

Second Quarter 2021

Labour Market Advance Release



MINISTRY OF
MANPOWER

Manpower Research
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE SECOND QUARTER 2021

ISSN 0219-2527

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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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Statistics compiled and disseminated by the MRSD adhere to international standards on official statistics set by the International Labour Organisation and International Monetary Fund.

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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

1. The Phase 2 (Heightened Alert) from 16 May to 13 June 2021 had some impact on employment growth. Advance estimates showed that resident employment growth slowed in 2Q 2021, reflecting declines in sectors which were directly affected by the tightened measures. Resident employment continued to grow in other sectors, some at a slower pace. Non-resident employment continued to decline mainly due to on-going border restrictions. As the slower pace of resident employment growth was outweighed by the sharper declines in non-resident employment, total employment (excluding Migrant Domestic Workers or MDWs) declined in 2Q 2021 (-15,700).
2. However, the impact was not observed for unemployment and retrenchments. Unemployment rates eased further in June 2021 (overall: from 2.8% to 2.7%; resident: from 3.8% to 3.7%; citizen: from 4.0% to 3.8%), though they were not yet back to pre-pandemic levels.
3. While retrenchments increased slightly, majority of the retrenchments were due to business re-organisation/restructuring, or downturn in certain industries. The number of retrenchments also continued to stay within levels observed during the pre-pandemic quarters.
4. On the whole, the tighter measures, as well as the rise in the Delta variant COVID-19 cases globally, had also dampened hiring sentiments among companies. Although majority of companies polled in June 2021 (64%) indicated they had plans to hire, the proportion was lower in comparison to March 2021 (73%).

The *Labour Market Report 2Q 2021*, to be released in mid-September 2021, will provide more details, such as resident and non-resident employment, sectoral breakdowns, number of job vacancies, labour turnover, and re-entry rates among retrenched residents. This will give us a fuller picture of the labour market situation in 2Q 2021.

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

Overview

Preliminary estimates on employment, unemployment and retrenchments showed that the Phase 2 (Heightened Alert) measures from 16 May to 13 June 2021 had impacted resident employment growth in 2Q 2021. Resident employment grew only modestly and this slower growth was outweighed by the continued decline in non-resident employment. As a result, total employment contracted in 2Q 2021. The unemployment and retrenchment indicators did not show up much impact from the tightened measures. Unemployment rates eased further in June 2021 but were not yet back to pre-pandemic levels. The number of retrenchments increased slightly, with companies citing re-organisation/restructuring, or business downturn within their industry, as common reasons for the layoffs.

Employment^{P,1,2}

Total employment fell in 2Q 2021 (-15,700) after registering its first increase in the previous quarter following a year of declines in 2020. This was a result of slower resident employment growth in response to tighter measures, and the steep decline in non-resident employment.³

The slower resident employment growth in 2Q 2021 was attributed to declines in domestic sectors more directly impacted by the tighter safe management measures, such as *Food & Beverages Services* and *Retail Trade*. On the other hand, resident employment continued to grow steadily in outward-oriented sectors such as *Information & Communications* and *Professional Services*, as well as in *Community, Social & Personal Services*⁴.

Non-resident employment declined more sharply across most sectors, amid continued restrictions on the inflow of migrant workers.

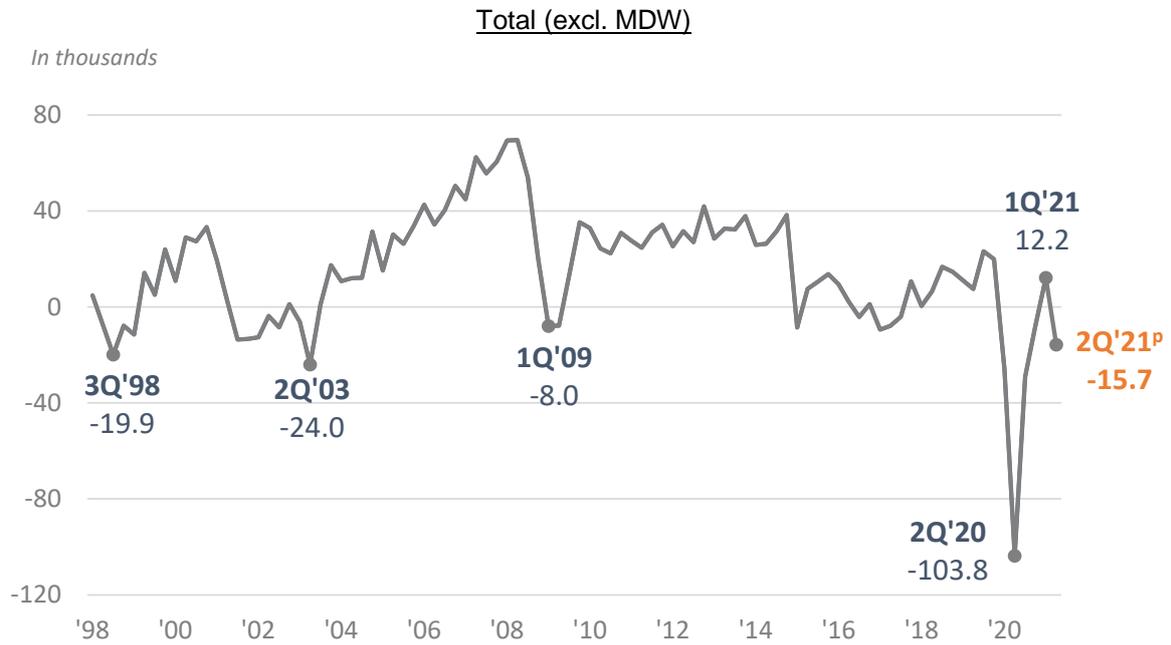
¹ Employment figures cited in this report exclude Migrant Domestic Workers (MDWs).

² Based on preliminary estimates, 443,000 persons were employed in *Manufacturing*, 399,200 in *Construction*, and 2,729,800 (2,484,200 excl. MDW) in *Services* in June 2021. Employment totalled 3,598,000 (3,352,400 excl. MDW) in June 2021 (total includes other sectors like agriculture, fishing etc.).

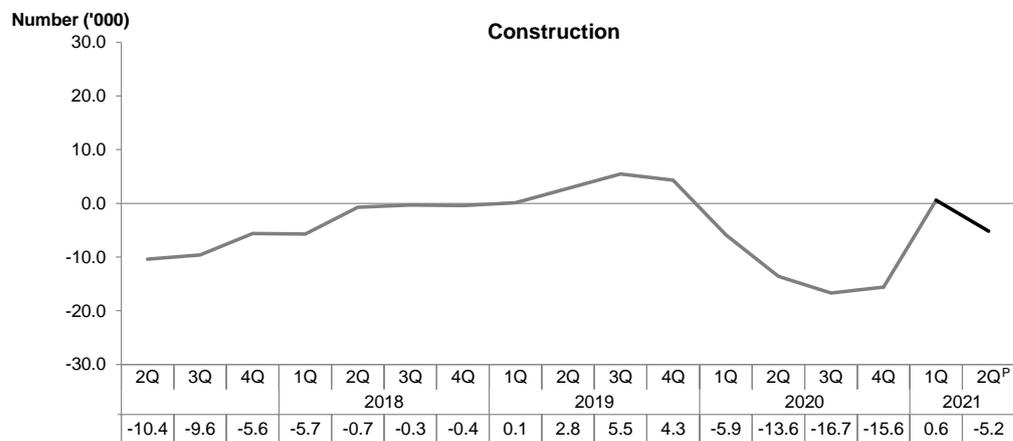
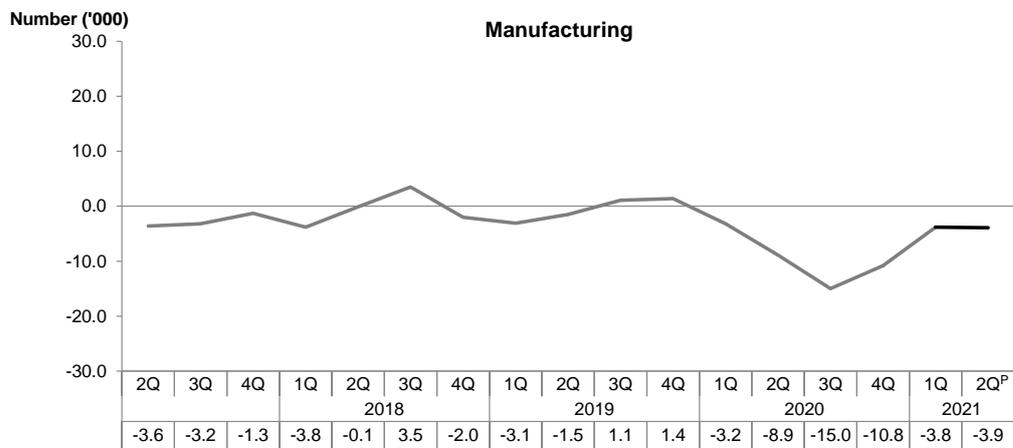
³ As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release.

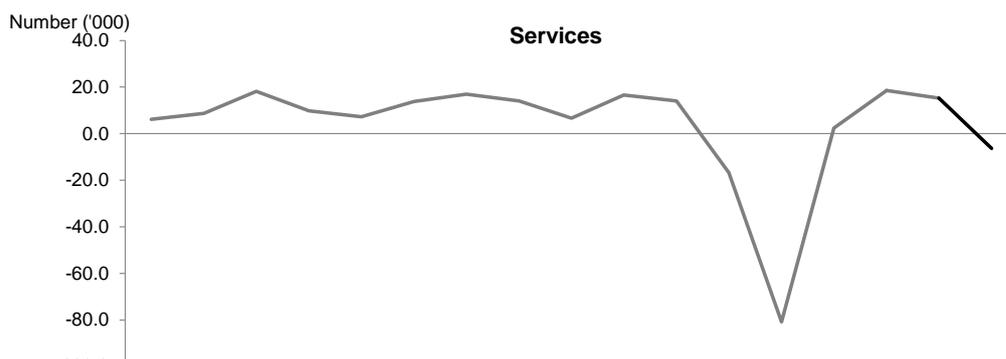
⁴ Mainly in *Health & Social Work*.

Chart 1 Quarterly Employment Change By Sector



By Sector





	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^P
	2018				2019				2020				2021				
Services	6.8	10.4	20.2	13.1	7.2	16.4	18.2	16.7	5.9	20.9	15.8	-16.4	-90.5	-2.9	18.7	17.2	-10.0
Services (excl MDW)	6.2	8.7	18.2	9.8	7.2	13.8	17.0	14.0	6.6	16.6	14.1	-16.8	-80.8	2.4	18.5	15.3	-6.3

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

^P: Preliminary

Notes:

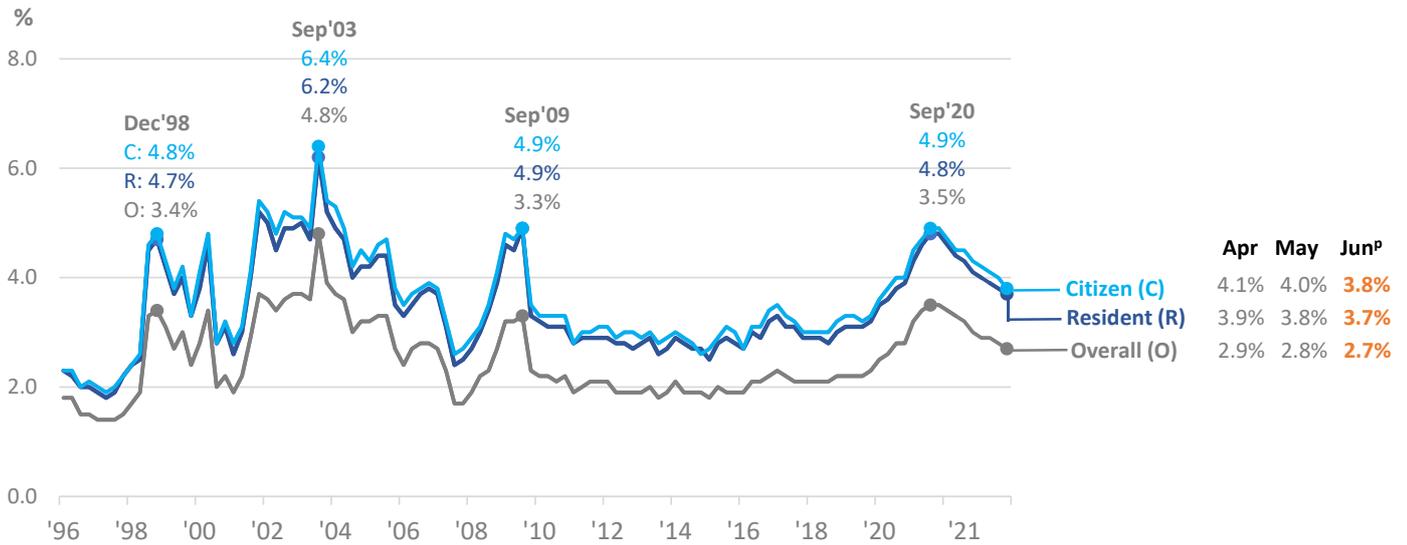
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) The industries are classified based on SSIC 2015.
- (4) Employment change refers to the difference between employment level at the end of the reference period and that of the end of the preceding period.
- (5) Data for 1Q 2021 are revised at the industry level to reflect updates in industry classification of firms.

Unemployment

The unemployment situation eased further in June 2021. Unemployment rates saw a continued decline of 0.1%-point in June 2021 for overall (from 2.8% to 2.7%) and residents (from 3.8% to 3.7%). The citizen unemployment rate fell by 0.2%-point, from 4.0% in May 2021 to 3.8% in June 2021. Since peaking in September 2020, unemployment rates had been falling steadily though they are not back to pre-pandemic levels.

Over the quarter, the number of unemployed residents⁵ fell from 95,500 in March 2021 to 86,600 in June 2021.

Chart 2 Unemployment Rates (Seasonally Adjusted)



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

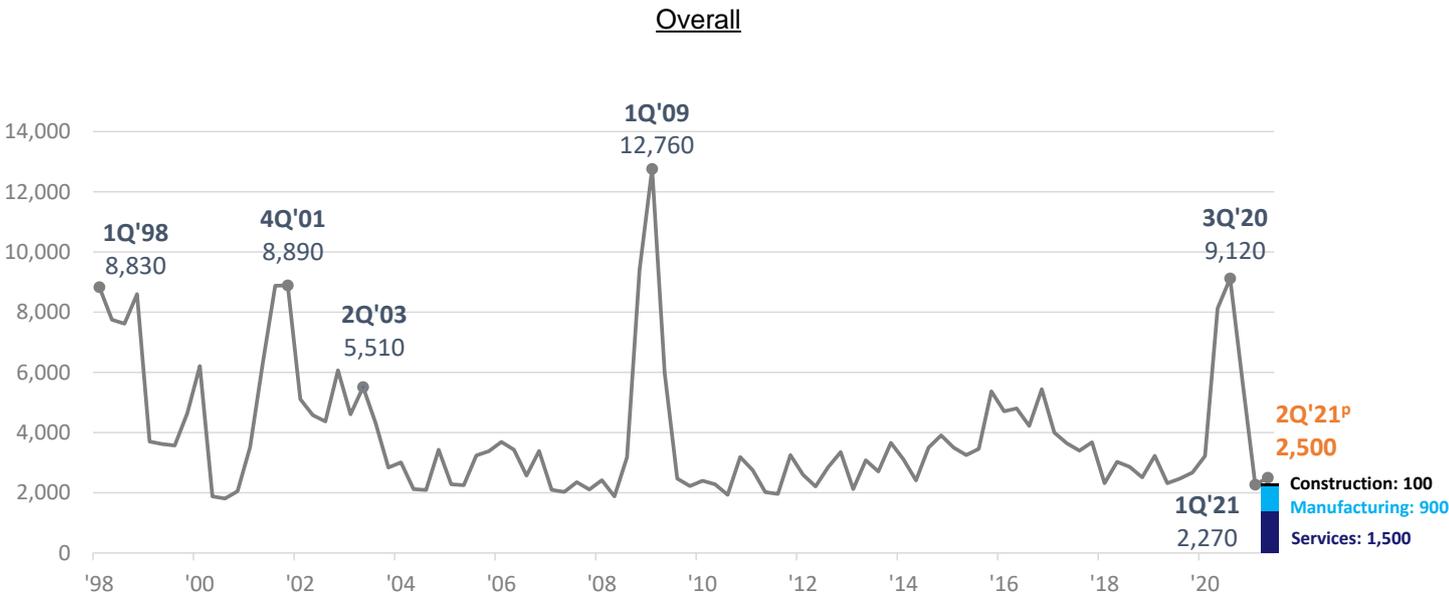
⁵ “Residents” refers to Singapore Citizens and Permanent Residents.

Retrenchment^P

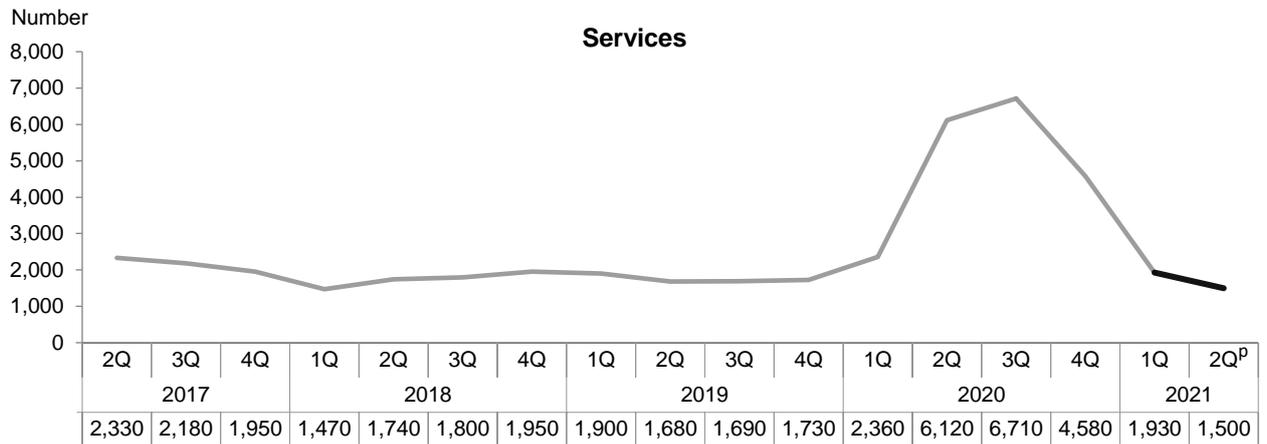
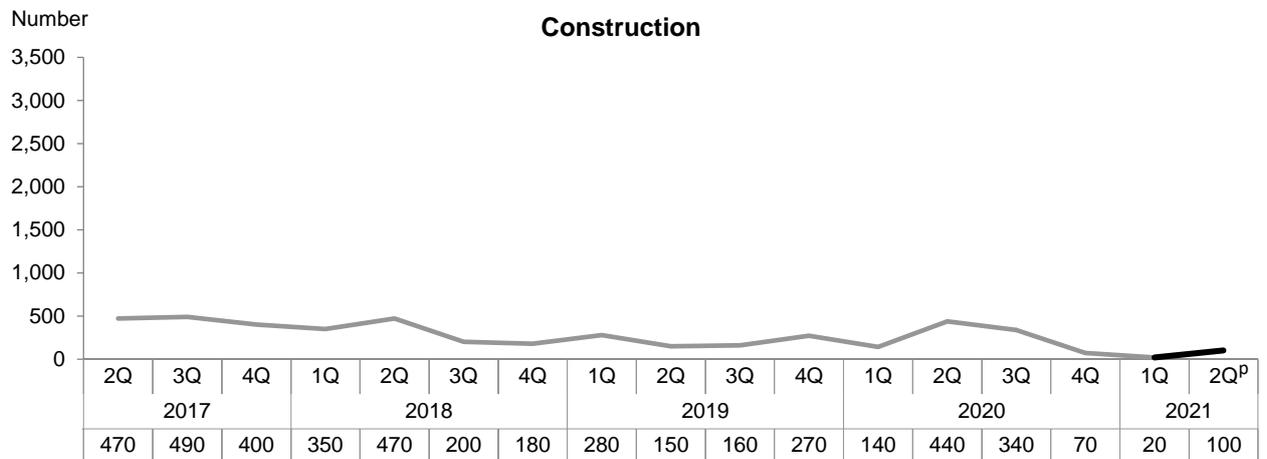
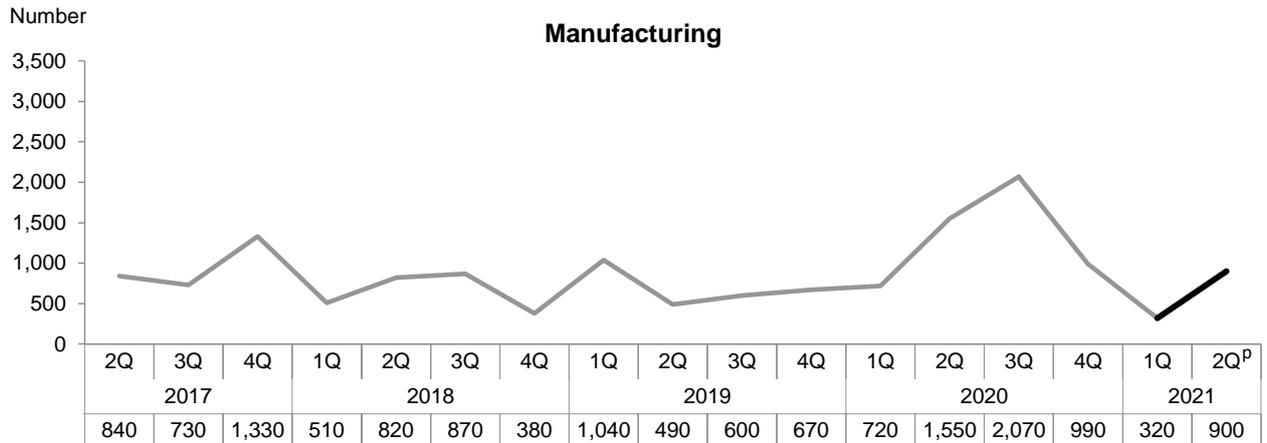
Based on latest survey returns to date, retrenchments are expected to remain low in 2Q 2021 (2,500), but up slightly from the previous quarter (2,270). The increase in retrenchments was mainly attributed to a modest uptick in layoffs in the *Manufacturing* and *Construction* sectors. In sectors directly impacted by the tighter restrictions, such as *Food & Beverages Services*, no notable increases were observed. Retrenchments in the *Services* sector continued to decline, namely in *Air Transport & Supporting Services*.

The likelihood of retrenchments in 2Q 2021 is expected to be similar (1.3 retrenched per 1,000 employees) to that of 1Q 2021 (1.2), and comparable to pre-pandemic levels.

Chart 3 Quarterly Retrenchments By Sector



By Sector



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

^P: Preliminary

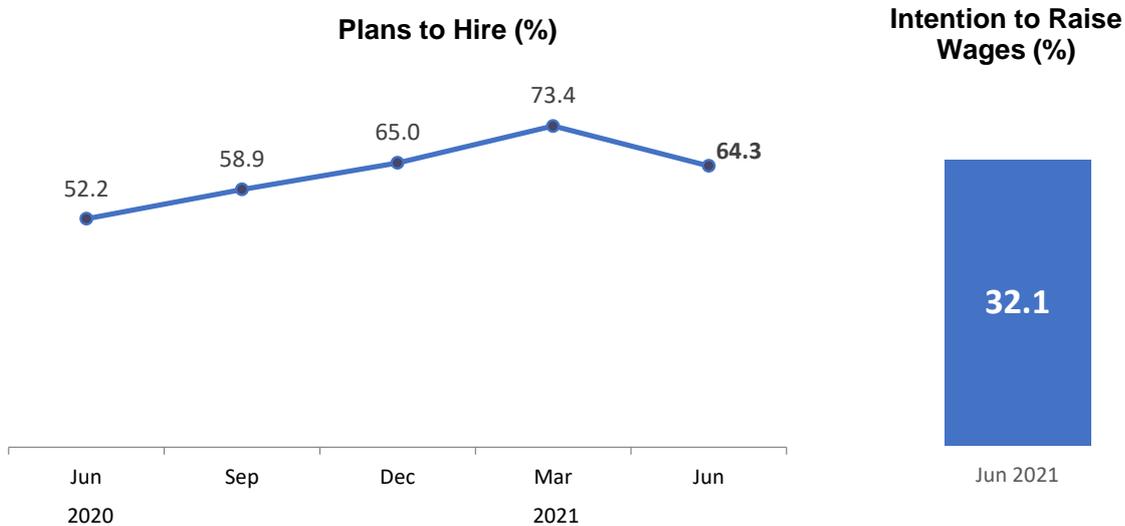
Notes:

- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2015.
- (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.

The rise in Delta variant COVID-19 cases globally as well as the Phase 2 (Heightened Alert) measures from 16 May to 13 June may have dampened the hiring intent of companies. Although two-thirds of the companies polled in June 2021 (64%) indicated they had plans to hire, this was down from the 73% in March 2021.

In June 2021, the Department also started to poll companies on their plans on raising wages. Among the companies polled, about 1 in 3 companies indicated intention to raise wages within the upcoming three months (32%).

Chart 4 Company Plans and Hiring Intent for the Next Three Months



Source: Manpower Research & Statistics Department, MOM

Note:

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

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, 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 employment 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> and in the Jobs Situation Report.

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.

Retrenchments

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

Retrenchment refers to

- i) termination of permanent employees due to redundancy; and
- ii) early termination of term contract employees due to redundancy.

In the public sector, it includes those who left service under the Special Resignation Scheme².

Uses and Limitations

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

The number of retrenched persons (flow) should not be confused with persons unemployed (stock). Not all retrenched persons will be unemployed as some will re-enter into employment or decide to leave the labour force. If the persons have not found a new job and are actively looking and available for work, they join the pool of unemployed.

² The Special Resignation Scheme (introduced in April 1988) allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

OTHER RELEASES



UPCOMING ...

Labour Market Report Second Quarter 2021	13-17 Sep 2021*
Labour Market Advance Release Third Quarter 2021	28-29 Oct 2021*

PAST ...

Labour Market Advance Release Second Quarter 2021	30 Jul 2021
Singapore Yearbook Of Manpower Statistics 2021	30 Jun 2021
Labour Market Report First Quarter 2021	17 Jun 2021
Labour Market Advance Release First Quarter 2021	28 Apr 2021
Job Vacancies Report 2020	9 Apr 2021
Labour Market Report 2020	16 Mar 2021
Conditions Of Employment 2020	3 Mar 2021
Labour Market Advance Release 2020	28 Jan 2021
Labour Force In Singapore 2020	28 Jan 2021

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