



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

LABOUR PRODUCTIVITY OF THIRD QUARTER 2020

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

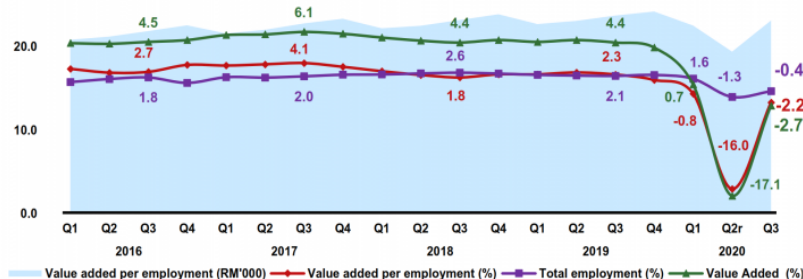


LABOUR PRODUCTIVITY, VALUE ADDED PER EMPLOYMENT

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%

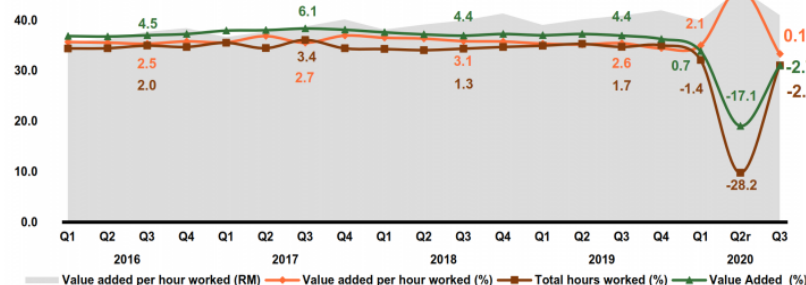


LABOUR PRODUCTIVITY, VALUE ADDED PER HOUR WORKED

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%

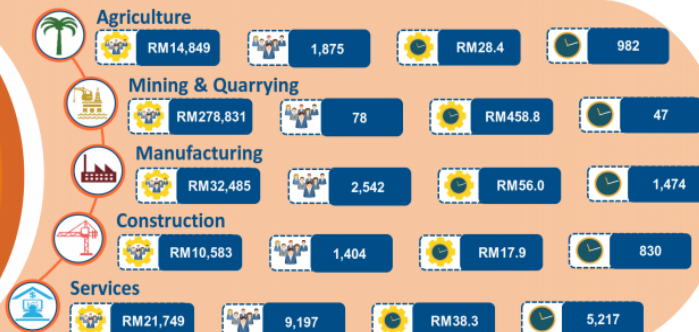
Total Hours Worked (million hours)

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**



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**

#myHariBulan# #myBulan# #myTahun#

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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