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LABOUR PRODUCTIVITY, FOURTH QUARTER 2022





Malaysia's Labour Productivity

Malaysia's labour productivity measured as value added per hour worked improved 1.9 per cent (Q3 2022: 3.8%), year-on-year, as the country's economy expanded 7.0 per cent for this quarter (Q3 2022: 14.2%), while total hours worked went up 5.0 per cent (Q3 2022: 10.0%). **In terms of level, labour productivity by value added per hour worked was RM43.1** (Q3 2022: RM42.5 per hour). Total hours worked in the fourth quarter of 2022 was 9.2 billion (Q3 2022: 9.0 billion hours). **Labour productivity as expressed by value added per employment rose 3.6 per cent** (Q3 2022: 10.2%), year on year, as total employment increased 3.2 per cent (Q3 2022: 3.6%). **In terms of level, value added per employment was RM24,915** (Q3 2022: RM24,242 per person). Total employment in the fourth quarter of 2022 was 15.9 million (Q3 2022: 15.8 million persons). **Overall for 2022, labour productivity as expressed by value added per hour worked rebounded 1.8 per cent** with a level of RM41.7 per hour as compared to 2021 (-2.6%, RM41.0 per hour). Meanwhile, labour productivity measured as **value added per employment rose 5.4 per cent** to record value a level of RM95,628 per person as compared to 2021 (1.8%, RM90,697 per person).

Agriculture

Labour productivity per hour worked in Agriculture sector fell 0.6 per cent, year-on-year, however improved as compared to the previous quarter (Q3 2022: -0.8%). Value added for this sector posted an increase of 1.1 per cent (Q3 2022: 1.2%). Meanwhile, **labour productivity by value added per employment for this sector increased 1.6 per cent** in the fourth quarter of 2022 (Q3 2022: 1.9%), while employment fell marginal 0.5 per cent. **In the fourth quarter 2022, level of value added per hour worked for this sector was RM25.2** (Q3 2022: RM27.3 per hour), while **value added per employment was RM13,679** (Q3 2022: RM14,766 per person). **Labour productivity measured as value added per hour worked in 2022 decreased 1.2 per cent** with a level of RM24.7 per hour as compared to 2021 (-4.6%, RM25.0 per hour). Meanwhile, labour productivity in terms of **value added per employment rose marginal 0.7 per cent** to record a level of RM53,173 as compared to 2021 (-0.6%, RM52,786 per person).

Mining and quarrying

For Mining and quarrying sector, **labour productivity measured as value added per hour worked increased 4.7 per cent** (Q3 2022: 4.2%), year-on-year, as value added for this sector expanded 6.8 per cent and hours worked increased 2.0 per cent. **Labour productivity by added value per employment also recorded an increase of 6.5 per cent** (Q3 2022: 8.8%) as employment increased marginal at 0.3 per cent. In terms of labour productivity level, the **value added per hour worked** and **value added per employment were RM557.3** (Q3 2022: RM508.3 per hour) and **RM334,940** (Q3 2022: RM305,891 per person), respectively. **In 2022, labour productivity expressed as the ratio of value added to hours worked for Mining and quarrying sector marginally decreased 0.4 per cent** with a level of RM531.1 per hour as compared to 2021 (-3.8%, RM533.3 per hour). Meanwhile, labour productivity as measured by **value added per employment recovered to 2.2 per cent** to record a level of RM1,269,266 as compared to 2021 (-1.4%, RM1,242,406 per person).

Manufacturing

In the fourth quarter of 2022, **labour productivity in terms of value added per hour worked for Manufacturing sector marginally improved at 0.4 per cent** (Q3 2022: 1.4%), year-on-year, with value added growth at 3.9 per cent and hours worked 3.6 per cent. Three sub-sectors that recorded an

increase in productivity per hour worked were Electrical, electronic and optical products (3.7%); Non-metallic mineral products, basic metal and fabricated metal products (1.3%); and Textiles, wearing apparel and leather products (1.1%). **Labour productivity by value added per employment improved at 1.6 per cent** (Q3 2022: 8.2%), while employment rose 2.3 per cent (Q3 2022: 4.5%). Four sub-sectors that posted double-digit increases were Electrical, electronic and optical products (5.0%); Textiles, wearing apparel and leather products (2.8%); Non-metallic mineral products, basic metal and fabricated metal products (0.8%); and Vegetable and animal oils and fats and food processing (0.5%). **In terms of level, labour productivity as measured by value added per hour worked was RM58.5** (Q3 2022: RM58.1 per hour), while **value added per employment was RM34,854** (Q3 2022: RM33,935 per person). **The growth of labour productivity expressed as value added per hour worked in 2022 for Manufacturing sector marginally decreased 0.1 per cent** with a level of RM57.0 per hour as compared to 2021 (3.1%, RM57.0 per hour). Meanwhile, labour productivity in terms of **value added per employment rose 4.1 per cent** to record a level of RM134,046 as compared to 2021 (6.8%, RM128,807 per person).

Construction

Year-on-year, value added per hour worked for Construction sector recovered 8.0 per cent (Q3 2022: -2.1%). Value added for this sector expanded 10.1 per cent and total employment increased 1.9 per cent. Meanwhile, **labour productivity as measured by value added per employment sustained a double digit growth of 10.0 per cent** (Q3 2022: 14.9%), with marginal increase in employment at 0.02 per cent. **Value added per hour worked for this sector was RM16.8** (Q3 2022: RM16.6 per hour), while **value added per employment was RM9,992** (Q3 2022: RM9,881 per person). **In 2022, labour productivity expressed as value added per hour worked fell 2.0 per cent** with a level of RM16.2 per hour as compared to 2021 (-8.3%, RM16.5 per hour). Meanwhile, **labour productivity measured as value added of employment improved 5.2 per cent** to record a value of RM38,575 as compared to 2021 (-4.3%, RM36,669 per person).

Services

During the quarter, **labour productivity expressed as ratio of value added per hour worked for Services sector increased 2.3 per cent** (Q3 2022: 6.0%), year-on-year, as value added expanded 8.9 per cent and hours worked increased 6.4 per cent. Two sub-sectors that posted double digit growth were Food & beverages and accommodation (19.0%); and Real Estate and business services (16.7%), followed by positive growth in subsector of Transportation and storage (9.0%); Finance and insurance (6.5%); Wholesale and retail trade (1.7%); and Other services (0.2%). Meanwhile, **labour productivity per employment for Services sector increased 4.0 per cent** (Q3 2022: 11.4%), with an increase in total employment of 4.7 per cent. Three sub-sectors that posted double digit growth were Real estate and business services (21.7%); Food & beverages and accommodation (16.4%); and Transportation and storage (11.9%), followed by positive growth in the subsectors of Wholesale and retail trade (4.8%); Other services (1.8%); Information and communication (0.7%); and Finance and insurance (0.1%). **In terms of level, labour productivity measured as value added per hour worked in fourth quarter 2022 was RM40.8** (Q3 2022: RM40.0 per hour), while **value added per employment was RM23,519** (Q3 2022: RM22,758 per person). **For the overall of 2022, labour productivity as measured by value added per hour worked for Services sector increased 3.3 per cent** to a level of RM39.4 per hour as compared to 2021 (-4.2%, RM38.2 per hour). Meanwhile, labour productivity expressed as **value added per employment rose 6.5 per cent** to record a level of RM90,236 as compared to 2021 (0.5%, RM84,716 per person).

The full publication of the Labour Productivity Fourth Quarter 2022 can be downloaded through [eStatistik](#) portal.

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