Second Quarter 2024

Labour Market
Advance Release

MINISTRY OF MANPOWER | Manpower Research and Statistics Department

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LABOUR MARKET ADVANCE RELEASE SECOND QUARTER 2024

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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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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

Advance estimates showed that the labour market expanded in 2Q 2024. Employment grew, while unemployment rates remained low and the number of retrenchments held steady.

- Total employment grew by 11,300 in 2Q 2024, higher than in 1Q 2024 (4,700). Non-residents accounted for all the increase, while resident employment declined slightly. Resident employment continued to rise in growth sectors such as *Financial Services*, *Information & Communications*, *Health & Social Services* and *Professional Services*.

- The slight decline in overall resident employment was due to a seasonal contraction in *Retail Trade,* as employers temporarily hire more workers in the fourth quarter of each year in preparation for year-end festivities.

- Non-resident employment growth in 2Q 2024 was from lower-skilled Work Permit (WP) Holders working in non-PMET roles in *Construction* and *Manufacturing.*

- Overall, for the first half of 2024, employment grew for both residents and non-residents.

- The unemployment situation has improved. Unemployment rates declined in June 2024 compared to May 2024 (overall: from 2.1% to 2.0%; residents: 2.9% to 2.7%; and citizens: 3.0% to 2.8%).

- The number of retrenchments held steady in 2Q 2024 (3,100) compared to 1Q 2024 (3,030). Retrenchment levels were broadly stable in most sectors, with business reorganisation/ restructuring remaining the top reason for retrenchments in 2Q 2024.

Forward-looking polls on hiring and wage expectations were unchanged from the previous quarter. As a result, we expect labour market momentum to be sustained, with wages and employment continuing to grow in tandem, with an expected gradual pick-up in Singapore's economy. However, with slowing resident workforce growth and low resident unemployment rates, continued growth in resident employment is likely to become more muted.

The *Labour Market Report Second Quarter 2024*, to be released in mid-September 2024, 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.

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

Overview

Advance estimates showed that the labour market expanded in 2Q 2024. Employment grew, while unemployment rates remained low and the number of retrenchments held steady.

Forward-looking polls on hiring and wage expectations were unchanged from the previous quarter. As a result, we expect labour market momentum to be sustained, with wages and employment continuing to grow.

Employment[P,1,2]

Total employment grew by 11,300 in 2Q 2024, higher than the growth of 4,700 in 1Q 2024. Resident[3] employment[4] continued to rise in growth sectors such as *Financial Services*, *Information & Communications*, *Health & Social Services* and *Professional Services*.

However, at the overall, resident employment saw a slight decline in 2Q 2024, following strong growth in the previous quarter. This was due to a seasonal decline in *Retail Trade*, as employers temporarily hire more workers in the fourth quarter of each year in preparation for year-end festivities.

After declining in the previous quarter, non-resident employment increased and accounted for all the employment growth in 2Q 2024. Non-resident employment growth in 2Q 2024 was from lower-skilled Work Permit (WP) Holders working in non-PMET roles in *Construction* and *Manufacturing*, which residents do not typically take on. The rise in *Construction* after the contraction last quarter reflected firms adapting to the sector's change in Dependency Ratio Ceiling.

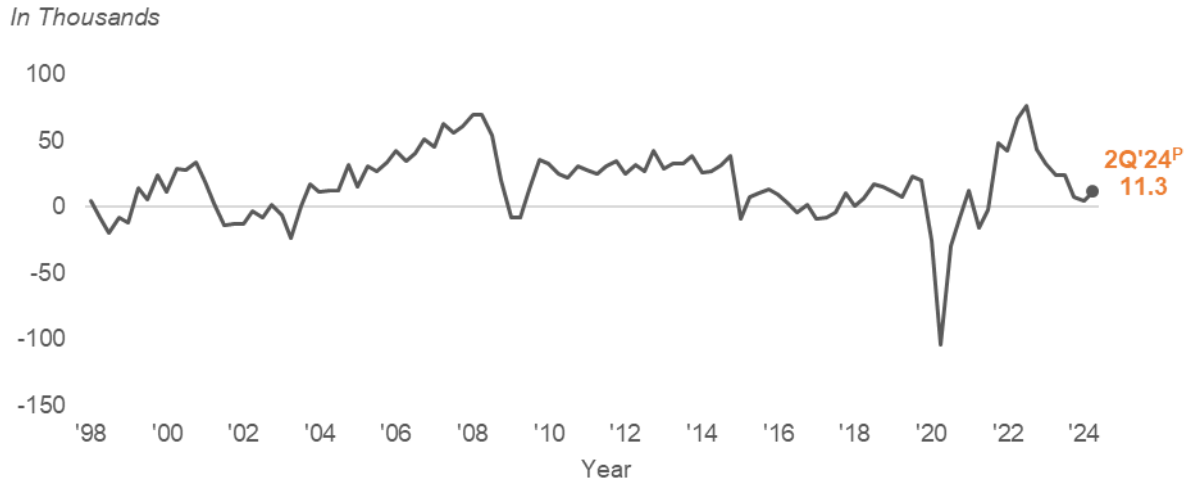
A rebound in non-resident employment from the previous quarter suggested continued demand for labour in the economy. While resident employment contracted slightly, this was not unexpected as resident employment typically dips or posts smaller increases in the second quarter.

Overall, for the first half of 2024, employment grew for both residents and non-residents.

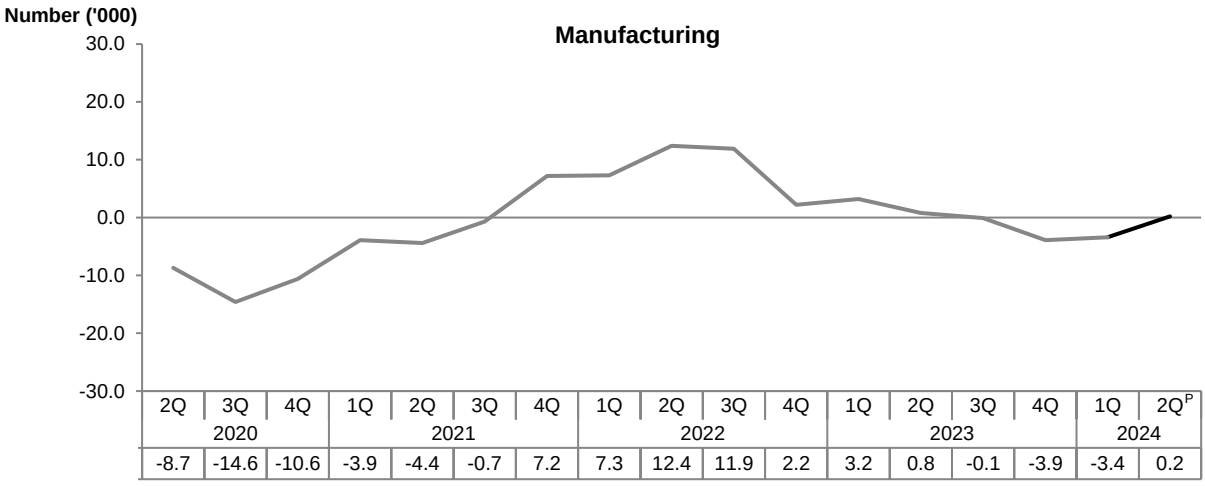
[1] Employment figures cited in this report exclude Migrant Domestic Workers (MDWs).
[2] Based on preliminary estimates, 483,400 persons were employed in *Manufacturing*, 529,300 in *Construction*, and 2,971,500 (2,676,600 excl. MDW) in *Services* in June 2024. Employment totalled 4,009,600 (3,714,800 excl. MDW) in June 2024 (total includes other sectors like agriculture, fishing etc.).
[3] "Resident" refers to Singapore Citizens and Permanent Residents.
[4] 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 Second Quarter 2024, to be released in mid-September 2024.

Chart 1 Quarterly Employment Change

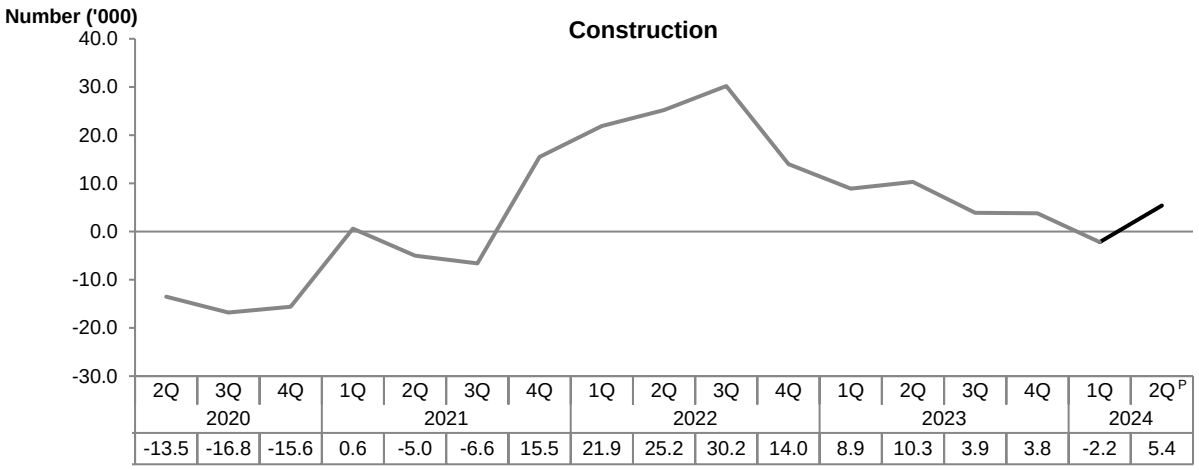
Total (excl. MDW)



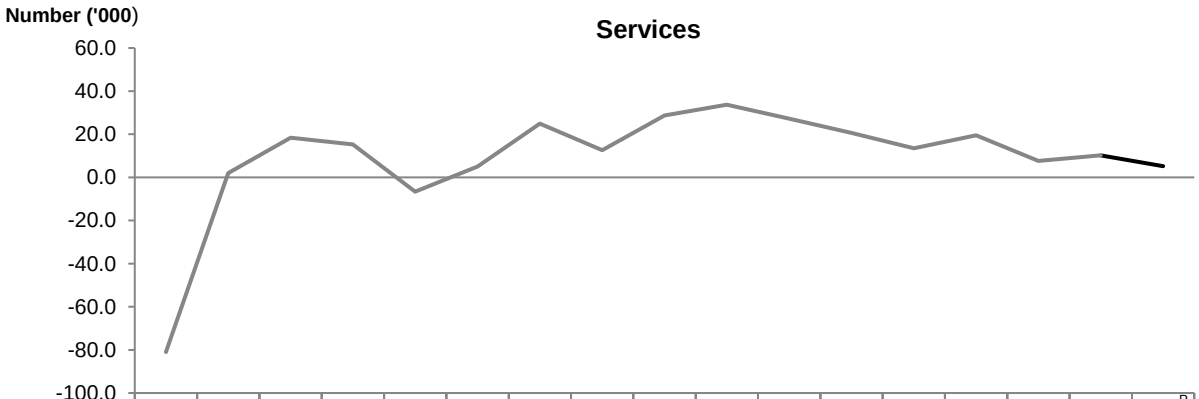
By Sector



2020			2021				2022				2023				2024	
2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q^P
-8.7	-14.6	-10.6	-3.9	-4.4	-0.7	7.2	7.3	12.4	11.9	2.2	3.2	0.8	-0.1	-3.9	-3.4	0.2



2020			2021				2022				2023				2024	
2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q^P
-13.5	-16.8	-15.6	0.6	-5.0	-6.6	15.5	21.9	25.2	30.2	14.0	8.9	10.3	3.9	3.8	-2.2	5.4



	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024[P]
Services	-90.8	-3.3	18.5	17.1	-10.3	-1.0	31.6	18.0	33.3	41.3	31.8	26.2	15.9	25.1	11.8	15.1	8.8
Services (excl MDW)	-81.0	2.0	18.4	15.3	-6.6	5.0	24.9	12.6	28.7	33.7	27.2	20.6	13.5	19.5	7.6	10.2	5.2

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 2020.

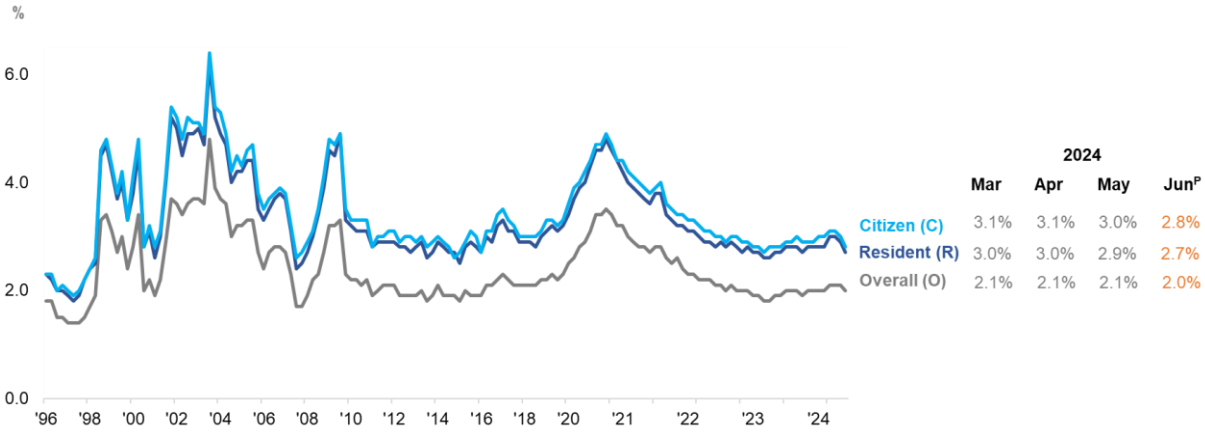
(4) Employment change refers to the difference between employment level at the end of the reference period and that of the end of the preceding period.

(5) Data for 1Q 2024 are revised at the industry level to reflect updates in industry classification of firms.

Unemployment[P]

Unemployment rates declined in June 2024 compared to May 2024 (overall: from 2.1% to 2.0%; residents: 2.9% to 2.7%; and citizens: 3.0% to 2.8%) and remained within the range of non-recessionary periods[5].

Chart 2 Unemployment Rates (Seasonally Adjusted)



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

[P]: Preliminary

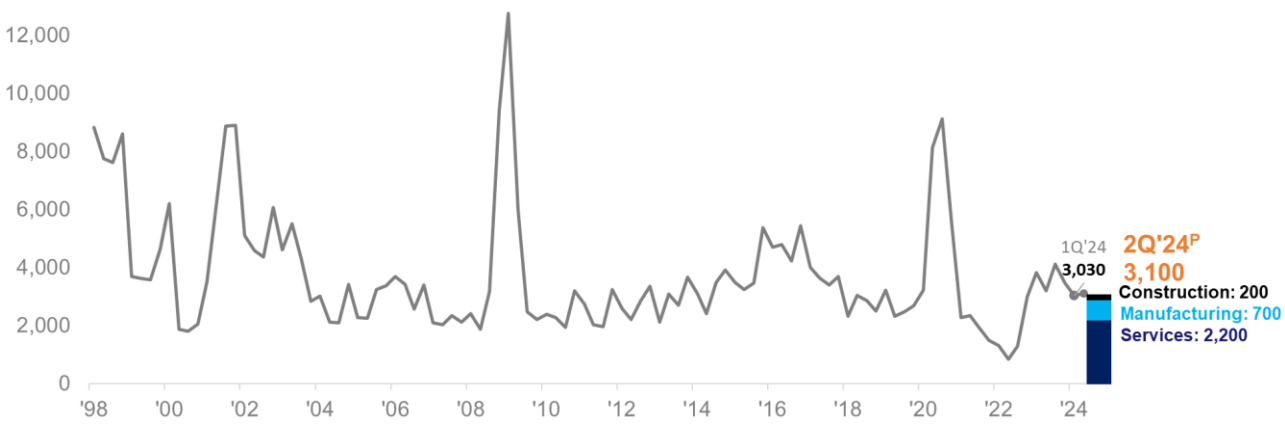
[5] From 2015 to 2019, the range was – overall: 1.8% - 2.3%; residents: 2.5% - 3.3%; citizens: 2.7% - 3.5%.

Retrenchments[P]

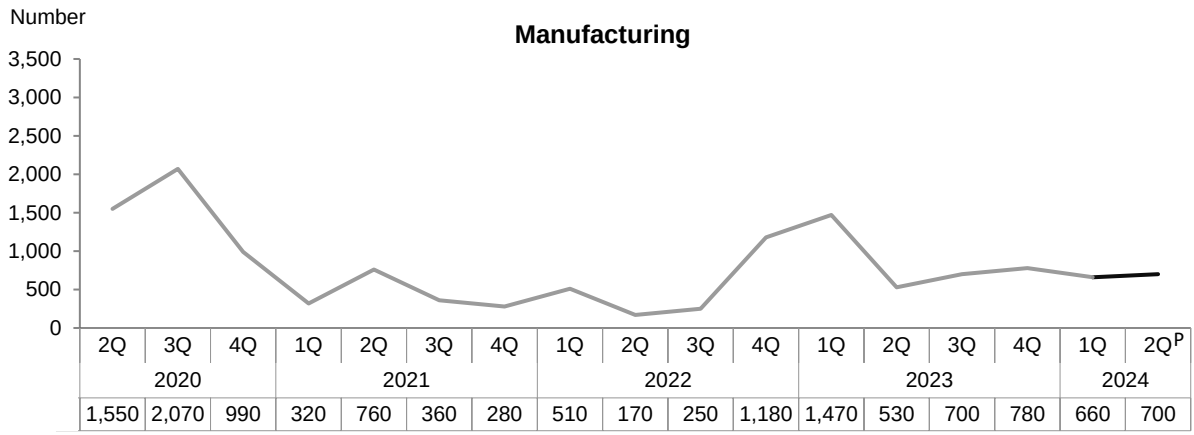
The number of retrenchments held steady in 2Q 2024 (3,100) compared to 1Q 2024 (3,030). Retrenchment levels were broadly stable in most sectors, with business reorganisation/ restructuring remaining the top reason for retrenchments in 2Q 2024.

Chart 3 Quarterly Retrenchments

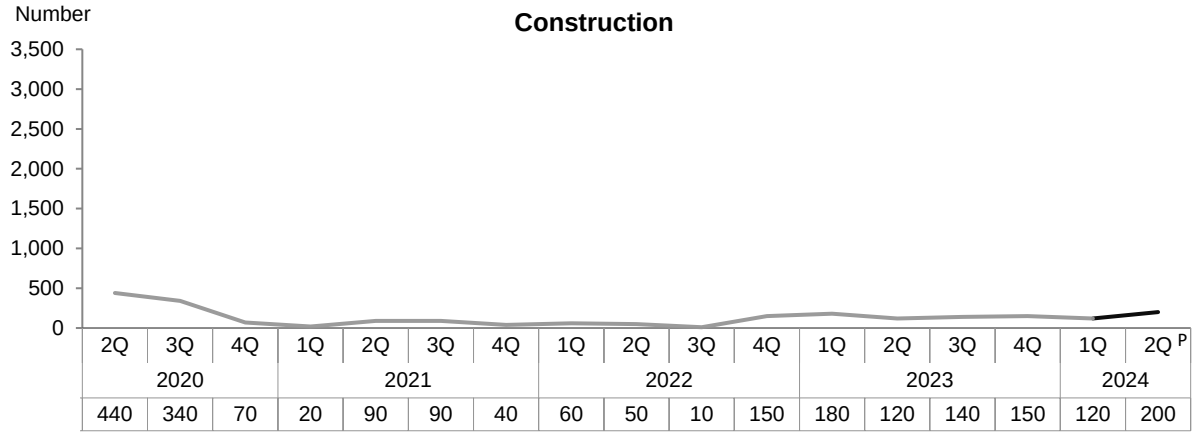
Overall



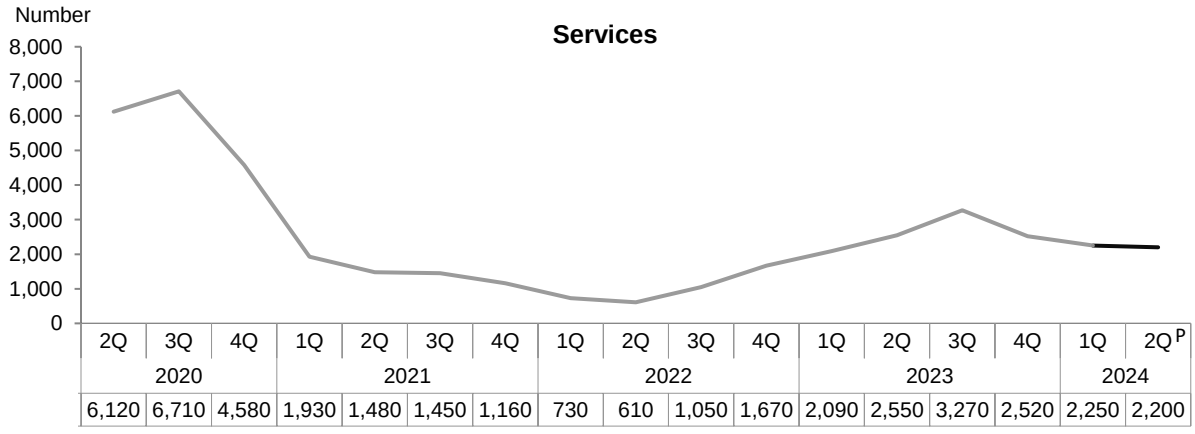
By Sector



2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q[P]
2020			2021				2022				2023				2024	
1,550	2,070	990	320	760	360	280	510	170	250	1,180	1,470	530	700	780	660	700



	2020			2021				2022				2023				2024	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q [P]
	440	340	70	20	90	90	40	60	50	10	150	180	120	140	150	120	200



	2020			2021				2022				2023				2024	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q [P]
	6,120	6,710	4,580	1,930	1,480	1,450	1,160	730	610	1,050	1,670	2,090	2,550	3,270	2,520	2,250	2,200

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

[P]: Preliminary

Notes:

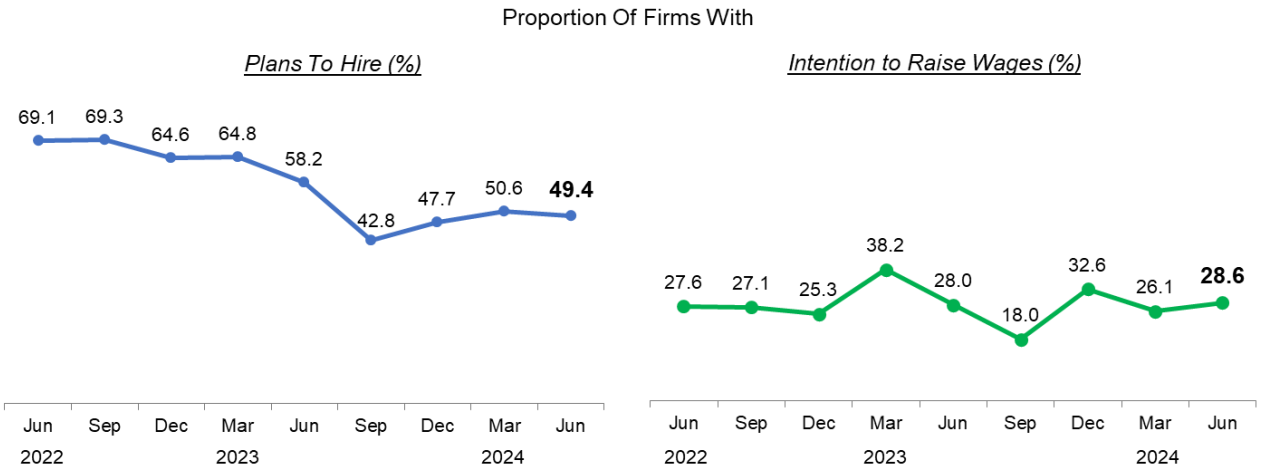
(1) Before 2006, the survey covered private sector establishments each with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.

(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.

MOM's forward-looking polls showed that hiring and wage expectations for 3Q 2024 were similar to the previous quarter. As a result, we expect labour market momentum to be sustained, with wages and employment continuing to grow in tandem with an expected gradual pick-up in Singapore's economy. However, with slowing resident workforce growth and low resident unemployment rates, continued growth in resident employment is likely to become more muted.

Chart 4 Hiring and Wage Expectations 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 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.

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 Scheme[2].

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 2024	09-13 Sep 2024*
Labour Market Advance Release Third Quarter 2024	29-30 Oct 2024*
Labour Force in Singapore Advance Release 2024	25-29 Nov 2024*
Labour Market Report Third Quarter 2024	09-13 Dec 2024*

PAST ...

Labour Market Advance Release Second Quarter 2024	31 Jul 2024
Report on Wage Practices 2023	28 Jun 2024
Singapore Yearbook of Manpower Statistics 2024	28 Jun 2024
Labour Market Report First Quarter 2024	20 Jun 2024
Labour Market Advance Release First Quarter 2024	30 Apr 2024
Job Vacancies 2023	25 Mar 2024
Labour Market Report Fourth Quarter 2023	14 Mar 2024
Labour Market Advance Release Fourth Quarter 2023	31 Jan 2024

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