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## LABOUR PRODUCTIVITY OF THIRD QUARTER 2019

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**In the third quarter of 2019, Malaysia's labour productivity, as measured by value added per hour worked rose 2.6 per cent** after registering 2.4 per cent in the preceding quarter. During this quarter, Malaysia's Gross Domestic Product (GDP) posted a growth of 4.4 per cent (Q2 2019: 4.9%) while hours worked increased 1.7 per cent against 2.4 per cent in Q2 2019. In the meantime, **labour productivity expressed as the ratio of value added to employment recorded a growth of 2.3 per cent** (Q2 2019: 2.8%) while employment sustained at 2.1 per cent (Q2 2019: 2.1%).

**Agriculture sector** registered a growth of labour productivity by hours worked at 1.8 per cent (Q2 2019: 2.2%). The value added of this sector rose 3.7 per cent (Q2 2019: 4.2%) while hours worked remained at 1.9 per cent (Q2 2019: 1.9%). Meanwhile, labour productivity by employment posted a growth of 2.0 per cent (Q2 2019: 2.1%) as employment increased 1.7 per cent (Q2 2019: 2.0%).

Labour productivity by hours worked for **Mining and Quarrying sector** continued to decline with a growth of negative 3.4 per cent as against negative 0.7 per cent in the preceding quarter. The value added of this sector contracted 4.3 per cent (Q2 2019: 2.9%) while hours worked decreased 1.0 per cent (Q2 2019: 3.5%). Measuring labour productivity by value added per employment, this sector recorded a negative growth of 5.4 per cent (Q2 2019: 1.4%) while employment increased 1.1 per cent (Q2 2019: 1.4%).

**Manufacturing sector** posted a growth of labour productivity by hours worked at 2.9 per cent (Q2 2019: 2.5%). During this quarter, value added of this sector grew 3.6 per cent after registering 4.3 per cent in Q2 2019 while hours worked increased at a slower rate of 0.8 per cent (Q2 2019: 1.8%). The highest growth of labour productivity were registered by Transport equipment, other manufacturing & repair (5.6%), followed by Wood products, furniture, paper products & printing (5.2%) and Beverages & tobacco products (4.2%). In addition, Petroleum, chemical, rubber & plastics products which contributed 29.5 per cent of Manufacturing's value added expanded 4.1 per cent (Q2 2019: 2.0%). In the meantime, labour productivity by employment grew modestly to 1.6 per cent (Q2 2019: 2.4%) as employment increased 2.0 per cent (Q2 2019: 1.8%).

The growth of labour productivity by hours worked for **Construction sector** was 1.6 per cent (Q2 2019: 3.3%). The value added of this sector registered a marginal decline of 1.5 per cent (Q2 2019: 0.5%) while hours worked continued to record a negative growth for six consecutive quarters by registering a negative growth of 3.1 per cent (Q2 2019: -2.7%). In terms of labour productivity by employment, this sector recorded a growth of 2.1 per cent (Q2 2019: 3.2%) as employment in this sector declined further to 3.5 per cent (Q2 2019: -2.6%).

Labour productivity by hours worked for **Services sector** posted a growth of 2.9 per cent in Q3 2019 (Q2 2019: 2.5%). Value added of this sector expanded by 5.9 per cent (Q2 2019: 6.1%) while hours worked increased 2.8 per cent (Q2 2019: 3.6%). During this quarter, the highest growth was recorded by Real estate & business services (5.8%). This was followed by Transportation & storage (3.9%), Utilities (3.3%) and Wholesale & retail trade (3.3%). Meanwhile, labour productivity expressed as the ratio of value added to employment grew 2.7 per cent (Q2 2019: 3.0%) as employment increased 3.1 per cent (Q2 2019: 3.0%).

## LABOUR PRODUCTIVITY OF THIRD QUARTER 2019

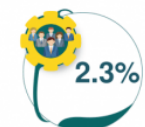
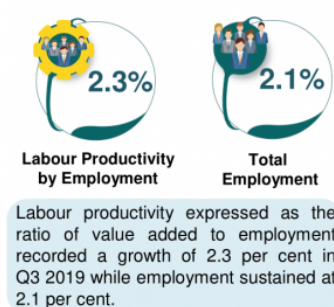


Labour Productivity by Hours Worked



Total Hours Worked

Malaysia's labour productivity as measured by value added per hour worked rose 2.6 per cent in the third quarter of 2019 while total hours worked increased to 1.7 per cent.



Labour Productivity by Employment



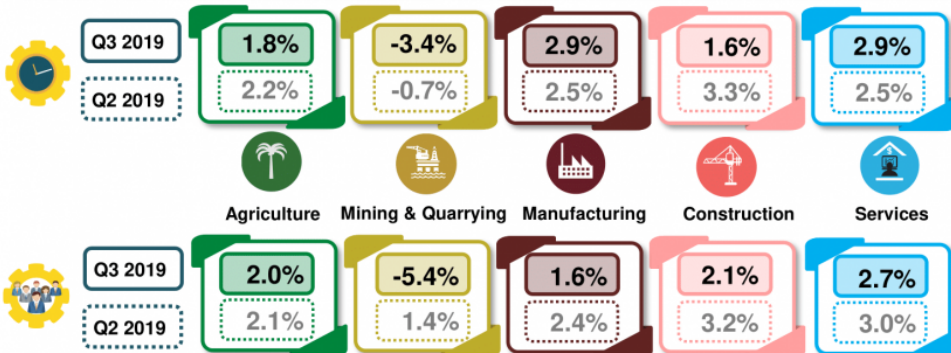
Total Employment

Labour productivity expressed as the ratio of value added to employment recorded a growth of 2.3 per cent in Q3 2019 while employment sustained at 2.1 per cent.

Labour productivity can be measured by using the ratio of value added to the total hours worked and employment.

## LABOUR PRODUCTIVITY BY KIND OF ECONOMIC ACTIVITIES

In the third quarter of 2019, both **Services** and **Manufacturing** sectors recorded the highest growth of labour productivity by hours worked at **2.9 per cent** while the highest growth of labour productivity by employment was registered by **Services** sector at **2.7 per cent**.



Note: The statistics shown refer to year on year percentage change of labour productivity from the same quarter of previous year.

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