

Malaysia's Labour Productivity Records Positive Growth in the third quarter of 2018

In the third quarter of 2018, Malaysia experienced a positive labour productivity performance despite the global trade uncertainties. The labour productivity as measured by value added per hour worked grew at 2.9% and as measured by value added per person employed recorded a growth of 1.7%.

Labour Productivity Per Hour Worked

Malaysia's labour productivity as measured by output per hour worked by all persons, including employees, proprietors, and unpaid family workers, grew 2.9% (RM36.00) as a result of growth in output at 4.4% and total hours worked by 1.4%.

Across five (5) main economic sectors, the services sector recorded the highest growth in productivity per hour worked at 5.1%, followed by construction, 4.3%, manufacturing, 2.4% and agriculture, 1.4%. Meanwhile, the mining and quarrying sector experienced contraction of 2.9%.

The significant performance of labour productivity in the services sector is due to the higher growth contributed by the retail trade, and information and communication subsectors which grew at 11.2% and 10.3% respectively. The financial and insurance subsector grew at 7.1% (2Q: 1.4%) and the motor vehicles subsector grew at 6.4% (2Q: 2.4%) showing marked improvement from the previous quarter.

Among the subsectors that contributed to the manufacturing sector's growth are transport equipment, other manufacturing and repair (6.8%), wood products, furniture, paper products and printing (6.2%) and non-metallic mineral products, basic metal and fabricated metal (4.3%).

The agriculture sector showed a slower growth in the crops and livestock subsector (1.9%) and improvement in forestry and logging and fishing subsectors despite still experiencing a contraction of 13.1% compared to the previous quarter (-17.9%).

Labour Productivity Per Person Employed

In the third quarter, Malaysia's labour productivity per person employed, grew by 1.7% (RM83,922), as output growth at 4.4% while employment grew at 2.6%. Labour productivity per person employed, or output per labour, is calculated by dividing real output by the number of employed person by all persons, including employees, proprietors, and unpaid family workers.



Across five (5) main economic sectors, the services sector recorded the highest labour productivity growth of 3.9%, followed by construction, 3.2%, manufacturing, 2.2% and mining and quarrying, 0.8%. Meanwhile the agriculture sector experienced a contraction of 1.9%.

Performance of the services sector was mainly contributed by the growth in real estate and business services subsector (8.4%), followed by retail trade subsector (8.2%), and information and communication subsector (6.5%).

The main drivers of the manufacturing sector's growth are transport equipment, other manufacturing and repair subsector (7.4%), wood products, furniture, paper products and printing subsector (4.8%), and non-metallic mineral products, basic metal and fabricated metal subsector (3.2%).

The contraction in the agriculture sector resulted from the declining trend of forestry and logging subsector (-18.1%), fishing subsector (-3.1%) as well as crops and livestock subsector (-1.7%).

Driving the Productivity

In enhancing labour productivity growth, the Ministry of International Trade and Industry (MITI), through its agency the Malaysia Productivity Corporation (MPC) has continued to initiate several initiatives to boost the productivity and improve the country's doing business environment. The initiatives are designed to reduce unnecessary regulations and stimulate healthy competition towards achieving Good Regulatory Practices (GRP) while encouraging trade and investment flows.

The local businesses are supported with the intervention innovation programme, which helps steer companies towards greater productivity growth through mindset change for management and employees using productivity tools and assessment intervention programme such as e-Productivity Gain Measurement (e-PGM), LEAN Management, Team Excellence, and Productivity-Linked Wage System. A total of 23 companies were assisted in the third quarter using ePGM to measure their productivity, which enables the companies to manage their current performance based on productivity indicators.

The Government through MITI has launched the Industry4WRD that will ensure the industry especially the manufacturing sector to remain ahead and competitive in facing the challenges brought by the Fourth Industrial Revolution. This national policy aims to pave the way for enhanced productivity, job creation and high-skilled talent pool in the manufacturing sector, and ultimately contribute to the economic prosperity and societal well-being. The agility to adapt to the inevitability of Industry 4.0 will drive industries forward and make Malaysia an attractive prospect for high-technology, innovative and high value-added industries in years to come. The Industry4WRD Readiness Assessment Programme will enable businesses to assess where they are, what are the current gaps existing in their manufacturing line and how to move into Industry 4.0.

To achieve higher productivity, we must remove barriers that hinder productivity growth, thus productivity initiatives should start from all of us whether we are in Government, academia or industry. To enhance the processes and systems towards better productivity governance, we must be mindful that working in silos not only serves to jeopardise the benefits of the collaborative efforts in improving our business environment but also waste valuable resources and time. It is opportune for us to work together as a team to accelerate our mission to inculcate positive mindset and culture towards achieving the targeted RM88,450 productivity level by 2020. Higher productivity will benefit the citizen in reducing costs and at the same time will increase output for better quality of life.

YB Datuk Darell Leiking
Minister of International Trade and Industry
23 November 2018

LABOUR PRODUCTIVITY

Third Quarter
2018

	Q2 2018	Q3 2018
Hours Worked	3.8%	2.9%
Employment	2.0%	1.7%



AGRICULTURE

	HW	EMP
Q2 2018	3.4%	1.3%
Q3 2018	1.4%	-1.9%



MINING & QUARRYING

	HW	EMP
Q2 2018	6.2%	5.2%
Q3 2018	-2.9%	0.8%



MANUFACTURING

	HW	EMP
Q2 2018	1.7%	1.5%
Q3 2018	2.4%	2.2%



CONSTRUCTION

	HW	EMP
Q2 2018	5.0%	4.0%
Q3 2018	4.3%	3.2%



SERVICES

	HW	EMP
Q2 2018	5.0%	2.6%
Q3 2018	5.1%	3.9%



TOTAL HOURS WORKED

Q2 2018	Q3 2018
0.7%	1.4%
8.5 billion hours	8.7 billion hours



TOTAL EMPLOYMENT

Q2 2018	Q3 2018
2.4%	2.6%
14.8 million persons	14.9 million persons

Source: Department of Statistics, Malaysia

Balance of Payments, Q3 2018

Current Account Balance recorded a surplus of **RM3.8 billion** in **Q3 2018**

CURRENT ACCOUNT BALANCE

Q2 18 Surplus
RM3.9b

Q3 18 Surplus
RM3.8b

Due to higher deficit in Primary Income



Goods

Surplus
Q3 18 **RM26.6b**

Surplus
Q2 18 **RM26.1b**



Primary Income

Deficit
Q3 18 **RM15.0b**

Deficit
Q2 18 **RM11.2b**



Services

Deficit
Q3 18 **RM3.3b**

Deficit
Q2 18 **RM6.2b**



Secondary Income

Deficit
Q3 18 **RM4.5b**

Deficit
Q2 18 **RM4.7b**

FINANCIAL ACCOUNT

Q2 18 Net inflow
RM9.2b

Q3 18 Net inflow
RM0.2b

Due to turnaround in Other Investment



Direct Investment

Net inflow
Q3 18 **RM0.1b**

Net outflow
Q2 18 **RM0.7b**



Portfolio Investment

Net inflow
Q3 18 **RM0.6b**

Net outflow
Q2 18 **RM38.3b**



Financial Derivatives

Net inflow
Q3 18 **RM0.3b**

Net outflow
Q2 18 **RM0.2b**



Other Investment

Net outflow
Q3 18 **RM0.8b**

Net inflow
Q2 18 **RM48.4b**

FDI & DIA Performance

Foreign Direct Investment (FDI) in Malaysia

Net inflow

Q3 18 RM3.9b

Q2 18 RM2.8b

Malaysia's Direct Investment Abroad (DIA)

Net outflow

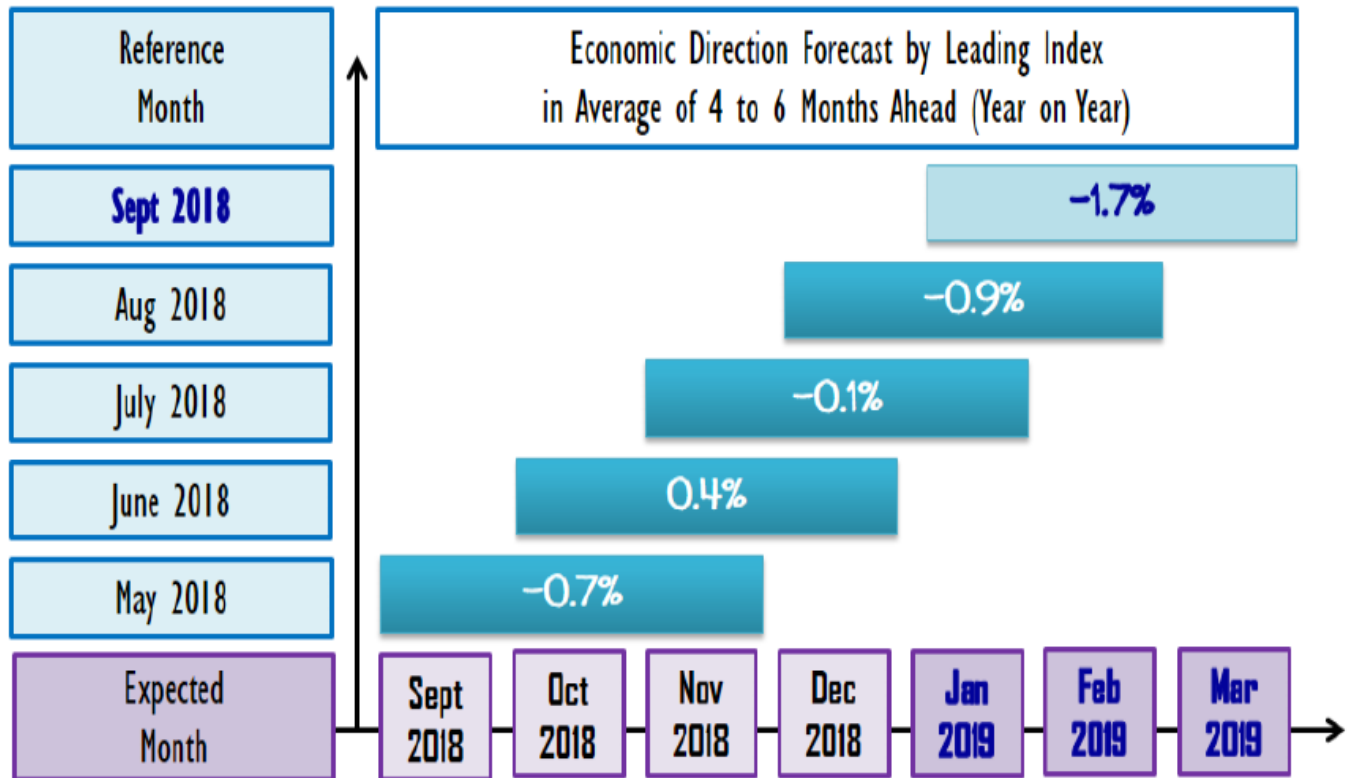
Q3 18 RM3.9b

Q2 18 RM3.6b

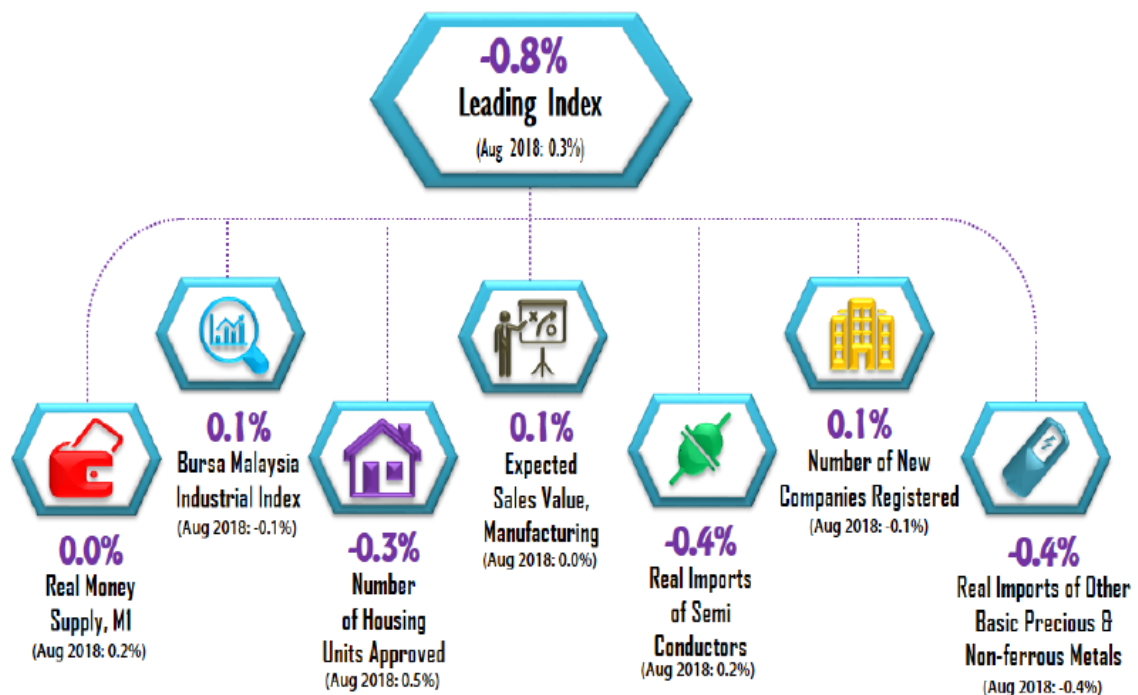
Source: Department of Statistics, Malaysia

Leading Index, September 2018

Economic Growth is expected to continue to ease for the First Quarter 2019



Leading Index Components month on month percentage change September 2018



Source: Department of Statistics, Malaysia

International Investment Position, Q3 2018

International Investment Position recorded
net liabilities of **RM112.2 billion**



ASSETS

Q3 18 **RM1,698.9b**

Q2 18 **RM1,683.0b**



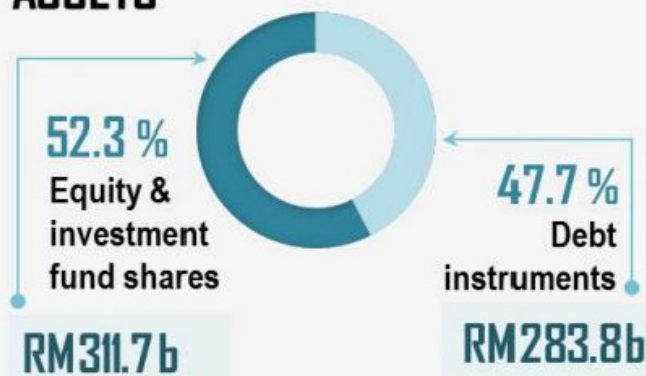
LIABILITIES

Q3 18 **RM1,811.0b**

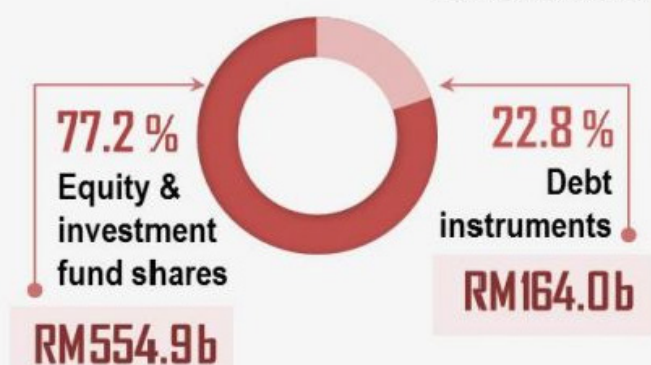
Q2 18 **RM1,762.7b**

DIRECT INVESTMENT BY COMPONENT

ASSETS

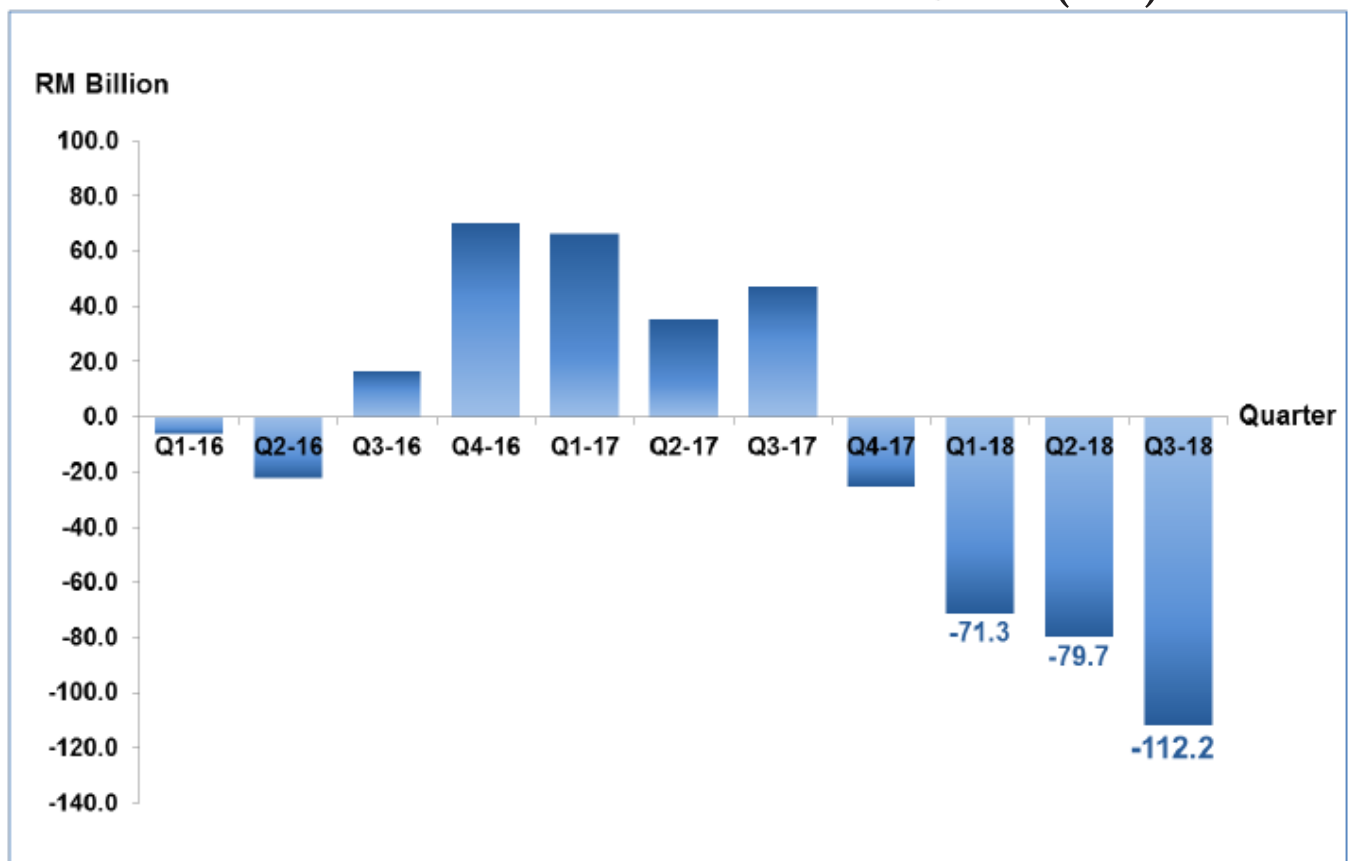


LIABILITIES



Note: Assets refers to Malaysia's investment abroad while liabilities refers to foreign investment in Malaysia.

Net International Investment Position (IIP)



Note: Net IIP is the difference between assets and liabilities.

Source: Department of Statistics, Malaysia

International Investment Position, Q3 2018

FDI Position by Main Sector and Source



Note: FDI is derived by netting off the liabilities of Malaysia's direct investment enterprises with its assets.

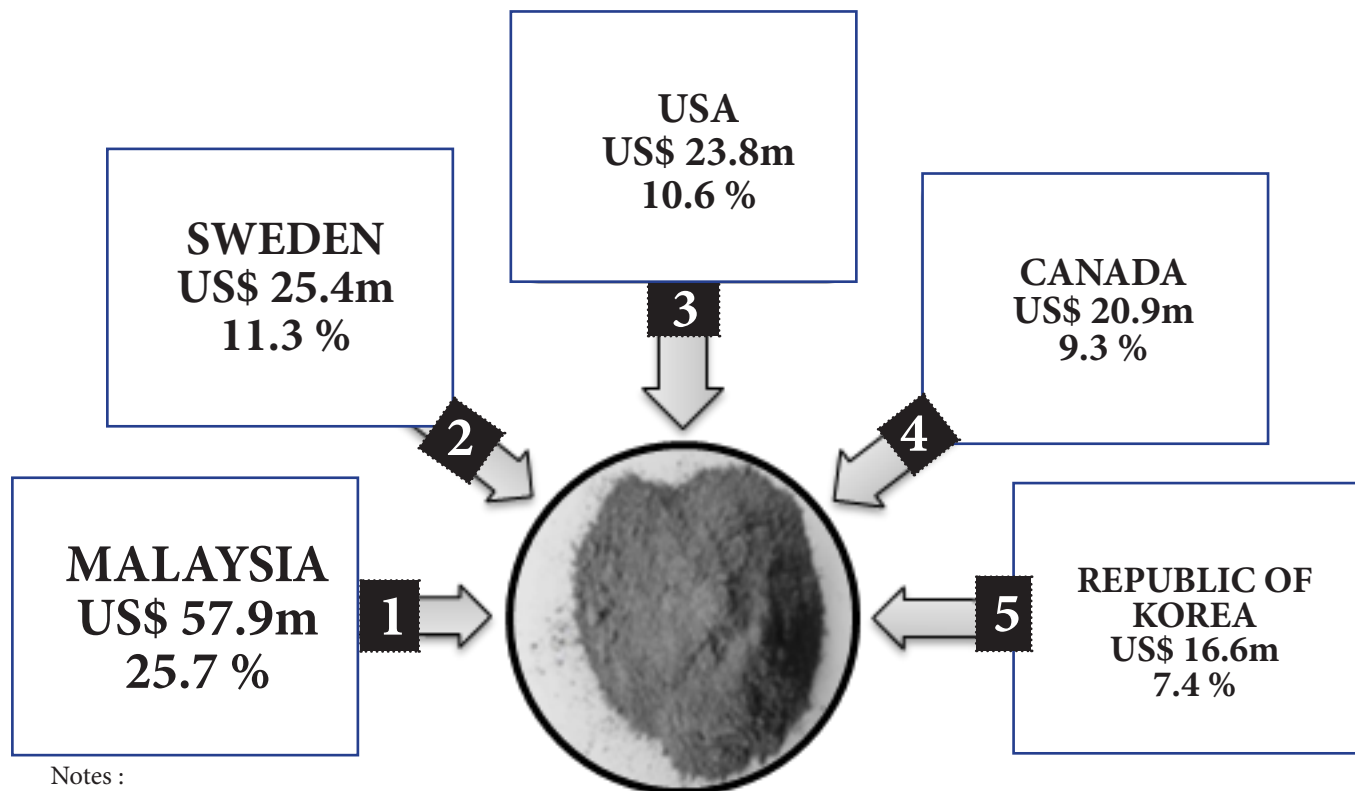
DIA Position by Main Sector and Destination



Note: DIA is derived by netting off the assets of Malaysia's direct investors with its liabilities.

Source: Department of Statistics, Malaysia

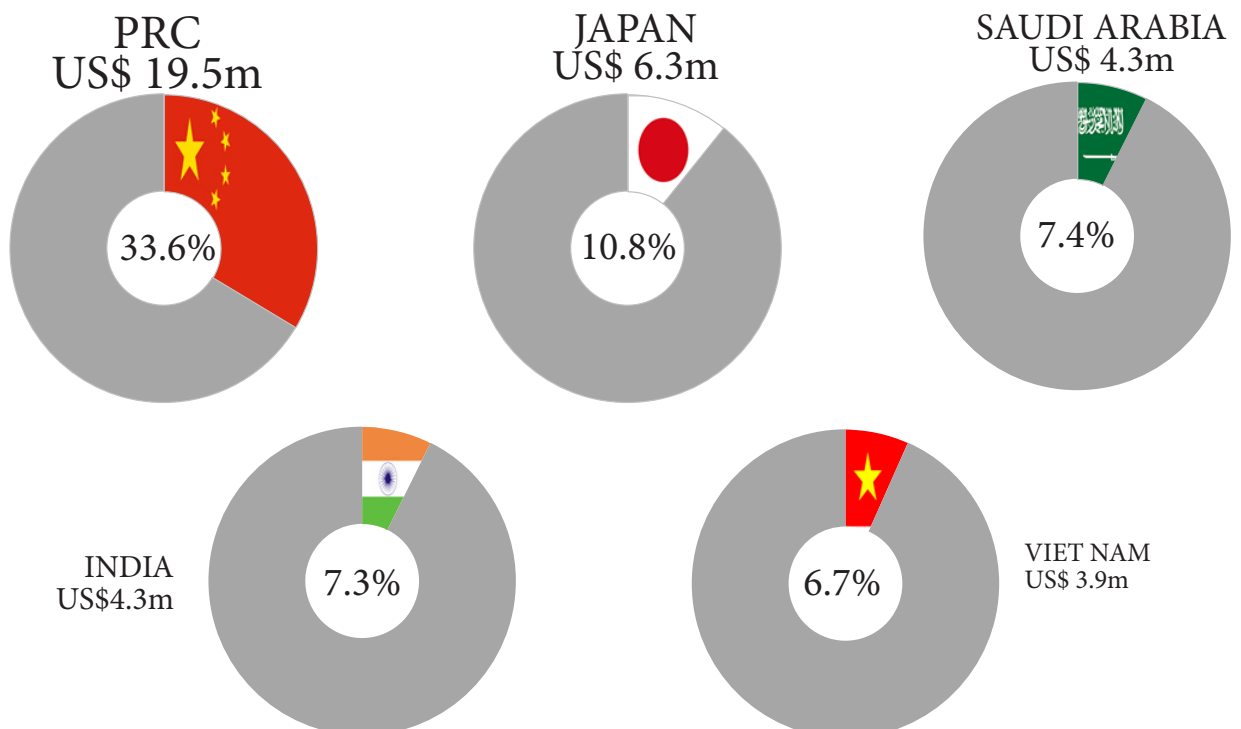
Malaysia was ranked number one exporter of **Zink Dust*** in 2017



Notes :

- % Share in world exports

Malaysia's Top Five Exports Destinations for **Zinc dust***, in 2017



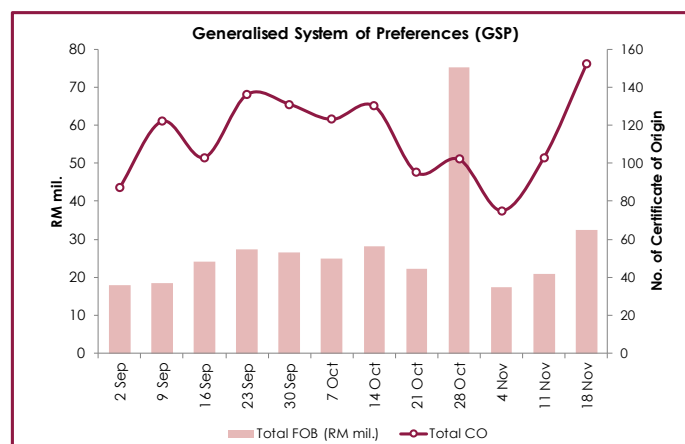
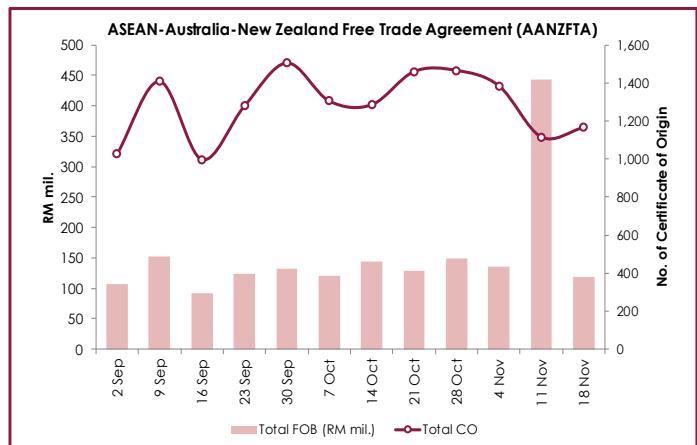
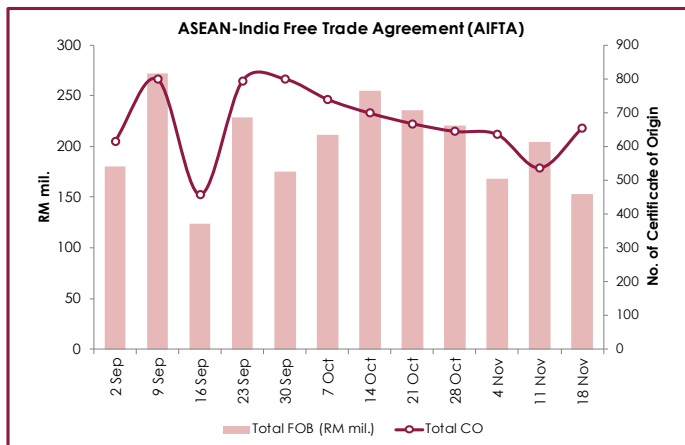
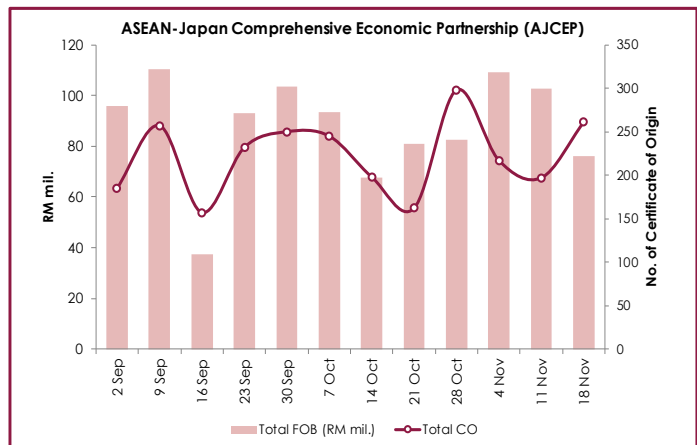
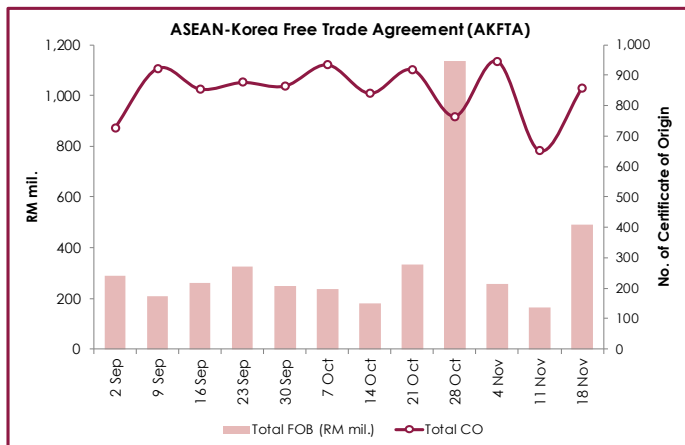
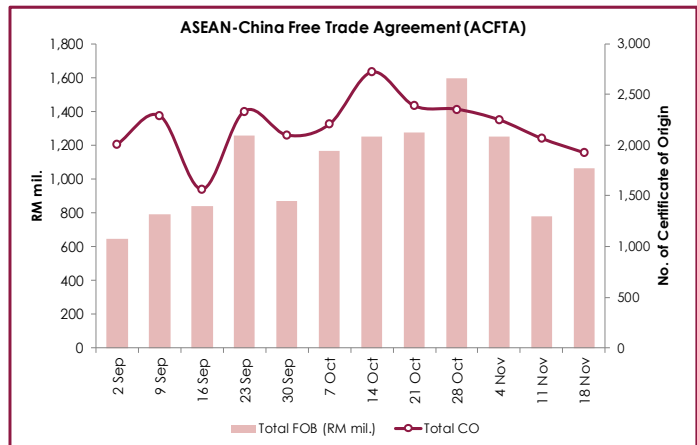
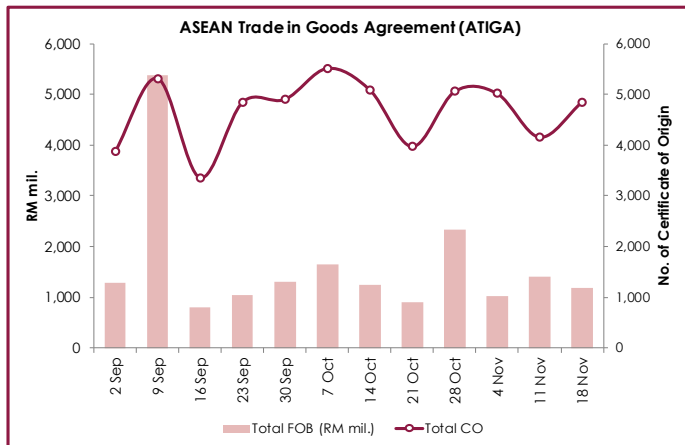
Notes :

- % Share in Malaysia's export

- *Refers to HS 790310

Source: <http://www.trademap.org/Index.aspx>

Number and Value of Preferential Certificates of Origin (PCOs)

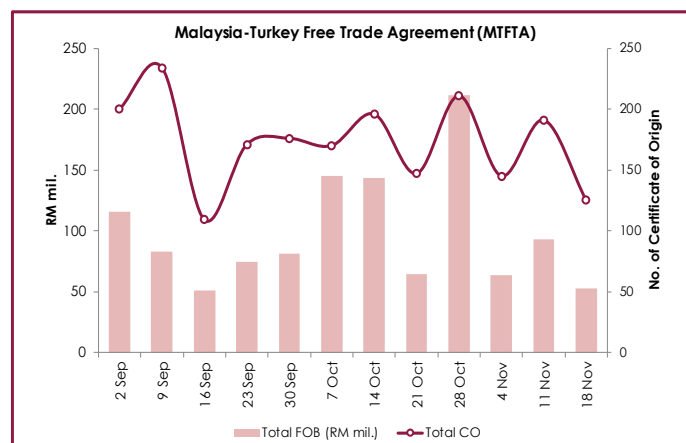
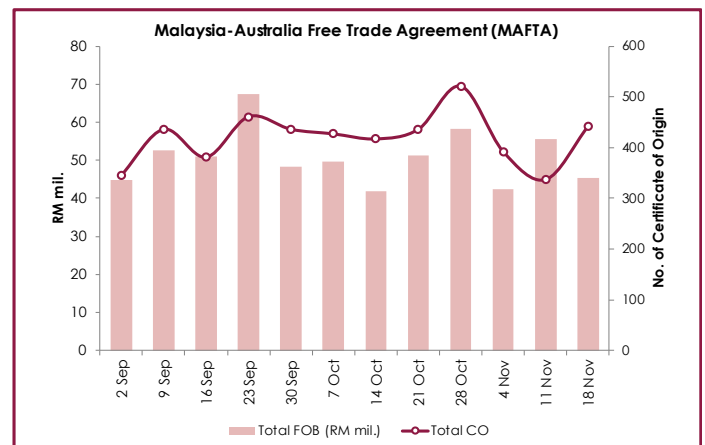
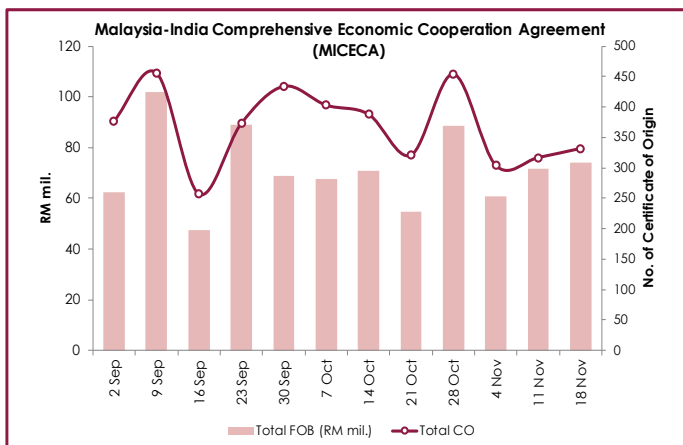
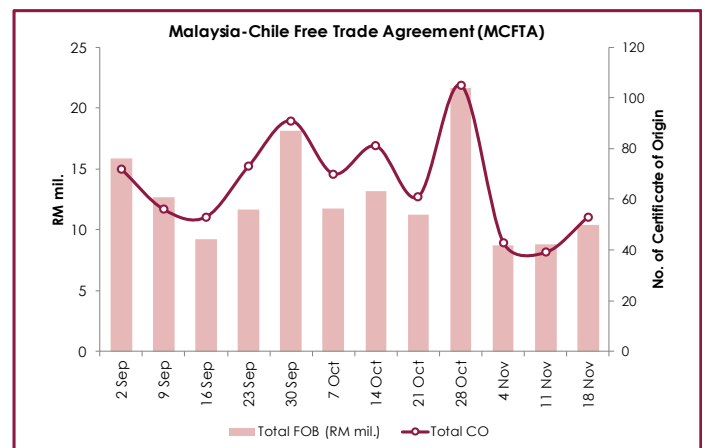
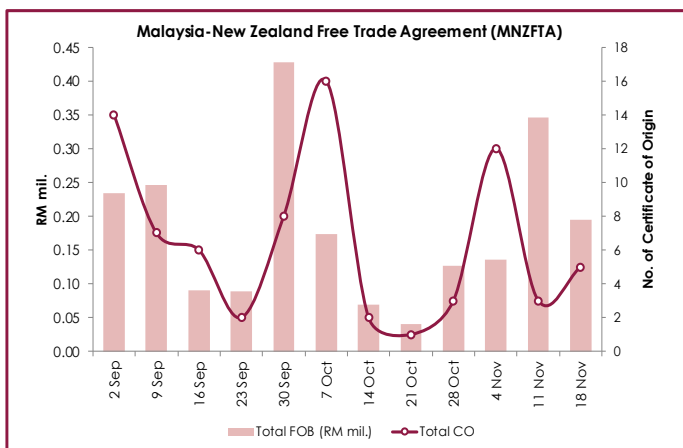
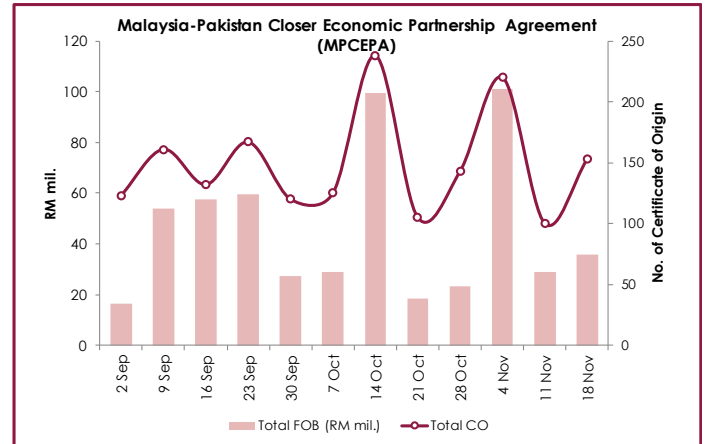
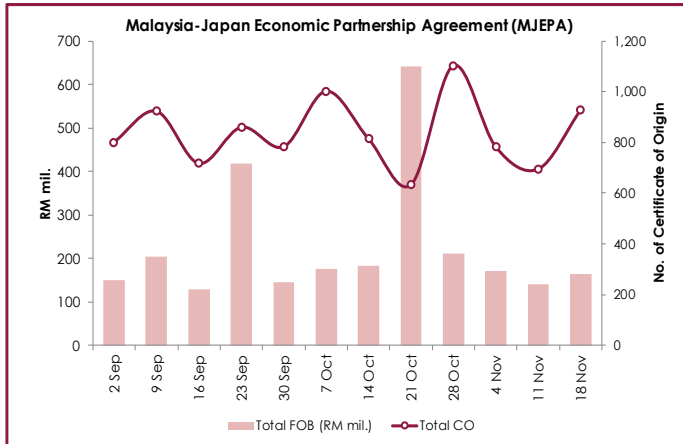


Note: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.

Note: *Provisional Data

Source: Ministry of International Trade and Industry, Malaysia

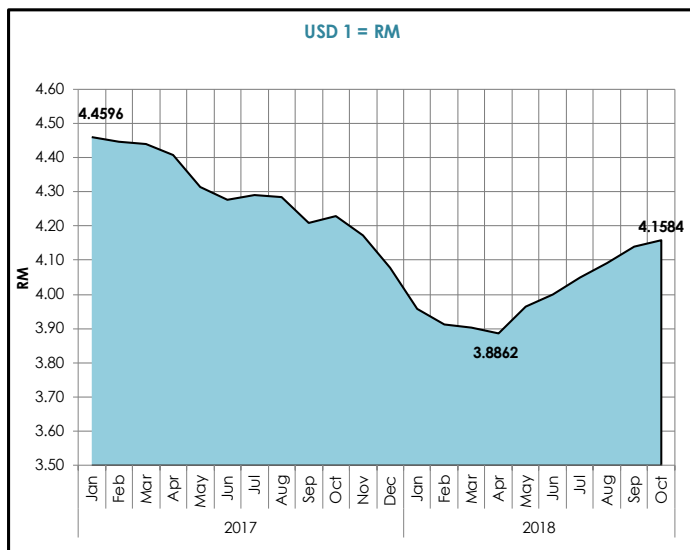
Number and Value of Preferential Certificates of Origin (PCOs)



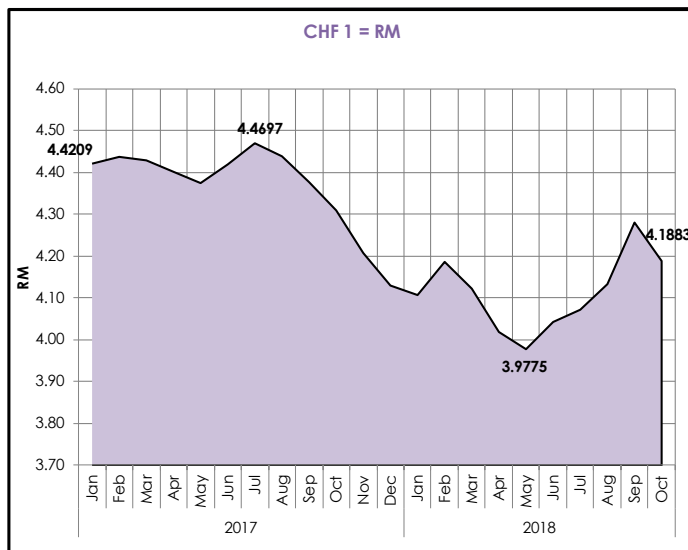
Note: *Provisional Data
Source: Ministry of International Trade and Industry, Malaysia

Malaysian Ringgit Exchange Rate with Selected Countries, January 2017 - October 2018

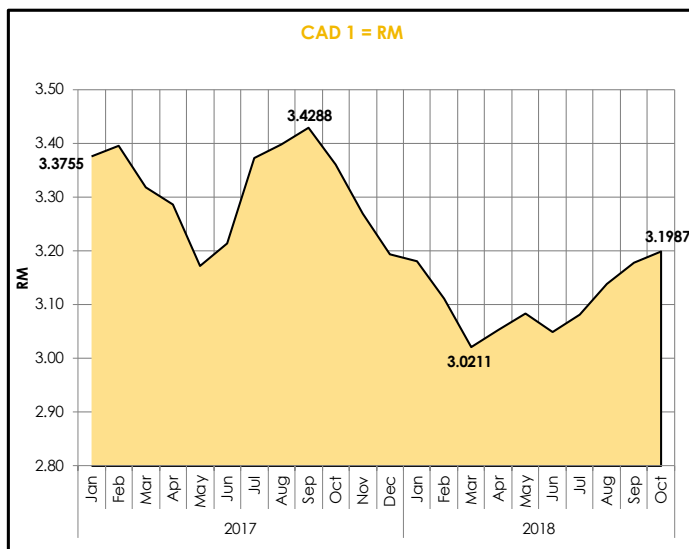
US Dollar



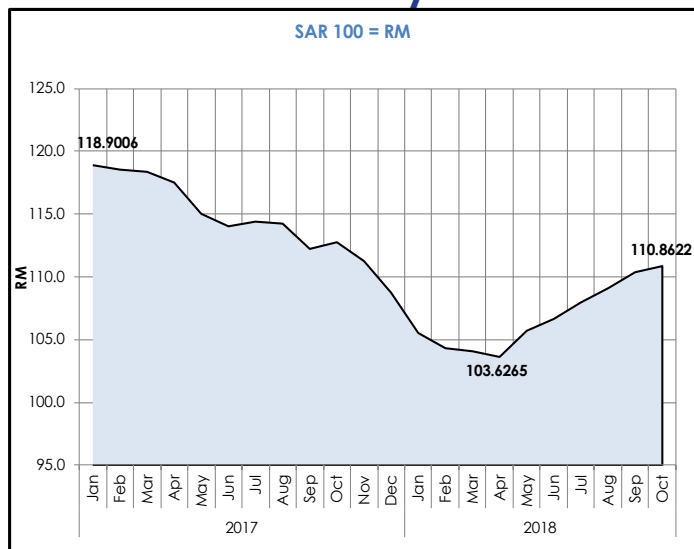
Swiss Franc



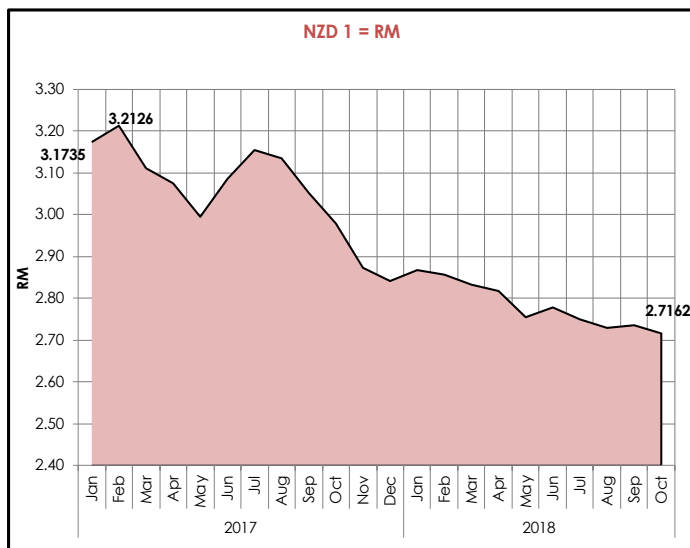
Canadian Dollar



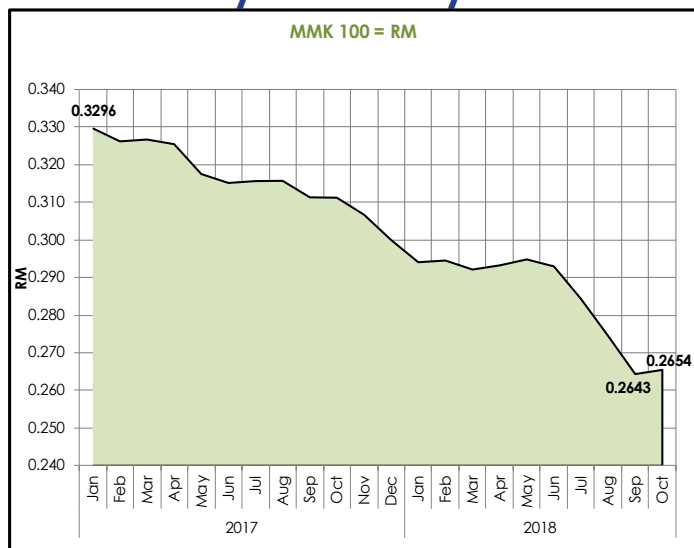
Saudi Riyal



New Zealand Dollar



Myanmar Kyat



Source : Bank Negara Malaysia

Commodity Prices

CRUDE PETROLEUM (BRENT) -per bbl-



▼11.9%*
US\$58.8
23 Nov 2018

Highest
2017/2018
5 Oct 2018 : US\$84.2
29 Dec 2017 : US\$66.9

9 Feb 2018 : US\$62.8
23 June 2017 : US\$45.5
Lowest
2017/2018

Average Price 2017ⁱ: US\$55.0

CRUDE PALM OIL -per MT-



▼7.3%*
US\$448.6
23 Nov 2018

Highest
2017/2018

9 Mar 2018 : US\$691.5
20 Jan 2017 : US\$843.0

9 Nov 2018 : US\$507.5
30 June 2017 : US\$650.0
Lowest
2017/2018

Average Price 2017ⁱ: US\$719.7

RUBBER SMR 20 -per MT-



▼1.3%*
US\$1,222.5
23 Nov 2018

Average Price 2017ⁱ: US\$1,646.6

COCOA SMC 2 -per MT-



▼3.4%*
US\$1,406.1
23 Nov 2018

Average Price 2017ⁱ: US\$1,439.0

SUGAR -per lbs-



▼1.7%*
US¢12.5
23 Nov 2018

Average Price 2017ⁱ: US¢15.8

COAL -per MT-



▼1.3%*
US\$77.1
23 Nov 2018

Average Price 2017ⁱ: US\$57.2

SCRAP IRON HMS -per MT-



⊖ %*
US\$380.0
(high)
⋮
⊖ %*
US\$350.0
(low)
23 Nov 2018

Average Price 2017ⁱ: US\$314.5

Domestic Prices

23 Nov 2018



Billets
(per MT)
RM2,150– RM2,250



Steel Bars
(per MT)
RM2,270– RM2,420

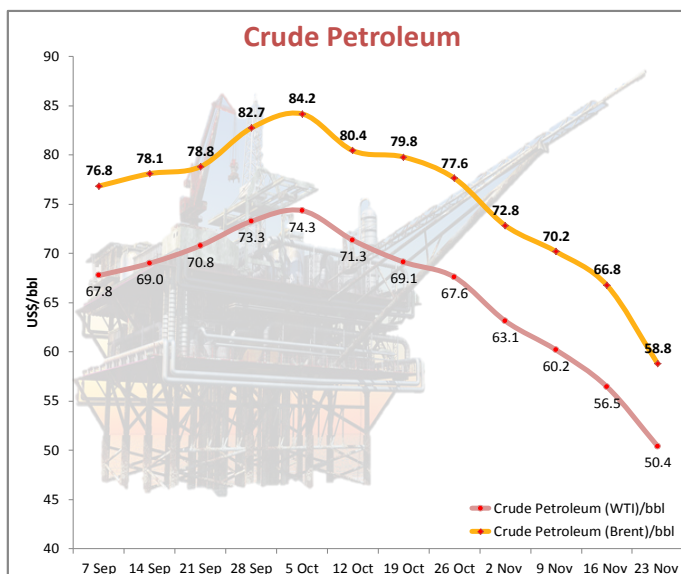
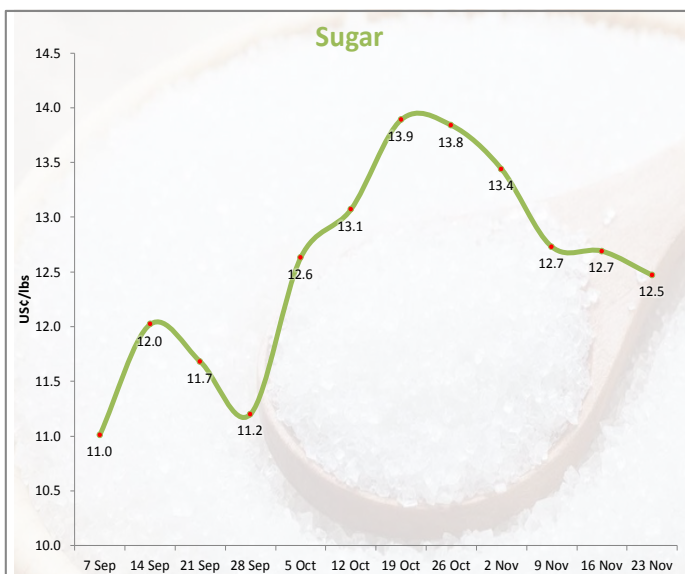
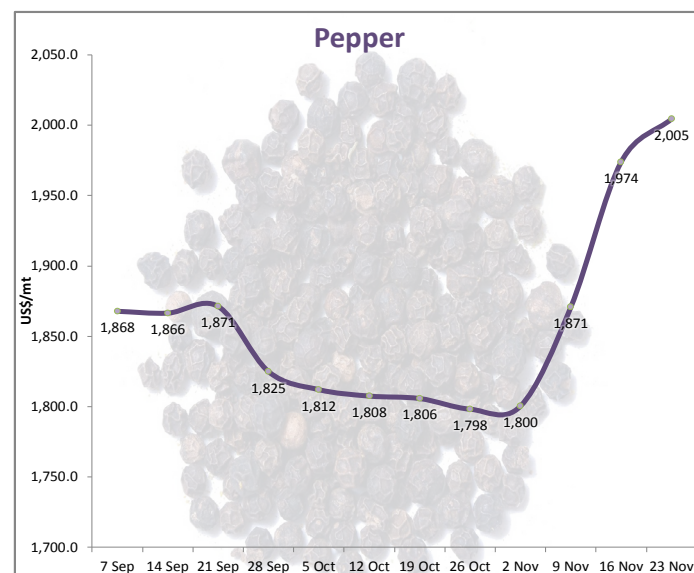
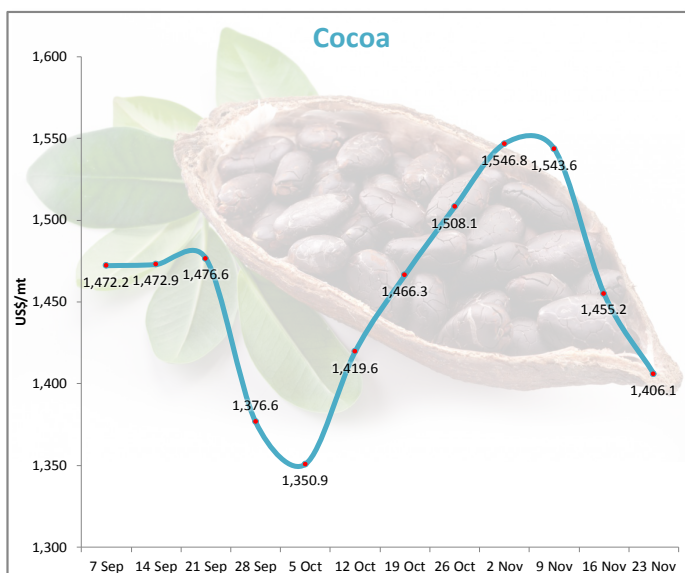
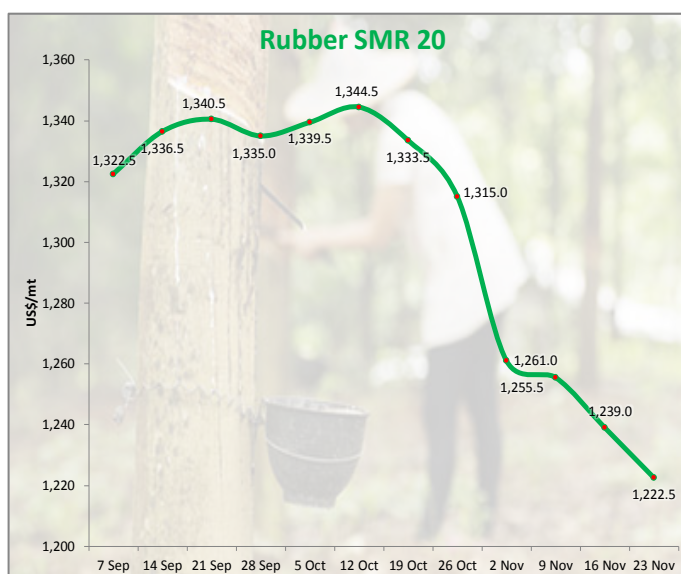
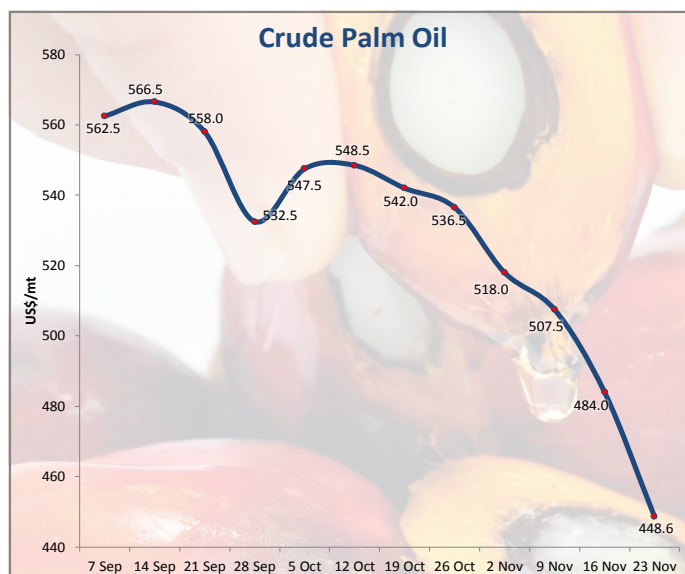
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

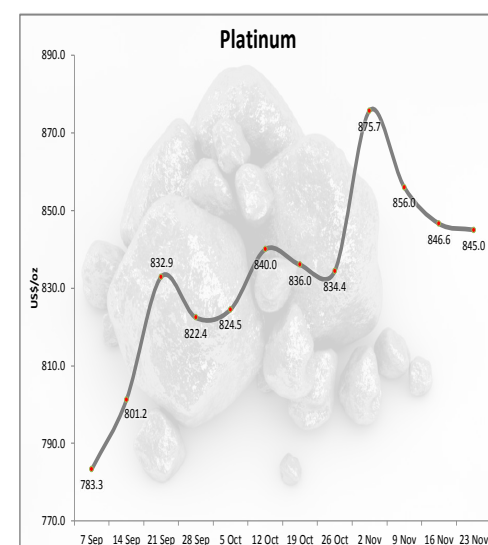
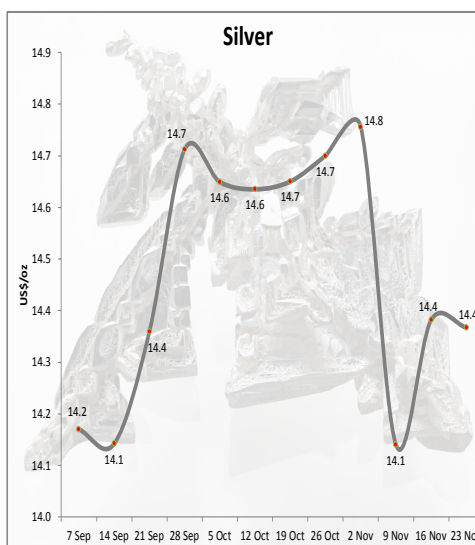
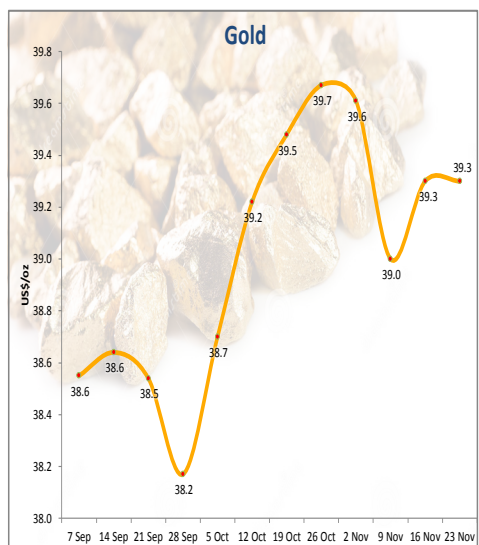
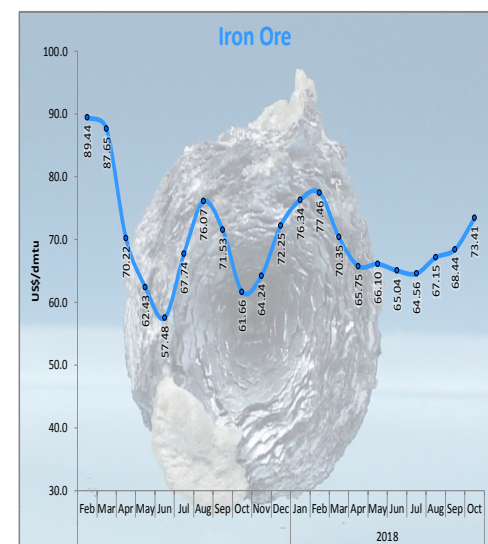
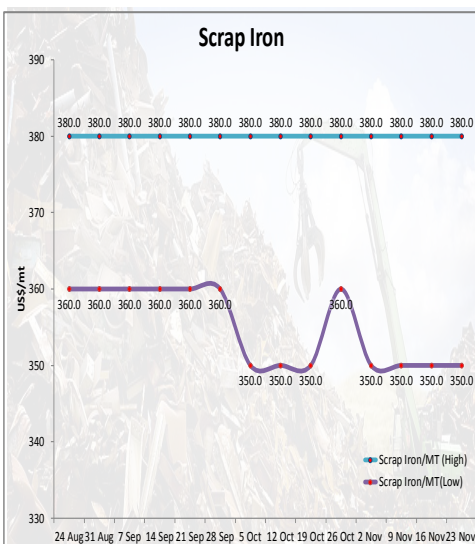
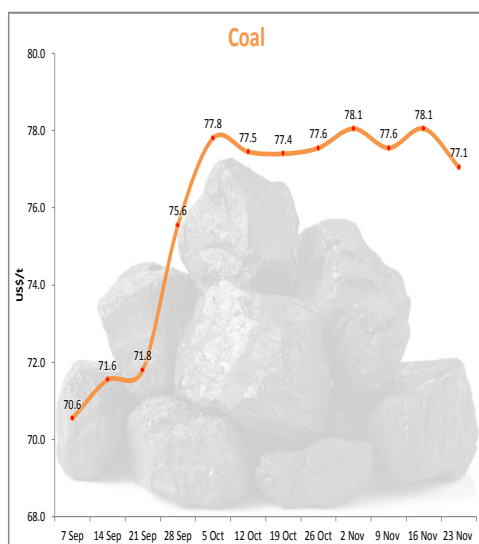
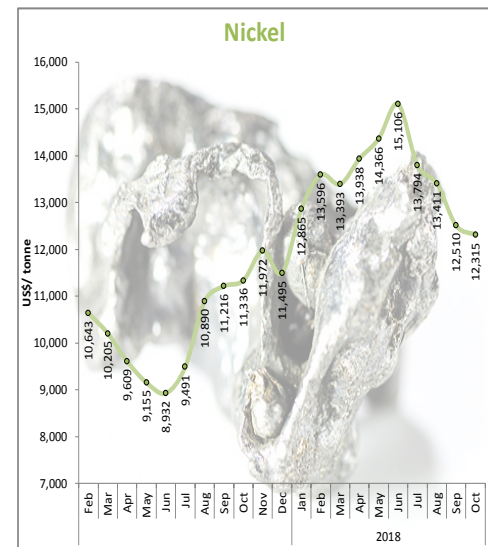
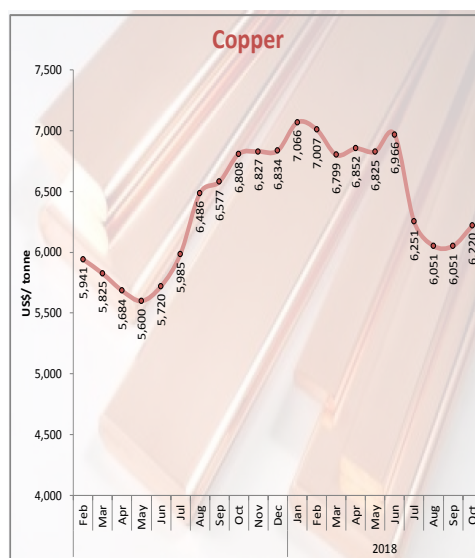
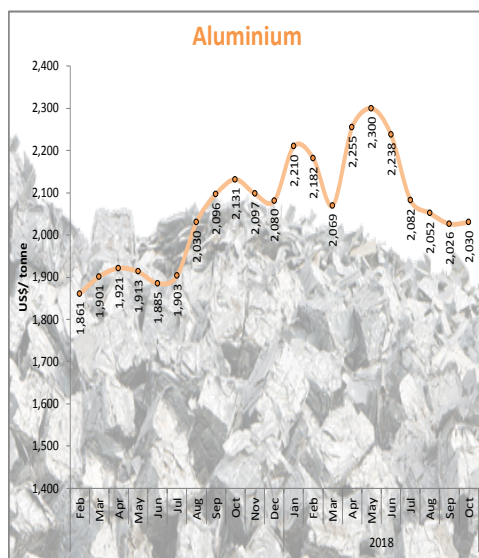
Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, and Bloomberg.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Commodity Price Trends



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank, World Gold Council, The Wall Street Journal.

Deputy Minister at the Fourth Leap Conference 2018 22 November 2018



Secretary General Delivered the Keynote Address at 4.0 Post Budget 2019 Discourse, 23 November 2018



Secretary General officiated the National Workshop on WTO and the Multilateral Trading System, 21-23 November 2018

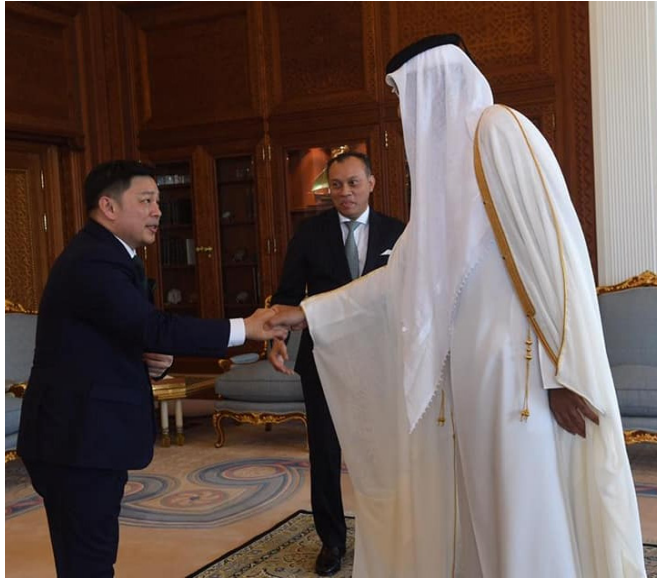


Deputy Minister Officiated CSRMITI - SMK Kiaramas 24 November 2018



MITI PROGRAMMES

Minister Accompanied Deputy Prime Minister on Official Visit to Qatar, 25 November 2018



ANNOUNCEMENTS

MITI POCKET TALK

A SERIES OF SESSION FOR THE PRIVATE SECTOR

Information on the benefits of **Free Trade Agreements (FTAs)** and current updates

Introduction on **Preferential Certificates of Origin (PCO)** application procedures



When?

Once a month



Where?

MITI Tower Kuala Lumpur
or
MITI Regional Offices



Fees?

Free of Charge
with light refreshments

For more information, please contact the Secretariat



03-6200 0468/69/57



allaki@miti.gov.my

Tentative Schedule for MITI Pocket Talks 2018

No	Date	Venue	Topic
1	5-Dec	MITI HQ	Introduction to FTA & Preferential Certificate of Origin (PCO)
2	12-Dec	MITI Sarawak	Introduction to FTA & Preferential Certificate of Origin (PCO)

Please click [here](#) to register



For more information, kindly click the following links:

http://www.miti.gov.my/index.php/pages/view/4761Vintage_English.pdf

NEW GUIDELINE ON APPLICATION FOR CLASSIC AND VINTAGE VEHICLES IMPORT LICENSE (AP)

Please be informed effective 1 July 2018 (Sunday), a new guideline on application for classic and vintage vehicles Import License (AP) will be enforced. All application received by MITI on 1 July 2018 onward will be subjected to the terms and conditions under this new guideline.

For more information, kindly click the following links:

http://www.miti.gov.my/miti/resources/Approve%20Permit/AP%20Announcement/Lampiran_GP_Classic_and_Vintage_English.pdf

Issuance of APEC Business Travel Card is temporarily suspended

Immigration Department of Malaysia has issued a notice that due to unavoidable circumstances, the issuance of APEC Business Travel Card is temporarily suspended and ABTC card will not be printed for approved applicants until further notice.

Kindly refer:

<http://www.imi.gov.my/index.php/en/resources-and-archives/announcement/1784-notice-of-apec-card-production-suspended-time.html>

ANNOUNCEMENTS



3 DEC 2018 @ 8:30AM

ECOMMERCE DAY, THE FINALE

MENARA MITI, KL

Jointly Organised By



For more information and registration, kindly click the following links:

<https://www.eventbrite.com/e/3-dec-2018-ecommerce-day-the-finale-tickets-52462142681>



YOUTH BIZ

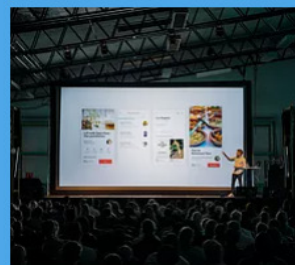
Ground Floor, MATRADE Exhibition and Convention Centre
9am - 1pm, 8 December 2018

HIGHLIGHTS



9am, MATRADE HALL

Launch and Welcoming Remarks
by Minister of International Trade
and Industry, YB Datuk Darell
Leiking



11.15am, MATRADE HALL

M.E.T @ YOUTH EXPORT DAY by
Wanderlust+Co, Joachim
Jegaraj, IX Telekom Sdn. Bhd.
and Doluvo Sdn. Bhd.

For more information, kindly click the following links:

<https://www.youthexportday.com/>

JOB VACANCY (CONTRACT POST) 2018 AT MITI HEADQUARTERS

- ▶ HEAD OF RESEARCHER GRADE 54 (OPEN POSITION)
- ▶ RESEARCHER GRADE 52 (OPEN POSITION)

Closing Date : 7 December 2018 (Friday) before 5.00 pm



MINISTRY OF INTERNATIONAL
TRADE AND INDUSTRY

>> APPLY
NOW

For more information and application, kindly click the following links:

<http://www.miti.gov.my/index.php/pages/view/jawatankosong>



INTERNSHIP APPLICATION

>> APPLY NOW

For more information and application, kindly click the following links:

<http://www.miti.gov.my/index.php/pages/view/3720>

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MITI MWB APPs is now available for IOS, Android and Windows platforms. MWB APPs can be download from **Gallery of Malaysian Government Mobile APPs (GAMMA)** at the link: <http://gamma.malaysia.gov.my/#/appDetails/85>

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