



LABOUR PRODUCTIVITY OF FOURTH QUARTER 2018

Malaysia's labour productivity as measured by value added per hour worked, rose 2.7 per cent in the fourth quarter of 2018 after registering 2.9 per cent in Q3 2018. During this quarter, Malaysia's economy expanded 4.7 per cent (Q3 2018: 4.4%) while hours worked increased 2.0 per cent against 1.4 per cent in the previous quarter.

In the meantime, labour productivity expressed in terms of value added per employment registered a growth of 2.2 per cent (Q3 2018: 1.7%) as employment grew at a slower rate of 2.4 per cent (Q3 2018: 2.6%).

Overall, Malaysia's labour productivity by hours worked in 2018 increased 3.4 per cent (2017: 3.5%) while labour productivity by employment recorded a growth of 2.2 per cent (2017: 3.8%).

Agriculture sector registering a mild decline of 0.3 per cent (Q3 2018: 1.4%). The value added of this sector remained sluggish at 0.4 per cent (Q3 2018: -1.4%) while hours worked decreased 0.1 per cent (Q3 2018: -2.7%). In this quarter, Crops & Livestock eased 0.1 per cent (Q3 2018: 1.9%). Forestry & Logging and Fishing continued its negative growth by registering 2.2 per cent (Q3 2018: -13.1%) and 3.5 per cent (Q3 2018: -3.5%) respectively. Labour productivity by employment contracted 0.7 per cent (Q3 2018: -1.9%) as employment in the sector grew 0.3 per cent (Q3 2018: 0.6%). In 2018, Agriculture's labour productivity by hours worked grew marginally at 0.6 per cent (2017: 3.6%) while labour productivity by employment recorded a slower rate of 0.2 per cent (2017: 1.4%).

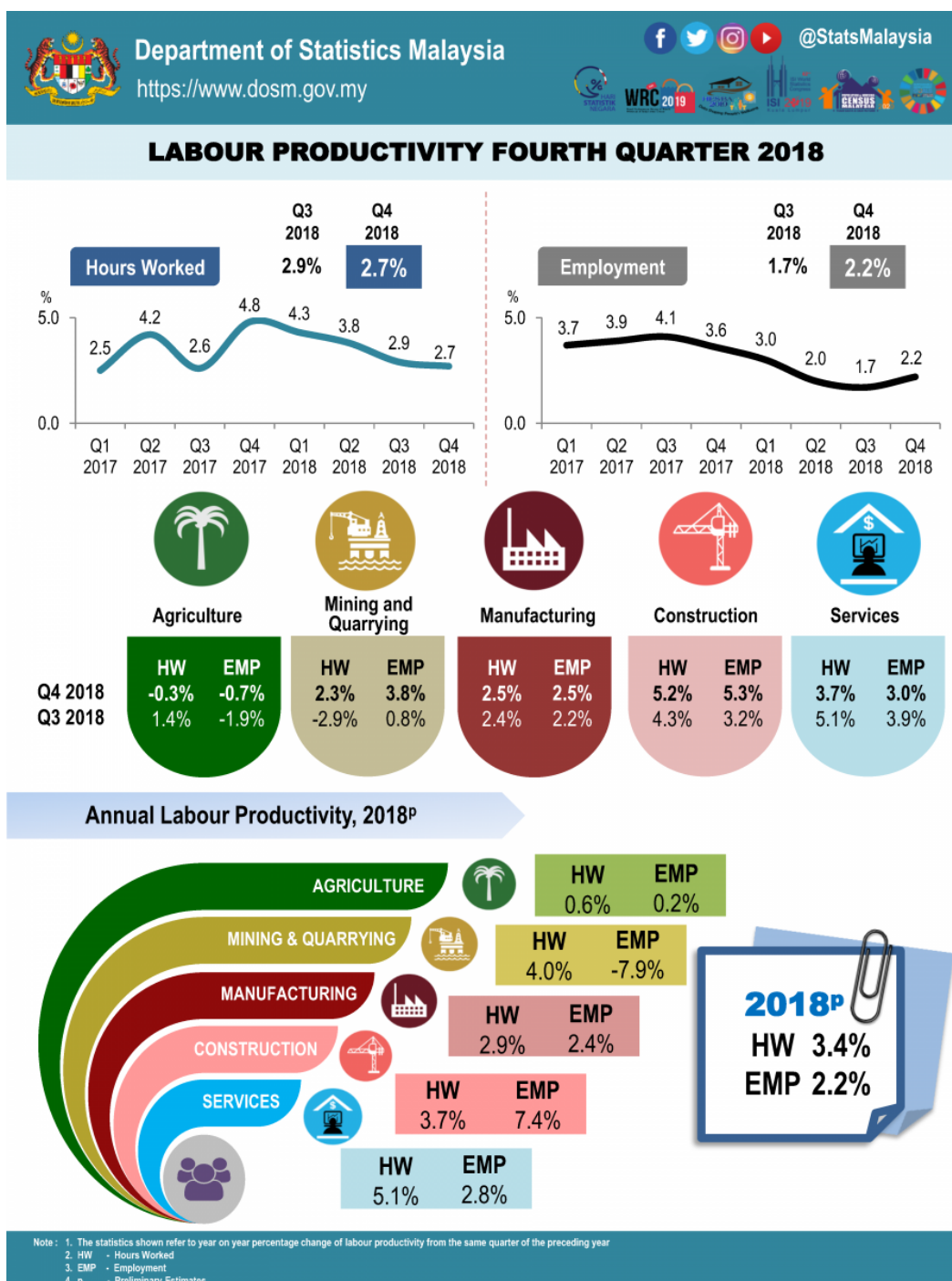
Labour productivity of Mining and Quarrying sector rebounded to 2.3 per cent (Q3 2018: -2.9%). Value added of this sector turned around to 0.5 per cent (Q3 2018: -4.6%) while hours worked decreased 1.8 per cent (Q3 2018: -1.7%). When measured as value added per employment, labour productivity rose 3.8 per cent (Q3 2018: 0.8%) as employment in the sector continued to decline 3.2 per cent (Q3 2018: -5.3%). In 2018, labour productivity by hours worked expanded 4.0 per cent (2017: -3.3%) while labour productivity by employment dropped 7.9 per cent (2017: 6.8%).

The growth of labour productivity in the Manufacturing sector rose 2.5 per cent (Q3 2018: 2.4%). Value added of this sector expanded 4.7 per cent (Q3 2018: 5.0%) while hours worked increased 2.2 per cent (Q3 2018: 2.6%). The highest growth of labour productivity was posted by Transport Equipment, Other Manufacturing & Repair at 7.0 per cent, followed by Wood Products, Furniture, Paper Products & Printing (4.7%). In addition, Petroleum, Chemical, Rubber & Plastic Products which contributed 29.5 per cent of Manufacturing's value added expanded 2.0 per cent (Q3 2018: 0.8%). Labour productivity expressed as the ratio of value added and employment registered 2.5 per cent (Q3 2018: 2.2%) as employment grew 2.2 per cent (Q3 2018: 2.7%) during the quarter. Labour productivity by hours worked increased 2.9 per cent in 2018 (2017: 4.0%) while labour productivity by employment rose 2.4 per cent (2017: 4.3%).

Labour productivity of Construction sector grew 5.2 per cent (Q3 2018: 4.3%) in this quarter. The growth of value added in this sector was 2.6 per cent (Q3 2018: 4.6%) while the hours worked decreased 2.5 per cent (Q3 2018: 0.3%). In the meantime, the growth of labour productivity by employment increased 5.3 per cent (Q3 2018: 3.2%) while employment dropped 2.6 per cent (Q3 2018: 1.4%). Annual performance of labour productivity by hours worked for Construction sector in 2018 grew 3.7 per cent (2017: 6.2%) while labour productivity by employment posted a growth of 7.4 per cent (2017: 2.4%).

Services sector recorded a growth of labour productivity at 3.7 per cent (Q3 2018: 5.1%). During this quarter, value added grew 6.9 per cent (Q3 2018: 7.2%) while hours worked increased 3.1 per cent (Q3 2018: 2.0%). For three consecutive quarters, Information & Communication registered the highest growth

of labour productivity (Q4 2018: 8.7%; Q3 2018: 10.3%). In the meantime, Wholesale & Retail Trade grew 6.6 per cent followed by Utilities and Finance & Insurance of which both recorded a growth of 4.7 per cent. Meanwhile, labour productivity by employment expanded 3.0 per cent (Q3 2018: 3.9%) as employment posted 3.7 per cent against 3.2 per cent in the preceding quarter. In 2018, labour productivity by hours worked increased 5.1 per cent (2017: 3.7%) while labour productivity by employment grew 2.8 per cent (2017: 5.0%).



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