

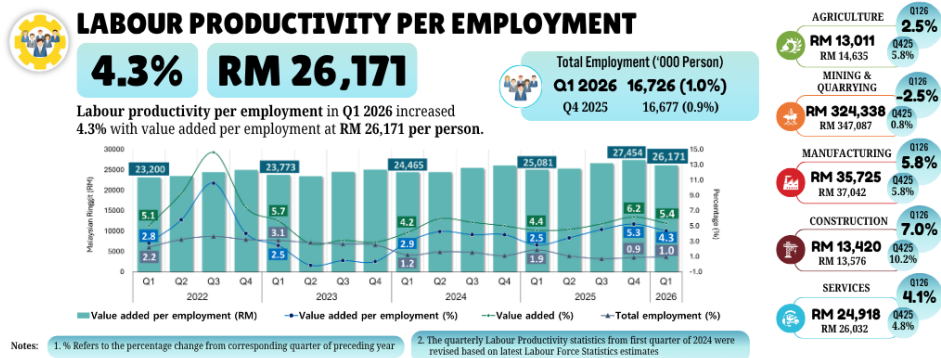
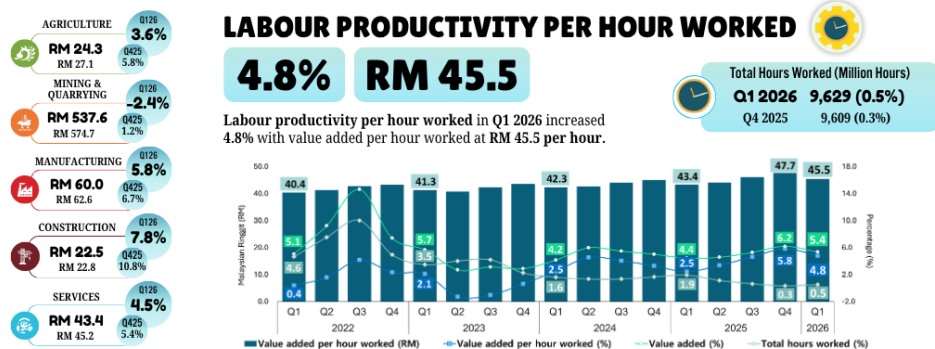


MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, FIRST QUARTER 2026



LABOUR PRODUCTIVITY FIRST QUARTER 2026



Notes: 1. % Refers to the percentage change from corresponding quarter of preceding year
2. The quarterly Labour Productivity statistics from first quarter of 2024 were revised based on latest Labour Force Statistics estimates

MALAYSIA'S LABOUR PRODUCTIVITY

Malaysia's economy recorded a growth of 5.4 per cent in the first quarter of 2026, with value added reaching RM437,719 million (Q4 2025: 6.2%; RM457,859 million). During the same period, total hours worked increased by 0.5 per cent to 9.6 billion hours (Q4 2025: 0.3%; 9.6 billion hours). In line with the economic expansion, **labour productivity per hour worked**, measured as the ratio of value added to total hours worked, increased by **4.8 per cent** to **RM45.5 per hour** compared to 5.8 per cent and RM47.7 per hour in the previous quarter. Meanwhile, **labour productivity per employment** recorded a growth of **4.3 per cent**, with **value added per employment** amounting to **RM26,171 per person** compared to 5.3 per cent and RM27,454 per person in the previous quarter. This performance was influenced by the growth of the Malaysian economy, as well as changes in the number of employed persons, which increased by 1.0 per cent to 16.7 million persons (Q4 2025: 0.9%; 16.7 million persons).

Agriculture

Value added in **Agriculture** sector continued to record growth of 2.6 per cent to RM24,435 million in the first quarter of 2026 (Q4 2025: 5.7%; RM27,268 million). During the same period, average hours worked declined by 0.9 per cent to 41.3 hours per week compared to the previous quarter (Q4 2025: -0.001%; 41.7 hours per week). This situation caused total hours worked declined by 0.9 per cent to 1,006 million hours (Q4 2025: -0.03%; 1,007 million hours). In line with these scenarios, **labour productivity per hour worked**, measured as the ratio of value added to total hours worked, increased by **3.6 per cent** to **RM24.3 per hour** compared to 5.8 per cent and RM27.1 per hour in the previous quarter. In addition, **labour productivity per employment** recorded a growth of **2.5 per cent** to **RM13,011 per person** (Q4 2025: 5.8%; RM14,635 per person). Meanwhile, the number of employed persons in this sector increased by 0.1 per cent to 1,878 thousand persons compared to a decline of 0.1 per cent with 1,863 thousand persons in the fourth quarter of 2025.

Mining and Quarrying

In the first quarter of 2026, **Mining and Quarrying** recorded a **decline** in **labour productivity per hour worked** of **2.4 per cent** to **RM537.6 per hour** (Q4 2025: 1.2%; RM574.7 per hour). This performance was influenced by value added, which registered a negative growth of 2.1 per cent to RM24,933 million (Q4 2025: 1.4%; RM26,759 million), as well as an increase in total hours worked by 0.3 per cent to 46 million hours compared to an increase of 0.2 per cent (47 million hours) in the previous quarter. At the same time, average hours worked declined by 0.6 per cent, recording 46.8 hours per week (Q4 2025: -1.4%; 46.6 hours per week). **Labour productivity per employment** for this sector **decreased 2.5 per cent** after recording value added per employment of **RM324,338 per person** compared to 0.8 per cent and RM347,087 per person in the fourth quarter of 2025. This performance was in line with the increase in total number of employed persons to 0.4 per cent to reach 77 thousand persons during the quarter (Q4 2025: 0.7%; 77 thousand persons).

Manufacturing

The **Manufacturing** sector recorded a growth of 5.9 per cent in value added, amounting to RM101,295 million compared to the previous quarter (Q4 2025: 6.0%; RM105,344 million). At the same time, total hours worked increased by 0.1 per cent to 1,688 million hours (Q4 2025: -0.6%; 1,681 million hours). In line with these developments, **labour productivity per hour worked** increased by **5.8 per cent** to **RM60.0 per hour** compared to 6.7 per cent and RM62.6 per hour in the previous quarter. Meanwhile, average hours worked increased by 0.1 per cent to 46.0 hours per week (Q4 2025: -0.9%; 45.6 hours per week). At the subsector level, **labour productivity per hour worked** continued to show positive performance, with majority of subsectors registering growth. The highest growth was recorded by Electrical, electronic and optical products subsector at 11.9 per cent (Q4 2025: 11.9%) followed by Vegetable and animal oils & fats and food processing at 8.8 per cent (Q4 2025: 15.4%), Beverages and tobacco products at 6.3 per cent (Q4 2025: 5.1%), Non-metallic mineral products, basic metals and fabricated metal products at 5.5 per cent (Q4 2025: 7.6%), Wood products, furniture, paper products and printing at 3.0 per cent (Q4 2025: 0.9%) as well as Petroleum, chemical, rubber and plastic products at 2.2 per cent (Q4 2025: 2.6%). However, some subsectors continued to record negative growth such as Transport equipment, other manufacturing and repair at 4.8 per cent (Q4 2025: -3.8%) and Textiles, wearing apparel and leather products 1.1 per cent (Q4 2025: 0.4%). Meanwhile, **labour productivity per employment** increased by **5.8 per cent**, recording **RM35,725 per person** compared to 5.8 per cent and RM37,042 per person in the previous quarter. This performance was in line with the positive growth of total number of employed persons, which increased 0.1 per cent to 2,835 thousand persons (Q4 2025: 0.2%; 2,844 thousand persons). The growth was mainly driven by the increase in Electrical, electronic and optical products subsector at 12.1 per cent (Q4 2025: 11.4%), followed by Vegetable and animal oils & fats and food processing at 8.8 per cent (Q4 2025: 9.7%), Beverages and tobacco products at 5.7 per cent (Q4 2025: 5.8%),

Non-metallic mineral products, basic metals and fabricated metal products at 4.8 per cent (Q4 2025: 5.1%), Wood products, furniture, paper products and printing at 2.8 per cent (Q4 2025: 3.3%), Petroleum, chemical, rubber and plastic products at 1.6 per cent (Q4 2025: 1.8%), as well as Textile, wearing apparel and leather products at 0.7 per cent (Q4 2025: 1.5%). However, Transport equipment, other manufacturing and repair subsector continued to record a decline of 3.4 per cent (Q4 2025: -1.6%).

Construction

In the first quarter of 2026, **labour productivity per hour worked** for **Construction** sector recorded an increase of **7.8 per cent** to **RM22.5 per hour** compared to the previous quarter (Q4 2025: 10.8%; RM22.8 per hour). This performance was influenced by the increase in value added, which recorded a growth of 7.7 per cent amounting to RM19,064 million compared to 10.9 per cent (RM19,281 million) in previous quarter. During the same period, total hours worked declined 0.1 per cent to 846 million hours (Q4 2025: 0.1%; 847 million hours), in line with a decline in average hours worked of 0.8 per cent to 46.0 hours per week compared to the previous quarter (Q4 2025: -0.3%; 46.1 hours per week). Meanwhile, **labour productivity per employment** also recorded a growth of **7.0 per cent** with a value of **RM13,420 per person** compared to 10.2 per cent and RM13,576 per person in the previous quarter. This performance was supported by an increase in the total number of employed persons by 0.7 per cent to 1,421 thousand persons (Q4 2025: 0.6%; 1,420 thousand persons).

Services

The **Services** sector continued to record growth as value added increased 5.6 per cent to RM262,003 million compared to the previous quarter (Q4 2025: 6.2%; RM272,628 million). During the same period, total hours worked also increased by 1.0 per cent, recording 6,043 million hours worked (Q4 2025: 0.7%; 6,026 million hours). This development contributed to **labour productivity per hour worked**, which recorded an increase of **4.5 per cent** to **RM43.4 per hour** compared to 5.4 per cent and RM45.2 per hour in the previous quarter. In addition, average hours worked declined by 0.5 per cent to 44.5 hours per week (Q4 2025: -0.5%; 44.5 hours per week). The positive performance of most subsectors also contributed to the increase in **the labour productivity per hour worked** in this sector. The subsectors that recorded highest growth were Food & beverages and accommodation at 8.2 per cent (Q4 2025: 13.7%), followed by Real estate and business services at 5.9 per cent (Q4 2025: 4.4%), Transportation and storage at 5.7 per cent (Q4 2025: 7.1%), Other services at 5.2 per cent (Q4 2025: 5.8%), Information and communication at 3.9 per cent (Q4 2025: 6.9%), Wholesale and retail trade at 3.6 per cent (Q4 2025: 3.9%), as well as Utilities at 2.4 per cent (Q4 2025: -2.6%). Meanwhile, the Financial and insurance subsector recorded a decline of 0.8 per cent (Q4 2025: -0.6%). In addition, **labour productivity per employment** for this sector increased by **4.1 per cent** to **RM24,918 per person** compared to 4.8 per cent and RM26,032 per person in the previous quarter. During the same period, total number of employed persons increased by 1.4 per cent to 10,515 thousand persons (Q4 2025: 1.3%; 10,473 thousand persons). Most subsectors of this sector recorded growth in **labour productivity per employment** during this quarter. The highest growth was recorded by the Transportation and storage subsector at 7.2 per cent (Q4 2025: 6.6%), followed by Information and communication at 6.2 per cent (Q4 2025: 8.0%), Other services at 5.5 per cent (Q4 2025: 5.2%), Food & beverages and accommodation at 5.4 per cent (Q4 2025: 9.8%), Real estate and business services at 4.7 per cent (Q4 2025: 5.9%), Wholesale and retail trade at 3.5 per cent (Q4 2025: 3.9%) as well as Utilities at 2.1 per cent (Q4 2025: 0.5%). However, the Financial and insurance subsector continued to record a decline of 1.3 per cent (Q4 2025: -0.2%).

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