



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MALAYSIA'S PRODUCTIVITY GREW BY 3.8% IN 2017

1. Malaysia registered a labour productivity growth of 3.8% at RM81, 268 in 2017 from 3.5% at RM78,294 in 2016 . The growth in productivity contributed to a higher growth in the country's Gross Domestic Product (GDP) of 5.9%, while employment grew at 2.0%.
2. Malaysia's Labour Productivity growth performance exceeded the national target of 3.7% under the 11th Malaysia Plan (2016-2020). And, in terms of value level, it attained 88.0% of the targeted RM92,300 by the year 2020.
3. The Productivity Report 2017/2018 is the 25th 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).
4. According to the report, the mining sector recorded the strongest performance with growth in labour productivity at 6.8%, followed by services at 5.0%, manufacturing at 4.3%, construction at 2.4% and agriculture at 1.4%.
5. Among the selected Asian countries, in terms of labour productivity per person employed in USD, Malaysia is at USD64,259, ahead of Thailand (USD31,515), China (USD30,099), Indonesia (USD26,336) the Philippines (USD20,096) and India (USD17,164). However, Malaysia's productivity growth lagged behind that of China's 7.1%, India's 4.3% and the Philippines' 3.9%.
6. In achieving the national productivity target, 43 sector-level initiatives were earlier identified, and currently being implemented through the 9 Sector Productivity Nexus which are retail and food & beverages (F&B), electrical and electronics (E&E), chemical and chemical products, agro-food, professional services, tourism, information and

communications technology (ICT), machinery and equipment (M&E), and private healthcare.

7. The initiatives under the Sector Productivity Nexus are led by highly skilled and specialised individuals from Associations known as Productivity Champions, who are committed in administering the implementation of productivity efforts which are governed by the National Productivity Council (NPC).
8. The Nexus support sector-level initiatives, by creating awareness, improving understanding, and facilitating the adoption of the sector-level initiatives. They also assist enterprises to produce high-value output at lower costs. Additionally, the Nexus will develop and disseminate tools, contribute to best practices, and create recommended pool of specialists to support enterprises in their efforts to address industry-specific issues.
9. MPC assumes the principal role of a Delivery Management Office (DMO) that is ensuring successful implementation of the initiatives by coordinating, monitoring and evaluating implementation of productivity strategies by both the public and private sector players. The DMO will monitor and track the implementation of productivity initiatives at the national, sector and enterprise levels.
10. MPC has developed several productivity tools and intervention programs to help organisations and businesses measure, evaluate, manage performance and drive productivity improvements. Among the productivity tools used to enhance national productivity are Productivity Gain Measurement Online System (ePGM), Easy Business Excellence Assessment (ezBE), LEAN Management, Quality Environment Certification, Innovative and Creative Circle (ICC) and Productivity-Linked Wage System (PLWS).
11. Minister of International Trade and Industry, YB Ignatius Darell Leiking said “Malaysia must continue to pursue further improvements in productivity across all economic sectors, in order to retain its competitiveness in the global arena. This requires a holistic transformation, requiring productivity improvements to be charted differently, not only

in terms of technology, regulations, industry structure, talent and skills, and productivity drive, but more importantly in terms of mind-set at all level.

12. The Productivity Report 2017/2018, can be accessed through www.mpc.gov.my and Nexus Productivity Portal www.wayup.my.

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