

EMBARGO: Only to be published or disseminated at **12:00 hour, Thursday, 22 August 2024**



LABOUR PRODUCTIVITY, SECOND QUARTER 2024



Malaysia's Labour Productivity

Malaysia's economy strengthened at 5.9 per cent in the second quarter of 2024, showing a robust increase from the previous quarter's growth rate of 4.2 per cent in the second quarter of 2024. In line with **labour productivity by value added per hour worked, recorded an increase of 2.4 per cent, or RM41.7** (Q1 2024: 2.0%; RM42.1 per hour). The economic growth in total hours worked rose by 3.4 per cent to post 9.6 billion hours. In the second quarter of 2024, **labour productivity per employment has rose by 3.1 per cent** (Q1 2024: 2.1%), equivalent to RM24,151 per person (Q1 2024: RM 24,236 per person), this progression reveals economic performance is in a stable condition. Following this, total employment continued to increase after recording 2.8 per cent to 16.6 million persons (Q1 2024: 2.1%; 16.4 million persons).

Agriculture

In the **Agricultural sector, labour productivity per hour worked increased by 6.3 per cent after recording RM24.5 per hour** compared to 1.0 per cent and RM23.4 per hour in the first quarter of 2024. The increase in labour productivity per hour worked is parallel to the increase in value added of 7.2 per cent, with a total of RM25.2 billion compared to the previous quarter (Q1 2024: 1.7%; RM23.6 billion). Despite this, total hours worked grew at a moderate rate of 0.8 per cent to 1,029 million hours (Q1 2024: 0.7%; 1,012 million hours), while the average hours worked showed a growth of 0.4 per cent, reaching 42.0 hours per week (Q1 2024: 0.5%; 41.6 hours per week). At the same time, **labour productivity per employment increased by 6.0 per cent** compared to 1.7 per cent in the previous quarter. Meanwhile, total employment experienced a modest increase of 1.1 per cent with a total of 1,897 thousand person compared to the previous quarter (Q1 2024: 0.1%; 1,875 thousand persons). **Labour productivity per hour worked recorded RM24.5 per hour** (Q1 2024: RM23.4 per hour). Correspondingly, the **value added per employment** amounted to **RM13,271 per person** (Q1 2024: RM12,608 per person).

Mining and Quarrying

For the **Mining and quarrying sector, labour productivity per hour worked has experienced a growth of 4.0 per cent** after recording **RM516.4 per hour**, compared to 2.7 per cent and RM555.7 per hour in the previous quarter. The sector also recorded a 2.7 per cent growth in value added, amounting to RM23.8 billion (Q1 2024: 5.7%; RM26.2 billion). Total hours worked decreased by negative 1.2 per cent to 46.1 million hours (Q1 2024: 3.0%; RM47.1 million hours), while the growth rate for average hours worked also decreased to negative 1.5 per cent (46.8 hours per week) compared to 1.5 per cent (47.5 hours per week) in Q1 2024. **Labour productivity per employment increased by 2.5 per cent** (Q1 2024: 5.7%). Meanwhile, total employment experienced a growth of 0.2 per cent, reaching 76.5 thousand persons (Q1 2024: 0.1%; 76.2 thousand persons). Therefore, **labour productivity per hour worked** was recorded at **RM516.4 per hour** (Q1 2024: RM555.7 per hour). Meanwhile, **labour productivity per employment posted RM311,331 per person** (Q1 2024: RM343,404 per person).

Manufacturing

In the second quarter of 2024, **labour productivity measured by value added per hour worked in the Manufacturing sector increased 3.0 per cent and RM55.6 per hour** after recording negative 0.3 per cent (Q1 2024: RM54.8 per hour) in the previous quarter. This in line with, **value added growth which reached at 4.7 per cent** from 1.9 per cent in the previous quarter. Meanwhile, total hours worked displayed a moderate increase of 1.7 per cent with 1,680 million hours (Q1 2024: 2.2%; 1,674 million hours). Average hours worked posted a negative growth of 0.2 per cent equivalent to 45.8 hours per week recorded in this quarter (Q1 2024: 0.7%; 45.9 hours per week). There were six sub-sectors that experienced positive growth in labour productivity per hour worked. This include Non-metallic mineral products, basis metal and fabricated metal products at 8.6 per cent (Q1 2024: 6.1%), Textile, wearing apparel and leather products at 5.8 per cent (Q1 2024: 3.1%), Beverages and tobacco products at 5.7 per cent (Q1 2024: -9.3%), Wood products, furniture, paper products and printing at 5.5 per cent (Q1 2024: 2.3%), Electrical, electronic and optical products at 3.9 per cent (Q1 2024: -3.0%) and Transport equipment, other manufacturing and repair at 2.6 per cent (Q1 2024: 2.9%). **Labour productivity per employment increased by registering 3.1 per cent with RM33,054 per person**, compared to 0.2 per cent and RM32,532 per person in the previous quarter. Likewise, the total employment recorded a smaller growth of 1.6 per cent and 2,825 thousand persons (Q1 2024: 1.7%; 2,820 thousand persons). Meanwhile, three manufacturing sub-sectors posted growth from negative to positive growth for labour productivity per employment, including Vegetable and animals oil fat and food processing with an increase of 2.6 per cent (Q1 2024: -3.9%), Petroleum, chemical, rubber and plastic products with 1.6 per cent (Q1 2024: -0.7%) and Textiles, wearing apparel and leather products with 2.4 per cent (Q1 2024: -0.1%).

Construction

For the **Construction sector**, **labour productivity per hour worked showed a growth rate of 19.9 per cent** after recording **RM19.7 per hour** compared to 12.5 per cent and RM18.7 per hour in the previous quarter. Meanwhile, value added for this sector experienced an increase in this quarter of 17.3 per cent which amounted to RM16,143 million (Q1 2024: 11.9%; RM15,551 million). In addition, total hours worked decreased to negative 2.2 per cent after recording 818 million hours (Q1 2024: -0.5%; 830 million hours), with average hours worked also decreasing to negative 2.3 per cent and 45.2 hours per week (Q1 2024: -1.7%; 45.6 hours per week). Hence, **labour productivity per employment continued to record a growth of 16.3 per cent** in this quarter with **RM11,466 per person** (Q1 2024: 10.7%; RM11,057 per person). Meanwhile, the total employment grew moderately by 0.8 per cent to 1,408 thousand persons (Q1 2024: 1.1%; 1,406 thousand person).

Services

For the **Services sector**, **labour productivity in terms of value added per hour worked showed a modest increase of 0.7 per cent, recording RM39.3 per hour** (Q1 2024: 1.9%; RM 40.1 per hour), followed by value added recording an expansion of 5.9 per cent, which is 237,551 million compared to 4.8 per cent equivalent to 235,953 million in the previous quarter. Meanwhile, the total hours worked remained on an upward trend of 5.2 per cent and 6,041 million hours (Q1 2024: 2.9%; 5,889 million hours). Subsequently, the average hours worked showed a growth of 1.4 per cent after recording 44.9 hours per week (Q1 2024: 0.2%; 44.6 hours per week). Meanwhile, labour productivity per hour worked for all services sub-sectors showed growth except for the Food & beverages and accommodation with negative 2.5 per cent (Q1 2024: 1.1%), Utility with negative 1.3 per cent (Q1 2024: 6.8%), Information and communication with negative 0.9 per cent (Q1 2024: -1.8%), and Other services with negative amount of 0.7 per cent (Q1 2024: 2.5%). **Labour productivity from value added per employment increased by 2.2 per cent recording RM22,875 per person** (Q1 2024: 2.0%; RM23,079 per person), with total employment increasing by 3.7 per cent and 10,385 thousand persons compared to 2.8 per cent and 10,224 thousand persons in the previous quarter. In this quarter, the majority of sub-sectors recorded a positive increase in value added per employment except for Utility with of negative 2.8 per cent (Q1 2024: 3.6%) and Food & beverages and accommodation with negative 1.1 per cent (Q1 2024: -0.4%).

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