

Productivity and Efficiency Performance of the Malaysian Life Insurance Industry

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ABSTRAK

Kajian ini adalah suatu usaha bagi mengukur produktiviti dalam industri insuran nyawa berasaskan kaedah 'Malmquist Non-parametric Index'. Kajian ini mendapati bahawa walaupun produktiviti industri insuran meningkat, tetapi secara relatif pertumbuhannya rendah berbanding dengan pertumbuhan sebenar ekonomi Malaysia. Sama seperti sector pembuatan, pertumbuhan masa depan sektor ini amat bergantung kepada keupayaannya bersaing secara cekap. Keupayaan menyediakan perkhidmatan yang cekap merupakan sumber penting kepada kelebihan saingan sektor ini dalam era globalisasi. Hasil kajian juga mendapati perkembangan dan kecekapan teknologi menyumbang kepada peningkatan keseluruhan produktiviti dalam industri ini.

ABSTRACT

This study attempts to measure the productivity of the life insurance industry by employing the non-parametric Malmquist Index approach. The finding shows that despite the productivity growth in the insurance industry, it is relatively low compared to the real economic growth experienced by Malaysia. Like the manufacturing sector, the future growth of this industry would depend on its ability to compete efficiently. Being able to provide service in an efficient way would be an important source of comparative advantage under the era of globalization. The results also suggest that both technical efficiency and technical progress contribute to the overall productivity growth of the industry.

INTRODUCTION

The insurance sector has been an important source of support to the economic development of Malaysia. The importance of insurance stems