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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, FIRST QUARTER 2023

Malaysia's Labour Productivity

Malaysia's labour productivity measured as value added per hour worked increased 2.1 per cent (Q4 2022: 2.1%), year-on-year, with total hours worked increased 3.5 per cent (Q4 2022: 5.0%) to register 9.2 billion (Q4 2022: 9.2 billion hours) in the first quarter of 2023. Malaysia's economy expanded 5.6 per cent after recorded a growth of 7.1 per cent in the previous quarter. **In terms of level, labour productivity by value added per hour worked was RM41.2** (Q4 2022: RM43.2 per hour). **Labour productivity by value added per employment grew 2.4 per cent** (Q4 2022: 3.7%), year on year, as total employment increased 16.1 million persons, or a growth of 3.1 per cent (Q4 2022: 15.9 million persons; 3.2%). **In terms of level, labour productivity as expressed by value added per employment was RM23,712** (Q4 2022: RM24,966 per person).

Agriculture

Labour productivity per hour worked in Agriculture sector remained sluggish at negative 0.9 per cent (Q4 2022: -0.6%), year-on-year. Value added for this sector posted an increase of 0.9 per cent while hours worked increased 1.8 per cent. In the first quarter of 2023, **labour productivity by value added per employment for this sector decreased 0.2 per cent** (Q4 2022: 1.7%), while employment rose 1.1 per cent. **Value added per hour worked for this sector was RM22.7** (Q4 2022: RM25.2 per hour), while **value added per employment was RM12,172** (Q4 2022: RM13,721 per person).

Mining and quarrying

For Mining and quarrying sector, **labour productivity measured as value added per hour worked increased 1.6 per cent** (Q4 2022: 4.2%), year-on-year, as value added for this sector expanded 2.4 per cent and hours worked increased 0.9 per cent. **Labour productivity by value added per employment also recorded an increase of 1.9 per cent** (Q4 2022: 6.0%) as employment increased at 0.5 per cent. In terms level, labour productivity expressed as **value added per hour worked** and **value added per employment were RM539.5** (Q4 2022: RM553.3 per hour) and **RM323,940** (Q4 2022: RM332,521 per person), respectively.

Manufacturing

In the first quarter of 2023, **labour productivity in terms of value added per hour worked for Manufacturing sector improved marginal at 0.2 per cent** (Q4 2022: 0.3%), year-on-year, with growth of value added at 3.2 per cent and hours worked 3.1 per cent. Four subsectors that recorded increases in productivity per hour worked were Beverages and tobacco products (5.6%); Textiles, wearing apparel and leather products (4.4%); Vegetable and animal oils & fats and food processing (2.2%); and Non-metallic mineral products, basic metal and fabricated metal products (1.9%). **Meanwhile, labour productivity by value added per employment rose at 0.7 per cent** (Q4 2022: 1.6%), while employment posted an increase of 2.6 per cent. Six subsectors that recorded positive growths were Textiles, wearing apparel and leather products (7.4%); Beverages and tobacco products (3.3%); Non-metallic mineral products, basic metal and fabricated metal products (2.5%); Vegetable and animal oils & fats and food processing (2.2%); Transport equipment, other manufacturing and repair (0.7%); and Petroleum, chemical, rubber and plastic products (0.6%). **In terms of level, labour productivity as measured by value added per hour worked was RM55.0** (Q4 2022: RM58.5 per hour), while **value added per employment was RM32,477** (Q4 2022: RM34,854 per person).

Construction

Year-on-year, value added per hour worked for Construction sector increased to 6.5 per cent (Q4 2022: 8.0%). Value added for this sector expanded by 7.4 per cent and hours worked increased by 0.9 per cent. Meanwhile**, labour productivity as measured by value added per employment continued to increase by 6.7 per cent** (Q4 2022: 10.0%), with a rise in employment at 0.7 per cent. **Value added per hour worked for this sector was RM16.7** (Q4 2022: RM16.8 per hour), while **value added per employment was RM9,995** (Q4 2022: RM10,015 per person).

Services

During the quarter, **labour productivity expressed as a ratio of value added per hour worked for Services sector increased 2.8 per cent** (Q4 2022: 2.5%), year-on-year, as value added expanded 7.3 per cent and hours worked increased 4.3 per cent. Six sub-sectors that posted a positive growth were Transportation and storage (8.8%); Finance and insurance (6.7%); Food & beverages and accommodation (5.2%); Wholesale and retail trade (4.9%); Real Estate and business services (4.9%); and Other services (3.0%). Meanwhile, **labour productivity per employment for Services sector rose by 3.1 per cent** (Q4 2022: 4.1%), with an increase in employment of 4.1 per cent. Five sub-sectors that posted a positive growth were Transportation and storage (8.9%); Real estate and business services (7.1%); Wholesale and retail trade (6.3%); Food & beverages and accommodation (3.9%); dan Other services (3.4%). **In terms of level, labour productivity measured as value added per hour worked in first quarter of 2023 was RM39.3** (Q4 2022: RM40.9 per hour), while **value added per employment was RM22,641** (Q4 2022: RM23,586 per person).

The full publication of the Labour Productivity First Quarter 2023 can be downloaded through eStatistik portal.

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