



MEDIA STATEMENT

MALAYSIA'S LABOUR PRODUCTIVITY SUSTAINS ITS POSITIVE GROWTH TREND IN THE FOURTH QUARTER 2018

1. In the fourth quarter of 2018, Malaysia continues to register a positive labour productivity performance supported by the growth in value added and employment. The labour productivity measured by value added per hour worked grew at 2.7%, while value added per person employed recorded a growth of 2.2%.

Labour Productivity Per Hour Worked

2. Malaysia's labour productivity as measured by added value per hour worked by all persons, including employees, proprietors, and unpaid family workers, grew by 2.7% resulting from the growth of value added by 4.7%, while average hours worked contracted by 0.5%.

3. Across the five (5) main economic sectors, construction sector recorded the highest growth in productivity per hour worked at 5.2%, followed by services 3.7%, manufacturing 2.5% and mining and quarrying 2.3%. Meanwhile, agriculture sector experienced a contraction of 0.3%.

4. The highest labour productivity performance in the construction sector was mainly contributed by the growth in value added 2.6% and the average hour worked, which contracted 0.5%.

5. The performance of labour productivity in the services sector grew by 3.7% due to the higher growth in the information and communication subsector 8.7%. This is followed by wholesale and retail trade subsectors, which grew at 6.6%, while the real estate and business services subsector grew at 0.2% (3Q: - 0.3%) showing marked improvement from the previous quarter.



6. The labour productivity growth in the manufacturing sector remain driven by transport equipment, other manufacturing and repair subsector 7.0%, wood products, furniture, paper products and printing subsector 4.7% and non-metallic mineral products, basic metal and fabricated metal subsector 3.4%.

Labour Productivity Per Person Employed

7. In the fourth quarter, Malaysia's labour productivity per person employed, grew by 2.2%, due to the growth in value added at 4.7%, while employment grew at 2.4%. Labour productivity per person employed, or value added per labour, is calculated by dividing real output by the number of employed person by all persons, including employees, proprietors, and unpaid family workers.

8. Across the five (5) main economic sectors, the construction sector registered the highest labour productivity growth of 5.3%, followed by mining and quarrying 3.8%, services 3.0% and manufacturing 2.5%. Meanwhile, the agriculture sector recorded a contraction of 0.7%.

9. The significant performance in the construction sector was mainly reflected in the growth of value added, 2.6% and a contraction in the employment by 2.6%.

10. The main drivers of the services sector's labour productivity performance are information and communication subsector 7.1%, followed by the transport and storage, and real estate and business services subsectors which grew by 5.0% respectively.

11. The labour productivity growth of the manufacturing sector was mainly contributed by the growth in transport equipment, other manufacturing and repair subsector 7.0%, electrical, electronic and optical products subsector 3.8% and wood products, furniture, paper products and printing subsector 3.2%.



Sustaining Productivity

12. Productivity growth is a national agenda, which needs to be addressed holistically and in tandem at the national, sectoral and enterprise levels. It also calls for industry and government to join hands in improving productivity and competitiveness through changing the mindsets of Malaysians and Malaysian businesses. Under the fifth strategic thrust of Malaysia Productivity Blueprint, 'Securing a Strong Implementation Mechanism' embeds the culture of productivity through nationwide movement.

13. MPC has organised series of activities towards changing the mindsets of the Rakyat and businesses on productivity. Among the public events which showcase and promote productivity related information and programs are Outdoor Interactive Video Message; Productivity Capsule; Leadernomics Leadership Camp; Student Invention Innovation Design and Exhibitions; Productivity Run; Productivity Day; and Productivity Carnival. This is further aided with series of articles on productivity through various media channels.

14. To foster economic growth and development, there is a need for continuous improvement in labour efficiency, innovation, automation and the diffusion of new and updated production methods. The introduction of Industry4WRD by MITI, encourages development in innovative capacity and the capability of manufacturing sector and related services to create Malaysia's own technologies, products and services. Hence, the industry especially the small and medium enterprises (SMEs) need to be assessed on the readiness in adopting the Industry 4.0.

15. With these developments, Industry4WRD Readiness Assessment (RA) programme was introduced. Using a pre-determined set of indicators, the companies will be assessed to identify its capabilities and gaps in three factors, which are people, process and technology. The findings will enable the companies to focus in bridging the gaps and migrate to Industry 4.0. Series of seminars have commenced with its first seminar at Central Region in January 2019.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

16. With the continued growth trend of labour productivity through the efforts of all levels in enhancing productivity, Malaysia's economy will be able to face the global challenges and ensuring a better quality of life.

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YB Datuk Darell Leiking
Minister of International Trade and Industry
22 February 2019

About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

Media enquiries

Ministry of International Trade & Industry
Strategic Communications Unit

Tel +603 6200 0082

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my