

EMPLOYMENT SITUATION, First Quarter 2015



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

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Manpower Research and Statistics Department

MISSION

*To provide timely and reliable
national statistical information on the labour market
to facilitate informed decision-making within the government and community-at-large*

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Notations

- : Nil or negligible
- P : Preliminary
- Q : Quarter
- M : March
- J : June
- S : September
- D : December
- n.a. : Not applicable/not available

Abbreviations

- CPF : Central Provident Fund
- MOM : Ministry of Manpower
- SSIC : Singapore Standard Industrial Classification

HIGHLIGHTS

- Preliminary estimates showed that the overall seasonally adjusted unemployment rate dipped over the quarter in March 2015 (1.8%). The rates for residents (2.5%) and citizens (2.6%) also trended lower.
- Overall employment growth slowed in the first quarter of 2015 (300) from seasonally high gains in the fourth quarter of 2014 (40,700). The growth also moderated from a year ago (28,300). A moderation in employment growth is not uncommon in the first quarter, as seasonal workers hired to meet the increased manpower demand for the year-end and Chinese New Year season leave employment at the end of the festivities in February. The moderation in the first quarter of 2015 was more significant compared to previous years due to a large decline in the retail, F&B and cleaning industries.
- The employment creation in the first quarter of 2015 brought the total number of persons in employment to 3,624,200 in March 2015. This was 2.9% higher than a year ago. This rate of increase over the year was lower than the 3.7% in December 2014.
- Redundancy fell, after rising in the preceding quarter. Some 3,500 workers were laid off, down from 3,910 workers in the preceding quarter but still above the 3,110 in the first quarter of 2014.

Overview

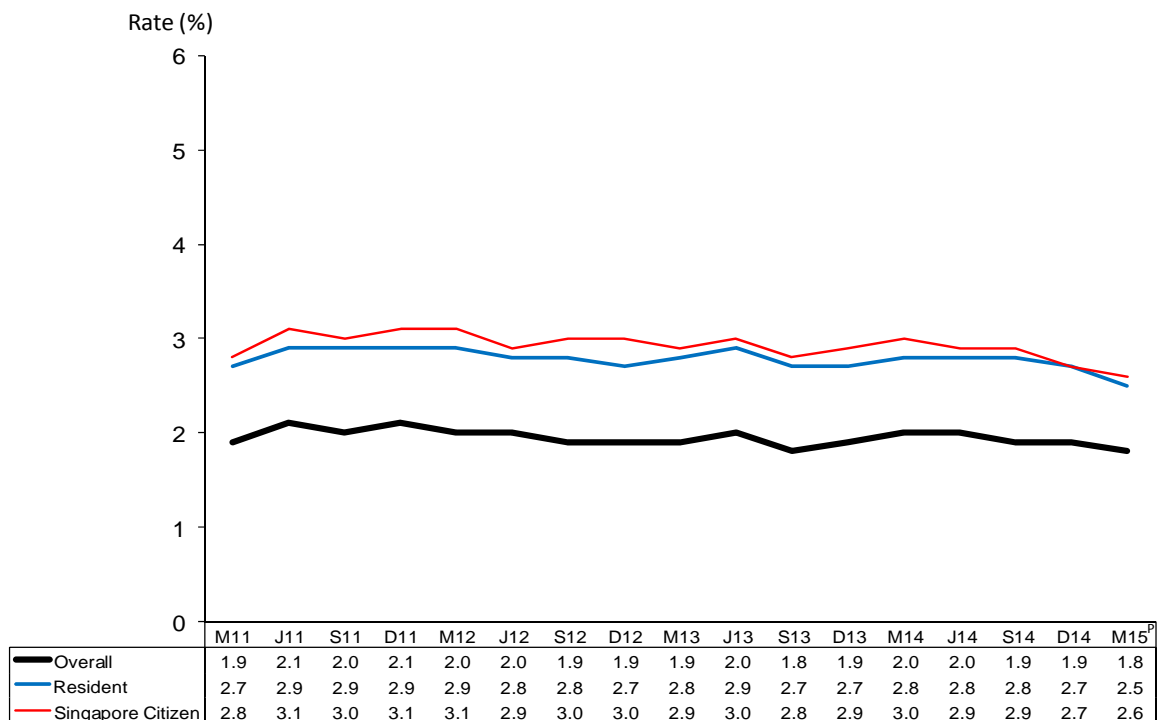
With fewer layoffs across major industries, unemployment dipped in the first quarter of 2015. The labour market remained tight as unemployment for residents and citizens trended lower, even though employment growth moderated from seasonal highs.

Unemployment

Unemployment declined over the quarter in March 2015

Preliminary estimates showed that the overall seasonally adjusted unemployment rate dipped from 1.9% in December 2014 to 1.8% in March 2015. Similarly, the unemployment rate fell over the quarter for residents from 2.7% to 2.5% and for citizens from 2.7% to 2.6%.

Chart 1: Unemployment Rate (Seasonally Adjusted)



Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

An estimated 54,500 residents, including 47,800 Singapore citizens were unemployed in March 2015. The seasonally adjusted figures were 56,500 for residents and 50,200 for citizens.

Employment

Employment continued to grow, though at a slower pace

Overall employment continued to grow in the first quarter of 2015 (300), though at a slower pace compared to the seasonally high gains in the fourth quarter of 2014 (40,700). The growth also moderated from a year ago (28,300). A moderation in employment growth is not uncommon in the first quarter, as seasonal workers hired to meet the increased manpower demand for the year-end and Chinese New Year season leave employment at the end of the festivities in February. The moderation in the first quarter of 2015 was more significant compared to previous years due to a large decline in the retail, F&B and cleaning industries.

The employment creation in the first quarter of 2015 brought the total number of persons in employment to 3,624,200 in March 2015. This was 2.9% higher than a year ago. This rate of increase over the year was lower than the 3.7% in December 2014.

Services employment continued to grow (9,300), albeit at a slower pace than a year ago (24,900). Employment in manufacturing contracted more quickly (-6,400) than a year ago (-1,400), amid weakening exports. Construction employment also shrank (-2,800) in the first quarter of 2015, in contrast to gains a year ago (4,700).

Table 1: Employment Change By Sector

Industry	2011				2012				2013				2014				2015	Employment Level in Mar 2015 ^a
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q ^b	
Total	28.3	24.8	31.9	37.6	27.2	31.7	26.2	44.0	28.9	33.7	33.1	40.6	28.3	27.7	33.4	40.7	0.3	3,624.2
Manufacturing	0.5	0.5	3.9	-1.4	2.0	4.7	3.7	0.9	-1.2	2.3	3.3	0.9	-1.4	-2.1	0.5	-1.4	-6.4	529.6
Construction	2.3	4.6	6.7	8.4	8.7	9.7	9.7	11.1	8.4	8.5	10.7	7.6	4.7	4.4	3.7	1.5	-2.8	488.6
Services	25.4	19.3	21.2	30.2	15.8	17.3	12.7	31.2	21.1	22.7	18.5	31.8	24.9	25.2	29.4	40.1	9.3	2,579.0

Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

Notes:

- (1) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (2) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.

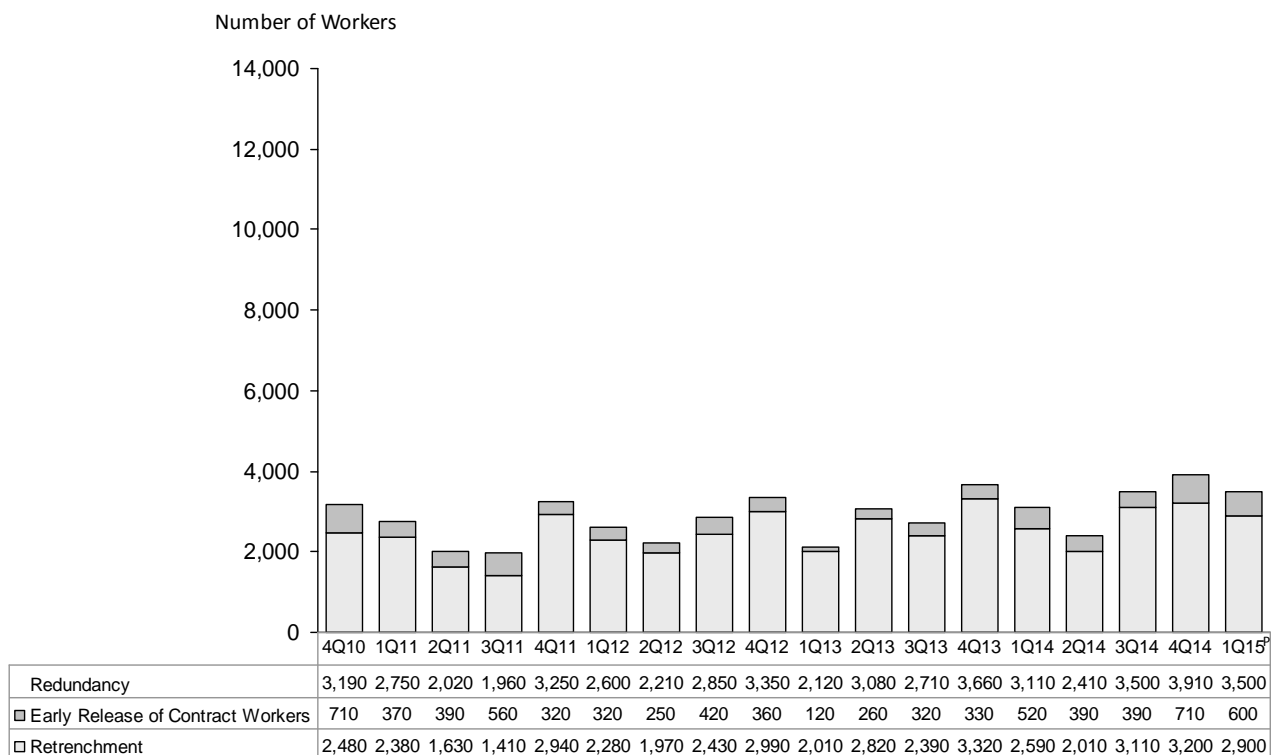
Redundancy

Layoffs declined across all industries

Some 3,500 workers were made redundant in the first quarter of 2015, fewer than in the preceding quarter (3,910), but still above the first quarter of 2014 (3,110).

Layoffs declined across all major sectors over the quarter. Services formed the majority (1,900 or 54%) of layoffs, followed by manufacturing (900 or 26%) and construction (700 or 20%).

Chart 2.1: Redundancy



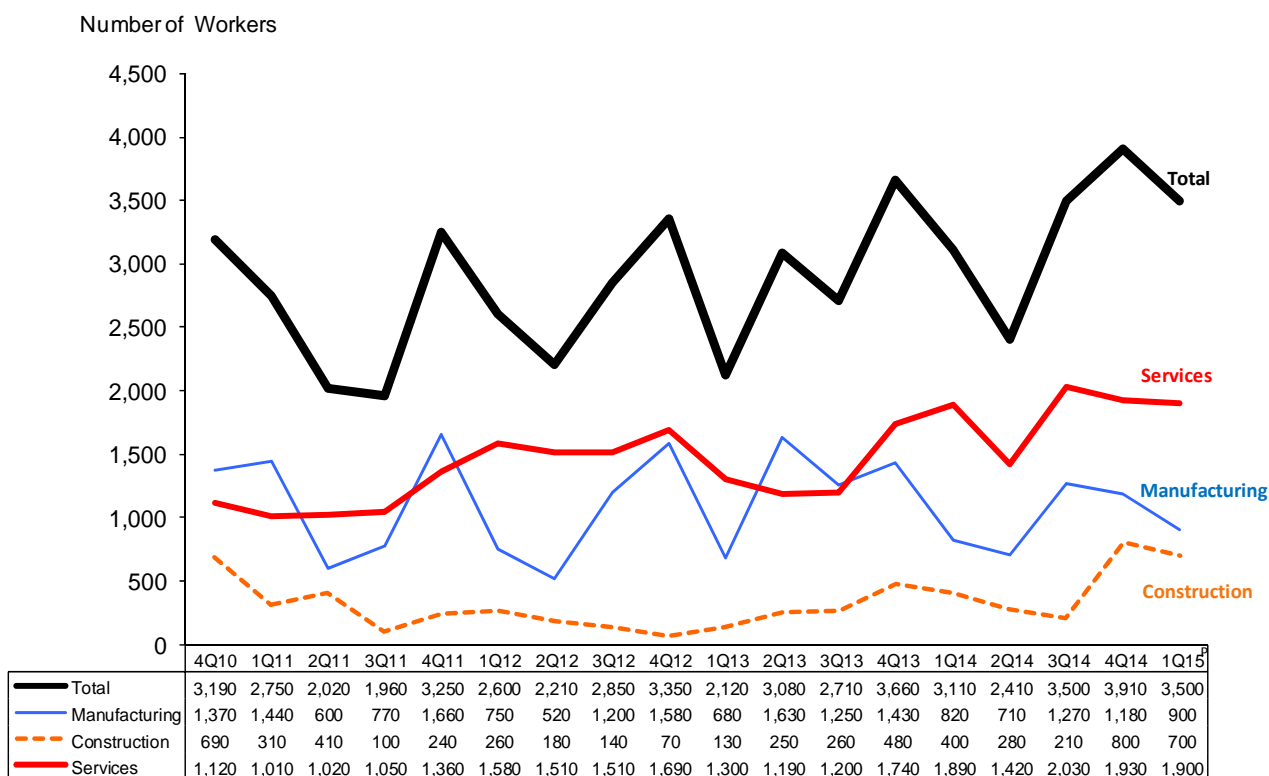
Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

Notes:

- (1) Data pertain to private establishments each with at least 25 employees and the public sector.
- (2) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.

Chart 2.2: Redundancy By Sector



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

Notes:

- (1) Data pertain to private establishments each with at least 25 employees and the public sector.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) Data are rounded to the nearest 10. Hence, they may not add up due to rounding

Unemployment

Source

Labour Force Survey

Coverage

The survey covers private households in Singapore. It excludes workers living in construction worksites, dormitories and workers' quarters at the workplace and persons commuting from abroad to work in Singapore. Estimates of the total labour force are derived by combining data on residents (also known as locals) obtained from the survey with foreign workforce data compiled from administrative records.

Concepts and Definitions

Unemployed persons refer to persons aged 15 years and over who did not work but were actively looking and available for work during the reference period. They include persons who were not working but were taking steps to start their own business or taking up a new job after the reference period.

Unemployment rate is defined as the percentage of unemployed persons to the labour force (i.e. employed and unemployed persons) aged 15 years and over.

Uses and Limitations

The unemployment rate is probably the best-known measure of the labour market. It measures unutilised labour supply and is useful in the study of the economic cycle as it is closely related to economic fluctuations.

Unemployment can have frictional, cyclical and structural elements. As it takes time for job seekers and employers to find a match, there is always a certain level of frictional unemployment due to people changing jobs and from new entrants looking for work for the first time. Unemployment can also be structural e.g. arising from a mismatch between the job seekers and the job openings available. With structural unemployment, even if job vacancies and job seekers coexist in the labour market, they may not be matched over a long period of time. Finally, unemployment can be cyclical. This occurs when there is a general decline in demand for manpower as aggregate demand for goods and services fall in the event of a cyclical downturn. Unlike structural and frictional unemployment where the problem is in matching job openings with job seekers, cyclical unemployment occurs when there are not enough jobs to go around.

Unemployment can vary due to changes in demand or supply of manpower. It can decline if more people succeed in securing employment or when the unemployed persons stop looking for a job and leave the labour force either temporarily (e.g. to take up training) or permanently (e.g. to retire). Conversely, unemployment may rise due to increase in labour supply from new entrants or re-entrants to the labour market. It will also rise if more people quit their jobs to look for alternative employment or if there is an increase in layoffs.

Employment

Source

Primarily from administrative records. The self-employed component is estimated from the Labour Force Survey.

Coverage

The employment data comprise all persons in employment i.e. employees and the self-employed. However, it excludes men who are serving their 2-year full-time national service liability in the Singapore Armed Forces, Police and Civil Defence Forces.

Data on the number of local (also known as resident) employees are compiled from the Central Provident Fund (CPF) Board's administrative records of active contributors defined as local employees who have at least one CPF contribution paid for him/her. A local (also known as resident) employee is any Singapore citizen or Permanent Resident who is employed by an employer under a contract of service or other agreement entered into in Singapore. Every local employee and his/her employer are required to make monthly contributions to the CPF which is a compulsory savings scheme to provide workers financial security in old age and helps meet the needs of healthcare, home-ownership, family protection and asset enhancement.

Data on foreigners working in Singapore are compiled from administrative records of foreigners on valid work passes issued by the Ministry of Manpower. Foreigners can work in Singapore only if they have valid work passes issued by the Ministry of Manpower.

The number of self-employed residents is estimated from the Labour Force Survey. The self-employed comprises persons aged 15 years and over who are own account workers, employers or contributing family workers.

Concepts and Definitions

Employment change refers to the change in the number of persons who are in employment, derived by taking the difference in the employment level at the end of the reference period compared with the end of the preceding period. A positive change refers to the additional number of persons who are in employment, while a negative change refers to the decline in number of persons in employment.

Uses and Limitations

Analysis of employment change over time helps in understanding the impact of cyclical and structural changes in the economy on the demand for workers. In particular, the breakdown of employment by industry helps identify sectors where employment is growing or falling.

Conceptually, the change in employment over the reference period is the difference between people entering and exiting employment during the period. Users should not mistake an increase in employment as gross job creation.

Redundancy

Source

Labour Market Survey

Coverage

Before 2006, the survey covers private sector establishments each with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.

Concepts and Definitions

Redundancy comprises retrenchment and early release of contract workers due to redundancy.

Retrenchment refers to the termination of employment of a permanent employee due to redundancy. In the public sector, it includes those who left service under the Special Resignation Scheme that allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

Early release of contract workers refers to employees on term contracts which were terminated prematurely because of redundancy.

Uses and Limitations

Data on redundancy are useful in the analysis of re-structuring or ailing industries.

The number of persons made redundant (flow) should not be confused with persons unemployed (stock). Not all persons made redundant will be unemployed as some will re-enter into employment or decide to leave the workforce.

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Just Released

Employment Situation, First Quarter 2015

Date of Release: 2 May 2015

This quarterly release provides preliminary estimates of key indicators on the manpower situation covering unemployment, employment and redundancy.



Redundancy and Re-entry into Employment, 2014

Date of Release: 23 Apr 2015

The report goes beyond the quarterly reporting in the Labour Market Reports to provide additional analysis on the incidence of redundancy, reasons for redundancy, profile of establishments with redundancy, time taken to secure re-entry into employment and the shift in industry among those who re-entered employment.



Other Resources

Title	Date of Release
• Labour Market, 2014	13/03/2015
• Labour Force in Singapore, 2014	30/01/2015
• Job Vacancies, 2014	27/01/2015
• Conditions of Employment, 2014	09/12/2014
• Singapore Yearbook of Manpower Statistics, 2014	30/06/2014
• Manpower Statistics in Brief, 2014	20/06/2014
• Report on Wage Practices, 2013	05/06/2014
• Employer Supported Training, 2012	08/10/2013
• Labour Turnover Time Series, 2006 to 2012	01/04/2013
• Retirement and Re-employment Practices, 2011	20/07/2012
• Report on Wages in Singapore, 2011	29/06/2012
• Singaporeans in the Workforce*	11/10/2011
• Labour Mobility	31/05/2010
• Focus on Older People In and Out of Employment	29/07/2008
• Quality of Employment Creation for Singapore Citizens	29/02/2008
• Employment of Singapore Citizens, Permanent Residents and Foreigners, 1997 to 2006	29/02/2008
• Premium on Fields of Study: The Returns to Higher Education in Singapore	19/01/2007

** This paper is a collaborative effort between Manpower Research and Statistics Department and Singapore Department of Statistics*

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