 per person in second quarter of 2025. This performance was supported by an increase in total number of workers at 0.8 per cent with 77 thousand persons in this quarter (Q2 2025: 0.6%; 77 thousand persons).

## MANUFACTURING

The **Manufacturing** sector recorded an increase in value added of 4.1 per cent at RM101,438 million compared to the second quarter of 2025 (3.7%; RM96,887 million). Meanwhile, total hours worked registered a negative growth of 0.1 per cent and 1,702 million hours (Q2 2025: 0.03%; 1,681 million hours). This made **labour productivity per hour worked** to increase **4.2 per cent** to reach **RM59.6 per hour** (Q2 2025: 3.7%; RM57.6 per hour). At the same time, average hours worked maintained a negative growth 0.6 per cent, recording 45.8 hours per week (Q2 2025: -0.6%; 45.5 per week). At the subsector level, labour productivity per hour worked largely posted positive growth. This performance was seen when the highest growth recorded by Vegetable and animal oils & fats and food processing posted 9.4 per cent (Q2 2025: 13.9%), followed by Electrical, electronic and optical products, 6.6 per cent (Q2 2025: 5.1%), Petroleum, chemical, rubber and plastic product, 4.0 per cent (Q2 2025: 5.4%), Beverages and tobacco products, 2.6 per cent (Q2 2025: -0.3%), Wood products, furniture, paper products and printing, 2.0 per cent (Q2 2025: 1.4%), Non-metallic mineral products, basic metal and fabricated metal products, 1.3 per cent (Q2 2025: 0.3%) and Transport equipment, other manufacturing and repair, 0.5 per cent (Q2 2025: -1.9%). However, the Textiles, wearing apparel and leather products subsector maintained negative growth of 0.8 per cent (Q2 2025: -2.2%). Meanwhile, **labour productivity per employment** in this quarter also increased to **3.5 per cent** registering **RM35,357 per person** (Q2 2025: 2.8%; RM33,972 per person) with the total number of employments remained positive at 0.6 per cent to 2,869 thousand persons compared to 1.0 per cent and 2,852 thousand persons in previous quarter. This improvement was supported by growth in several subsectors including Electrical, electronic and optical products subsector, 6.9 per cent (Q2 2025: 6.1%), Beverages and tobacco products, 6.4 per cent

(Q2 2025: 1.2%), Vegetable and animal oils & fats and food processing at 5.6 per cent (Q2 2025: 9.5%), Non-metallic mineral products, basic metal and fabricated metal products, 3.2 per cent (Q2 2025: 2.4%), Wood products, furniture, paper products and printing, 3.1 per cent (Q2 2025: 1.7%), Petroleum, chemical, rubber and plastic product, 0.8 per cent (Q2 2025: 0.04%). However, two subsectors showed negative growth, namely, Transport equipment, other manufacturing and repair at negative 0.2 per cent (Q2 2025: -2.6%) and Textiles, wearing apparel and leather products at negative 0.4 per cent (Q2 2025: -0.4%).

## CONSTRUCTION

Based on the current quarter's performance, **labour productivity per hour worked** for **Construction** sector recorded a double-digit growth of **10.2 per cent** to **RM23.0 per hour** (Q2 2025: 9.3%; RM21.4 per hour). This performance was influenced by the marginal increase of value added at 11.8 per cent (RM19,578 million) compared to 12.1 per cent (RM18,091) in the previous quarter. In addition, total hours worked grew 1.4 per cent to record 850 million hours worked (Q2 2025: 2.5%; 844 million hours), as the average hours worked registered 0.2 per cent to 46.0 hours per week compared to second quarter of 2025 (1.8%; 46.0 hours per week). In another context, total employment increased modestly by 0.9 per cent to 1,424 thousand persons (Q2 2025: 1.0%; 1,421 thousand persons), contributing to a positive growth in **labour productivity per worker** of **10.8 per cent**, with a value of **RM13,754 per person** (ST2 2025: 11.0%; RM12,728 per person).

## SERVICES

In this quarter, the **Services** sector showed an increase of 5.0 per cent in value added which reached RM261,226 million (Q2 2025: 5.1%; RM250,700 million), while the total hours worked rose at 2.0 per cent to record 6,173 million hours compared to the previous quarter (Q2 2025: 1.4%; 6,112 million hours). The growth rates of these two labour productivity indicators resulted in a marginal increase of **2.9 per cent** and **RM42.3 per hour** in **labour productivity** measured as **value added per hour worked** (Q2 2025: 3.6%; RM41.0 per hour). Similarly, the average hours worked registered a slight decline of 0.02 per cent to 44.7 hours per week (Q2 2025: -0.8%; 44.6 hours per week). Positive growth across most subsectors during this quarter also contributed to higher labour productivity per hour worked in the Services sector. Among the subsectors that recorded the highest growth were Other services at 5.6 per cent (Q2 2025: 6.7%), Real estate and business services at 5.5 per cent (Q2 2025: 9.1%), Food & beverages and accommodation, 5.4 per cent (Q2 2025: 2.3%), Transportation and storage, 3.6 per cent (Q2 2025: 7.1%), Wholesale and retail trade at 3.4 per cent (Q2 2025: 3.5%) and Information and communication, 2.0 per cent (Q2 2025: 3.3%). Meanwhile, the Utilities subsector maintained a negative growth at 0.03 per cent (Q2 2025: -0.4%), while Finance and insurance recorded a decline at negative 2.4 per cent (Q2 2025: 0.6%). Additionally, this sector recorded a growth of **2.8 per cent** reaching **RM24,433 per person** in **labour productivity per employment** during this quarter (Q2 2025: 2.9%; RM23,642 per person), while the total number of employments stayed at 2.1 per cent, registering 10,692 thousand persons compared to 2.1 per cent and 10,604 thousand persons in the second quarter of 2025. Most subsectors within the Services sector also registered an increase in labour productivity per employment during this quarter. The highest growth was observed in Real estate and business services at 5.9 per cent (Q2 2025: 6.8%) followed by Food & beverages and accommodation, 5.8 per cent (Q2 2025: 5.3%), Other services, 5.5 per cent (Q2 2025: 4.3%), Transportation and storage, 5.1 per cent (Q2 2025: 6.6%), Wholesale and retail trade, 2.5 per cent (Q2 2025: 2.3%), Information and communication, 1.6 per cent (Q2 2025: 0.8%) and Utilities, 0.6 per cent (Q2 2025: -0.9%). However, the Finance and insurance subsector recorded a contraction, registering a negative growth of 3.2 per cent this quarter compared with the previous quarter (ST2 2025: 1.2%).

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