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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY OF SECOND QUARTER 2021

In the second quarter of 2021, Malaysia's labour productivity as measured by value added per hour worked fell by 12.8 per cent (Q1 2021: 0.4%). During this quarter, Malaysia's Gross Domestic Product **surged 16.1 per cent** from negative 0.5 per cent in the previous quarter while hours worked increased 33.2 per cent (Q1 2021: -0.8%). **Labour productivity expressed as the ratio of value added per employment rebounded to 13.6 per cent** in this quarter (Q1 2021: -0.4%) while employment improved 2.2 per cent as compared to negative 0.04 per cent in Q1 2021. The strong growth was also attributed by the lower base registered a year ago which was negative 16.1 per cent. **Value added per hour worked in Q2 2021 was RM40 per hour** (Q1 2021: RM40 per hour) while **value added per employment was RM22,117 per person** (Q1 2021: RM22,513 per person).

Value added per hour worked for Agriculture sector declined 15.6 per cent in Q2 2021 (Q1 2021: -0.7%). The value added of this sector declined 1.5 per cent after registering marginal growth of 0.2 per cent in the preceding quarter while total hours worked went up by 16.7 per cent (Q1 2021: 0.8%). In the meantime, labour productivity measured as **value added to employment dropped 3.3 per cent** as against positive growth of 0.9 per cent in the previous quarter. In addition, employment increased by 1.8 per cent (Q1 2021: -0.7%). **Value added per hour worked for this sector was RM24 per hour in Q2 2021** (Q1 2021: RM23 per hour) while **value added per employment was RM12,793 per person** (Q1 2021: RM12,104 per person).

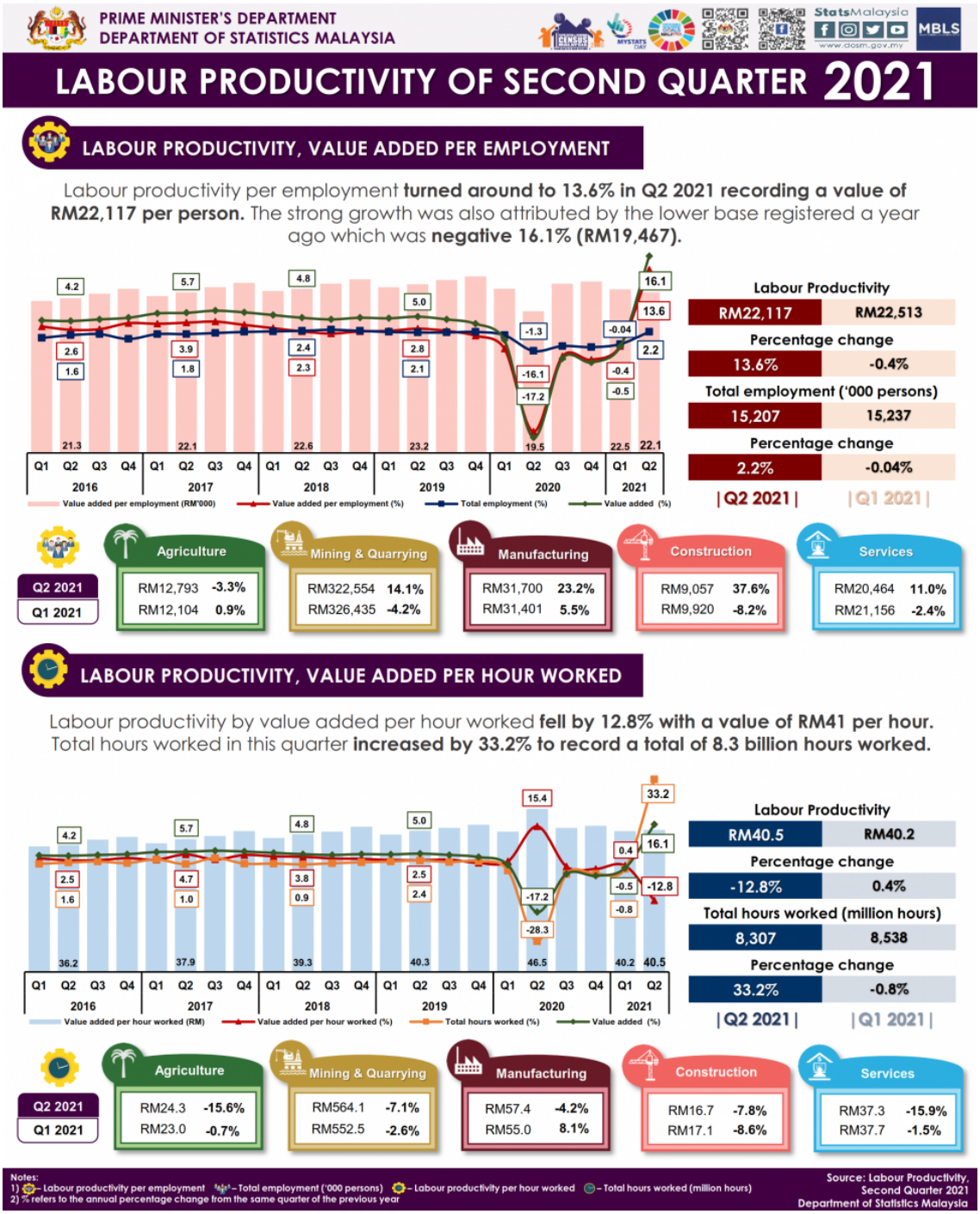
Labour productivity per hour worked for Mining and Quarrying sector decreased by 7.1 per cent in Q2 2021 (Q1 2021: -2.6%). During this quarter, value added soared to 13.9 per cent (Q1 2021: -5.0%) while hours worked rebounded to 22.6 per cent after recorded negative 2.5 per cent in Q1 2021. **Labour productivity by value added per employment recorded a positive growth of 14.1 per cent** as against negative 4.2 per cent in the preceding quarter while employment remained its negative trend for six consecutive quarters at 0.2 per cent (Q1 2021: -0.8%). In terms of labour productivity level, the **value added per hour worked for Mining and Quarrying sector was RM564 per hour in Q2 2021** (Q1 2021: RM553 per hour) while **value added per employment was RM322,554 per person** (Q1 2021: RM326,435 per person).

In Manufacturing sector, labour productivity per hour worked declined 4.2 per cent in Q2 2021 (Q1 2021: 8.1%). Value added of this sector continued to expand by 26.6 per cent (Q1 2021: 6.6%) while hours worked increased by 32.3 per cent (Q1 2021: -1.4%). Sub-sectors of Beverages & tobacco products and Textiles, wearing apparel & leather products recorded a double digit growth at 39.0

per cent and 24.2 per cent respectively. **The labour productivity per employment continued to strengthen at 23.2 per cent** (Q1 2021: 5.5%) while employment picked up by 2.8 per cent as compared to 1.1 per cent in Q1 2021. In Q2 2021, level of labour productivity which measured as **value added per hour worked and value added per employment were RM57 per hour** (Q1 2021: RM55 per hour) and **RM31,700 per person** (Q1 2021: RM31,401 per person) respectively.

Labour productivity per hour worked for Construction sector in Q2 2021 continued on the declining trend with a decrease of 7.8 per cent (Q1 2021: -8.6%). Value added in this sector turned around to 40.3 per cent (Q1 2021: -10.4%) while hours worked increased at a faster rate of 52.2 per cent as against negative 1.9 per cent in Q1 2021. **Labour productivity by value added per employment for this sector increased sharply at 37.6 per cent** in this quarter (Q1 2021: -8.2%) as employment rebounded to 1.9 per cent as opposed to negative 2.4 per cent in Q1 2021. Level of labour productivity which measured as **value added per hour worked was RM17 per hour** (Q1 2021: RM17 per hour) while **value added per employment was RM9,057 per person** (Q1 2021: RM9,920 per person).

In Q2 2021, labour productivity in terms of value added per hour worked for Services sector plunged 15.9 per cent (Q1 2021: -1.5%). During this quarter, the value added of this sector expanded to 13.4 per cent (Q1 2021: -2.3%) while hours worked soared 34.8 per cent (Q1 2021: -0.8%). During this quarter, all sub-sectors posted a negative growth in Q2 2021 with the the largest decline recorded by Information & communication (-30.4%), Real Estate & business services (-25.7%) and Food & beverages and accommodation (-21.2%). Meanwhile**, labour productivity expressed as the ratio of value added per employment increased 11.0 per cent** (Q1 2021: -2.4%) while employment went up 2.1 per cent (Q1 2021: 0.1%). **Value added per hour worked in Q2 2021 for Services sector was RM37 per hour** (Q1 2021: RM38 per hour) while **value added per employment was RM20,464 per person** (Q1 2021: RM21,156 per person).



The detailed information and technical notes are published in the publication of Labour Productivity Second 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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