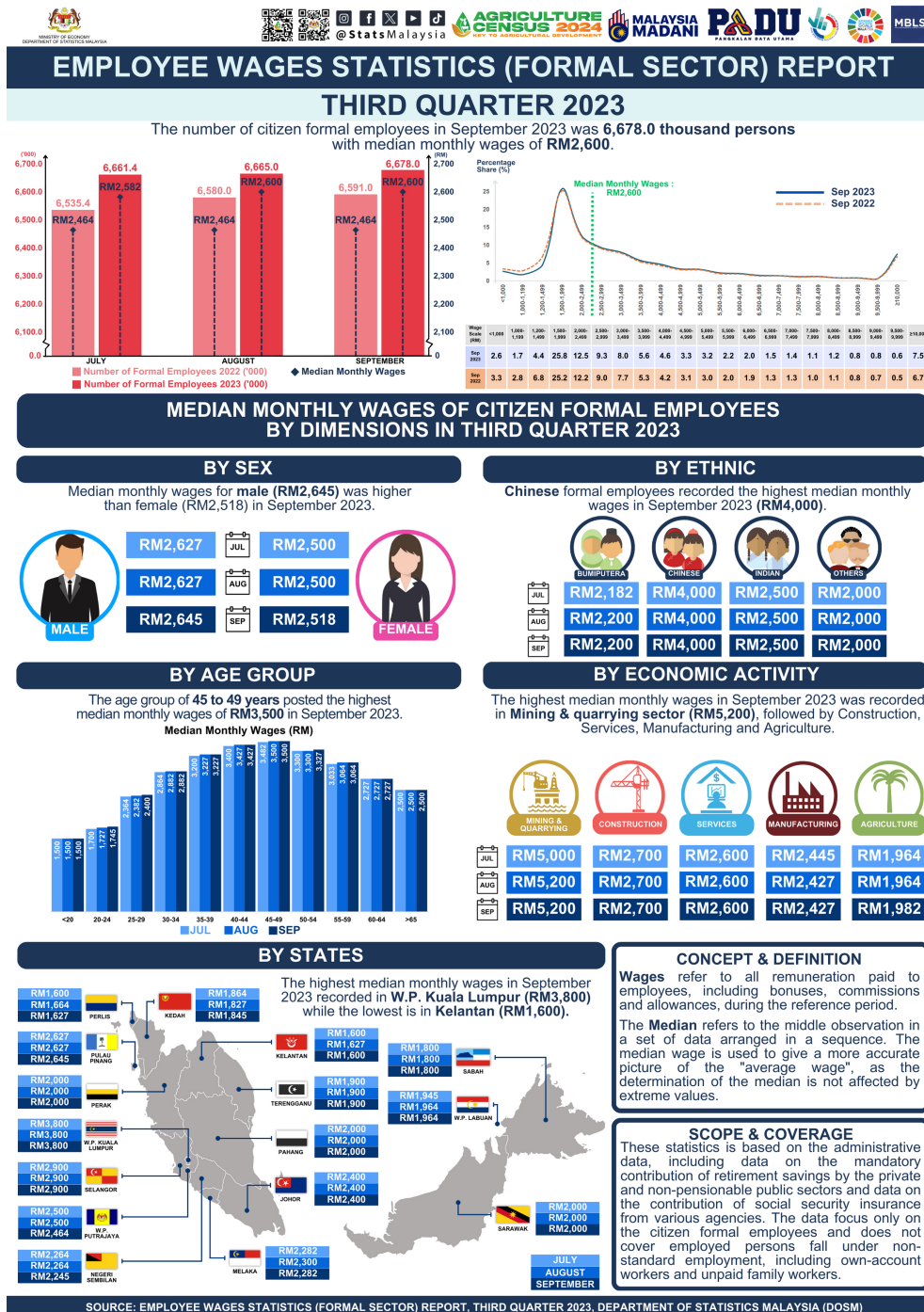




MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

EMPLOYEE WAGES STATISTICS (FORMAL SECTOR) THIRD QUARTER 2023



CONCEPT & DEFINITION

Wages refer to all remuneration paid to employees, including bonuses, commissions and allowances, during the reference period.

The **Median** refers to the middle observation in a set of data arranged in a sequence. The median wage is used to give a more accurate picture of the "average wage", as the determination of the median is not affected by extreme values.

SCOPE & COVERAGE

These statistics is based on the administrative data, including data on the mandatory contribution of retirement savings by the private and non-pensionable public sectors and data on the contribution of social security insurance from various agencies. The data focus only on the citizen formal employees and does not cover employed persons fall under non-standard employment, including own-account workers and unpaid family workers.

The formal sector median monthly wages increased 5.5 per cent year-on-year to register RM2,600 at the end of the third quarter of 2023.

Male formal employees accounted for more than half of the total formal employees, constituting 55.4 per cent or equivalent to 3.70 million persons in September 2023. Male formal employees received median monthly wages of RM2,645 in September 2023, reflecting an increase of 5.8 per cent compared to September 2022. Meanwhile, female formal employees who represented 44.6 per cent of the total formal employees (2.98 million persons) earned median monthly wages of RM2,518 in September 2023.

Looking at detailed wage statistics by age group reported that formal employees aged 25 to 29 made up nearly one-fifth of the total formal employees in September 2023 accounting for 19.9 per cent or 1.33 million persons while the age group 65 years and above generates the least number of formal employees with 0.10 million persons or 1.5 per cent. The age group of 45 to 49 years old received the highest median monthly wages in September 2023, which is RM3,500. This age group also maintained the highest median monthly wages in July 2023 (RM3,482) and August 2023 (RM3,500). However, the age group below 20 years old received the lowest median monthly wages of RM1,500 in September 2023, remaining stagnant for three consecutive months throughout the third quarter of 2023.

The median monthly wages witnessed a positive growth across all sectors in the third quarter of 2023. Specifically, the Mining and quarrying sector registered the highest median monthly wages with RM5,200 in September 2023. This sector also recorded the highest year-on-year growth in September 2023 of 16.5 per cent. The Agriculture sector, comprising 1.9 per cent of the total formal employees, registered the lowest median monthly wages of RM1,982, showing a 6.3 per cent year-on-year increase in September 2023.

All states indicated positive year-on-year growth in terms of the median monthly wages. Three states surpassed the national median monthly wages of RM2,600 in September 2023, with W.P. Kuala Lumpur recording the highest median monthly wages at RM3,800, followed by Selangor at RM2,900 and Pulau Pinang at RM2,645. In contrast, Kelantan, Perlis and Sabah showed the lowest median monthly wages during the same period, each registering figures of RM1,600, RM1,627 and RM1,800 respectively.

In terms of wage distribution in September 2023, 34.6 per cent of Malaysian formal employees earned below RM2,000. This proportion marks a decrease from 38.1 per cent recorded in the previous year. Concurrently, approximately 7.5 per cent of formal employees earned monthly wages of RM10,000 and above in September 2023. In the meantime, the percentile analysis indicates that the 10th percentile of formal employees earned wages equal to or less than RM1,500 per month. However, this group experienced a notable monthly wage increase of 10.0 per cent compared to the same month in the previous year (September 2022: RM1,364). The wage ratio between the highest wage group (90th percentile) and the lowest wage earner group (10th percentile) illustrates that the highest wage earner group received the wage more than five times compared to the lowest wage earner group.

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