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Construction sector leads in terms of value added per hour worked

PUTRAJAYA: Malaysia's labour productivity, expressed by value added per hour worked, posted 2.1% growth with total hours worked increased 3.5% to register 9.2 billion hours in the first quarter 2023, according to Labour Productivity Statistics, Malaysia, First Quarter of 2023 report issued by Department of Statistics Malaysia (DoSM).

Chief Statistician Malaysia Datuk Seri Dr Mohd Uzir Mahidin said, "Malaysia's economy in the first quarter of 2023 expanded 5.6% after recorded a growth of 7.1% in the previous quarter. The number of employment increased to 16.1 million persons, or a growth of 3.1% (Q4 2022: 15.9 million persons; 3.2%)."

In terms of value, he added labour productivity per hour worked in the first quarter of 2023 was RM41.2 (Q4 2022: RM43.2 per hour), while labour productivity measured as value added per employment increased 2.4% to record RM23,712 (Q4 2022: 3.7%; RM24,966 per person).

In terms of sectoral performance for labour productivity measured as value added per hour worked, he said four sectors posted increases preceded by construction sector at 6.5% (Q4 2022: 8.0%), followed by services

sector at 2.8% (Q4 2022: 2.5%), mining & quarrying at 1.6% (Q4 2022: 4.2%), and manufacturing at 0.2% (Q4 2022: 0.3%), while agriculture remained sluggish (-0.9%).

The main subsectors contributed to the increase in services sector were transportation & storage (8.8%); followed by finance and insurance (6.7%); food & beverages and accommodation (5.2%); wholesale & retail trade (4.9%); real estate & business services (4.9%); and other services (3%); while other subsectors remained subdued with a negative growth.

Meanwhile, the labour productivity of the manufacturing sector was mainly led by beverages & tobacco products subsector (5.6%); followed by textiles, wearing apparel & leather products (4.4%); vegetable and animal oils & fats, and food processing (2.2%); and non-metallic mineral products, basic metal & fabricated metal products (1.9%).

In terms of sectoral performance for labour productivity as expressed by value added per employment, the construction sector was leading at 6.7% (Q4 2022: 10%), followed by services sector at 3.1% (Q4 2022: 4.1%), mining & quarrying at 1.9% (Q4 2022: 6%), and

manufacturing at 0.7% (Q4 2022: 1.6%), while agriculture fell 0.2% (Q4 2022: 1.7%).

The catalyst subsectors for growth in the services sector was preceded by transportation & storage (8.9%); followed by real estate & business services (7.1%); wholesale & retail trade (6.3%); Food & beverages and accommodation (3.9%); and other services (3.4%); however, other subsectors recorded a negative growth.

Meanwhile, manufacturing sector labour productivity was mainly contributed by textiles, wearing apparel & leather products subsector at 7.4%; followed by beverages & tobacco products (3.3%); non-metallic mineral products, basic metal & fabricated metal products (2.5%); and vegetable and animal oils & fats, and food processing (2.2%).

Mohd Uzir said, "As Malaysia's economy is recovering, despite the anticipated low steam of economic growth this year, labour productivity is expected to post a better outlook in the coming quarters as supported by the positive momentum of labour market development and thriving businesses activities."

Further to this, he added the country's determination in accelerating technology adoption and innovation, and to push towards innovation-centric economic growth, will ascertain the enhancement of innovation-driven businesses and targeted high performance labour productivity.