



LABOUR PRODUCTIVITY OF FOURTH QUARTER 2019

Malaysia's labour productivity in the fourth quarter of 2019 as measured by value added per hour worked, rose 1.5 per cent (Q3 2019: 2.6%). During this quarter, Malaysia's economy posted a growth of 3.6 per cent (Q3 2019: 4.4%) while hours worked increased 2.1 per cent after registering an increase of 1.7 per cent in the previous quarter. **Meanwhile, labour productivity expressed in terms of value added per employment grew 1.4 per cent** (Q3 2019: 2.3%) as employment increased 2.2 per cent (Q3 2019: 2.1%). **In terms of labour productivity level, value added per hour worked in Q4 2019 was RM42 per hour (Q3 2019: RM41)** while **value added per employment was RM24,247 per person (Q3 2019: RM23,752)**. **Overall for 2019, Malaysia's labour productivity by value added per hour worked rose 2.2 per cent** (2018: 3.4%) with labour productivity level of RM41 per hour (2018: RM40). Nevertheless, growth of **labour productivity by value added per employment sustained at 2.2 per cent** (2018: 2.2%) with a level of RM93,909 per person (2018: RM91,932).

Labour productivity by hours worked for Agriculture sector posted a negative growth of 5.8 per cent in Q4 2019 (Q3 2019: 1.8%). Value added of this sector contracted 5.7 per cent (Q3 2019: 3.7%) while hours worked went up 0.2 per cent (Q3 2019: 1.9%). **Labour productivity by value added per employment for this sector declined 6.2 per cent** (Q3 2019: 2.0%) with employment increased 0.5 per cent (Q3 2019: 1.7%). **Value added per hour worked for Agriculture sector was RM25 per hour** in Q4 2019 (Q3 2019: RM28) while **value added per employment was RM13,177 per person** (Q3 2019: RM14,811). **Overall for 2019, Agriculture's labour productivity by value added per hour worked increased 0.2 per cent** (2018: 0.6%) with a level of RM26 per hour (2018: RM26) while **labour productivity by value added per employment posted a growth of 0.2 per cent** (2018: -0.2%) with level of RM54,072 per person (2018: RM53,949).

Mining and Quarrying sector recorded a smaller decline of 0.3 per cent (Q3 2019: -3.4%) for **labour productivity by hours worked**. During this quarter, value added of this sector continued to decline with a rate of negative 2.5 per cent (Q3 2019: -4.3%) while hours worked continued to decline at a rate of negative 2.2 per cent (Q3 2019: -1.0%). In the meantime, labour productivity measured as **value added per employment dropped 3.2 per cent** (Q3 2019: 5.4%) while employment increased 0.7 per cent (Q3 2019: 1.1%). **In terms of level of labour productivity, value added per hour worked in Q4 2019 for Mining and Quarrying sector was RM615 per hour** (Q3 2019: RM476) while **value added per employment was RM380,290 per person** (Q3 2019: RM289,868). **For year 2019, annual growth of labour productivity by value added per hour worked contracted 1.2 per cent** (2018: 2.9%) with labour productivity level of RM549 per hour (2018: RM556) while growth of **labour productivity by value added per employment declined 1.1 per cent** (2018: -6.7%) with a level of RM1,346,030 per person (2018: RM1,361,470).

The growth of labour productivity, value added per hour worked for Manufacturing sector grew modestly at 1.2 per cent (Q3 2019: 2.9%). The value added of this sector expanded 3.0 per cent after registering 3.6 per cent in the preceding quarter while hours worked went up 1.8 per cent (Q3 2019: 0.8%). The highest growth of labour productivity by hours worked in Manufacturing sector was recorded by Transport equipment, other manufacturing & repair (4.5%). This was followed by Petroleum, chemical, rubber & plastic products and Wood products, furniture, paper products & printing which grew 3.9 per cent respectively. Meanwhile, labour productivity expressed as the ratio of **value added to employment grew at a slower rate of 0.8 per cent** (Q3 2019: 1.6%) as employment increased 2.3 per cent (Q3 2019: 2.0%). **Value added per hour worked for this sector was RM53 per hour** in Q4 2019 (Q3

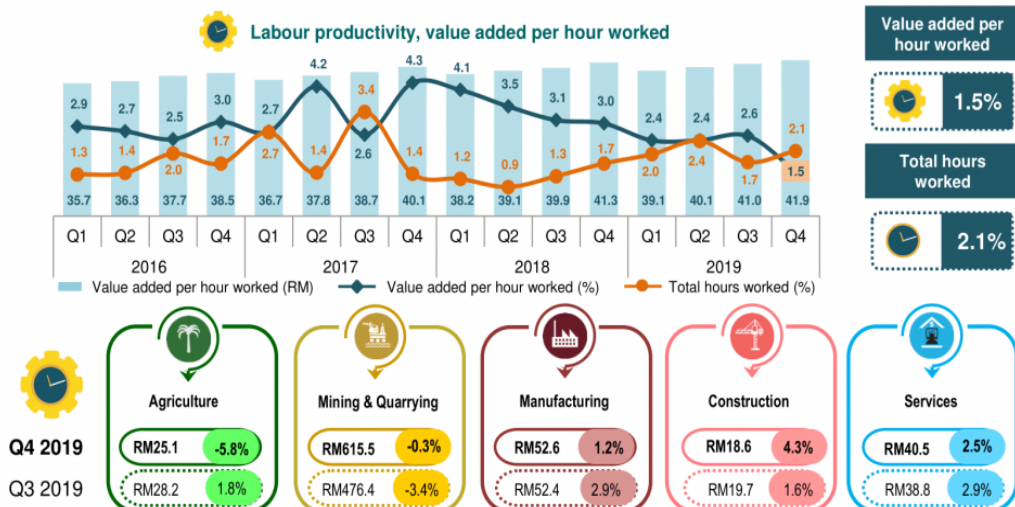
2019: RM52) while **value added per employment was RM31,582 per person** (Q3 2019: RM31,349). Overall in **2019**, the growth of labour productivity expressed as **value added per hour worked increased 2.5 per cent** (2018: 3.3%) with a level of RM52 per hour (2018: RM50) while labour productivity measured as **value added per employment recorded a growth of 1.7 per cent** (2018: 2.4%) with labour productivity level of RM123,909 per person (2018: RM121,862).

Labour productivity by hours worked for Construction sector increased 4.3 per cent in Q4 2019 (Q3 2019: 1.6%). The growth of value added in this sector was 1.0 per cent (Q3 2019: -1.5%) while hours worked decreased at 3.2 per cent (Q3 2019: -3.1%). Measuring **labour productivity by value added per employment**, this sector **posted a growth of 3.1 per cent** (Q3 2019: 2.1%) while employment dropped 2.1 per cent (Q3 2019: -3.5%). **In terms of level of labour productivity, value added per hour worked** of this sector in Q4 2019 was **RM19 per hour** (Q3 2019: RM20) while **value added per employment was RM11,106 per person** (Q3 2019: RM11,782). **In 2019, Construction's labour productivity, value added per hour worked increased 3.4 per cent** (2018: 3.8%) with labour productivity level of RM19 per hour (2018: RM18) while **labour productivity, value added per employment grew 3.2 per cent** (2018: 3.4%) with a level of RM45,284 per person (2018: RM43,875).

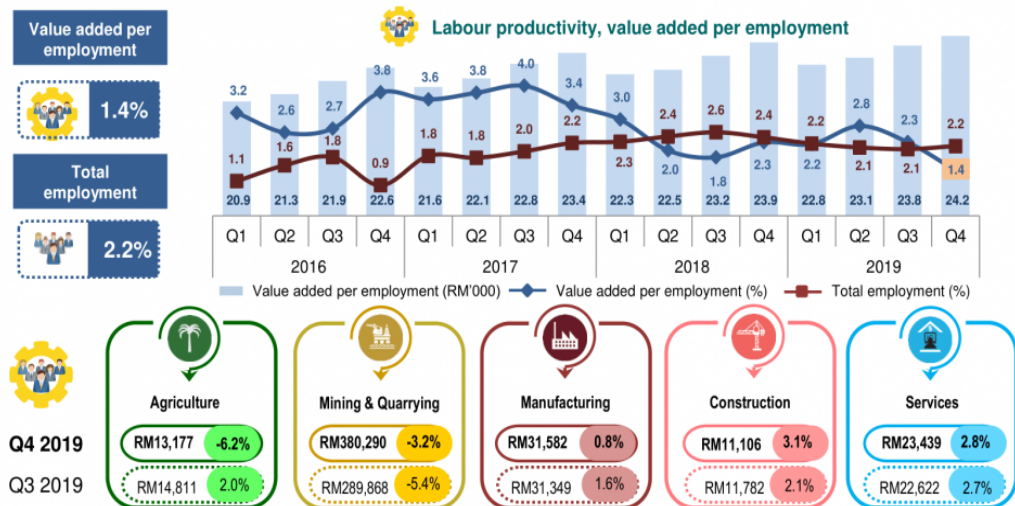
Services sector posted a growth of labour productivity in terms of **value added per hour worked at 2.5 per cent** (Q3 2019: 2.9%). Value added of this sector expanded 6.1 per cent (Q3 2019: 5.9%) while hours worked increased 3.5 per cent (Q3 2019: 2.8%). During this quarter, the highest growth of labour productivity by hours worked in Services sector was recorded by Transportation & storage (4.6%). This was followed by Real estate & business services (4.2%) and Wholesale & retail trade (3.2%). Measuring labour productivity by **value added per employment, this sector recorded an increased of 2.8 per cent** (Q3 2019: 2.7%) while employment rose 3.2 per cent (Q3 2019: 3.1%). Level of labour productivity which measured as **value added per hour worked was RM40 per hour** in Q4 2019 (Q3 2019: RM39) while **value added per employment was RM23,439 per person** (Q3 2019: RM22,622). **For the year 2019, Services's labour productivity expressed as value added per hour worked moderated to 2.7 per cent** (2018: 5.0%) with a level of RM38 per hour (2018: RM37) while **labour productivity by value added per employment grew 2.9 per cent** (2019: 3.5%) with labour productivity level of RM89,420 per person (2018: RM86,922).

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In the fourth quarter of 2019, Malaysia's labour productivity as measured by **value added per hour worked**, rose **1.5 per cent** after registering 2.6 per cent in the preceding quarter.



Labour productivity expressed as the ratio of **value added to employment** recorded a growth of **1.4 per cent** as employment increased 2.2 per cent in fourth quarter of 2019.



Note: % refers to the annual percentage change from the same quarter of the previous year

Source: Labour Productivity, Fourth Quarter 2019, Department of Statistics Malaysia

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