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## LABOUR PRODUCTIVITY OF THIRD QUARTER 2020

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**Labour Productivity for Malaysia as measured by value added per hour worked grew marginally by 0.1 per cent** (Q2 2020: 15.5%). During this quarter, the Gross Domestic Product decreased at a slower rate of 2.7 per cent (Q2 2020: -17.1%). Similarly, total hours worked in this quarter posted negative 2.7 per cent from negative 28.2 per cent in the second quarter. In Q3 2020, **labour productivity expressed in terms of value added per employment recorded a smaller negative of 2.2 per cent** as compared to negative 16.0 per cent in Q2 2020 while employment declined 0.4 per cent (Q2 2020: -1.3%). **Labour productivity by value added per hour worked in Q3 2020 amounted to RM41 per hour** (Q2 2020: RM46 per hour) while value added per employment was RM23,248 per person (Q2 2020: RM19,446 per person).

**Labour productivity per hour worked for Agriculture sector grew marginally 0.6 per cent in Q3 2020 after registering 16.1 per cent in Q2 2020.** The value added in this quarter decreased 0.7 per cent (Q2 2020: 1.0%) while hours worked improved to a negative 1.2 per cent (Q2 2020: -13.0%). The third quarter's **labour productivity by value added per employment for this sector was 0.3 per cent** after recorded a growth of 1.6 per cent in Q2 2020. Moreover, employment posted a small decline of 0.9 per cent (Q2 2020: -0.5%). **Labour productivity by value added per hour worked for Agriculture sector was RM28 per hour** (Q2 2020: RM29 per hour) while **value added per employment was RM14,849 per person** (Q2 2020: RM13,244 per person).

**Mining and quarrying sector recorded a decline of 4.5 per cent in labour productivity by hours worked** as compared to 6.9 per cent in the previous quarter. The value added for this sector continued its declining trend of 6.8 per cent (Q2 2020: -20.0%) while hours worked recorded a negative of 2.4 per cent (Q2 2020: -25.1%). On the other hand, employment dropped by 2.3 per cent (Q2 2020: -3.5%). **Labour productivity by value added per employment for this sector decreased 4.6 per cent** (Q2 2020: -17.1%) which was an improvement. **Labour productivity which measured as value added per hour worked expressed in terms of level, was RM459 per hour** (Q2 2020: RM602 per hour) while value added per employment was RM278,831 per person (Q2 2020: RM280,302 per person).

**Labour productivity as measured by value added per hour worked for Manufacturing sector rose 6.9 per cent** (Q2 2020: 15.2%). In the meantime, the value added for this sector rebounded 3.3 per cent after recorded negative 18.3 per cent in previous quarter while hours worked dropped 3.4 per cent (Q2 2020: -29.1%). The highest growth of labour productivity by hours worked in Manufacturing sector registered by Electrical, electronic and optical products (11.6%). This was followed by Transport equipment, other manufacturing and repair (11.4%) and Vegetable and animal oils & fats and food processing (10.9%). **The growth of labour productivity for value added per employment increased at a faster rate of 3.6 per cent** (Q2 2020: -17.3%). **Employment for this sector decreased 0.3 per cent** (Q2 2020: -1.3%). **Value added per hour worked for Manufacturing sector was RM56 per hour in Q3 2020** (Q2 2020: RM60 per hour) while **value added per employment was RM32,485 per person** (Q2 2020: RM25,739 per person).

**Labour productivity by hours worked in construction sector declined further to negative 9.0 per cent in Q3 2020** (Q2 2020: -3.2%). The growth of value added for this sector contracted 12.4 per cent (Q2 2020: -44.5%) while **hours worked improved to negative 3.8 per cent** (Q2 2020: -42.7%). **Labour productivity measured as value added per employment by this sector**

**decreased 10.2 per cent** from negative 40.8 per cent in the preceding quarter. In addition, **employment declined by 2.4 per cent** (Q2 2020: -6.3%). In terms of labour productivity level, **value added per hour worked for this sector, remained at RM18 per hour** (Q2 2020: RM18 per hour) while **value added per employment was RM10,583 per person** (Q2 2020: RM6,536 per person).

**Labour productivity by hours worked for Services sector plunged 1.4 per cent in this quarter** (Q2 2020: 17.1%). Value added of this sector remained subdued at negative 4.0 per cent (Q2 2020: -16.2%) while hours worked declined 2.7 per cent (Q2 2020: -28.5%). During this quarter, Finance and insurance registered the highest growth of labour productivity by hours worked with a growth of 7.6 per cent. This was followed by Information and Communication (1.8%) and Wholesale and retail trade (0.3%). Meanwhile, **labour productivity expressed as the ratio of value added to employment decreased 3.9 per cent** (Q2 2020: -15.7%) while **employment declined marginally 0.1 per cent** (Q2 2020: -0.6%). **Value added per hour worked for this sector in Q3 2020 was RM38 per hour** (Q2 2020: RM44 per hour) while **value added per employment was RM21,749 per person** (Q2 2020: RM18,413 per person).



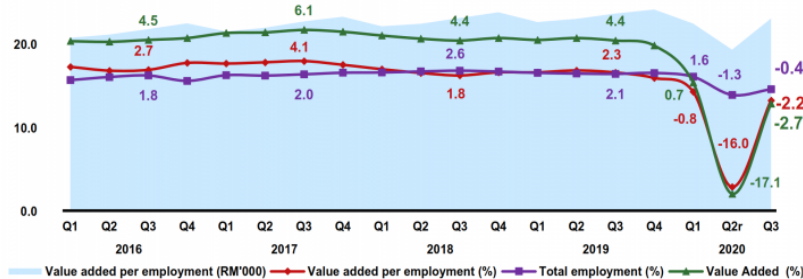
# LABOUR PRODUCTIVITY OF THIRD QUARTER 2020



## LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT

Labour productivity per employment **improved** with a smaller decline of **2.2%** in Q3 2020 as compared to negative 16.0% in Q2 2020

(RM'000)  
30.0



### Labour Productivity

Q3 2020: RM23,248  
Q2 2020: RM19,446

Growth  
Q3 2020: -2.2%  
Q2 2020: -16.0%

### Total Employment ('000 persons)

Q3 2020: 15,096  
Q2 2020: 14,884

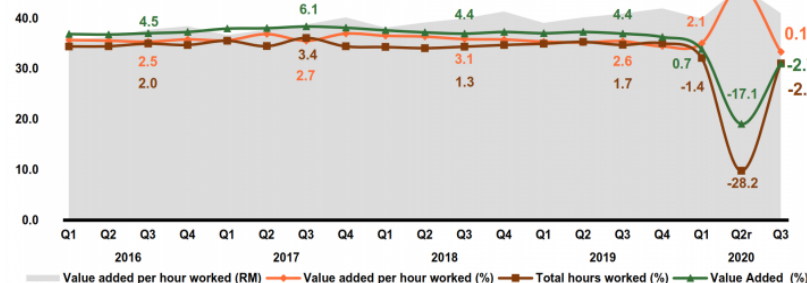
Growth  
Q3 2020: -0.4%  
Q2 2020: -1.3%



## LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

Labour productivity per hour worked **increased marginally 0.1%** with a value of RM41 per hour

(RM'000)  
50.0



### Labour Productivity

Q3 2020: RM41.0  
Q2 2020: RM46.4

Growth  
Q3 2020: 0.1%  
Q2 2020: 15.5%

### Total Hours Worked (million hours)

Q3 2020: 8,550  
Q2 2020: 6,241

Growth  
Q3 2020: -2.7%  
Q2 2020: -28.2%

### 5 MAIN ECONOMIC ACTIVITIES

Agriculture and Manufacturing sectors recorded an **increase** in labour productivity per employment and per hours worked while the other sectors posted a **decline**



#### Agriculture

RM14,849

1,875

RM28.4

982



#### Mining & Quarrying

RM278,831

78

RM458.8

47



#### Manufacturing

RM32,485

2,542

RM56.0

1,474



#### Construction

RM10,583

1,404

RM17.9

830



#### Services

RM21,749

9,197

RM38.3

5,217

Notes: - Labour productivity per employment - Total employment ('000 persons) - Labour productivity per hour worked - Total hours worked (million hours) Q3 - Third quarter Q2 - Second quarter

Source: Labour Productivity, Third Quarter 2020, Department of Statistics Malaysia

**Released By:**

**DATO' SRI DR. MOHD UZIR MAHIDIN**  
**CHIEF STATISTICIAN MALAYSIA**  
**DEPARTMENT OF STATISTICS, MALAYSIA**

 **DrUzir\_Mahidin**   **Dr\_Uzir**

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**Contact person:**

Mohd Yusrizal Ab Razak  
Public Relation Officer  
Strategic Communication and International Division  
Department of Statistics, Malaysia  
**Tel :** +603-8885 7942  
**Fax :** +603-8888 9248  
**Email :** yusrizal.razak[at]dosm.gov.my

**Contact person:**

Baharudin Mohamad  
Public Relation Officer  
Strategic Communication and International Division  
Department of Statistics Malaysia  
**Tel :** +603-8090 4681  
**Fax :** +603-8888 9248  
**Email :** baharudin[at]dosm.gov.my

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