



LABOUR PRODUCTIVITY OF FOURTH QUARTER 2021

Malaysia's labour productivity as measured by value added per hour worked posted an increase with a growth of 1.3 per cent in the fourth quarter of 2021 after decreased marginally by 0.6 per cent in the preceding quarter. During this quarter, Malaysia's economy turned around to 3.6 per cent (Q3 2021: -4.5%) with total hours worked increased by 2.3 per cent (Q3 2021: -3.9%). In the meantime, labour productivity expressed as the ratio of value added per employment picked up in Q4 2021 by 1.7 per cent as compared to negative 5.6 per cent in Q3 2021. Employment went up by 1.8 per cent (Q3 2021: 1.2%). In terms of labour productivity level, value added per hour worked was RM42.2 per hour in Q4 2021 (Q3 2021: RM40.9 per hour) while value added per employment was RM24,006 per person (Q3 2021: RM21,983 per person). Overall for 2021, Malaysia's labour productivity by value added per hour worked decreased by 2.6 per cent (2020: 3.4%) with a value of RM41.0 per hour (2020: RM42.0 per hour). On the contrary, labour productivity measured as value added per employment rose 1.8 per cent (2020: -5.5%) with the value added per employment of RM90,647 per person (2020: RM89,022 per person).

In this quarter, the growth of labour productivity in terms of value added per hour worked for Agriculture sector turned around to 1.7 per cent (Q3 2021: -3.4%). The value added and hours worked of this sector expanded by 2.8 per cent (Q3 2021: -1.9%) and 1.1 per cent (Q3 2021: 1.5%) respectively. Meanwhile, labour productivity expressed as the ratio of value added per employment rebounded to 2.9 per cent as against negative 2.6 per cent in the preceding quarter while employment declined 0.1 per cent (Q3 2021: 0.6%). In terms of level, value added per hour worked for this sector was RM25.4 per hour in Q4 2021 (Q3 2021: RM27.6 per hour) while value added per employment was RM13,498 per person (Q3 2021: RM14,537 per person). Labour productivity by value added per hour worked decreased 4.6 per cent in 2021 (2020: 1.9%) with a level of RM25.1 per hour (2020: RM26.3 per hour) while value added per employment declined marginally by 0.6 per cent (2020: -1.8%) with a level of RM52,939 per person (2020: RM53,254 per person).

Labour productivity by value added per hour worked for Mining and quarrying sector contracted 9.3 per cent as compared to a positive growth of 4.1 per cent in the preceding quarter. During this quarter, value added posted a smaller decline of 0.9 per cent (Q3 2021: -3.6%) while hours worked improved to 9.3 per cent (Q3 2021: -7.3%). Labour productivity by value added per employment for this sector decreased double-digit by 10.7 per cent as against negative 1.3 per cent registered in the previous quarter. In addition, employment recorded a double-digit growth of 11.0 per cent during the quarter (Q3 2021: -2.3%). Value added per hour worked for Mining and quarrying sector was RM526.8 per hour in Q4 2021 (Q3 2021: RM479.6 per hour) while value added per employment was RM311,151 per person (Q3 2021: RM276,330 per person). In 2021, labour productivity expressed as value added per hour worked declined further to 3.4 per cent as compared to negative 1.3 per cent in the previous year with a level of RM530.5 per hour (2020: RM549.1 per hour) while value added per employment decreased marginally by 0.9 per cent (2020: -8.5%) with a level of RM1,235,789 per person (2020: RM1,247,616 per person).

In Q4 2021, labour productivity as measured by value added per hour worked in Manufacturing sector improved 4.6 per cent (Q3 2021: 2.3%). Value added of this sector accelerated to 9.1 per cent (Q3 2021: -0.8%) while hours worked went up by 4.3 per cent (Q3 2021: -3.0%). Sub-sector of Electrical, electronic & optical products (9.8%) recorded the highest growth of labour productivity followed by Beverages & tobacco products (8.6%); Non-metallic mineral products, basic metal & fabricated metal products (3.5%); and Vegetable and animal oils & fats and food processing (3.5%) sub-sectors. The growth of labour productivity in terms of value added per employment for Manufacturing sector rebounded to 5.3 per cent (Q3 2021: -3.5%) while employment increased 3.6 per cent (Q3 2021: 2.9%). Level of labour productivity

which measured as value added per hour worked was RM58.4 per hour in Q4 2021 (Q3 2021: RM57.3 per hour) while value added per employment was RM34,316 per person (Q3 2021: RM31,356 per person). The growth of labour productivity expressed as value added per hour worked increased by 3.1 per cent in 2021 compared to 7.0 per cent in 2020 with a level of RM57.0 per hour (2020: RM55.3 per hour). The labour productivity measured as value added per employment turned around to 6.8 per cent (2020: -2.6%) with a level of RM128,836 per person (2020: RM120,675 per person).

Construction sector remained sluggish with double-digit negative of 11.0 per cent in Q4 2021 (Q3 2021: -5.7%) for labour productivity by value added per hour worked. The growth of value added in this sector contracted 12.2 per cent (Q3 2021: -20.6%) while hours worked decreased by 1.4 per cent (Q3 2021: -15.7%). In this quarter, labour productivity by value added per employment for this sector remained subdued by 11.2 per cent (Q3 2021: -18.8%) while employment registering a mild decline of 1.2 per cent as opposed to negative 2.1 per cent in Q3 2021. Level of labour productivity which measured as value added per hour worked was RM15.5 per hour (Q3 2021: RM16.9 per hour) while value added per employment was RM9,063 per person (Q3 2021: RM8,597 per person). Labour productivity as measured by value added per hour worked in 2021 dropped by 8.3 per cent (2020: -5.1%) with a level of RM16.5 per hour (2020: RM18.0 per hour) while labour productivity as measured by value added per employment fell 4.3 per cent (2020: -15.7%) with a level of RM36,644 per person (2020: RM38,279 per person).

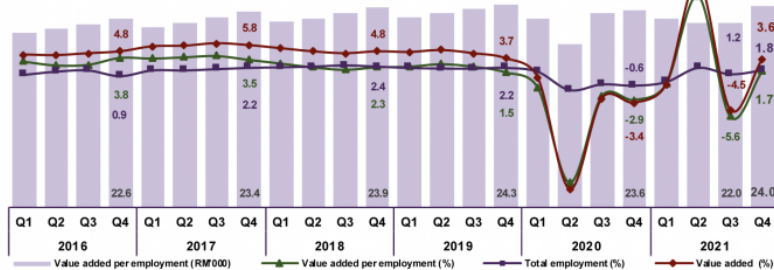
Labour productivity as measured by value added per hour worked for Services sector increased marginally by 0.7 per cent (Q3 2021: -1.8%). Value added of this sector turned around to 3.2 per cent (Q3 2021: -4.9%) while hours worked went up by 2.5 per cent (Q3 2021: -3.2%). During this quarter, the highest growth of labour productivity in Services sector was recorded by Transportation & storage (9.4%). This was followed by Information & communication and Finance & insurance sub-sectors which were 4.8 per cent and 3.5 per cent respectively. Measuring labour productivity per employment for this sector, rose by 1.0 per cent (Q3 2021: -6.2%) as employment increased 2.1 per cent (Q3 2021: 1.4%). In terms of labour productivity level, value added per hour worked in Q4 2021 for Services sector was RM39.8 per hour (Q3 2021: RM37.7 per hour) while value added per employment was RM22,565 per person (Q3 2021: RM20,423 per person). For the year 2021, labour productivity expressed as the ratio of value added to hours worked in Services sector recorded a contraction of 4.2 per cent (2020: 3.2%) with a level of RM38.1 per hour (2020: RM39.8 per hour) while value added per employment posted a marginal increase of 0.5 per cent (2020: -6.0%) with a level of RM84,647 per person (2020: RM84,266 per person).



LABOUR PRODUCTIVITY OF FOURTH QUARTER



LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT



Labour Productivity
(per person)

Q4 2021
RM24,006
(1.7%)

Total Employment
('000 persons)

Q4 2021
15,441
(1.8%)

Labour productivity picked up in Q4 2021 by 1.7% to record value added per employment at RM24,006 per person



Agriculture

Q4 2021
Q3 2021
RM13,498 2.9%
RM14,537 -2.6%



Mining & Quarrying

RM311,151 -10.7%
RM276,330 -1.3%



Manufacturing

RM34,316 5.3%
RM31,356 -3.5%



Construction

RM9,063 -11.2%
RM8,597 -18.8%



Services

RM22,565 1.0%
RM20,423 -6.2%

Labour Productivity
(per hour worked)

Total hours worked
(million hours)



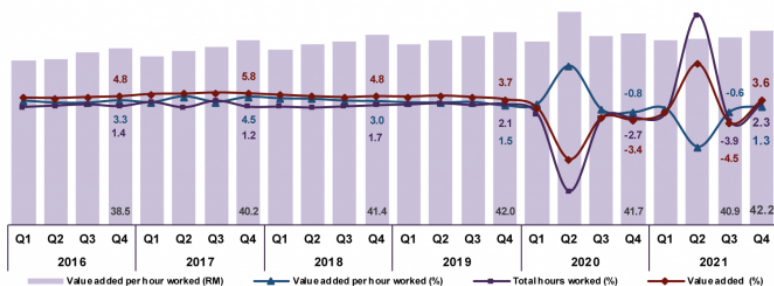
Q4 2021
RM42.2
(1.3%)



Q4 2021
8,775
(2.3%)

Labour productivity per hour worked posted an increase with a growth of 1.3% after decreased marginally by 0.6% in the preceding quarter.

LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED



Agriculture

Q4 2021
Q3 2021
RM25.4 1.7%
RM27.6 -3.4%



Mining & Quarrying

RM526.8 -9.3%
RM479.6 4.1%



Manufacturing

RM58.4 4.6%
RM57.3 2.3%



Construction

RM15.5 -11.0%
RM16.9 -5.7%



Services

RM39.8 0.7%
RM37.7 -1.8%

Notes:

1) Labour productivity per employment Total employment ('000 persons)

Labour productivity per hour worked

Total hours worked (million hours)

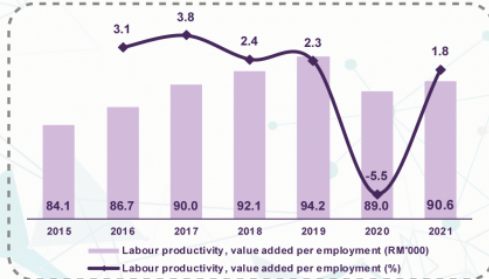
Source: Labour Productivity,
Fourth Quarter 2021
Department of Statistics Malaysia

ANNUAL LABOUR PRODUCTIVITY 2021

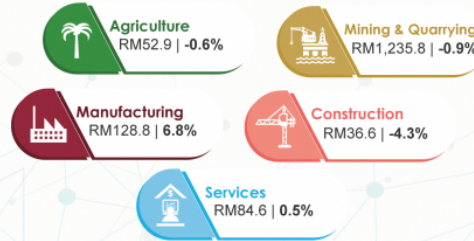


LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT

The performance of labour productivity per employment for the year 2021 rose by 1.8% to record value added per employment of RM90,647 per person



Manufacturing and Services sectors increased while other sectors recorded a decline in labour productivity per employment

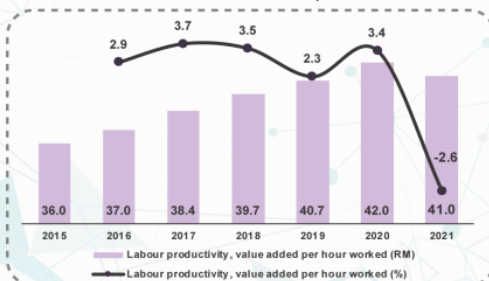


Level (000) | Growth

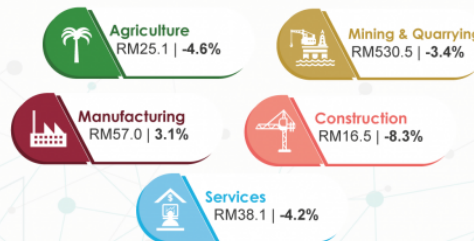


LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

Value added per hour worked declined by 2.6% with a value of RM41.0 per hour

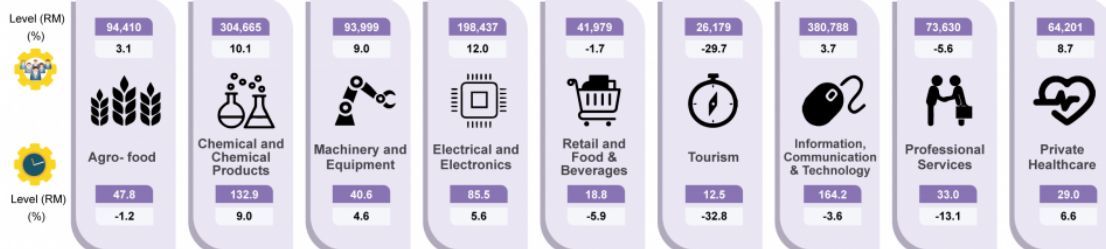


Labour productivity per hour worked for all sectors decreased except for Manufacturing sector which posted an increase



Level | Growth

ANNUAL LABOUR PRODUCTIVITY BY 9 PRIORITY SUB-SECTORS



Notes:
1) Labour productivity per employment Labour productivity per hour worked
2) % refers to the annual percentage change from the same quarter of the previous year

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

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