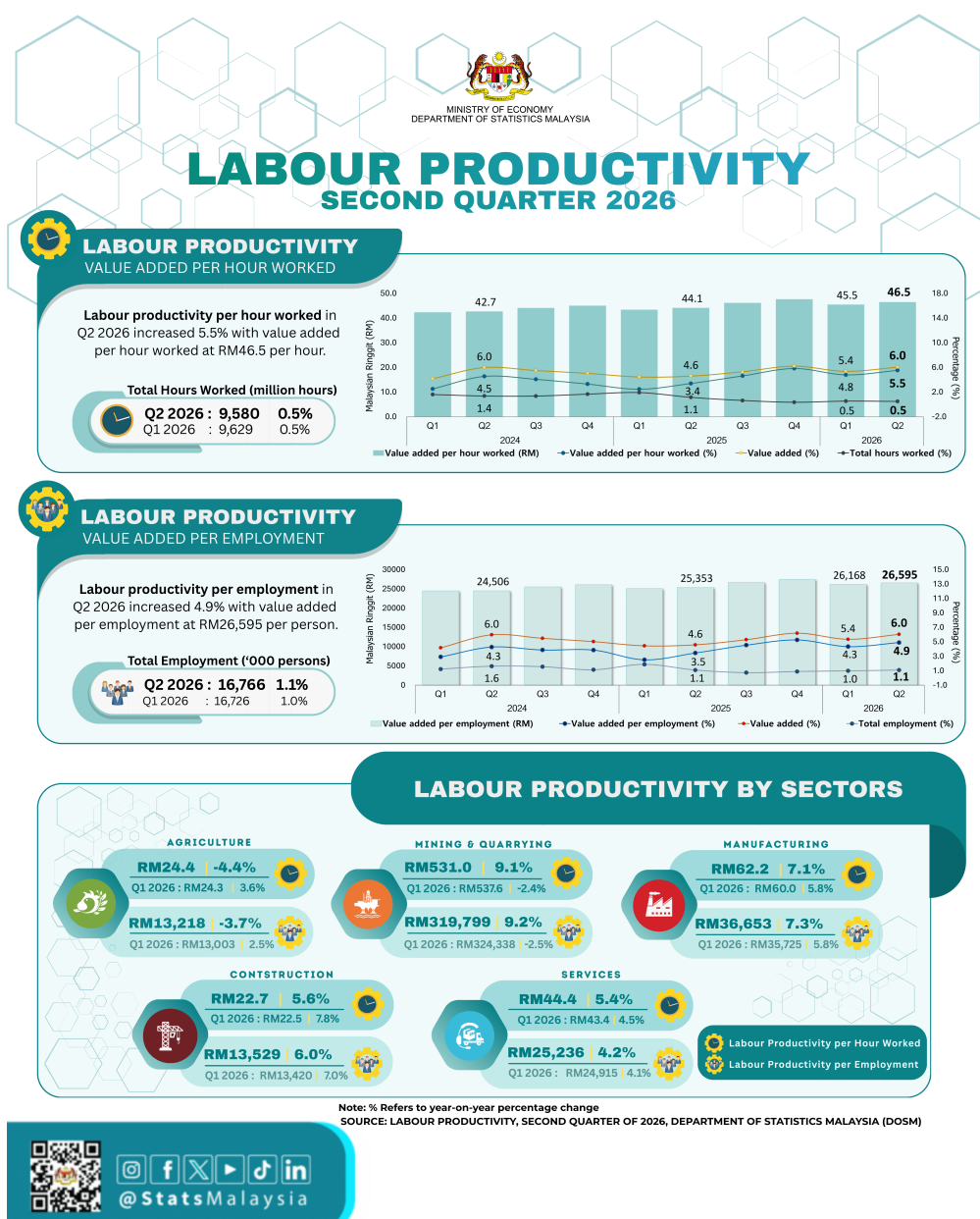




MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, SECOND QUARTER 2026



Malaysia's Labour Productivity

Malaysia's economy strengthened further in the second quarter of 2026, recording a growth of 6.0 per cent with value added of RM445,896 million (Q1 2026: 5.4%; RM437,670 million), while total hours worked increased by 0.5 per cent to 9.6 billion hours (Q1 2026: 0.5%; 9.6 billion hours). Alongside the expansion in economic activity, **labour productivity per hour worked** which is measured as the ratio of value added to total hours worked recorded a growth of **5.5 per cent** with value **RM46.5 per hour** compared to the preceding quarter (Q1 2026: 4.8%; RM45.5 per hour). On the same note, **labour productivity per employment** increased by **4.9 per cent**, with **value added per employment RM26,595 per person** (Q1 2026: 4.3%; RM26,168 per person). The performance was supported by the continued expansion of Malaysia's economy coupled with sustained growth in total employment by 1.1 per cent to 16.8 million persons (Q1 2026: 1.0%; 16.7 million persons).

Agriculture

Agriculture sector experienced a contraction of 3.7 per cent in the second quarter of 2026, with value added amounting to RM24,966 million (Q1 2026: 2.6%; RM24,420 million). In terms of average hours worked, an increment of 0.6 per cent was recorded with 41.8 hours per week (Q1 2026: -0.9%; 41.3 hours per week), while total hours worked increased by 0.8 per cent to 1,025 million hours (Q1 2026: -0.9%; 1,006 million hours). As a result, **labour productivity per hour worked** registered a **decline of 4.4 per cent** at **RM24.4 per hour** as compared with 3.6 per cent and RM24.3 per hour in the preceding quarter. In terms of total employment, **labour productivity per employment** recorded a **decrease of 3.7 per cent**, registering **RM13,218 per person** (Q1 2026: 2.5%; RM13,003 per person). Meanwhile, the total number of employed persons in this sector increased at a slower pace at 0.1 per cent to 1,889 thousand persons (Q1 2026: 0.1%; RM1,878 thousand persons).

Mining and quarrying

Mining and quarrying sector registered a notable improvement in the second quarter of 2026, with **labour productivity per hour worked** recording a growth of **9.1 per cent** and reaching **RM531.0 per hour** (Q1 2026: -2.4%; RM537.6 per hour). This performance was supported by the increase of 9.2 per cent in value added to RM24,615 million (Q1 2026: -2.1%; RM24,933 million), while total hours worked increased by 0.1 per cent to 46 million hours (Q1 2026: 0.3%; 46 million hours). Meanwhile, average hours worked decreased by 0.7 per cent, registering 46.8 hours per week (Q1 2026: -0.6%; 46.8 hours per week). Similarly, **labour productivity per employment** for this sector surged by **9.2 per cent**, with value added per employment amounting to **RM319,799 per person** (Q1 2026: -2.5%; RM324,338 per person). This was accompanied by a slight increase in the total number of employed persons at 0.02 per cent, reaching 77 thousand persons in the second quarter of 2026 (Q1 2026: 0.4%; 77 thousand persons).

Manufacturing

Manufacturing sector continued to expand in the second quarter of 2026, with value added increasing by 7.3 per cent to RM104,007 million (Q1 2026: 5.9%; RM101,295 million). At the same time, total hours worked also increased by 0.2 per cent to 1,673 million hours (Q1 2026: 0.1%; 1,688 million hours). Consequently, **labour productivity per hour worked** increased by **7.1 per cent** to **RM62.2 per hour** (Q1 2026: 5.8%; RM60.0 per hour). Nevertheless, the average hours worked recorded a decrease of 0.1 per cent, with an average of 45.5 hours per week as compared to 0.1 per cent with 46.0 hours per week in the first quarter of 2026. At the sub-sector level, **labour productivity per hour worked** continued to register positive growth across all Manufacturing sub-sectors. The strongest performance was recorded by Electrical, electronic and optical products at 14.9 per cent (Q1 2026: 11.9%), followed by Beverages and tobacco products at 13.7 per cent (Q1 2026: 6.3%), Non-metallic mineral products, basic metal and fabricated metal products at 4.3 per cent (Q1 2026: 5.5%), Petroleum, chemical, rubber and plastic products at 4.1 per cent (Q1 2026: 2.2%), Vegetable and animal oils & fats and food processing at 3.6 per cent (Q1 2026: 8.8%), Wood products, furniture, paper products and printing at 2.2 per cent (Q1 2026: 3.0%), Transport equipment, other manufacturing and repair posted 2.0 per cent (Q1 2026: -4.8%) and Textiles, wearing apparel and leather products recorded 1.9 per cent (Q1 2026: -1.1%). Meanwhile, **labour productivity per employment** in the Manufacturing sector increased by **7.3 per cent** to **RM36,653 per person**

(Q1 2026: 5.8%; RM35,725 per person), while the total number of employed persons recorded a growth of 0.1 per cent, reaching 2,838 thousand persons (Q1 2026: 0.05% ; 2,835 thousand persons). At the sub-sector level, **labour productivity per employment** continued to record growth across most Manufacturing sub-sectors. The highest increase was observed in Electrical, electronic and optical products at 14.2 per cent (Q1 2026: 12.1%), followed by Petroleum, chemical, rubber and plastic products at 5.7 per cent (Q1 2026: 1.6%), Beverages and tobacco products at 5.6 per cent (Q1 2026: 5.7%), Non-metallic mineral products, basic metal and fabricated metal products at 4.5 per cent (Q1 2026: 4.8%), Wood products, furniture, paper products and printing at 4.2 per cent (Q1 2026: 2.8%), Transport equipment, other manufacturing and repair registered 3.6 per cent (Q1 2026: -3.4%), Vegetable and animal oils & fats and food processing at 2.4 per cent (Q1 2026: 8.8%) and Textiles, wearing apparel and leather products recorded 0.8 per cent (Q1 2026: 0.7%).

Construction

Construction sector sustained its positive momentum in the second quarter of 2026, with **labour productivity per hour worked** recording a growth of **5.6 per cent at RM22.7 per hour** (Q1 2026: 7.8%; RM22.5 per hour). The sector's value added edged up by 6.5 per cent to RM19,256 million (Q1 2026: 7.7%; RM19,064 million), while total hours worked increased by 0.9 per cent to 848 million hours (Q1 2026: -0.1%; 846 million hours). Meanwhile, average hours worked recorded a slight increase of 0.005 per cent at 45.9 hours per week compared with a contraction of 0.8 per cent and 46.0 hours per week in the first quarter of 2026. Meanwhile, total employment increased by 0.5 per cent to 1,423 thousand persons (Q1 2026: 0.7%; 1,421 thousand persons). Consequent to this, the **labour productivity per employment** recorded a growth of **6.0 per cent**, reaching **RM13,529 per person** (Q1 2026: 7.0%; RM13,420 per person).

Services

Services sector continued to expand in the second quarter of 2026, with value added increasing by 5.9 per cent to RM265,968 million (Q1 2026: 5.6%; RM261,969 million). Similarly, total hours worked increased by 0.4 per cent, reaching 5,987 million hours (Q1 2026: 1.0%; 6,043 million hours). Thus, the **labour productivity per hour worked** also recorded a growth of **5.4 per cent at RM44.4 per hour** (Q1 2026: 4.5%; RM43.4 per hour). At the same time, average weekly hours worked **dropped** by 1.1 per cent to 44.0 hours per week compared with negative 0.5 per cent and 44.5 hours per week in the preceding quarter. The performance of **labour productivity per hour worked** was supported by growth across most sub-sectors. The Food & beverages and accommodation anchored the growth, expanding at 9.2 per cent (Q1 2026: 8.2%), followed by Real estate and business services at 6.2 per cent (Q1 2026: 5.9%), Other services at 6.0 per cent (Q1 2026: 5.2%), Transportation and storage at 5.9 per cent (Q1 2026: 5.7%), Information and communication at 3.8 per cent (Q1 2026: 3.0%) , Wholesale and retail trade at 3.0 per cent (Q1 2026: 3.6%), Utilities and Finance & insurance at 2.4 per cent and 1.9 per cent respectively (Q1 2026: 2.4% and 0.02%). Besides that, **labour productivity per employment** in the Services sector increased by **4.2 per cent to RM25,236 per person** in the second quarter of 2026 (Q1 2026: 4.1%; RM24,915 per person), while the total number of employed persons expanded by 1.6 per cent to 10,539 thousand persons compared with 1.4 per cent and 10,515 thousand persons in the first quarter of 2026. All sub-sectors within the Services sector continued to record positive growth in **labour productivity per employment** during the quarter. The strongest performance was recorded by Transportation and storage at 5.7 per cent (Q1 2026: 7.2%), followed by Other services at 5.1 per cent (Q1 2026: 5.5%), Information and communication at 4.7 per cent (Q1 2026: 5.3%), Real estate and business services at 4.7 per cent (Q1 2026: 4.7%), Utilities at 4.5 per cent (Q1 2026: 2.1%), Food & beverages and accommodation at 4.1 per cent (Q1 2026: 5.4%), Wholesale and retail trade at 3.3 per cent (Q1 2026: 3.5%) and Finance and insurance at 1.7 per cent (Q1 2026: -0.6%).

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