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## Labour productivity in M'sia improves as economy expands

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**PUTRAJAYA:** Malaysia's labour productivity as expressed by value added per employee increased by 3.6% year-on-year in the fourth quarter of 2022 (Q4'22) compared with Q3'22 rise of 10.2%, as the economy continued to expand.

Chief Statistician Malaysia Datuk Sri Dr Mohd Uzir Mahidin said that during the final quarter of last year, employment rose 3.2% (Q3'22: 3.6%), recording an increase in value added per employee to RM24,915 (Q4'21: RM24,047, Q3'22: RM24,242).

Elaborating on the performance of labour productivity as measured by value added per hour worked, he said the brisk business activity observed in this quarter translated into an increase of total hours worked by 5% with a record jump of 9.2 billion hours (Q3'22: 10.0%, 9.0 billion hours).

"Therefore, labour productivity as measured by value added per hour worked also posted an increase with a growth of 1.9% (Q3'22: 3.8%) to RM43.1 per hour (Q4'21: RM42.3 per hour; Q3'22: RM42.5 per hour)."

In terms of labour productivity

### ► Value added per employee increases by 3.6% on-year in fourth quarter of 2022

expressed by value added per employee, all sectors posted increases with the highest growth registered by the construction sector at 10% (Q3'22: 14.9%), followed by mining and quarrying at 6.5% (Q3'22: 8.8%).

Productivity in the services sector increased by 4% (Q3'22: 11.4%) spearheaded by three subsectors posting double-digit growth. They are real estate and business services (21.7%); food and beverage and accommodation (16.4%), and transportation and storage (11.9%).

This was followed by positive growth in wholesale and retail trade (4.8%), other services (1.8%), information and communication (0.7%), and finance and insurance (0.1%).

Meanwhile, the agriculture and manufacturing sectors increased at 1.6% each.

In the meantime, in terms of

labour productivity, as expressed by value added per hour worked, four sectors recorded positive growth namely construction, mining and quarrying, services and manufacturing, while agriculture remained sluggish.

The construction sector posted a turnaround of 8.0% as opposed to a -2.1% in the previous quarter, while the mining and quarrying sector continued to record a steady increase of 4.7% (Q3'22: 4.2%).

The services sector increased 2.3% (Q3'22: 6.0%) with two subsectors posting double-digit growth, namely food & beverage and accommodation (19.0%), and real estate and business services (16.7%), followed by transportation and storage (9.0%), finance and insurance (6.5%), wholesale and retail trade (1.7%), and other services (0.2%).

Labour productivity by value added per hour worked in the manufacturing sector rose marginally by 0.4% (Q3'22:

1.4%). This was supported by electrical, electronic and optical products (3.7%), non-metallic mineral products, basic metal and fabricated metal products (1.3%), and textiles, wearing apparel and leather products (1.1%).

Meanwhile, the agriculture sector fell marginally by 0.6% (Q3'22: -0.8%). Commenting further on the overall performance of labour productivity in 2022, Mohd Uzir highlighted that the performance of labour productivity per employee for 2022 strengthened by 5.4% (2021: 1.8%) to record value added per employee of RM95,628 (2021: RM90,697).

Meanwhile, the value added per hour worked rebounded to 1.8% (2021: -2.6%) with a value of RM41.7 (2021: RM41.0). In comparison with the pre-Covid-19 pandemic period, labour productivity per hour worked and labour productivity per employee exceeded the 2019 levels (RM40.7 per hour; RM94,138 per person).

Manufacturing and services surpassed their pre-pandemic levels while the other sectors remained below their own levels.