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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY, SECOND QUARTER 2023



Malaysia's Labour Productivity

Malaysia's economy expanded by 2.9 per cent, showing a slower increment compared to the previous quarter's growth rate of 5.6 per cent. Meanwhile, total hours worked increased 4.0 per cent to register 9.3 billion hours (Q1 2023: 9.2 billion hours) in the second quarter 2023. Thus, **Malaysia's labour productivity** as expressed by **value added per hour worked** posted **negative growth 1.1 per cent** (Q1 2023: 2.1 per cent), year-on-year, to record **RM40.6** (Q1 2023: RM41.2 per hour). In Q2 2023, total employment expended by 16.1 million persons, reflecting a 2.8 per cent increase (Q1 2023: 16.1 million persons; 3.1%). Compared to the same quarter last year, **labour productivity by value added per employment**, showed a **marginal increase of 0.02 per cent** (Q1 2023: 2.4%) or equivalent to **RM23,407** (Q1 2023: RM23,718 per person).

Agriculture

As for Agriculture sector, value added for this sector decreased 1.1 per cent while total hours worked increased 1.9 per cent. Year on year comparison, **labour productivity per hour worked in Agriculture sector continued to decline 2.9 per cent** (Q1 2023: -0.8%) to record **RM22.8** (Q1 2023: RM22.7 per hour). During the second quarter of 2023, total employment indicated a marginal increase of 0.2 per cent. However, the **labour productivity measured by value added per employment** in the same sector showed a **decline of 1.3 per cent** (Q1 2023: -0.1%) or equivalent to **RM22.8** (Q1 2023: RM22.7 per hour).

Mining and quarrying

In the **Mining and Quarrying** sector, **the labour productivity measured by value added per hour worked** demonstrated a **negative growth of 6.7 per cent** (Q1 2023: 1.6%) on a year-on-year basis with value of **RM495.4** (Q1 2023: RM539.5 per hour worked). This rise was driven by a 2.3 per cent decline in value added for the sector and a 4.7 per cent increase in hours worked. Total employment in the sector grew by 0.8 per cent, meanwhile the **labour productivity by value added per employment** was **RM303,173** (Q1 2023: RM323,940 per person), recorded a **fall of 3.0 per cent** (Q1 2023: 1.9%) in Q2 2023.

Manufacturing

The expansion in value added amounted to 0.1 per cent, while total hours worked demonstrated a rise of 4.2 per cent. As for year-on-year growth, **Manufacturing's labour productivity in terms of value added per hour worked declined by 3.9 per cent** (Q1 2023: 0.2%) registering **RM54.0** (Q1 2023: RM55.0 per hour). Majority subsector showed increments in labour productivity per hour worked, namely, Beverages and tobacco products (11.9%); Electrical, electronic and optical products (6.5%); Transport equipment, other manufacturing and repair (5.5%); Vegetable and animal oils & fats and food processing (5.3%); Wood products, furniture, paper products and printing (5.1%); Petroleum, chemical, rubber and plastic products (3.1%); and Non-metallic mineral products, basic metal and fabricated metal products (1.5%). Meanwhile labour productivity per hour worked for subsector Textiles, wearing apparel and leather products decreased by 0.1 per cent. Total employment in the sector increased by 2.8 per cent, however, the **labour productivity as measured by value added per employment** demonstrated a **negative growth of 2.6 per cent** (Q1 2023: 0.7%) or equivalent to **RM32,074** (Q1 2023: RM32,477 per person). Three subsectors exhibited highest growth in this quarter were Textiles, wearing apparel and leather products (8.5%), Non-metallic mineral products, basic metal and fabricated metal products (3.9%), and Beverages and tobacco products (3.5%).

Construction

Comparing to the same quarter last year, **the Construction sector** experienced a **growth in value added per hour worked, rising to 3.5 per cent recording RM16.5**, lower than the previous quarter (Q1 2023: 6.5%; RM16.7 per hour). This increase was complemented by a 6.2 per cent expansion in value added for the sector, while total hours worked rose 2.7 per cent. Concurrently, **labour productivity** as measured by **value added per employment continued its upward trend, with 5.2 per cent increase** (Q1 2023: 6.7%) or equivalent to **RM9,852** (Q1 2023: RM9,995 per person) as total employment increased by 1.0 per cent.

Services

In second quarter 2023, the **Services sector** displayed a **modest improvement of 0.1 per cent or RM39.0 in labour productivity, expressed as value added per hour worked** (Q1 2023: 2.8%; RM39.4 per hour). This growth was aligned with 4.7 per cent expansion in value added and a 4.6 per cent rise in jumlah hours

worked. Four subsectors demonstrated positive growth in this sector were Transportation and storage (5.6%); Other services (4.5%); Real Estate and business services (2.8%); and Wholesale and retail trade (0.8%). Meanwhile, the **labour productivity per employment for the Services sector rose by 1.0 per cent to RM22,372** (Q1 2023: 3.1%; RM22,650 per person) concurrently with a 3.6 per cent increase in total employment. In Services sector, most subsectors increased compared to the same quarter last year. Three highest subsectors were Transportation and storage (6.6%); Real Estate and business services (4.9%); and Other services (3.9%).

The full publication of the Labour Productivity Second Quarter 2023 can be downloaded through [eStatistik](#) portal.

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