

LABOUR MARKET ADVANCE RELEASE

First Quarter 2016



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

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LABOUR MARKET ADVANCE RELEASE
FIRST QUARTER 2016

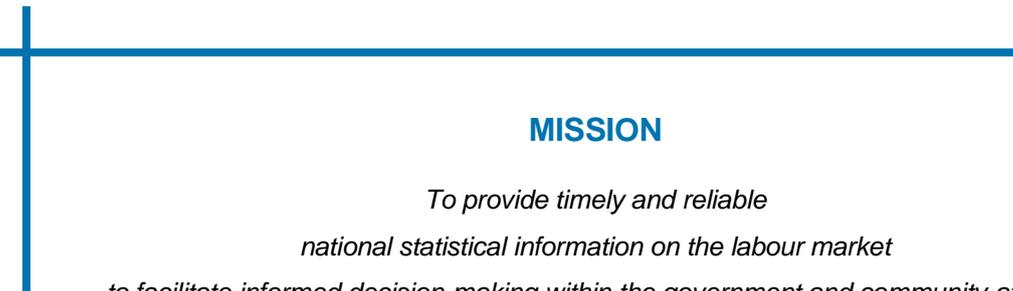
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Director
Manpower Research and Statistics Department
Ministry of Manpower
18 Havelock Road #05-01
Singapore 059764
Republic of Singapore

Email: mom_rsd@mom.gov.sg

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*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
p.a.	: Per annum
Cont'd	: Continued

Abbreviations

CPF	: Central Provident Fund
CPI	: Consumer Price Index
DOS	: Department of Statistics
FDW	: Foreign Domestic Workers
MOM	: Ministry of Manpower
SSIC	: Singapore Standard Industrial Classification

HIGHLIGHTS

- Preliminary estimates showed that overall unemployment in March 2016 was unchanged from December 2015. However, it declined for residents and citizens, largely due to a lower labour force participation rate among youths aged 15 to 24. Total employment grew in the first quarter of 2016, slower than the seasonally high growth in the fourth quarter of 2015 and a reversal from the declines a year ago in first quarter 2015. The number of layoffs fell from the previous quarter, but was still higher than a year ago.
- Quarter on quarter, the seasonally adjusted unemployment rate was unchanged at 1.9% in March 2016. Meanwhile, unemployment declined among residents (2.9% to 2.7%) and citizens (3.0% to 2.6%) in March 2016 compared to December 2015. The decline was largely due to a lower labour force participation rate among youths aged 15 to 24.
- Total employment is estimated to have increased by 11,400 in the first quarter of 2016. This was slower than the seasonally high growth in the fourth quarter of 2015 (16,100) and was a reversal from the decline (-6,100) in the first quarter of 2015. The employment increase in the first quarter of 2016 was mainly driven by services (11,900), though growth has slowed from the previous quarter (21,500). Employment in construction grew (1,600) while manufacturing employment continued to decline (-2,000) for the sixth consecutive quarter.
- In March 2016, total employment reached 3,667,600, 1.4% higher than a year ago. This was faster than the increase of 0.9% in December 2015.
- Some 4,600 workers were made redundant in the first quarter of 2016, down from 5,370 in the fourth quarter of 2015. However, the number was still higher than a year ago (3,500), amid on-going business restructuring. Over the quarter, layoffs also fell in manufacturing and construction, and increased in services.

Overview

Preliminary estimates showed that overall unemployment in March 2016 was unchanged from December 2015. However, it declined for residents and citizens, largely due a lower labour force participation rate among youths aged 15 to 24. Total employment grew in the first quarter of 2016, slower than the seasonally high growth in the fourth quarter of 2015 but a reversal from the declines a year ago in first quarter 2015. The number of layoffs fell from the previous quarter, but was still higher than a year ago.

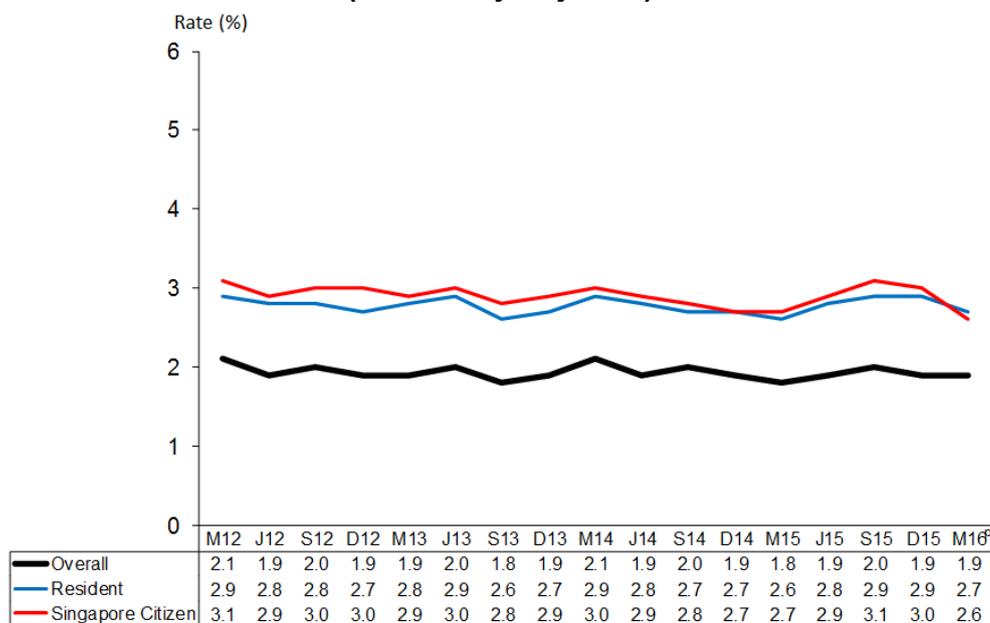
Unemployment

Overall unemployment unchanged, but declined for residents and citizens

Preliminary estimates showed that quarter on quarter, the seasonally adjusted unemployment rate was unchanged at 1.9% in March 2016. Meanwhile, unemployment declined among residents (2.9% to 2.7%) and citizens (3.0% to 2.6%) in March 2016 compared to December 2015. This was largely due to a lower labour force participation rate among youths aged 15 to 24.

In March 2016, an estimated 60,400 residents, including 50,800 Singapore citizens were unemployed. This was lower than 64,600 and 57,900 in December 2015.¹

**Chart 1: Unemployment Rate
(Seasonally Adjusted)**



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

^P: Preliminary

Note: Seasonally adjusted data have been revised using the latest set of seasonal factors and updated in line with standard seasonal adjustment procedure. The revision is done once a year, taking into account observations for the latest available year.

¹ Based on seasonally adjusted data on number of unemployed persons.

Employment

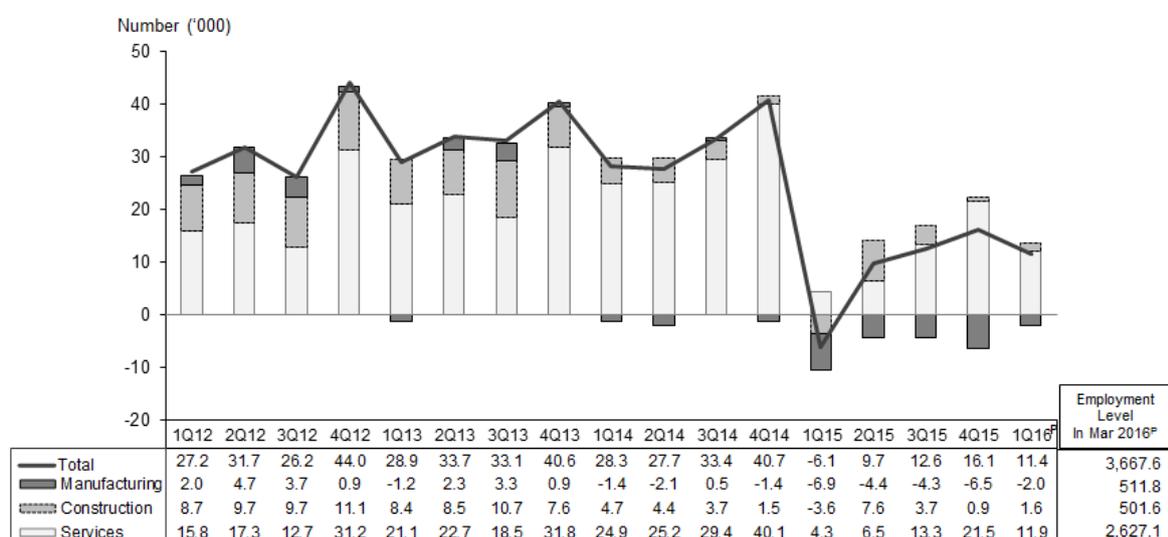
Employment grew in the first quarter of 2016, a reversal from declines a year ago

Total employment is estimated to have increased by 11,400 in the first quarter of 2016. This was lower than the seasonally high growth in the fourth quarter of 2015 (16,100) and was a reversal from the decline (-6,100) in the first quarter of 2015.

The employment increase in the first quarter of 2016 was mainly driven by services (11,900). However, growth has slowed from the previous quarter (21,500), following the end of festivities. While manufacturing extended their employment declines (-2,000) for the sixth consecutive quarter, the rate of decline in the first quarter of 2016 has slowed compared to the previous five quarters (-4,700 on average).² On the other hand, employment in construction grew faster in the first quarter of 2016 (1,600) than the preceding quarter (900), amid demand in public and private sector construction activities.³

In March 2016, total employment reached 3,667,600, 1.4% higher than a year ago. This was faster than the 0.9% pace in December 2015.

Chart 2: Employment Change By Sector



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

^P: Preliminary

Notes:

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) The industries are classified based on SSIC 2010 from 2009 onwards and SSIC 2005 before 2009.
- (3) Data for the sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

² Average is computed based on employment growths in the fourth quarter of 2014 to the fourth quarter of 2015. This is in line with MTI's advance estimates of manufacturing GDP, which contracted by 2.0% year-on-year in the first quarter of 2016, following quarterly declines of between -6.7% and -2.9% in 2015.

³ MTI's Advance Estimates of GDP, 14 April 2016

Redundancy

Layoffs fell from previous quarter, but still higher than a year ago

Preliminary data showed that some 4,600 workers were made redundant in the first quarter of 2016, down from 5,370 in the fourth quarter of 2015. However, the number was still higher than a year ago (3,500), amid on-going business restructuring.

Services formed the bulk of redundancies (54%) in first quarter 2016. The sector laid off slightly more workers over the quarter (2,360 to 2,500). Meanwhile, redundancies in manufacturing (2,480 to 1,800) and construction (520 to 300) fell.

Chart 3.1: Redundancy

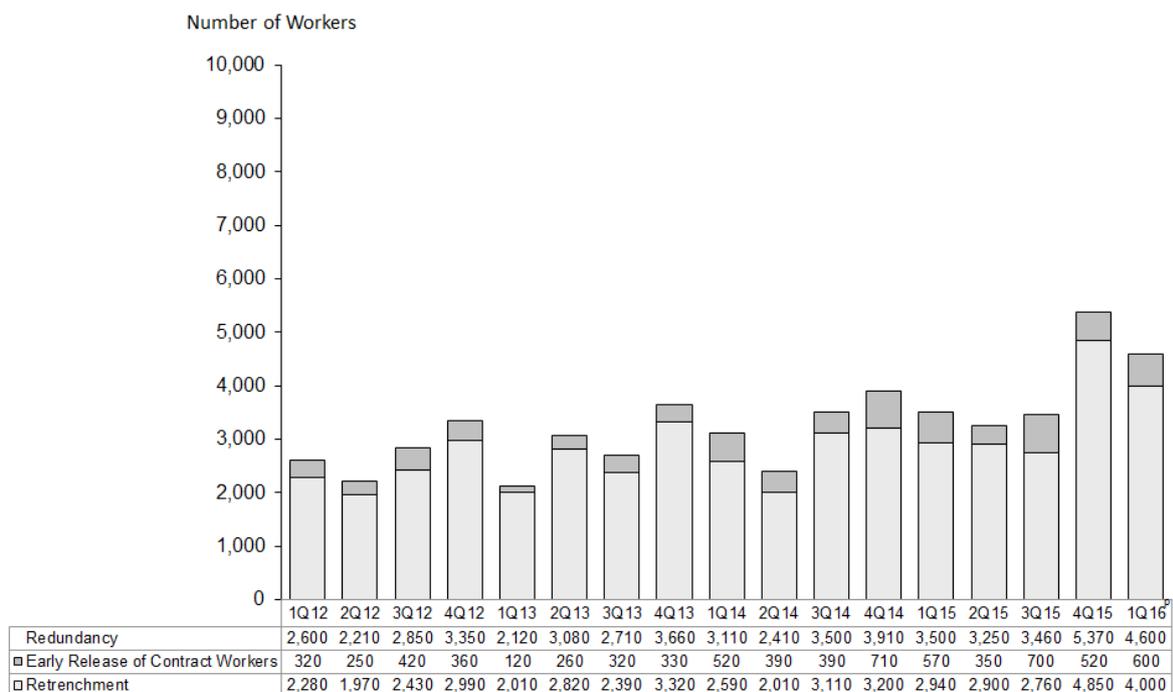
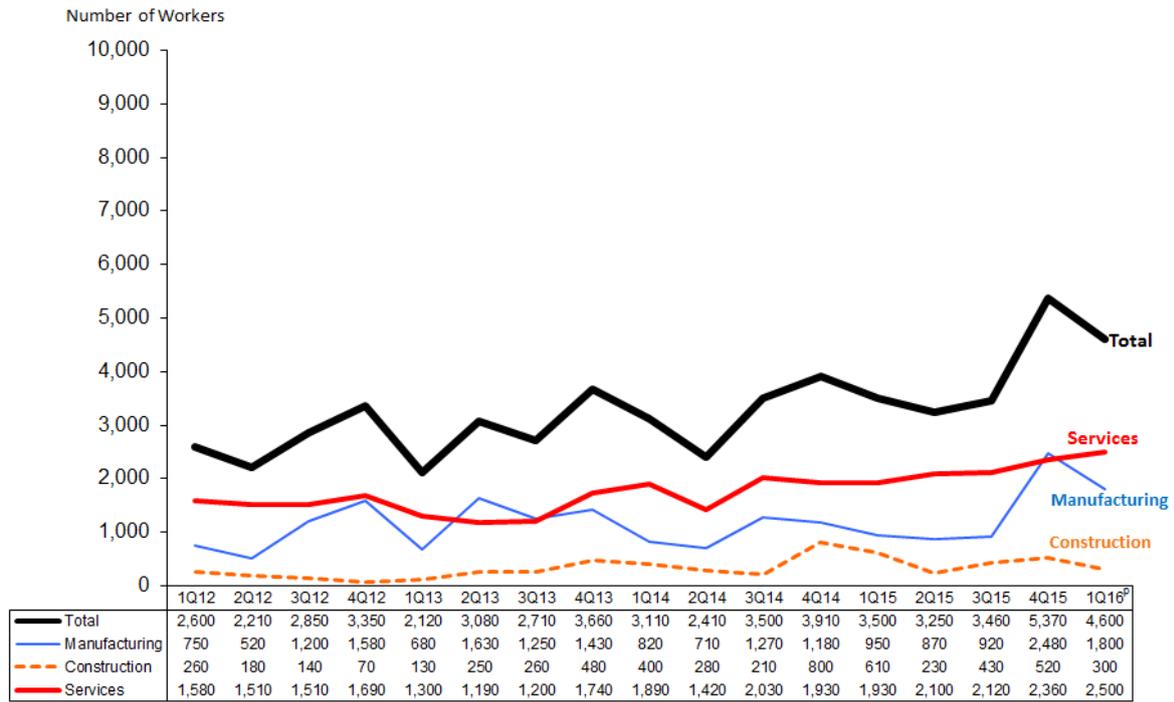


Chart 3.2: Redundancy By Sector



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

^P: Preliminary

Notes:

- (1) Data pertain to the public sector and private sector establishments each with at least 25 employees.
- (2) The industries are classified based on SSIC 2010.
- (3) 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.
- (4) 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 employment 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.

Long-term unemployed persons refer to persons aged 15 years and over who have been unemployed for 25 weeks or more.

Long-term unemployment rate is defined as the percentage of long-term unemployed persons to the labour force.

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

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 employee is a 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. The CPF is a compulsory savings scheme that provides 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 (i.e. number of employed persons) 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 i.e. the increase in employment in expanding establishments only.

Redundancy

Source

Labour Market Survey

Coverage

Before 2006, the survey covers private establishments 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 (introduced in April 1988) 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 labour force

OTHER PUBLICATIONS



Title	Date of Release
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Labour Market Second Quarter 2015	15/09/2015
Singapore Yearbook of Manpower Statistics 2015	30/06/2015
Manpower Statistics in Brief 2015	18/06/2015
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