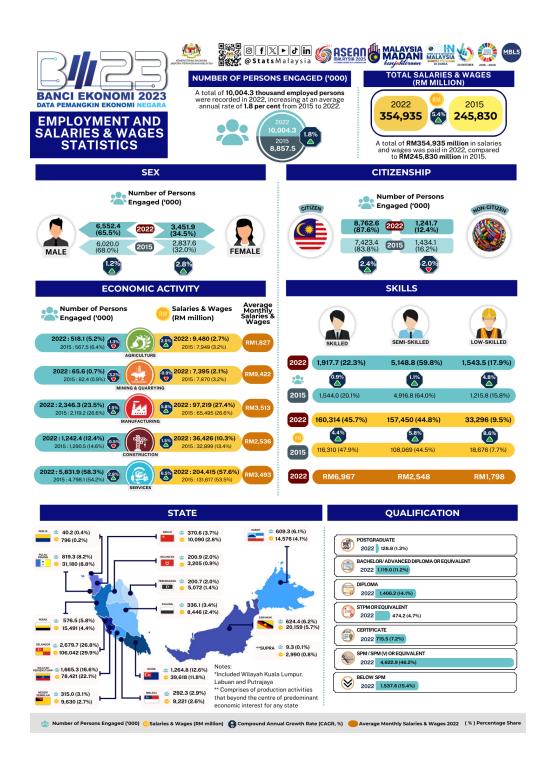


## MINISTRY OF ECONOMY DEPARTMENT OF STATISTICS MALAYSIA

## ECONOMIC CENSUS 2023: STATISTICS OF EMPLOYEE AND SALARIES & WAGES



Business establishments in Malaysia employed a total of 10 million person in 2022 according to the latest Employment and Salaries & Wages Statistics releasing by the Department of Statistics Malaysia (DOSM) through the Economic Census 2023. This figure marks an average annual growth rate of 1.8 per cent from 8.9 million persons recorded in previous Economic Census of reference year 2015.

Looking into the employment by economic activity showed that the Services sector continued to dominate the workforce in 2022, with 5.8 million persons or equivalent to 58.3 per cent of total persons engaged, followed by the Manufacturing sector, 2.3 million persons. Both sectors recorded positive annual growth in employment compared to 2015. In contrast, the Construction, Agriculture, and Mining & quarrying sectors experienced a decline in employment in 2022.

Changes in the number of employed persons in 2022 reflect the shift in the labour market landscape, particularly in the aftermath of the COVID-19 pandemic.

Meanwhile, total labour cost, including all employer expenditures for employing staff, stood at RM471.8 billion in 2022. Direct labour costs such as salaries and wages, bonuses and other labour remuneration comprise a significant portion of 85.4 per cent of the total labour cost or equivalent to RM402.8 billion, while indirect labour costs such as cost of training, employers' social contribution, levy on labour and others was RM69.0 billion. By economic activity, the Services and Manufacturing sectors collectively accounted for the largest share of total labour cost, amounting to RM407.5 billion or 86.4 per cent of the overall figure. These were followed by the Construction, Agriculture and Mining & quarrying sectors' labour costs, which were recorded at RM43.4 billion, RM11.3 billion and RM9.7 billion, respectively. The annual labour cost per employment was recorded at RM47,155 per person. Despite having the least amount of total labour cost, Mining & quarrying recorded the highest labour cost per employment, amounting to RM145,739 per person annually. Among all sectors, the Agriculture sector registered the lowest labour cost per employment, at RM21,718.

In tandem with the growth in employment, total salaries & wages paid, the biggest element in the total labour cost, registered a steady annual growth of 5.4 per cent, increasing from RM245.8 billion in 2015 to RM354.9 billion in 2022. Consequently, the average monthly salary and wages for employees in 2022 amounted to RM3,332, reflecting an annual growth rate of 3.7 per cent when compared to RM2,590 in 2015. All sectors registered an increment in 2022 except for the Mining & quarrying sector, which recorded RM7.4 billion with an annual growth rate of -0.9 per cent. Despite having negative growth in total salaries & wages paid, workers in the Mining & quarrying sector earned the highest average monthly salaries & wages at RM9,422 per month in 2022. Meanwhile, employees in the Manufacturing, Services, and Construction sectors earned RM3,513, RM3,493, and RM2,536 per month, respectively. Employee in the Agriculture sector earned the lowest average monthly salaries & wages at RM1,827

Delving into category of employment and skills, paid full-time employees comprised the largest workforce composition in 2022, totalling 8.6 million persons or equivalent to 86.1 per cent of the total workforce. Disaggregating the employment by skills, semi-skilled workers formed the largest segment of the workforce, comprising 59.8 per cent of total paid full-time employees or 5.2 million persons. Meanwhile, skilled workers and low-skilled workers made up 22.3 per cent and 17.9 per cent of total paid full-time employees, respectively. The gap in average monthly salaries and wages across skills remains significant, reflecting the presence of a skills premium structure in the national labour market. Skilled workers earned the highest at RM6,967 in 2022, reflecting an annual growth rate of 1.5 per cent from RM6,277 in 2015. While, on average the semi-skilled workers and low-skilled workers earned RM2,548 and RM1,798 monthly.

The composition of the workforce by the state in 2022, Selangor recorded the highest number of persons engaged at 2.7 million persons or 26.8 per cent. Wilayah Persekutuan followed this with 1.7 million

persons (share: 16.6%) and Johor with 1.3 million persons (share: 12.6%). The majority of employees in Selangor and Wilayah Persekutuan were engaged in the Services sector, while workers in Johor were primarily in the Services and Manufacturing sector. On the other hand, Perlis recorded the lowest percentage share of 0.4 per cent with 40.2 thousand persons in 2022. Between 2015 and 2022, Pulau Pinang experienced the fastest annual growth in employment, increasing by 3.5 per cent annually to 819.3 thousand persons in 2022 (2015: 641.9 thousand persons). The increase was driven mainly by the Manufacturing sector. In terms of total salaries & wages paid, Selangor led in 2022 with a total of RM106.0 billion, followed by Wilayah Persekutuan with RM78.4 billion and Johor with RM39.3 billion. These three states collectively accounted for 62.6 per cent of total national salaries & wages.

The number of persons engaged in Micro, Small, and Medium Enterprises (MSMEs) reached 6.5 million persons, which represents 65.2 per cent of the total workforce. In contrast, large enterprises employed 3.5 million persons, or equivalent to 34.8 per cent of the total workforce. The salaries & wages gap between MSMEs and large enterprises in Malaysia remains substantial, indicating a positive relationship between employee compensation, company size, and productivity. In 2022, workers in large enterprises earned, on average, 47.5 per cent more than those in MSMEs. Average monthly salaries & wages of employees in large enterprises stood at RM4,145, compared with RM2,810 in MSMEs.

The breakdown of the number of persons engaged by education qualification indicates that workers with SPM/ SPM (V) or equivalent made up the largest share of the workforce, with 46.2 per cent or equivalent to 4.6 million persons in 2022. This qualification was particularly prevalent in the Agriculture sector, where 81.0 per cent of workers held SPM/SPM(V) or equivalent. Meanwhile, 31.3 per cent of the total workforce holds tertiary education qualifications. Among them, Diploma holders accounted for 14.1 per cent or 1.4 million persons, while Bachelor/ Advanced Diploma or equivalent comprise 11.2 per cent or 1.1 million persons. Meanwhile, workers with Postgraduate qualifications represented the smallest share, at 1.3 per cent or 128.8 thousand persons.

The Employment and Salaries & Wages Statistics from the Economic Census 2023 offer valuable insights into the labour market landscape. These statistics serve as an essential reference for policymakers, economists, and businesses in shaping strategies related to wage policy, workforce planning, and sectoral productivity. A deeper understanding of labour cost trends and employment patterns is key to fostering inclusive growth and enhancing national competitiveness.

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