Labour productivity continues to slide; experts divided

By TOH YONG CHUAN

Labour productivity continued to slide in the first quarter, hitting the second worst level in the past three years, according to Manpower's labour market report released yesterday. With the overall labour productivity falling by 2.2 per cent in the first quarter, the Government has now been focusing on raising productivity. DBS economist Irvin Seah pointed out that while the overall productivity had improved in the last quarter, it was still far from satisfactory. "There is still a lot of scope for productivity improvement," he said.

The report will bring some relief to businesses, he said, as it showed productivity improvements in the construction sector, which saw an increase of 5.8 per cent in the first quarter. However, he noted that the productivity improvements were not enough to offset the overall decline.

"We need to take a more holistic approach to productivity improvement," he said, adding that it was important to focus on raising productivity in all sectors, not just the construction sector.

However, SMU Associate Professor Randolph Tan said the productivity figures were "not too bad" considering the overall economic situation. "With the economy slowing down, it's not surprising that productivity has also slowed down," he said.

Zainudin Nordin agreed. "The slip in productivity is not going to be a worrying factor," he said. "But it's something we need to keep an eye on." He added that productivity was a key factor in determining a country's long-term growth potential.

"The dip in productivity could be because companies are trying to boost the productivity of local workers," he said. "There are many factors that can impact productivity, such as changes in government policies, technology, and global economic conditions." He noted that the productivity dip was not necessarily a cause for concern, as it could be a temporary blip in the overall trend.

"It's important to remember that productivity is not something that can be improved overnight," he said. "It takes time and effort to increase productivity, and we need to be patient and consistent in our efforts."