

# Comparative Analysis: Wages in Kuala Lumpur, Selangor, Penang and Johor

Infinity Wave Research Team

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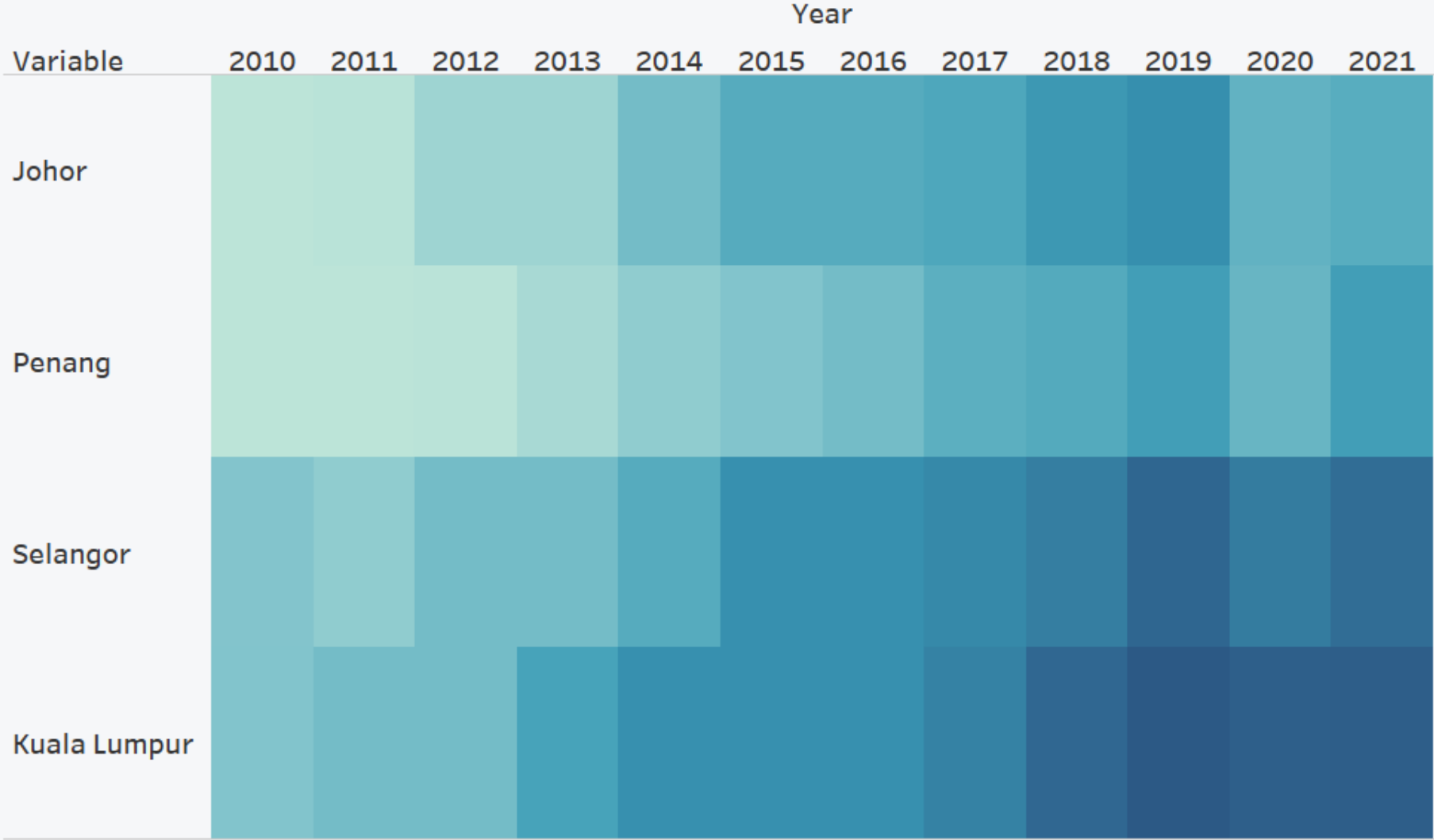
Johor's median wage is significantly lower than Kuala Lumpur, Selangor, and Penang. High demand for professionals in KL and Selangor results in high salaries, whereas high compensation in Johor is limited to urban areas. The cost of living is also relatively lower in Johor.



Source: Department of Statistics of Malaysia (DOSM)

Penang as one of major manufacturing hubs have attracted talents from Northern area. This leads to competitive labor market that causes employer to offer higher wages to attract workers.

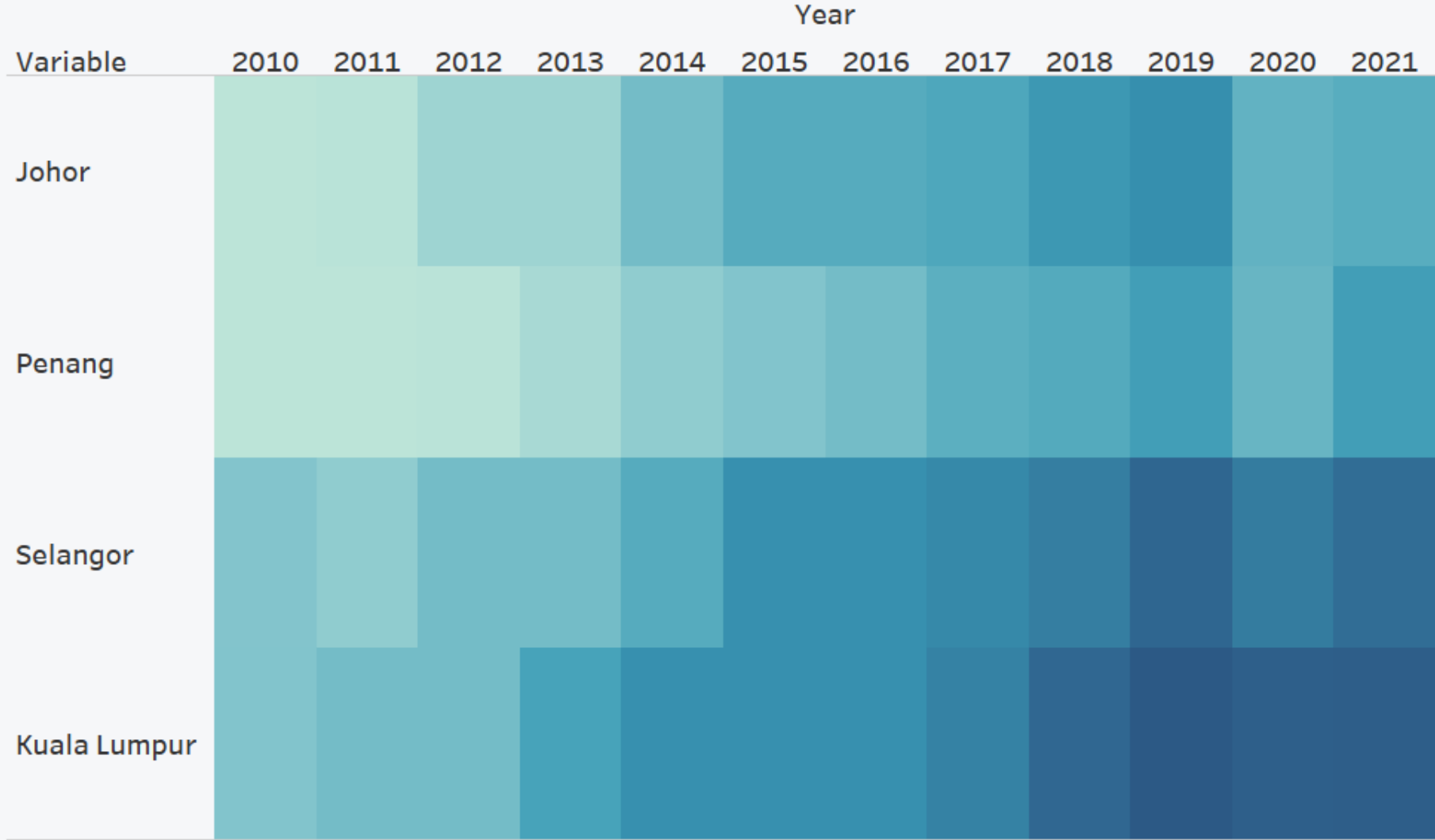
**Kuala Lumpur and Selangor's wages have risen rapidly in the past decade, indicating a strong economy with more employment opportunities and higher wages.**



Source: Department of Statistics of Malaysia (DOSM)

**Johor's wage level peaked in 2019 but has since been overtaken by Penang. The pandemic caused wage declines in all four states as businesses shut down and employees were laid off.**

However, Johor appears to struggle the most to recover to its pre-pandemic level. Meanwhile, Penang recorded the highest GDP growth among all states for the year 2021 in its effort to revive their economy post-pandemic. This allows the employer to offer high wage level.



Source: Department of Statistics of Malaysia (DOSM)

Male employees generally earn more than female employees due to various factors such as lower female participation rates in the workforce and fewer females in the C-level positions.



Source: Department of Statistics of Malaysia (DOSM)

Interestingly, the median wage for females in Penang, Selangor, and Kuala Lumpur is higher than that of males in Johor. It can be inferred that females have better opportunities for higher level position in KL, Selangor and Penang as compared to Johor.

**Kuala Lumpur and Selangor offer higher pays and more talents are migrating out of Johor for better opportunities to other states or even Singapore. Penang as a major manufacturing hub has achieved economic growth and attract significant investments that enables high wage offers for talents.**

**The situation impacted negatively on Johor's economy and losing talents to other cities has caused talent scarcity in the state.**

**While migrating for higher wages can be beneficial for employees in terms of increased earning potential, it is important to also note the impact of the cost of living in the area.**

**What should be done to ensure that all states can enjoy the equal opportunities and wage level in big cities?**

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