

First Quarter 2025

Labour Market Advance Release



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LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2025

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CONTENT

	ii
Notations and Abbreviations	
	1
Highlights	
	2
Labour Market Advance Release First Quarter 2025	
Overview	2
Employment	2
Unemployment	5
Retrenchments	6
	A1
Explanatory Notes	

Notations

-	: Nil or Negligible
P	: Preliminary
Q	: Quarter
M	: March
J	: June
S	: September
D	: December

Abbreviations

MDW	: Migrant Domestic Workers
MOM	: Ministry of Manpower
SSIC	: Singapore Standard Industrial Classification
excl	: Excluding

Highlights

Amid slowing economic growth and increasing headwinds arising from escalating global trade conflicts, advance estimates showed early signs of moderating labour demand. Unemployment rates have edged up slightly since December 2024, and the pace of employment growth has slowed compared to previous quarters. The moderation in labour demand was more evident in the outward-oriented sectors of *Professional Services*, *Manufacturing*, and *Information & Communications*, which saw declines in resident employment.

- Both residents and non-residents saw smaller increases in employment growth in 1Q 2025 compared to 4Q 2024. As a result, total employment growth continued to grow in 1Q 2025 (2,300), but at a slower pace compared to the seasonal increase in 4Q 2024 (7,700) and the growth in 1Q 2024 (3,200).
- Resident employment growth declined in some outward-oriented sectors such as *Professional Services*, *Manufacturing*, and *Information & Communications*, while *Health & Social Services* and *Financial Services* continued to see increases.
- Growth in non-resident employment was driven entirely by Work Permit Holders (WPH). Non-resident employment growth was mainly in *Administrative & Support Services* and *Community, Social & Personal Services*.
- The resident unemployment rate increased from 2.8% in December 2024 to 2.9% between January to March 2025. While the citizen unemployment rate held steady at 3.1% in March compared to February, it was higher than the 2.9% recorded in December 2024.
- The number of retrenchments fell to 3,300 in 1Q 2025, down from 3,680 in 4Q 2024. Retrenchments were stable or lower across most sectors, with business reorganisation or restructuring remaining the top reason for retrenchments in 1Q 2025.
- The recent moderation in employment, particularly in some export-oriented sectors, alongside a slight uptick in unemployment, suggests a shift in labour market momentum in 1Q 2025. The deterioration in Singapore's economic outlook will weigh on firms' hiring and wage expectations moving forward. In fact, business sentiments have turned more cautious. In December 2024, more employers indicated plans to hire and raise wages compared to September 2024. In March 2025, however, fewer employers expect to hire or raise wages in the next three months.

The *Labour Market Report First Quarter 2025*, to be released in mid-June 2025, will provide more details, such as resident and non-resident employment breakdowns, sectoral data, number of job vacancies, labour turnover, and re-entry rates among retrenched residents.

For data requests and queries pertaining to our report, please reach out to us at mom_rsd@mom.gov.sg.

Overview

Advance estimates showed early signs of moderating labour demand amid slowing economic growth¹ and increasing headwinds arising from escalating global trade conflicts, with unemployment rates rising slightly since December 2024 and slower employment growth compared to previous quarters. The moderation in labour demand was more evident in some outward-oriented sectors.

The labour market is likely to soften further moving forward. Business sentiments have also turned more cautious in March 2025, with fewer employers expecting to hire or raise wages in the next three months compared to December 2024.

Employment^{P,2,3,4}

Total employment continued to grow in 1Q 2025, but the increase (2,300) was lower than the seasonal increase in 4Q 2024 (7,700) and the growth in 1Q 2024 (3,200). This was due to slower increases in both resident⁵ and non-resident⁶ employment compared to 4Q 2024.

Resident employment declined in some outward-oriented sectors such as *Professional Services*, *Manufacturing*, and *Information & Communications* – reflecting the impact of ongoing economic uncertainty – while *Health & Social Services* and *Financial Services* continued to see increases. Resident employment also declined in *Retail Trade*, as seasonal hiring for the year-end festive period eased. As a result, resident employment growth in 1Q 2025 was slower.

Growth in non-resident employment was fully supported by WPH. Non-resident employment growth was mainly in *Administrative & Support Services* and *Community, Social & Personal Services*.

¹ Based on MTI's advance GDP estimates for 1Q 2025 released on 14 April 2025, Singapore's economy grew by 3.8% y-o-y in 1Q 2025, slower than the 5.0% growth in 4Q 2024.

² Employment figures cited in this report exclude Migrant Domestic Workers (MDW).

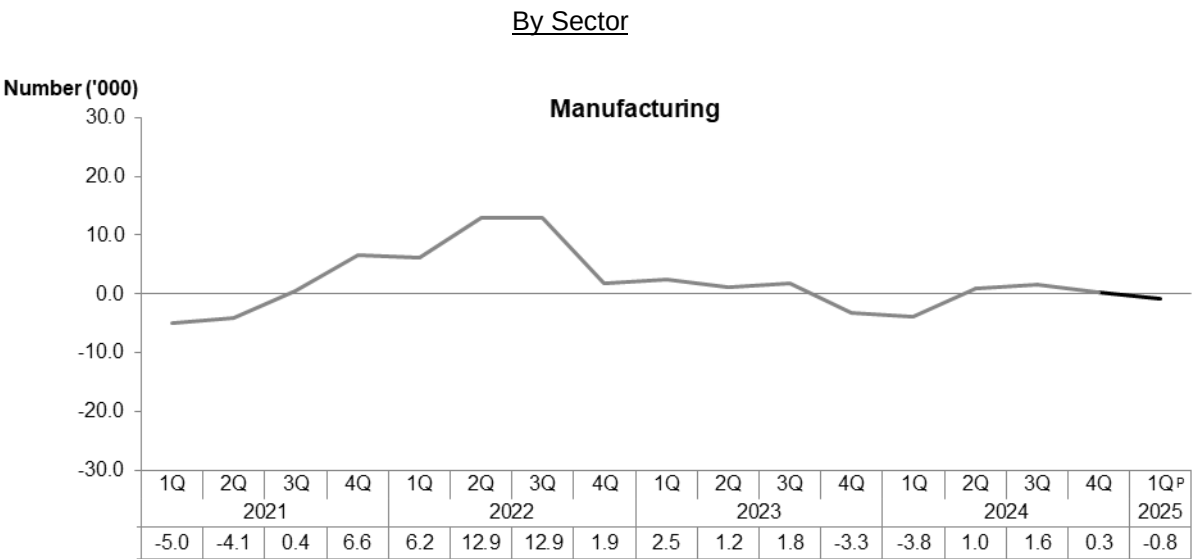
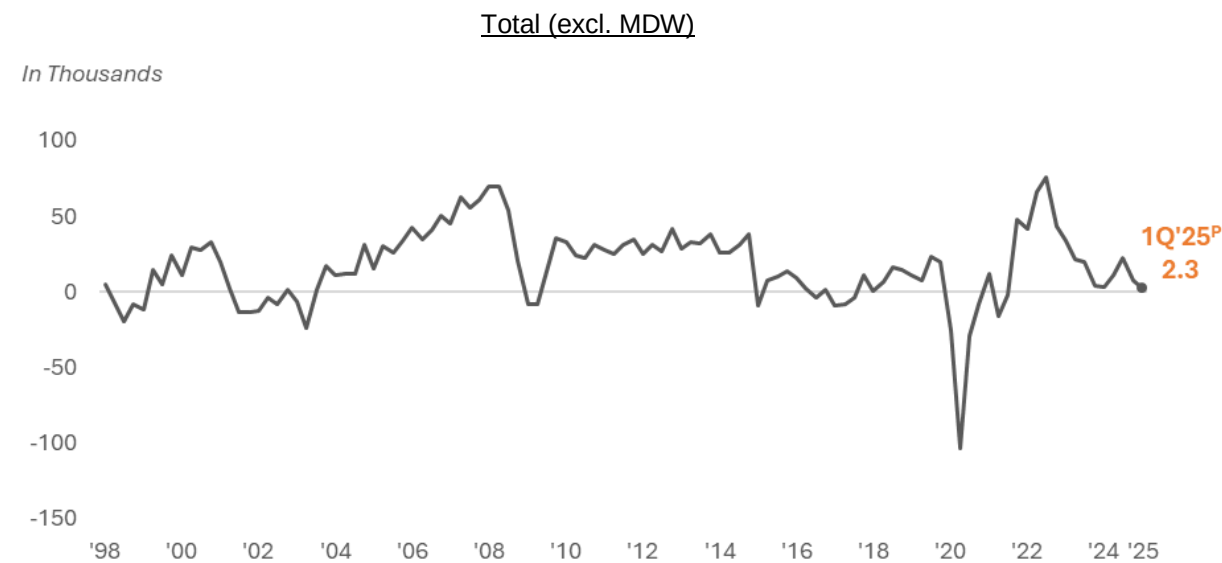
³ Based on preliminary estimates, 485,300 persons were employed in *Manufacturing*, 536,500 in *Construction*, and 3,007,800 (2,701,500 excl. MDW) in *Services* in March 2025. Employment totalled 4,053,100 (3,746,800 excl. MDW) in March 2025 (total includes other sectors like agriculture, fishing etc.).

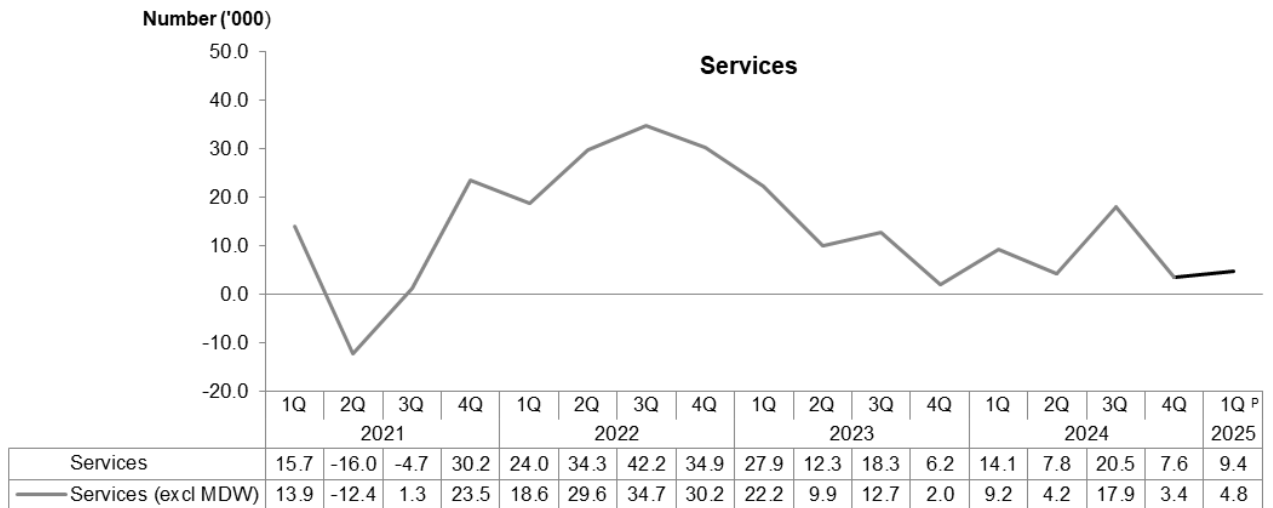
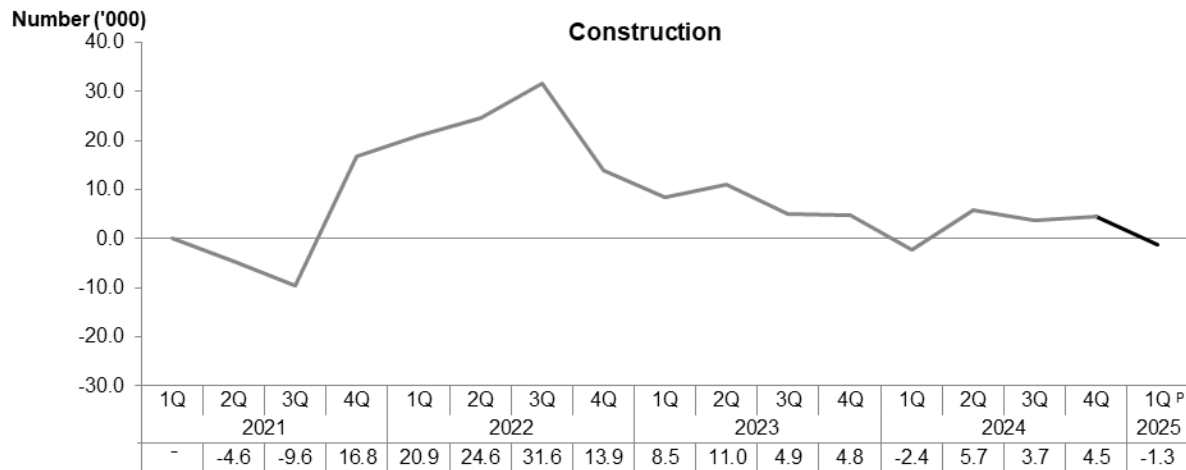
⁴ Data for 2021 and 2022 are revised to reflect updates in the self-employed component.

⁵ "Resident" refers to Singapore Citizens and Permanent Residents.

⁶ As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release. These figures will be published in the Labour Market Report First Quarter 2025, to be released in mid-June 2025.

Chart 1 Quarterly Employment Change





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

P: Preliminary

“-”: nil or negligible

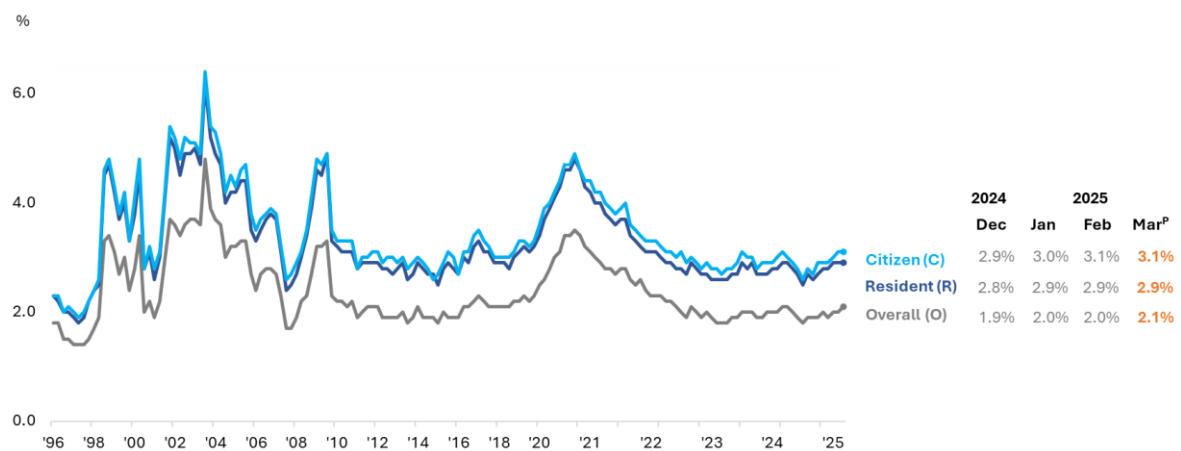
Notes:

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (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) The industries are classified based on SSIC 2020.
- (4) Employment change refers to the difference between employment level at the end of the reference period and that at the end of the preceding period.

Unemployment^P

Unemployment rates have risen slightly in March 2025 compared to December 2024, but remained within the range observed during non-recessionary periods⁷. The resident unemployment rate increased from 2.8% in December 2024 to 2.9% between January to March 2025. While the citizen unemployment rate held steady at 3.1% in March compared to February, it was higher than the 2.9% recorded in December 2024.

Chart 2 Unemployment Rates (Seasonally Adjusted)



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

^P: Preliminary

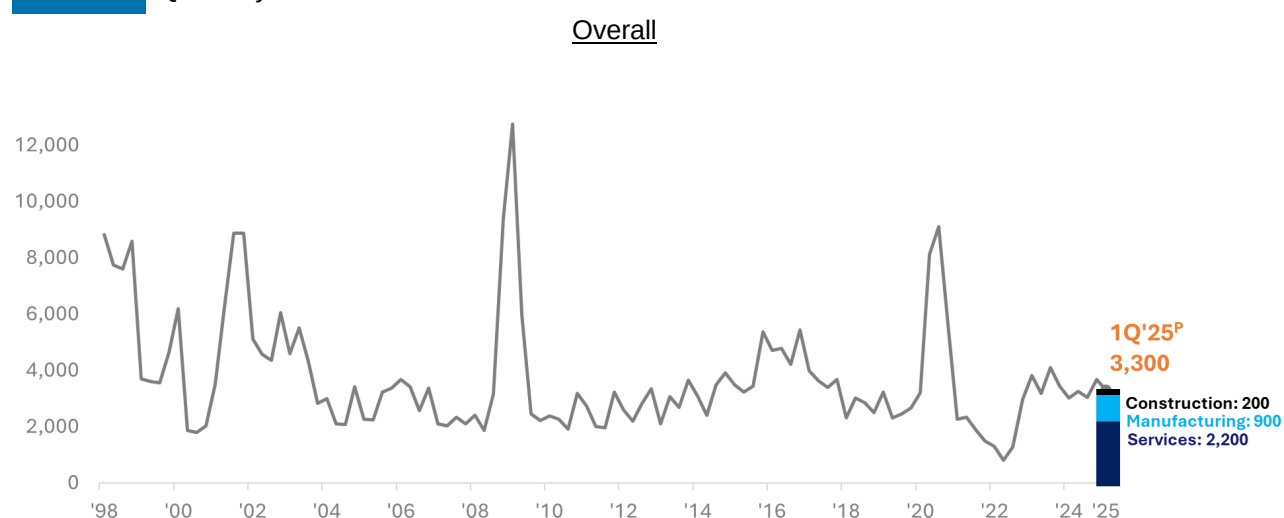
⁷ From 2015 to 2019, the range was – overall: 1.8% - 2.3%; residents: 2.5% - 3.3%; citizens: 2.7% - 3.5%.

Retrenchments^P

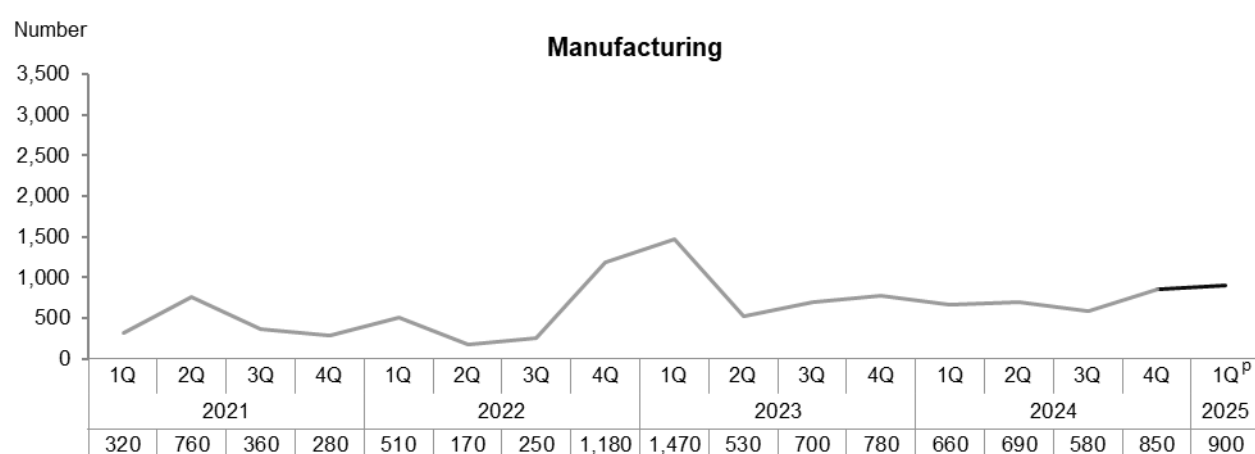
The number of retrenchments fell to 3,300, down from 3,680 in 4Q 2024. The incidence of retrenchment remained low at 1.3 retrenched per 1,000 employees in 1Q 2025 and had declined slightly from 1.5 in 4Q 2024.

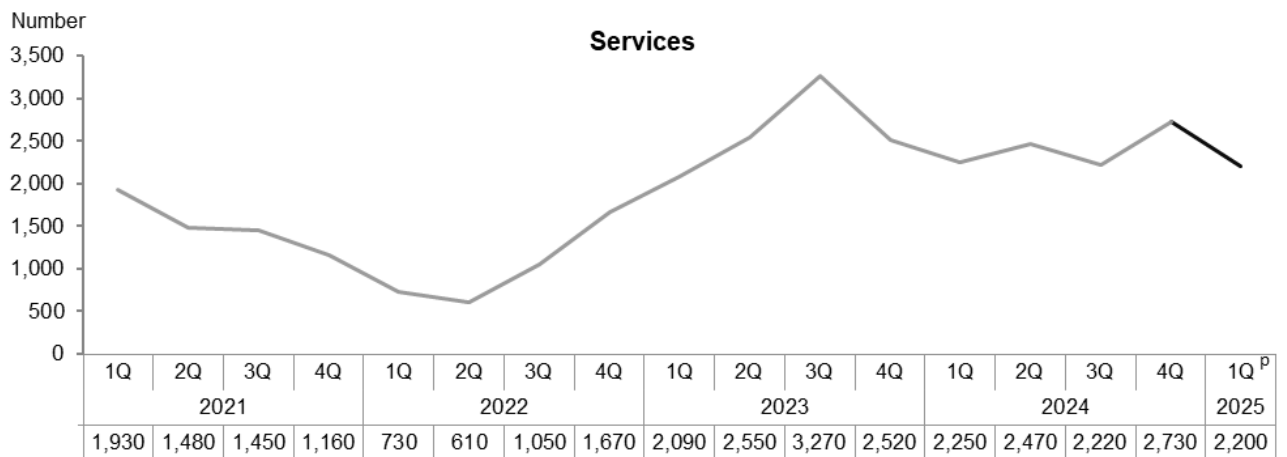
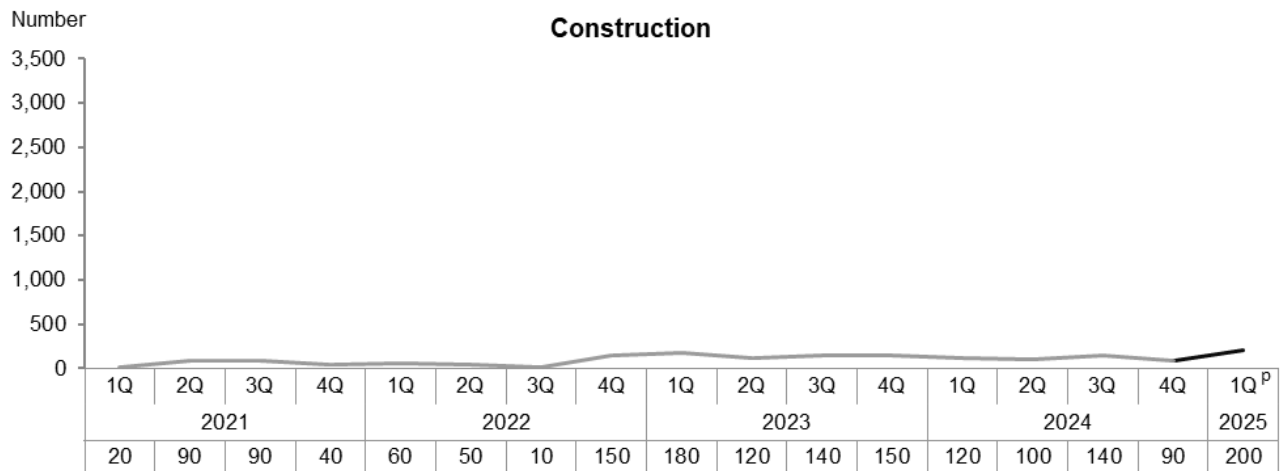
Retrenchments were either stable or lower across most sectors, with business reorganisation or restructuring remaining the top reason for retrenchments in 1Q 2025.

Chart 3 Quarterly Retrenchments



By Sector





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

P: Preliminary

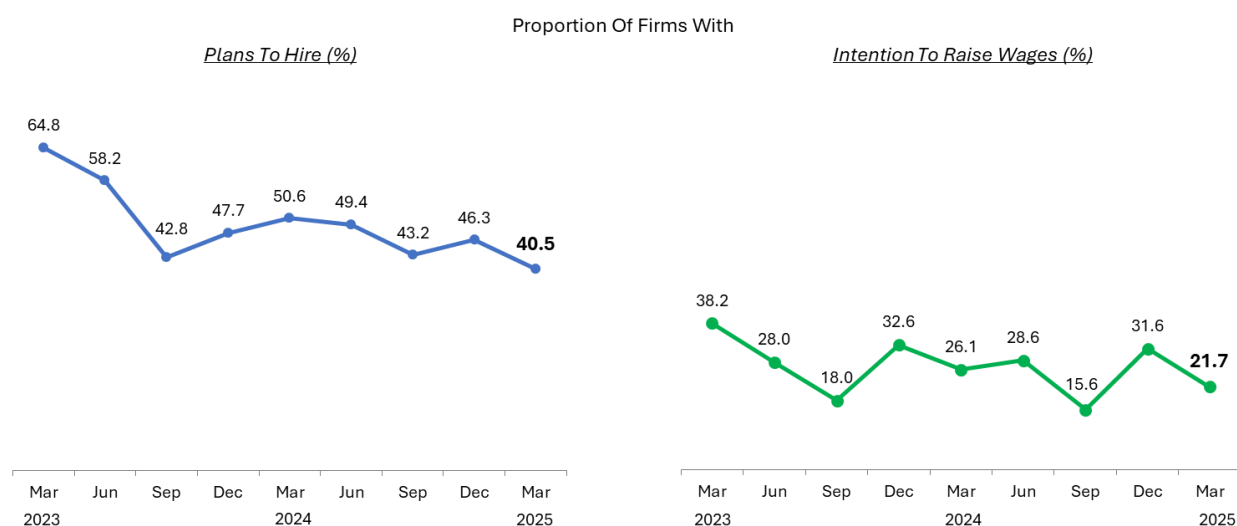
Notes:

- (1) Before 2006, the survey covered 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.
- (2) The industries are classified based on SSIC 2020.
- (3) Data for the three major sectors may not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

Looking ahead, the labour market is expected to soften further. The deterioration in Singapore's economic outlook⁸ will weigh on firms' hiring and wage expectations moving forward.

In fact, MOM's forward-looking polls in March 2025 found that business sentiments have become more cautious, compared to the more optimistic outlook in December 2024. In December 2024, more employers indicated plans to hire (46.3%) and raise wages (31.6%) over the next three months compared to September 2024 (43.2% and 15.6% respectively). In March 2025, however, fewer employers expect to hire (40.5%) or increase wages (21.7%) compared to December 2024.

Chart 4 Hiring and Wage Expectations for the Next Three Months



Source: Manpower Research & Statistics Department, MOM

Note:

Data reflect the proportion of companies that indicated 'yes' or 'maybe' to having plans to hire or to raising wages in the next three months.

⁸ MTI has downgraded Singapore's GDP growth forecast for 2025 from "1.0% to 3.0%" to "0.0% to 2.0%", as announced in the press statement on the advance GDP estimates for 1Q 2025 released on 14 April 2025.

Explanatory Notes

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 resident employees are compiled from the Central Provident Fund (CPF) Board's administrative records of active contributors, defined as resident employees who have at least one CPF contribution paid for him/her. A resident 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 resident 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 non-residents working in Singapore are compiled from administrative records of non-residents on valid work passes issued by the Ministry of Manpower. Non-residents 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.

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 obtained from the survey with non-resident employment data compiled from administrative records.¹

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 falls 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.

¹ Population figures for each quarter will be finalised in the next quarter. Unemployment data are therefore subject to the latest available population estimates.

Unemployment rates by specific groups, defined e.g. by age and educational attainment are useful in identifying groups of workers most vulnerable to unemployment.

Release Schedule

From July 2020, top-line unemployment rates for overall, residents and citizens for the month will be released on a monthly basis by the first week of the month after next. This availability of top-line unemployment rates on a monthly basis will enable us to detect shifts in the unemployment situation in a more timely manner. The information will be made available on the Ministry of Manpower's statistical portal <https://stats.mom.gov.sg>.

Additional breakdown on unemployment by profile e.g. age, education, will continue to be made available in the Labour Market Reports released at the end of every quarter. This is because variations in the profile of the unemployed are unlikely in the short term.

Data Quality

To ensure data quality, the Department analyses each survey response to identify and resolve inconsistencies that may suggest an inaccurate response. A response rate of at least 85% is achieved for the monthly labour force survey so as to ensure the sample retains its representativeness.

Seasonal Adjustment

The unemployment time series are influenced by seasonality – periodic fluctuations due to recurring calendar-related events such as holidays, and the beginning and end of school terms. Seasonal adjustment removes the influences of these fluctuations and allows users to derive a more meaningful analysis of the trends in a data series, especially for those with strong seasonal patterns.

The seasonally adjusted figures are derived using X-12 ARIMA program which removes seasonal influences in the data series. To ensure a more accurate reflection of seasonally adjusted figures, concurrent seasonal adjustment is also being done and the latest information available will be incorporated.

Revisions

In order to present timely data at the highest frequency, the monthly unemployment figures are subjected to revisions when the latest population figure becomes available or when the seasonal factors are updated with the latest data.

OTHER RELEASES



UPCOMING ...

Report on Wage Practices 2024	26-30 May 2025*
Labour Market Report First Quarter 2025	09-13 Jun 2025*
Labour Market Advance Release Second Quarter 2025	30-31 Jul 2025*
Labour Market Report Second Quarter 2025	08-12 Sep 2025*

PAST ...

Labour Market Advance Release First Quarter 2025	28 Apr 2025
Job Vacancies 2024	28 Mar 2025
Labour Market Report Fourth Quarter 2024	19 Mar 2025
Labour Force In Singapore 2024	27 Jan 2025
Labour Market Advance Release Fourth Quarter 2024	27 Jan 2025
Labour Market Report Third Quarter 2024	09 Dec 2024
Labour Force in Singapore Advance Release 2024	28 Nov 2024
Labour Market Advance Release Third Quarter 2024	29 Oct 2024

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**The actual date of release will be indicated at least a week before the scheduled publication date.*