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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, THIRD QUARTER 2024



MALAYSIA'S LABOUR PRODUCTIVITY

In the third quarter of 2024, **labour productivity per hour worked increased 2.6 per cent** (Q2 2024: 2.5%) with **value added per hour worked at RM43.3 per hour** (Q2 2024: RM41.7 per hour), as the economy grew 5.3 per cent (Q2 2024: 5.9%), meanwhile total hours worked rose 2.7 per cent (Q2 2024: 3.4%) to register 9.7 billion hours (Q2 2024: 9.6 billion hours). **Labour productivity per employment grew 2.4 per cent** (Q2 2024: 3.1%) to record **value added per employment at RM25,077 per person** (Q2 2024: RM24,154 per person), while total employment increased 2.9 per cent (Q2 2024: 2.8%) to register 16.7 million persons (Q2 2024: 16.6 million persons) in during this quarter.

AGRICULTURE

Labour productivity per hour worked for Agriculture sector increased 4.1 per cent, showed a smaller increase as compared to the previous quarter (Q2 2024: 6.0%). The value added for this sector demonstrated an increase of 3.9 per cent after registering 7.3 per cent in the preceding quarter, while total hours worked declined at negative 0.2 per cent (Q2 2024: 1.3%) with average hours worked decreased at a negative 1.3 per cent, to record 41.7 hours per week (Q2 2024: 0.3%; 42.0 hours per week). Meanwhile, in the third quarter of 2024, **labour productivity by value added per employment for this sector increased 2.9 per cent** (Q2 2024: 6.2%), with total employment rose 1.0 per cent to record 1,907 thousand persons (Q2 2024: 1.1%; 1,897 thousand persons). In the third quarter 2024, **value added per hour worked for this sector was RM28.2 per hour** (Q2 2024: RM24.4 per hour), while **value added per employment was RM15,275 per person** (Q2 2024: RM13,292 per person).

MINING & QUARRYING

For **Mining and quarrying sector, labour productivity measured as value added per hour worked posted a decline at a negative 5.7 per cent** (Q2 2024: 3.7%) as value added for this sector decreased at negative 3.9 per cent (Q2 2024: 2.7%) during this quarter. Meanwhile, the total hours worked experienced a growth of 1.9 per cent (Q2 2024: -1.0%), with the average hours worked exhibited an increase of 1.6 per cent, registering 47.9 hours per week (Q2 2024: -1.5%, 46.8 hours per week). **Labour productivity by value added per employment** for this sector also declined at a **negative 4.0 per cent** (Q2 2024: 2.5%) as employment increased 0.1 per cent (Q2 2024: 0.2%), reaching 76.4 thousand persons (Q2 2024: 76.5 thousand persons) in the third quarter of 2024. In terms of level, labour productivity expressed as **value added per hour worked** and **value added per employment** for this sector were **RM475.5 per hour** (Q2 2024: RM514.9 per hour) and **RM291,136 per person** (Q2 2024: RM311,331 per person), respectively, during this quarter.

MANUFACTURING

In the third quarter 2024, the **Manufacturing sector posted an increase in labour productivity per hour worked at 3.4 per cent** (Q2 2024: 2.9%) with the growth of value added at 5.6 per cent (Q2 2024: 4.7%). Meanwhile, total hours worked increased 2.1 per cent (Q2 2024: 1.7%), with average hours worked increased 0.8 per cent to post 46.1 hours per week (Q2 2024: -0.2%; 45.8 hours per week). The growth in labour productivity per hour worked for Manufacturing sector was attributed to an increment in four of its sub-sectors, namely Wood products, furniture, paper products and printing (9.3%); Non-metallic mineral products, basic metal and fabricated metal products (7.7%); Electrical, electronic and optical products (5.5%); and Vegetable and animal oils & fats and food processing (4.3%), while the other four sub-sectors recorded negative growth, namely Beverages and tobacco products (-2.3%); Transport equipment, other manufacturing and repair (-2.3%); Petroleum, chemical, rubber and plastic product (-1.1%); and Textiles, wearing apparel and leather products (-0.02%). Meanwhile, **labour productivity by value added per employment rose 4.1 per cent** (Q2 2024: 3.1%) for this sector, with total employment increased 1.4 per cent to record 2,853 thousand persons (Q2 2024: 1.6%; 2,825 thousand persons) in the third quarter of 2024. The expansion in labour productivity per employment for the Manufacturing sector was contributed by positive growth across all of its sub-sectors, including Beverages and tobacco

products (7.4%); Non-metallic mineral products, basic metal and fabricated metal products (6.5%); Wood products, furniture, paper products and printing (5.8%); Electrical, electronic and optical products (5.7%); Vegetable and animal oils & fats and food processing (5.5%); Textiles, wearing apparel and leather products (3.2%); Petroleum, chemical, rubber and plastic products (2.0%), except for Transport equipment, other manufacturing and repair (-0.2%). **Value added per hour worked** for this sector was **RM57.2 per hour** (Q2 2024: RM55.6 per hour), while **value added per employment** was **RM34,150 per person** (Q2 2024: RM33,054 per person) in the third quarter 2024.

CONSTRUCTION

In the third quarter of 2024, **labour productivity per hour worked for Construction sector continued to increase at 20.1 per cent** (Q2 2024: 19.1%), with value added expanded 19.9 per cent (Q2 2024: 17.3%). In the meantime, total hours worked for this sector declined at a negative 0.2 per cent (Q2 2024: -1.5%), with average hours worked decreased at a negative 0.8 per cent to post 45.9 hours per week (Q2 2024: -2.3%; 45.2 hours per week). Meanwhile, **labour productivity as measured by value added per employment continued to increase at 18.9 per cent** (Q2 2024: 16.3%) for this sector, with a rise in employment at 0.9 per cent (Q2 2024: 0.8%) to register 1,410 thousand persons (Q2 2024: 1,408 thousand persons) during this quarter. In the third quarter 2024, **value added per hour worked for this sector was RM20.9 per hour** (Q2 2024: RM19.6 per hour), while **value added per employment was RM12,423 per person** (Q2 2024: RM11,466 per person).

SERVICES

During this quarter, **labour productivity expressed as value added per hour worked for Services sector increased 1.4 per cent** (Q2 2024: 0.9%), as value added grew 5.2 per cent (Q2 2024: 5.9%), while total hours worked increased 3.8 per cent (Q2 2024: 4.9%), with average hours worked declined at a negative 0.2 per cent to post 44.7 hours per week (Q2 2024: 1.4%; 44.9 hours per week). The growth in labour productivity per hour worked for the Services sector was contributed by the subsector of Real estate and business services (7.6%), Transportation and storage (7.6%), Other services (2.4%); and Food & beverages and accommodation (1.1%), while the other four sub-sectors recorded negative growth, namely Finance and insurance (-1.6%); Utilities (-1.2%); Information and communication (-0.5%); and Wholesale and retail trade (-0.3%). In the meantime, **labour productivity per employment for Services sector rose 1.2 per cent** (Q2 2024: 2.2%) in this quarter, with an increase in total employment of 3.9 per cent (Q2 2024: 3.7%), reaching 10,468 thousand persons (Q2 2024: 10,385 thousand persons). The positive growth in the labour productivity per employment for the Services sector was due to increment in most of its sub-sectors, namely Real estate and business services (6.4%); Transportation and storage (5.5%); Other services (3.1%); Finance and insurance (1.5%); Information and communication (0.6%); Wholesale and retail trade (0.4%), except for Utilities (-2.7%); and Food & beverages and accommodation (-0.8%). In terms of level, **labour productivity measured as value added per hour worked** in third quarter of 2024 for this sector was **RM40.9 per hour** (Q2 2024: RM39.4 per hour), while **value added per employment was RM23,647 per person** (Q2 2024: RM22,875 per person).

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