

**EMBARGO:** Only to be published or disseminated at **12:00 hour, Thursday, 23 May 2024**

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## LABOUR PRODUCTIVITY, FIRST QUARTER 2024

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## Malaysia's Labour Productivity

In the first quarter of 2024, **Malaysia's labour productivity** also known as **value added per hour worked grew 1.9 per cent** or **RM42.0 per hour** (Q4 2023: 0.6%; RM43.6 per hour). During the same period, value added increased 4.2 per cent to reach RM397 billion, compared to 2.9 per cent (Q4 2023: RM410 billion). The marginal growth in value added resulted in a 2.2 per cent increase in total hours worked, compared to the 2.3 per cent growth observed in the fourth quarter of 2023. Meanwhile, average hours worked showed a positive growth of 0.1 per cent from a negative 0.2 per cent during the previous quarter. In the meantime, **labour productivity per employment showed an increment** after registering **2.0 per cent** to **RM24,230 per person** (Q4 2023: 0.4%; RM25,101 per person). Meanwhile, the total number of employees continued to rise slowly, growing at a rate of 2.1 per cent, totalling 16,401 thousand persons compared to the 2.5 per cent growth in the fourth quarter of 2023 (16,347 thousand persons).

## Agriculture

In the Agricultural sector, **labour productivity per hour worked, increased by 0.9 per cent** compared to 1.0 per cent in the first quarter of 2024. The increase in labour productivity per hour worked during this quarter coincided with a rise in value added, which surged to 1.6 per cent, to reach RM23.6 billion compared to the previous quarter (Q4 2023: 1.9%; RM26.0 billion). At the same time, the total number of hours worked grew at a slower rate of 0.7 per cent to 1,012 million hours (Q4 2023: 0.9%; 1,009 million hours), while the average hours worked increased by 0.5 per cent, reaching 41.6 hours per week (Q4 2023: 0.1%; 41.9 hours per week). **Labour productivity in terms of value added per employment increased by 1.5 per cent**, compared to 1.1 per cent in the fourth quarter of 2023. Simultaneously, total employment also experienced growth at 0.1 per cent to 1,875 thousand persons (Q4 2023: 0.8%; 1,854 thousand persons). The recorded **value added per hour worked stood at RM23.3 per hour** (Q4 2023: RM25.8 per hour), while the **value added per employment amounted to RM12,589 per person** (Q4 2023: RM14,043 per person).

## Mining and Quarrying

**Labour productivity per hour worked in the Mining and quarrying sector experienced growth at 2.7 per cent** in the first quarter of 2024, representing an increment from 1.5 per cent in the previous quarter. The sector also recorded a 5.7 per cent growth in its value added, to reach RM26.2 billion (Q4 2023: 3.5%; RM26.4 billion). Total hours worked increased by 3.0 per cent to 47.1 million hours (Q4 2023: 2.0%; 47.0 million hours), while the growth rate for average hours worked increased to 1.5 per cent (47.5 hours per week) compared to 0.7 per cent (47.6 hours per week) in the fourth quarter of 2023. **Labour productivity per employment, expanded by 5.7 per cent** compared to the 3.2 per cent in the previous quarter. The total employment maintained a positive growth rate of 0.1 per cent, reaching 76.2 thousand persons, compared to the 0.2 per cent growth in the fourth quarter of 2023 (76.3 thousand persons). In terms of labour productivity, the **value added per hour worked was recorded as RM555.7 per hour** compared to RM566.5 per hour in the previous quarter and the **value added per employment stood at RM343,404 per person** (Q4 2023: RM346,305 per person).

## Manufacturing

The value added for **Manufacturing sector** increased to 1.9 per cent during this recent quarter to amount RM91,727 million as compared to negative 0.3 per cent and RM95,261 million in the fourth quarter of 2023. Hence, the **labour productivity per hour worked in this sector experienced a smaller negative growth at 0.3 per cent** and **RM54.8 per hour** after posting negative 2.8 per cent (Q4 2023: RM56.9 per hour). Meanwhile, hours worked recorded a total of 1,674 million hours with 2.3 per cent growth (Q4 2023: 2.6%; 1,674 million hours). Average hours worked also displayed

positive growth at 0.7 per cent with 45.9 hours per week recorded in this quarter (Q4 2023: -0.4%; 45.8 hours per week). There were four subsectors experienced positive growth in labour productivity per hour worked. These include the Non-metallic mineral products, basic metal and fabricated metal products at 6.1 per cent (Q4 2023: 2.7%); Textiles, wearing apparel and leather products at 3.1 per cent (Q4 2023: 1.5%); Transport equipment, other manufacturing and repair at 2.8 per cent (Q4 2023: 1.2%) and Wood products, furniture, paper products and printing after posted a growth of 2.3 per cent (Q4 2023: 0.1%). The **labour productivity per employment showed a similar performance after 0.2 per cent with RM32,532 per person** registered, compared to negative 3.2 per cent and RM33,745 per person in the previous quarter. In the meantime, the total number of employees recorded a slower growth at 1.7 per cent and 2,820 thousand persons (Q4 2023: 3.0%; 2,823 thousand persons). On the other hand, more than half of the Manufacturing subsector displayed positive growth for labour productivity per employment, which included Non-metallic mineral products, basic metal and fabricated metal products at 5.1 per cent growth (Q4 2023: 2.8%); Beverages and tobacco products at 4.7 per cent (Q4 2023: 2.1%); Transport equipment, other manufacturing and repair at 2.3 per cent (Q4 2023: 1.9%); Wood products, furniture, paper products and printing at 0.9 per cent (Q4 2023: -1.9%) and lastly, Electrical, electronic and optical products at 0.8 per cent (Q4 2023: -7.3%).

## **Construction**

The **labour productivity per hour worked for the Construction sector soared to double-digit positive growth at 12.5 per cent** after registering RM18.7 per hour compared to 2.6 per cent and RM17.2 per hour in the previous quarter. This growth was mainly due to the increase of value added during this quarter at 11.9 per cent, amounted to RM15,551 million (Q4 2023: 3.6%; RM14,386 million). Despite this, the total hours worked shifted to negative 0.5 per cent after posting 830 million hours as compared to 0.9 per cent (Q4 2023: 835 million hours), with average hours worked further declined to negative 1.7 per cent and 45.6 hours per week (Q4 2023: -0.2%; 45.9 hours per week). Yet another good performance was exhibited for the **labour productivity per employment after registering 10.7 per cent** during this quarter with RM11,057 per person (Q4 2023: 2.4%; RM10,254 per person. Meanwhile, the total employment grew marginal at 1.1 per cent and 1,406 thousand persons as compared to 1.2 per cent and 1,403 thousand persons in the last quarter.

## **Services**

The **Services sector increased to 1.8 per cent for its labour productivity per hour worked** during the first quarter of 2024 with **RM40.0 per hour** (Q4 2023: 1.4%; RM41.5 per hour). A 4.7 per cent marginal growth was recorded for the value added, reaching to RM235,777 million as compared to 4.1 per cent and RM243,162 million in Q4 2023. The total hours worked also improved to 2.9 per cent and 5,889 million hours (Q4 2023: 2.6%; 5,854 million hours), while average hours worked displayed 0.2 per cent positive growth after registering 44.6 hours per week (Q4 2023: -0.2%; 44.5 hours per week). Majority of Services subsectors in labour productivity per hour worked increased from the previous quarter, except for Information and communication and Finance and insurance which recorded negative 1.8 per cent (Q4 2023: 3.2%) and negative 9.0 per cent (Q4 2023: -13.5%), respectively. At the same time, the **labour productivity per employment refined to 1.9 per cent growth to post RM23,062 per person** (Q4 2023: 1.1%; RM23,863 per person), with total of employment increased marginally at 2.8 per cent and 10,224 thousand persons as compared to 2.9 per cent and 10,190 thousand persons in the preceding quarter. Apart from that, all subsectors in labour productivity per employment showed good performances as majority subsectors experienced positive growth, except for Food & beverages and Accommodation which showed a slower negative of

0.4 per cent, compared to negative 3.6 per cent and Finance and insurance at negative 1.3 per cent (Q4 2023: -6.6%).

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