



Vietnam's labor productivity: *A look at the trend of facts through statistics*

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1. GDP, labor and labor productivity – The facts and trends

GDP by industry at current prices	Total	Of which		
		Agriculture, forestry and fishery	Industry and construction	Services
<i>Billion dong</i>				
2005	914001	176402	348519	389080
2010	2157828	407647	824904	925277
2012	3245419	638368	1253572	1353479
2013	3584262	658779	1373000	1552483
2014	3937856	713392	1516183	1708281
2015	4192862	729095	1614080	1849687
<i>Structure (%)</i>				
2005	100.00	19.30	38.13	42.57
2010	100.00	18.89	38.23	42.88
2012	100.00	19.67	38.63	41.70
2013	100.00	18.38	38.31	43.31
2014	100.00	18.12	38.50	43.38
2015	100.00	17.39	38.50	44.11

1. GDP, labor and labor productivity – The facts and trends (Cont.)

Number of employed persons by economic sector	Total	Of which		
		Agriculture, forestry and fishery	Industry and construction	Services
<i>Thousand persons</i>				
2005	42774.9	23563.2	7524.0	11687.7
2010	49048.5	24279.0	10277.0	14492.5
2012	51422.4	24357.2	10896.4	16168.8
2013	52207.8	24399.3	11086.0	16722.6
2014	52744.5	24408.7	11229.1	17106.7
2015	52886.6	23450.9	12080.4	17355.3
<i>Structure (%)</i>				
2005	100.0	55.1	17.6	27.3
2010	100.0	49.5	21.0	29.5
2012	100.0	47.4	21.2	31.4
2013	100.0	46.8	21.2	32.0
2014	100.0	46.3	21.3	32.4
2015	100.0	44.4	22.8	32.8

1. GDP, labor and labor productivity – The facts and trends (Cont.)

Labor productivity (LP) of the whole economy	Total	Of which			Labor productivity (LP) of the whole economy	Total	Of which		
		Agriculture, forestry and fishery	Industry and construction	Services			Agriculture, forestry and fishery	Industry and construction	Services
<i>Million dong</i>					<i>Growth rate (%)</i>				
2005	21.4	7.5	46.3	33.3	2008	2.8	3.1	-0.7	3.8
2007	27.6	9.7	56.1	42.0	2009	2.6	0.7	-0.4	3.4
2008	34.8	13.6	66.7	52.2	2010	3.6	4.7	-0.3	0.4
2009	37.9	14.1	70.7	57.9	2011	3.5	3.7	2.3	1.4
2010	44.0	16.8	80.3	63.8	2012	3.1	2.7	4.0	0.0
2011	55.2	22.9	98.3	76.5	2013	3.8	2.5	3.6	3.0
2012	63.1	26.2	115.0	83.7	2014	4.9	3.5	5.8	3.6
2013	68.7	27.0	123.9	92.8	2015	6.4	6.5	1.6	4.5
2014	74.7	29.2	135.0	99.9					
2015	79.3	31.1	133.6	106.6					

1. GDP, labor and labor productivity – The facts and trends (Cont.)

Labor productivity of Vietnam and other countries at PPP 2005

	1994	2000	2002	2004	2006	2008	2010	2012	2013
Brunei	117579	105696	107163	105987	106842	101015	98831	100057	100015
Singapore	64256	79135	79048	83939	88084	90987	97151	96573	98072
Malaysia	23345	26150	26545	28722	30622	32868	33344	35036	35751
Thailand	10125	10337	10654	11724	12636	13205	13813	14443	14754
Indonesia	6307	6101	6628	7090	7686	8253	8763	9536	9848
Philippine	6834	7541	7500	8054	8452	8920	9152	9571	10026
Laos	2390	3019	3247	3530	3855	4216	4636	5114	5396
Cambodia	1925	2326	2456	2734	3175	3479	3502	3849	3989
China	2974	4811	5565	6610	8146	10119	12092	14003	14985
India	3599	4678	4828	5301	6183	7024	8359	8821	9307
Viet Nam	2203	2948	3225	3582	4057	4516	4896	5250	5440

Unit: USD

Source: [Key Indicators of the Labour Market](#), ILO

2. Labor productivity of the whole economy

- ▶ Along with the process of innovation and economic development, Vietnam's labor productivity has improved significantly over the years which lead to reduce the relative distance between labor productivity and ASEAN countries gradually.
- ▶ However, labor productivity in Vietnam is still low as compared to other countries in the region and the absolute distance is continuously increasing.

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3. Labor productivity by economic sector

- ▶ Labor productivity in agriculture, forestry and fishery is still very low;
- ▶ At the same time, labor productivity in the industrial, construction and service sectors is much higher than that of the agriculture, forestry and fishery sector.
- ▶ Among all industries, the mining sector had the highest labor productivity with 1.74 billion dong in 2015 at the current price of which is 21.9 times higher than the labor productivity of the whole economy, followed by electricity, gas, hot water, steam and air conditioners
- ▶ Some industries have the labor productivity over 100 million dong such as: water supply; Waste and waste water management and treatment; professional activities, science and technology; medical and social support activities.

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4. Labor productivity in the corporate sector

- ▶ Labor productivity in the corporate sector in 2014 was 3.8 times higher than the labor productivity of the whole economy but lower than the growth rate of the overall labor productivity and lower than the growth rate of the average wage of an enterprise.
- ▶ By industry, finance, banking and insurance enterprises had the highest labor productivity; followed by electricity, gas, hot water, steam and air-conditioning; information and communication; art, entertainment.
- ▶ The lowest labor productivity were: catering service; agriculture, forestry and fishery.

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5. Labor productivity by the hour

- ▶ The average number of hours worked per week by a Vietnamese employee had fallen from 47 hours in 2009 to 45.2 hours in 2012 and to 43.5 hours.
- ▶ Compared with some countries in the region, the average weekly working hours per Vietnamese worker is equivalent to Malaysia.
- ▶ But it is higher than Thailand (42.7 hours per week); much lower than Singapore's average (51.7 hours per week).

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6. Factors affecting labor productivity

- ▶ Economic size of Vietnam is still relatively small, low starting point.
- ▶ Economic structure shifting from agriculture to industry and service is slow.
- ▶ The labor force in agriculture and informal sector accounts for a high proportion, while agricultural and informal labor productivity in Vietnam is low.
- ▶ Machinery, equipment and technological processes are backward.
- ▶ The quality, structure and efficiency of labors have not met requirements.
- ▶ The level of organization, management, and efficiency of resources utilization are still inadequate.
- ▶ Growth is mainly based on the contribution of capital and labor, the contribution of total factor productivity (TFP) is relatively low.
- ▶ In addition, a number of "bottlenecks" and "barriers" to institutional reform and administrative procedures are slowly being overcome.

7. Factors affecting labor productivity in corporate sector

- ▶ The level and skills of workers have positive impacts on labor productivity growth in enterprises.
- ▶ Assets and equipment per employee and management capacity of enterprises are all important factors contributing to increase labor productivity.
- ▶ Participate in global markets and innovate to improve productivity.
- ▶ Enterprise size is important for improving productivity.
- ▶ The level of concentration, urbanization and geographic location are factors influencing the labor productivity of enterprises.