



MEDIA STATEMENT

MALAYSIA'S LABOUR PRODUCTIVITY REMAINS STRONG BY 2.2% IN 2018

1. Malaysia registered a labour productivity growth of 2.2% at RM91,971 in 2018 as compared to RM89,925 in 2017. The growth in productivity contributed to the country's Gross Domestic Product (GDP) of 4.7%, while employment grew at 2.4%.
2. The Productivity Report 2018/2019 is the 26th Edition published by Malaysia Productivity Corporation (MPC) with the theme "Driving Productivity of the Nation". The findings and analysis in this report are based on productivity data released by the Department of Statistics Malaysia (DOSM).
3. According to the report, the services sector recorded the highest performance with growth in labour productivity at 3.5% that is equivalent to RM86,921, followed by construction at 3.4% (RM43,882), manufacturing at 2.4% (RM121,841) and mining and quarrying 2.1% (RM1,494,710). While, agriculture sector registered a contraction of 0.2% at RM53,943. Among the sectors, productivity levels of mining and quarrying and manufacturing had surpassed the national productivity level.
4. In terms of productivity level (labour productivity per person employed in 2017 USD), Malaysia remains ahead of selected Asian countries. Malaysia at USD68,321 is ahead of Thailand (USD33,839), China (USD32,848), Indonesia (USD28,057) and the Philippines (USD21,300). However, compared with selected developed countries, Malaysia lagged behind Singapore (USD 145,864), USA (USD 126,979) and Korea (USD76,850).
5. The nine priority subsectors Productivity Nexus have strengthened productivity through the 43 sector-level initiatives by encouraging collaborations between industry players, associations, academicians and relevant agencies. Such public-private sector cooperation has created awareness, better understanding and facilitated the adoption

of productivity enhancement programmes including Productivity Champion, Industry Productivity Specialists (IPS), Recognition for High Productivity Enterprise (HPE) using local talent, ezBE Assessment Tool, e-Productivity Gain Measurement (ePGM) and Best Practices Online Database (BOND).

6. MPC has also undertaken various initiatives to support Government's agenda in providing conducive business environments through Good Regulatory Practice (GRP), which work to enhance transparency, predictability and accountability. Under GRP, various programmes were carried out such as Modernising Business Licensing (MBL), Regulatory Impact Analysis (RIA), Cutting Red Tape (MyCURE), Reducing Unnecessary Regulatory Burdens (RURB), and removing Non-Tariff Measures (NTMs) that impede business growth.
7. MPC has assumed the principal role of a Delivery Management Office (DMO) to ensure successful implementation of the initiatives by coordinating, monitoring and evaluating performance of productivity strategies by both the public and private sector players. MPC continues to work together with the Ministry of International Trade and Industry (MITI) and Ministry of Economic Affairs (MEA) as well as other relevant ministries, agencies and other stakeholders in monitoring the progress of productivity efforts, initiatives and strategies that are implemented under the Malaysia Productivity Blueprint (MPB).
8. The Productivity Report 2018/2019, can be accessed through www.mpc.gov.my and Nexus Productivity Portal www.wayup.my.

Ministry of International Trade and Industry

25 June 2019