



LABOUR PRODUCTIVITY OF FIRST QUARTER 2021

Malaysia's labour productivity as measured by value added per hour worked rebounded to 0.4 per cent in the first quarter of 2021 after registering negative 0.8 per cent in the preceding quarter. During this quarter, value added contracted 0.5 per cent (Q4 2020: -3.4%) with hours worked lessened by 0.9 per cent (Q4 2020: -2.7%). In the meantime, **labour productivity expressed as the ratio of value added per employment recorded a marginal decline of 0.4 per cent** as compared to negative 2.9 per cent in Q4 2020. Employment decreased at a slower rate of negative 0.04 per cent (Q4 2020: -0.6%). In terms of labour productivity level, **value added per hour worked was RM40 per hour** in Q1 2021 (Q4 2020: RM42 per hour) while **value added per employment was RM22,516 per person** (Q4 2020: RM23,604 per person).

In this quarter, **the growth of labour productivity in terms of value added per hour worked for Agriculture sector turned around to 0.1 per cent** (Q4 2020: -0.8%). The value added and hours worked of this sector expanded by 0.4 per cent (Q4 2020: -1.0%) and 0.3 per cent (Q4 2020: -0.3%) respectively. The highest labour productivity growth was recorded by Forestry & Logging. Meanwhile, labour productivity expressed as the ratio of **value added to employment rebounded to 1.6 per cent** as against negative 0.7 per cent in the preceding quarter while employment continued its negative growth of 1.2 per cent (Q4 2020: -0.4%). In terms of level, **value added per hour worked for this sector in Q1 2021 was RM23 per hour** (Q4 2020: RM25 per hour) while **value added per employment was RM12,191 per person** (Q4 2020: RM13,115 per person).

Mining and Quarrying sector recorded a smaller decline of 2.1 per cent for labour productivity by hours worked as compared to negative 6.2 per cent in the preceding quarter. During this quarter, value added shrunk 5.0 per cent (Q4 2020: -10.4%) while hours worked remained its negative growth for seven consecutive quarters at 3.0 per cent (Q4 2020: -4.5%). **Labour productivity by value added per employment for this sector decreased 3.7 per cent** as against negative 9.0 per cent in the previous quarter. In addition, employment recorded a negative growth of 1.4 per cent since Q1 2020 (Q4 2020: -1.6%). **Value added per hour worked for Mining & Quarrying sector was RM555 per hour in Q1 2021** (Q4 2020: RM581 per hour) while **value added per employment was RM328,213 per person** (Q4 2020: RM348,371 per person).

In Q1 2021, labour productivity as measured by value added per hour worked in Manufacturing sector grew 8.5 per cent (Q4 2020: 6.0%). Value added of this sector expanded by 6.6 per cent (Q4 2020: 3.0%), which was a positive growth for three consecutive quarters while hours worked decreased 1.7 per cent (Q4 2020: -2.8%). Sub-sector of Beverages and tobacco product (22.8%) recorded the highest growth of labour productivity by hours worked followed by Transport equipment, other manufacturing and repair (12.9%) and Wood products, furniture, paper products & printing (12.8%) sub-sectors. **The growth of labour productivity per employment for Manufacturing sector increased 5.9 per cent** (Q4 2020: 3.2%) as employment rebounded to 0.7 per cent (Q4 2020: -0.2%). Level of labour productivity which measured as **value added per hour worked was RM55 per hour** in Q1 2021 (Q4 2020: RM56 per hour) while **value added per employment was RM31,522 per person** (Q4 2020: RM32,589 per person).

Construction sector posted a negative growth of 8.6 per cent in Q1 2021 (Q4 2020: -6.7%) for **labour productivity per hour worked**. The growth of value added in this sector remained subdued at negative 10.4 per cent (Q4 2020: -13.9%) while hours worked decreased 2.0 per cent (Q4 2020: -7.7%). In

this quarter, **labour productivity by value added per employment for this sector declined 8.2 per cent** (Q4 2020: -8.4%) while employment recorded smaller decline at negative 2.4 per cent as opposed negative 6.0 per cent in Q4 2020. Level of labour productivity which measured as **value added per hour worked was RM17 per hour** (Q4 2020: RM17 per hour) while **value added per employment was RM9,924 per person** (Q4 2020: RM10,201 per person).

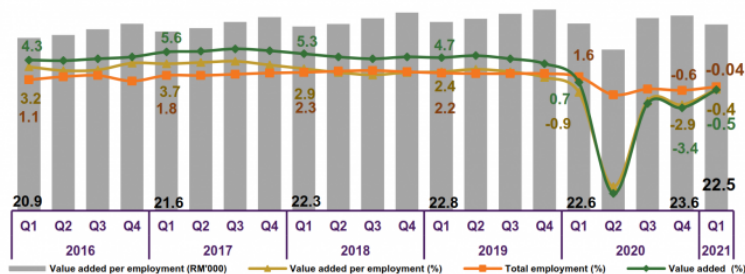
Services sector posted a growth of labour productivity in terms of value added per hour worked with a rate of negative 1.7 per cent (Q4 2020: -2.7%). Value added of this sector remained sluggish at negative 2.3 per cent (Q4 2020: -4.8%) while hours worked decreased 0.6 per cent (Q4 2020: -2.2%). During this quarter, the highest growth of labour productivity by hours worked in Services sector was recorded by Finance & insurance sub-sector (9.7%). This was followed by Information & communication and Wholesale & Retail Trade sub-sectors which posted a growth of 4.7 per cent and 1.0 per cent respectively. **Measuring labour productivity per employment for this sector, declined 2.6 per cent** (Q4 2020: -4.9%) as employment grew by 0.4 per cent (Q4 2020: 0.1%). In terms of labour productivity level, **value added per hour worked in Q1 2021 for Services sector was RM38 per hour** (Q4 2020: RM39 per hour) while **value added per employment was RM21,110 per person** (Q4 2020: RM22,332 per person).



LABOUR PRODUCTIVITY OF FIRST QUARTER 2021



LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT



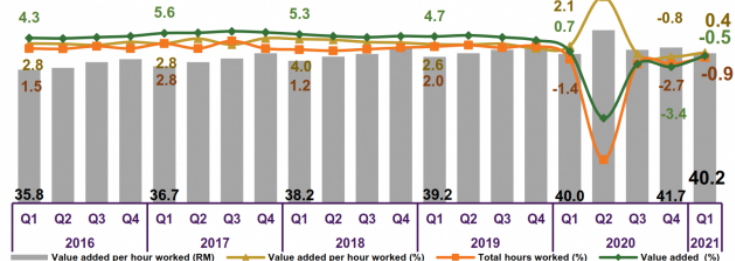
Labour productivity per employment **improved** with a **marginal decline of 0.4%** while **employment lessened by 0.04%**

Labour productivity	Q1 2021: RM22,516
	Q4 2020: RM23,604
Percentage change	Q1 2021: -0.4%
	Q4 2020: -2.9%
Total employment ('000 persons)	Q1 2021: 15,237
	Q4 2020: 15,161
Percentage change	Q1 2021: -0.04%
	Q4 2020: -0.6%

Labour productivity per hour worked **rebounded to 0.4%** while total hours worked continued to **drop by 0.9%**

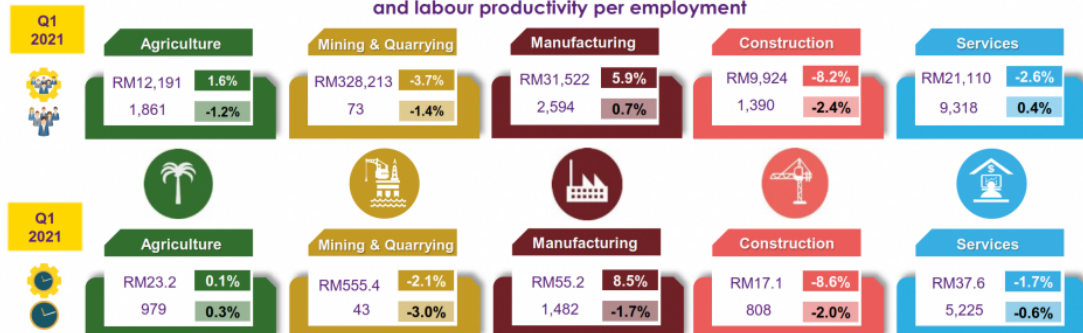
LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

Labour productivity	Q1 2021: RM40.2
	Q4 2020: RM41.7
Percentage change	Q1 2021: 0.4%
	Q4 2020: -0.8%
Total hours worked (million hours)	Q1 2021: 8,538
	Q4 2020: 8,581
Percentage change	Q1 2021: -0.9%
	Q4 2020: -2.7%



LABOUR PRODUCTIVITY BY ECONOMIC ACTIVITY

Manufacturing and Agriculture sectors posted a positive growth for both labour productivity per hour worked and labour productivity per employment



Notes:
1) - Labour productivity per employment - Total employment ('000 persons) - Labour productivity per hour worked - Total hours worked (million hours)
2) % refers to the annual percentage change from the same quarter of the previous year

Source: Labour Productivity,
First Quarter 2021
Department of Statistics Malaysia

The detailed information and technical notes are published in the publication of Labour Productivity First Quarter 2021. This report is accessible and downloadable free of charge through the [eStatistik](https://www.dosm.gov.my) application in DOSM web page, www.dosm.gov.my.

Released By:

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