



LABOUR PRODUCTIVITY OF THIRD QUARTER 2021

Malaysia's labour productivity in the third quarter of 2021 as measured by value added per hour worked recorded marginal declined of 0.6 per cent (Q2 2021: -12.9%). During this quarter, the Malaysia's economy contracted by 4.5 per cent from 16.1 per cent in previous quarter while hours worked decreased 3.9 per cent (Q2 2021: 33.3%). In Q3 2021, **labour productivity expressed in terms of value added per employment fell by 5.6 percent** as against to 13.7 per cent in Q2 2021 while employment increased modestly by 1.2 per cent (Q2 2021: 2.2%). **Labour productivity as measured by value added per hour worked during this quarter was RM41 per hour** (Q2 2021: RM40 per hour) while **value added per employment was RM21,985 per person** (Q2 2021: RM22,128 per person).

In Agriculture sector, labour productivity per hour worked in Q3 2021 decreased 3.4 per cent (Q2 2021: -15.6%). The value added of this sector declined further 1.9 per cent after recorded negative 1.5 per cent in Q2 2021 while total hours worked went up by 1.5 per cent (Q1 2021: 16.7%). **Labour productivity by value added per employment recorded a negative growth of 2.6 per cent** (Q2 2021: -3.3%). In addition, employment increased by 0.6 per cent as against 1.8 per cent in the previous quarter. In Q3 2021, **value added per hour worked for this sector was RM28 per hour** (Q2 2021: RM24 per hour) while **value added per employment was RM14,537 per person** (Q2 2021: RM12,793 per person).

Labour productivity by value added per hour worked for Mining and Quarrying sector rebounded 4.1 per cent in this quarter as against negative growth of 7.1 per cent in Q2 2021. Value added dropped 3.6 per cent in the third quarter of 2021 (Q2 2021: 13.9%) while hours worked experienced a fall of 7.3 per cent after recorded positive growth of 22.6 per cent in Q2 2021. **Labour productivity per employment slumped 1.3 per cent** as against 14.1 per cent in the second quarter of 2021 while employment remained its negative trend for seven consecutive quarters at 2.3 per cent (Q2 2021: -0.2%). Level of labour productivity which measured as **value added per hour worked was RM480 per hour in Q3 2021** (Q2 2021: RM564 per hour) while **value added per employment was RM276,330 per person** (Q2 2021: RM322,554 per person).

Labour productivity per hour worked for Manufacturing sector turned around to 2.3 per cent in Q3 2021 (Q2 2021: -4.2%). Value added of this sector decreased slightly by 0.8 per cent in this quarter (Q2 2021: 26.6%) while hours worked reduced 3.0 per cent (Q2 2021: 32.3%). Sub-sector of Beverages & tobacco products and Transport equipment, other manufacturing and repair recorded a double-digit decline of 37.5 per cent and 23.5 per cent respectively. **The labour productivity per employment dropped 3.5 per cent** (Q2 2021: 23.2%) while employment **remain its positive growth at 2.9 per cent** as compared to 2.8 per cent in Q2 2021. Sub-sectors which recorded significant decrease were Beverages & tobacco products (-41.2%) and Transport equipment, other manufacturing and repair (-30.7%). In terms of labour productivity level, **the value added per hour worked and value added per employment were RM57 per hour** (Q2 2021: RM57 per hour) and **RM31,356 per person** (Q2 2021: RM31,700 per person) respectively.

In Q3 2021, labour productivity by value added per hour worked for Construction sector continued on the declining trend with a decrease of 5.7 per cent (Q2 2021: -7.8%). Value added in this sector decreased 20.6 per cent in this quarter (Q2 2021: 40.3%) while hours worked dropped 15.7 per cent as against positive 52.2 per cent in Q2 2021. In the meantime, labour productivity in terms of **value added per employment for this sector dropped 18.8 per cent in Q3 2021** (Q2 2021: 37.6%) as employment declined 2.1 per cent as opposed to positive growth of 1.9 per cent in Q2 2021. Level of labour productivity which measured as **value added per hour worked was RM17 per hour** (Q2 2021: RM17 per hour) while **value added per employment was RM8,597 per person** (Q2 2021: RM9,057 per person).

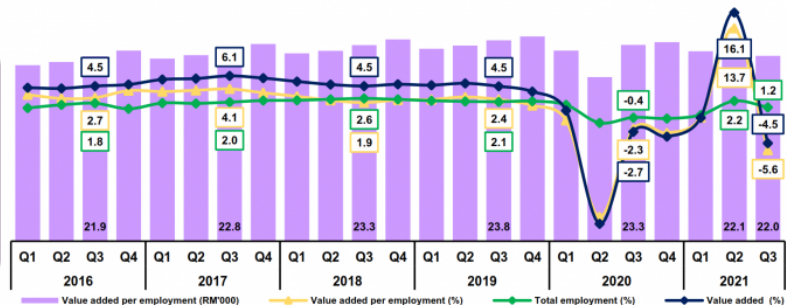
Labour productivity in terms of value added per hour worked for Services sector improved with a marginal decline of 1.8 per cent in this quarter after recorded negative 15.9 per cent in Q2 2021. In Q3 2021, the value added of this sector dropped by 4.9 per cent (Q2 2021: 13.5%) while hours worked decreased 3.2 per cent (Q2 2021: 34.9%). During this quarter, four sub-sectors posted a negative growth for labour productivity per hour worked with the largest decrease registered by Food & beverages and Accommodation (-20.1%) followed by Real estate & business services (-10.2%), Wholesale & retail trade (-8.0%) and Transportation and storage (-7.0%). Meanwhile, **labour productivity expressed as the ratio of value added per employment dropped 6.2 per cent** (Q2 2021: 11.1%) while employment increased 1.4 per cent (Q2 2021: 2.1%). Sub-sectors which recorded significant fall were Food & beverages and accommodation (-19.1%), followed by Real estate & business services (-14.5%) and Wholesale & retail trade (-13.2%). **Value added per hour worked in Q3 2021 for Services sector was RM38 per hour** (Q2 2021: RM37 per hour) while **value added per employment was RM20,426 per person** (Q2 2021: RM20,481 per person).



LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT

Labour productivity per employment declined 5.6% in Q3 2021 recorded a value of RM21,985. In this quarter, employment increased at slower rate of 1.2% as compared to 2.2% in Q2 2021.

Labour productivity	Q3 2021: RM21,985 Q2 2021: RM22,128
Percentage change	Q3 2021: -5.6% Q2 2021: 13.7%
Total employment ('000 persons)	Q3 2021: 15,275 Q2 2021: 15,207
Percentage change	Q3 2021: 1.2% Q2 2021: 2.2%



Q3 2021
Q2 2021

Agriculture	RM14,537 RM12,793	-2.6% -3.3%
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Mining & Quarrying	RM276,330 RM322,554	-1.3% 14.1%
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Manufacturing	RM31,356 RM31,700	-3.5% 23.2%
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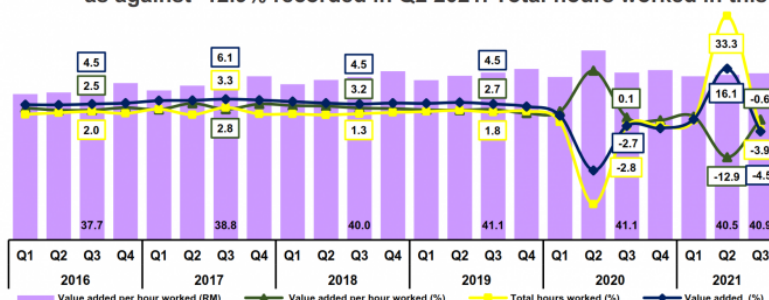
Construction	RM8,597 RM9,057	-18.8% 37.6%
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Services	RM20,426 RM20,481	-6.2% 11.1%
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LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

Labour productivity per hour worked in Q3 2021 remained decline albeit at a marginal rate of -0.6% as against -12.9% recorded in Q2 2021. Total hours worked in this quarter dropped by 3.9%.



Labour productivity	Q3 2021: RM40.9 Q2 2021: RM40.5
Percentage change	Q3 2021: -0.6% Q2 2021: -12.9%
Total hour worked (million hours)	Q3 2021: 8,214 Q2 2021: 8,312
Percentage change	Q3 2021: -3.9% Q2 2021: 33.3%



Q3 2021
Q2 2021

Agriculture	RM27.6 RM24.3	-3.4% -15.6%
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Mining & Quarrying	RM479.6 RM564.1	4.1% -7.1%
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Manufacturing	RM57.3 RM57.4	2.3% -4.2%
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Construction	RM16.9 RM16.7	-5.7% -7.8%
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Services	RM37.7 RM37.3	-1.8% -15.9%
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The detailed information and technical notes are published in the publication of Labour Productivity Third Quarter 2021. This report is accessible and downloadable free of charge through the eStatistik application in DOSM web page, www.dosm.gov.my.

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DATO' SRI DR. MOHD UZIR MAHIDIN
CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS, MALAYSIA

 **DrUzir_Mahidin**   **Dr_Uzir**

#myHariBulan# #myBulan# #myTahun#

Contact person:

Mohd Yusrizal Ab Razak
Public Relation Officer
Strategic Communication and International Division
Department of Statistics, Malaysia
Tel : +603-8885 7942
Fax : +603-8888 9248
Email : yusrizal.razak[at]dosm.gov.my

Contact person:

Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

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