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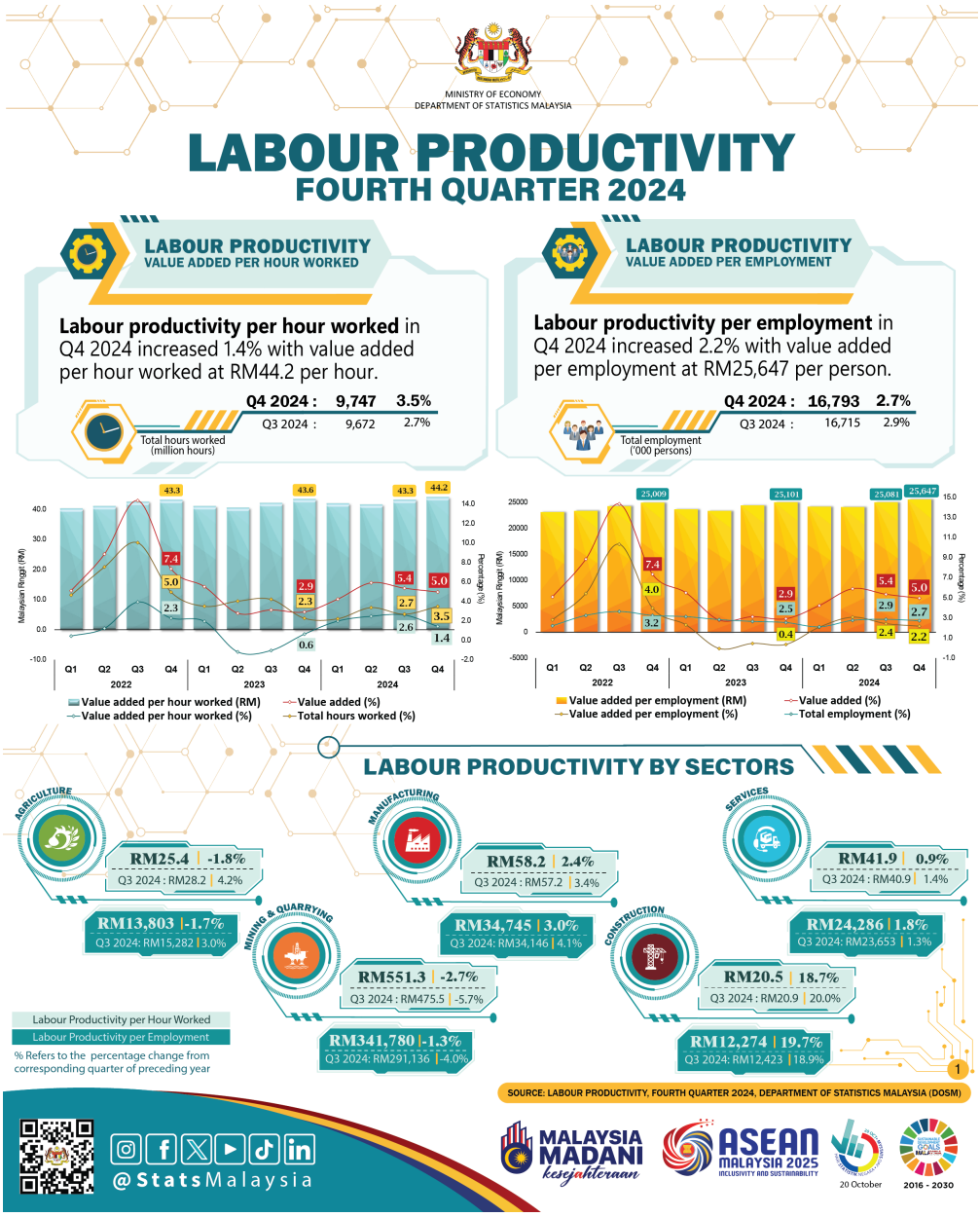
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, FOURTH QUARTER 2024



MALAYSIA'S LABOUR PRODUCTIVITY

Malaysia's economy grew 5.0 per cent in the fourth quarter of 2024, reaching value added of RM430,686 million (Q3 2024: 5.4%; RM419,168 million). In the meantime, **labour productivity per hour worked in Q4 2024 increased 1.4 per cent** with **value added per hour worked at RM44.2 per hour** (Q3 2024: 2.6%; RM43.3 per hour). This was contributed by the 3.5 per cent increase in the total hours worked to register 9.7 billion hours (Q3 2024: 2.7%, 9.7 billion hours). Overall, the performance of labour productivity per hour worked for the year 2024 accelerated 2.1 per cent (2023: 0.1%) with value added per hour worked at RM42.8 per hour (2023: RM41.9 per hour). **Labour productivity per employment posted an increase of 2.2 per cent** in Q4 2024 to record **value added per employment at RM25,647 per person** (Q3 2024: 2.4%; RM25,081 per person). Meanwhile, the total number of employment indicates a year-on-year growth of 2.7 per cent, 16.8 million persons (Q3 2024: 2.9%; 16.7 million persons) in the fourth quarter of 2024. Labour productivity per employment for the year of 2024 demonstrated a positive momentum at 2.4 per cent (2023: 0.7%) to record value added per employment at RM99,137 per person (2023: RM96,780 per person).

AGRICULTURE

In Q4 2024, **the Agriculture sector's labour productivity per hour worked declined at a negative 1.8 per cent** to record **value added per hour worked at RM25.4 per hour** (Q3 2024: 4.1%; RM28.2 per hour). The value added recorded a negative 0.5 per cent growth, reaching a value of RM25,902 million (Q3 2024: 3.9%; RM29,134 million). Simultaneously, the total hours worked increased 1.3 per cent to register 1,022 million hours (Q3 2024: -0.2%; 1,033 million hours), while average hours worked rose 0.1 per cent to record 42.0 hours per week (Q3 2024: -1.3%; 41.7 hours per week). In 2024, the labour productivity per hour worked for this sector increased 2.3 per cent with value added per hour worked at RM25.3 per hour (2023: -0.8%; RM24.8 per hour). The **labour productivity expressed as value added per employment for this sector dropped to negative 1.7 per cent** to record **value added per employment at RM13,803 per person** (Q3 2024: 3.0%; RM15,282 per person) during this quarter, while the total number of employment grew 1.2 per cent to post 1,877 thousand persons (Q3 2024: 1.0%; 1,907 thousand persons). In 2024, labour productivity per employment increased 2.2 per cent, reaching value added per employment of RM55,005 per person (2023: 0.05%; RM53,808 per person).

MINING & QUARRYING

Labour productivity per hour worked for the Mining and quarrying sector in the fourth quarter of 2024 posted **a decrease of 2.7 per cent with value added per hour worked at RM551.3 per hour** (Q3 2024: -5.7%; RM475.5 per hour). Meanwhile, total hours worked increased 1.8 per cent to post 47 million hours (Q3 2024: 1.9%; 47 million hours) with average hours worked consistently growing at 1.3 per cent to record 48.2 hours per week (Q3 2024: 1.6%; 47.9 hours per week). In 2024, the performance of labour productivity per hour worked for this sector slumped at a negative 0.5 per cent (2023: -1.4%) with value added per hour worked at RM524.5 per hour (2023: RM527.2 per hour). **Labour productivity measured by value added per employment** for this sector posted **a negative growth of 1.3 per cent** to record **value added per employment at RM341,780 per person** (Q3 2024: -4.0%; RM291,136 per person). The total number of employment also increased 0.4 per cent, registered a total of 77 thousand persons (Q3 2024: 0.1%; 76 thousand persons). In 2024, labour productivity per employment stood at 0.7 per cent to post value added per employment at RM1,287,625 per person (2023: 0.04%; RM1,278,404 per person).

MANUFACTURING

During this quarter, the **Manufacturing sector recorded grew in labour productivity per hour worked at 2.4 per cent** with **value added per hour worked at RM58.2 per hour** (Q3 2024: 3.4%; RM57.2 per hour) as value added increased 4.4 per cent, reaching RM99,420 million (Q3 2024: 5.6%; RM97,422 million). The total hours worked posted 2.0 per cent growth to register 1,707 million hours (Q3 2024: 2.1%; 1,704 million hours) with 0.5 per cent increase in average hours worked to record RM46.0 hours per week (Q3 2024: 0.8%; RM46.1 hours per week). In 2024, labour productivity per hour worked rebounded to 2.1 per cent from a negative 2.8 per cent recorded in the previous year with value added per hour worked at RM56.5 per hour (2023: RM55.3 per hour). The growth for the Manufacturing sector in Q4 2024 was due to expansion across all of its subsectors, including Electrical, electronic and optical products (6.6%), Wood products, furniture, paper products and printing (5.1%), Beverages and tobacco products (4.3%), Vegetable and animal oils & fats and food processing (1.8%), Non-metallic mineral products, basic metal and fabricated metal products (1.3%) and Petroleum, chemical, rubber and plastic product (0.4%); except for Transport equipment, other manufacturing and repair (-2.6%) and Textiles, wearing apparel and leather products (-1.5%).

At the same time, **labour productivity per employment for this sector saw a 3.0 per cent growth** to record **value added per employment at RM34,745 per person** (Q3 2024: 4.1%; RM34,146 per person) during this quarter, with total employment sustained at 1.4 per cent, registered 2,861 thousand persons (Q3 2024: 1.4%; 2,853 thousand persons). Meanwhile, labour productivity per employment for this sector increased 2.6 per cent in 2024 to record value added per employment at RM134,498 per person (2023: -2.1%; RM131,112 per person). The performance in labour productivity per employment for the Manufacturing sector in the fourth quarter of 2024 was fuelled by the growth of Electrical, electronic and optical products (6.6%), Beverages and tobacco products (4.9%), Vegetable and animal oils & fats and food processing (4.3%), Wood products, furniture, paper products and printing (3.1%), Non-metallic mineral products, basic metal and fabricated metal products (2.4%), Petroleum, chemical, rubber and plastic products (0.9%) and Textiles, wearing apparel and leather products (0.7%); except for Transport equipment, other manufacturing and repair (-3.2%).

CONSTRUCTION

In the fourth quarter of 2024, **labour productivity per hour worked for the Construction sector further declined at 18.7 per cent** to record **value added per hour worked at RM20.5 per hour** (Q3 2024: 20.0%; RM20.9 per hour), while the total hours worked increased to 1.7 per cent (Q3 2024: -0.1%; 838 million hours). Meanwhile, the average hours worked also posted a growth of 0.9 per cent to record 46.3 hours per week (Q3 2024: -0.8%; RM45.9 hours per week). In addition, the growth of labour productivity per hour worked for 2024 soared to 17.6 per cent with value added per hour worked at RM19.9 per hour (2023: 4.4%; RM16.9 per hour). The labour productivity expressed as **value added per employment** for this sector **increased 19.7 per cent** to record **value added per employment at RM12,274 per person** (Q3 2024: 18.9%; RM12,423 per person) during this quarter, while the total number of employment sustained at 0.9 per cent, registered 1,415 thousand persons (Q3 2024: 0.9%; 1,410 thousand persons). Throughout 2024, labour productivity per employment for this sector increased 16.5 per cent to record value added per employment at RM47,225 per person (2023: 4.9%; RM40,552 per person).

SERVICES

In Q4 2024, the **Services sector** showed **an increase in labour productivity per hour worked at 0.9 per cent** with **value added per hour worked at RM41.9 per hour** (Q3 2024: 1.4%; RM40.9 per hour) as value added grew at 5.5 per cent or equivalent to RM256,537 million (Q3 2024: 5.2%; RM247,610 million). In the meantime, the total hours worked also increased 4.6 per cent, reaching 6,122 million hours (Q3 2024: 3.8%;

6,050 million hours), with average hours worked rose 0.8 per cent to record 44.8 hours per week (Q3 2024: -0.2%; 44.7 hours per week). In 2024, labour productivity per hour worked grew 1.3 per cent with value added per hour worked at RM40.6 per hour (2023: 1.0%; RM40.1 per hour). The performance in labour productivity per hour worked for the Services sector in the fourth quarter of 2024 was propelled by the growth in Transportation and storage (7.6%), Real estate and business services (6.1%), Finance and insurance (3.2%), Other services (1.7%), and Information and communication (0.7%), whereas three (3) subsectors demonstrated negative growth, namely Utilities (-1.5%), Wholesale and retail trade (-0.5%) and Food & beverages and accommodation (-0.5%).

The **labour productivity per employment** in the fourth quarter of 2024 for this sector **rose 1.8 per cent** with **value added per hour worked at RM24,286 per hour** (Q3 2024: 1.3 %; RM23,653 per hour) as the total number of employment increased 3.7 per cent to record 10,563 thousand persons (Q3 2024: 3.9%: 10,468 thousand persons). The growth in the labour productivity per employment for the Services sector in Q4 2024 was due to expansion in most of its subsectors, namely Real estate and business services (6.1%), Transportation and storage (5.7%), Finance and insurance (3.7%), Other services (2.9%), Food & beverages and accommodation (1.3%), Information and communication (1.2%) and Wholesale and retail trade (0.6%); except for Utilities (-4.1%).

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