

2020

Labour Market Advance Release



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MANPOWER

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and Statistics Department

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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.

For insights on the labour market, visit us at stats.mom.gov.sg

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Notations

- : nil or negligible
- P : Preliminary
- Q : Quarter
- M : March
- J : June
- S : September
- D : December

Abbreviations

- FDW : Foreign Domestic Workers
- MOM : Ministry of Manpower
- SSIC : Singapore Standard Industrial Classification
- excl : Excluding

Advance estimates showed a broad improvement in the labour market in 4Q 2020:

- Total employment (excluding Foreign Domestic Workers (FDW)) continued to contract at a slower pace in 4Q 2020 (-13,500) compared to 3Q 2020 (-29,100). The contraction was solely attributed to non-residents (-42,400).
- Resident employment is estimated to have grown further (28,900), after increasing by 43,200 in 3Q 2020. This represented a turnaround from the contractions in early 2020.
- The decline in total employment for *Manufacturing* and *Construction* was mainly due to non-residents. On the other hand, residents accounted for most of the total employment growth in *Services*, especially in *Public Administration*, *Education*, *Food & Beverage Services* and *Retail Trade*.
- Unemployment rates declined in December 2020 compared to November for overall (3.3% to 3.2%), resident (4.6% to 4.4%), and citizen (4.7% to 4.5%). This was the second consecutive month of declines. The unemployment rates in December 2020 were between 0.3 – 0.4% points lower than in September 2020, though they remained higher than in December 2019.
- Retrenchments declined (6,100) for the first time after five consecutive quarters of increase. The decline occurred for the three broad sectors.
- By the end of 2020, resident employment had rebounded to pre-COVID-19 levels, growing by 9,300 over the year. The increase in resident employment occurred mostly in growth sectors such as *Information & Communications*, *Financial Services* and *Professional Services*. Total employment contracted (-172,200), due to continued declines in non-resident employment in all quarters of 2020.
- As monthly unemployment rates in 2020 were consistently higher than in 2019, the average unemployment rates for the full year 2020 rose as well (overall: from 2.3% to 3.0%; resident: from 3.1% to 4.1%; citizen: from 3.3% to 4.2%). However, they stayed below the annual rates reflected in the past two recessionary periods: SARS in 2003 and the Global Financial Crisis in 2009.
- The total number of retrenchments is expected to reach 26,570 in 2020, a sharp increase from 2019 (10,690). However, after increases in the workforce size over the years, the incidence of retrenchment in 2020 (13.0 retrenched per 1,000 employees) remained significantly lower compared to past recessionary years.

On-going company polls by the Department pointed to notable improvements in hiring outlook. The proportion of companies polled in December 2020 indicating intention to reduce salary or headcount declined greatly to a mere 2.8% – the lowest since the polls commenced. On the other hand, the proportion of companies indicating plans to hire remained consistently high in 4Q 2020 as well, compared to past quarters.

Overview

Preliminary estimates on employment, unemployment and retrenchments showed a broad improvement in the labour market in 4Q 2020. Unemployment rates fell for the second consecutive month in December 2020 while retrenchments declined for the first time in six quarters. Resident employment also rose for the second consecutive quarter in 2020. As a result, for the full year, resident employment continued to expand amidst the COVID-19 pandemic.

Employment^{P,1}

4Q 2020

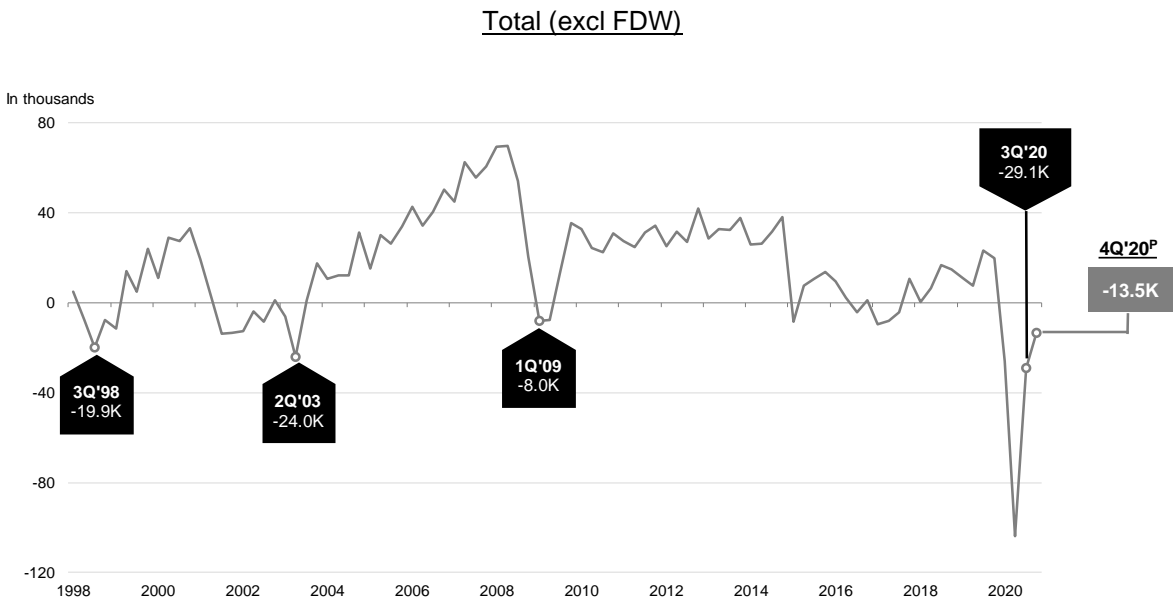
In 4Q 2020, total employment (excl FDW) continued to contract (-13,500) albeit at a significantly slower pace than it did last quarter (-29,100). The contraction was solely attributed to non-residents (-42,400) as resident employment (28,900) rose for the second consecutive quarter in 2020. This growth in resident employment came after an increase of 43,200 in 3Q 2020, representing a turnaround from the contractions in the first half of 2020.

Total employment faced considerable declines in *Manufacturing* and *Construction* in 4Q 2020, mainly attributed to reductions in non-resident employment. On the other hand, employment grew in *Services* (mainly of residents), primarily in *Public Administration* and *Education*. Seasonal hiring for the year-end festive period also boosted employment in *Food & Beverage Services* and *Retail Trade*.²

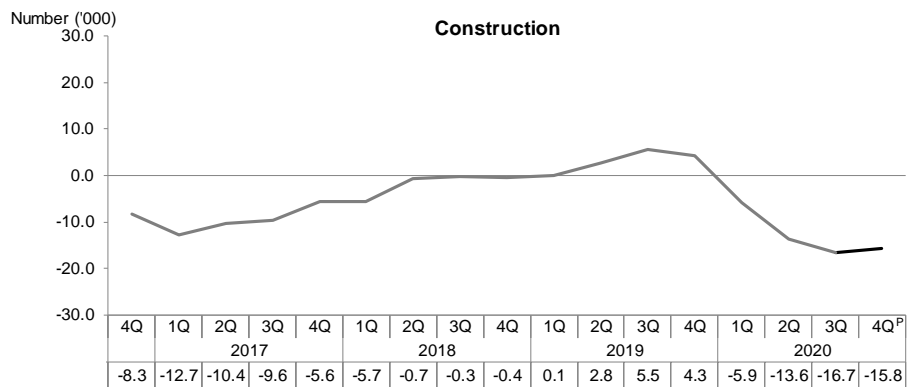
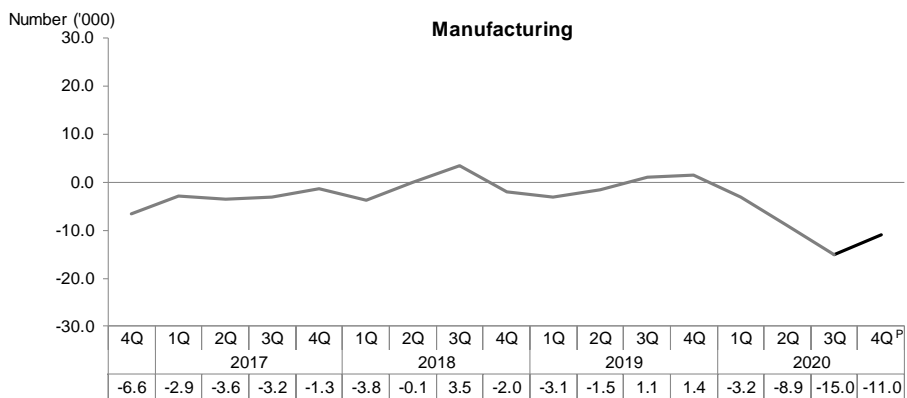
¹ Employment figures cited in this report exclude Foreign Domestic Workers (FDWs).

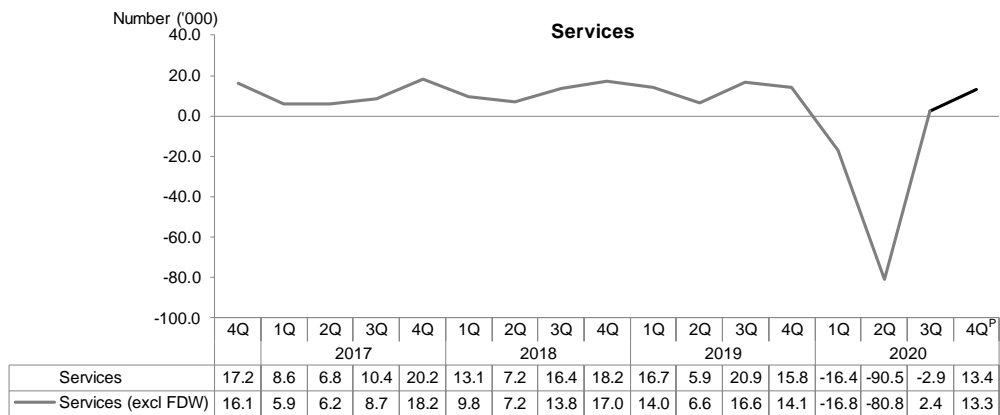
² Based on preliminary estimates, 446,800 persons were employed in Manufacturing, 404,800 in Construction, and 2,719,700 (2,472,200 excl FDW) in Services in December 2020. Employment totalled 3,597,700 (3,350,300 excl FDW) in December 2020 (total includes other sectors like agriculture, fishing etc.).

Chart 1 Quarterly Employment Change



By Sector





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

P: Preliminary

Notes:

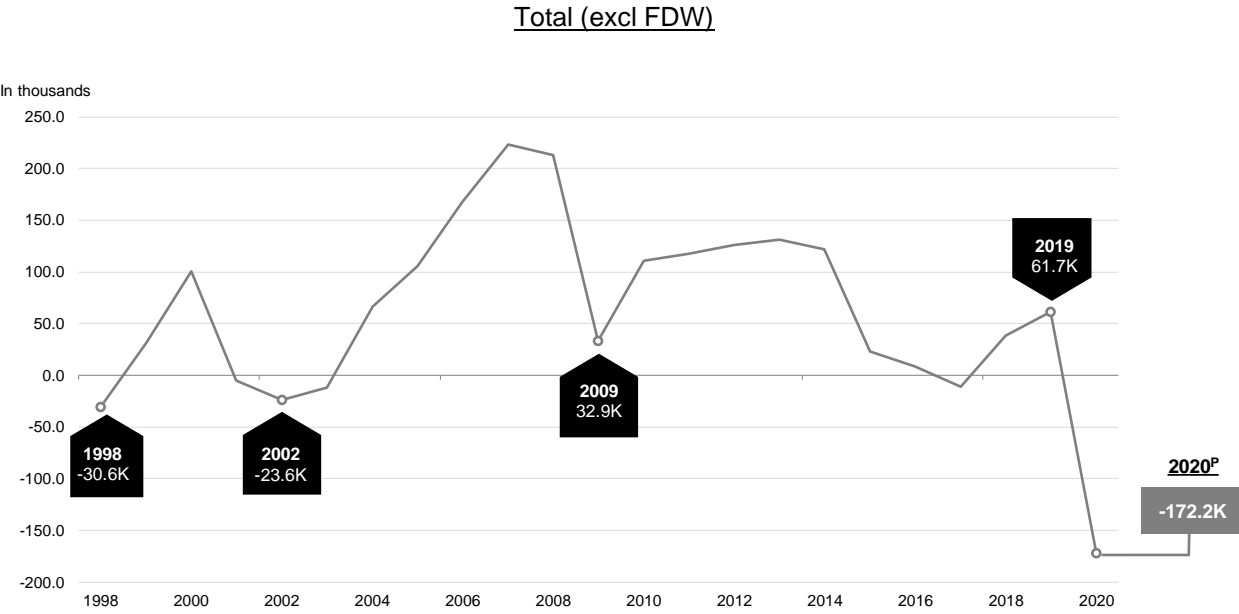
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes agriculture, fishing, quarrying, utilities and sewerage & waste management.
- (3) The 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.

Full Year 2020

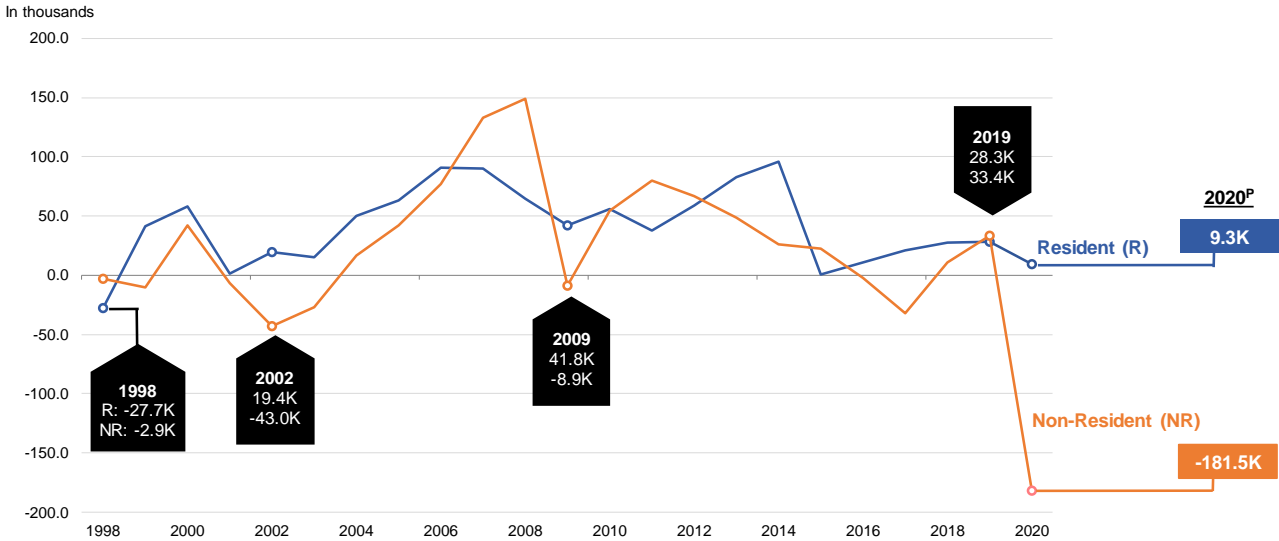
For the full year, the total employment contraction (excl. FDW) in 2020 (-172,200) was the sharpest in more than two decades. The non-resident employment contraction (-181,500) accounted for all of the employment decline in 2020. However, reflecting improvements in the second half of the year, resident employment managed modest growth in 2020 (9,300), although the increase was lower than 2019's (28,300).

The decline in non-resident employment was broad-based across all sectors. Resident employment declined mostly in sectors most affected by COVID-19, such as *Accommodation*, *Wholesale Trade*, and *Retail Trade*. The majority of the increases in resident employment were in growth sectors such as *Information & Communications*, *Financial Services* and *Professional Services*.

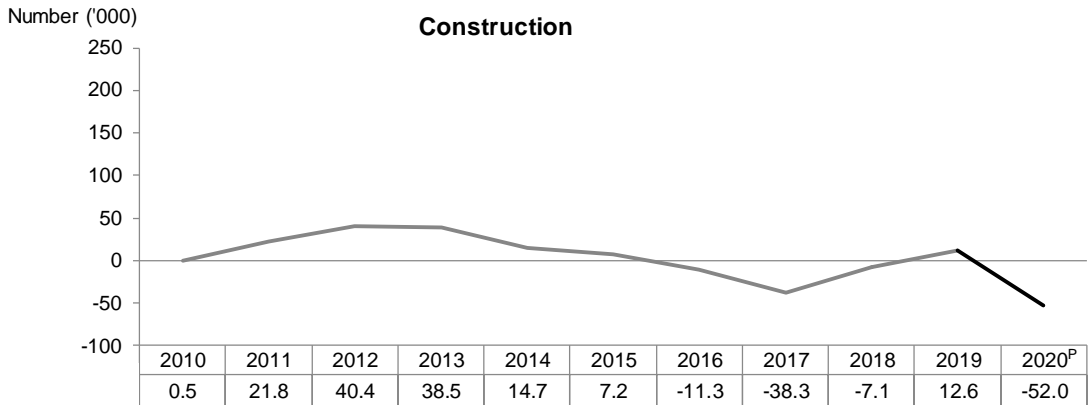
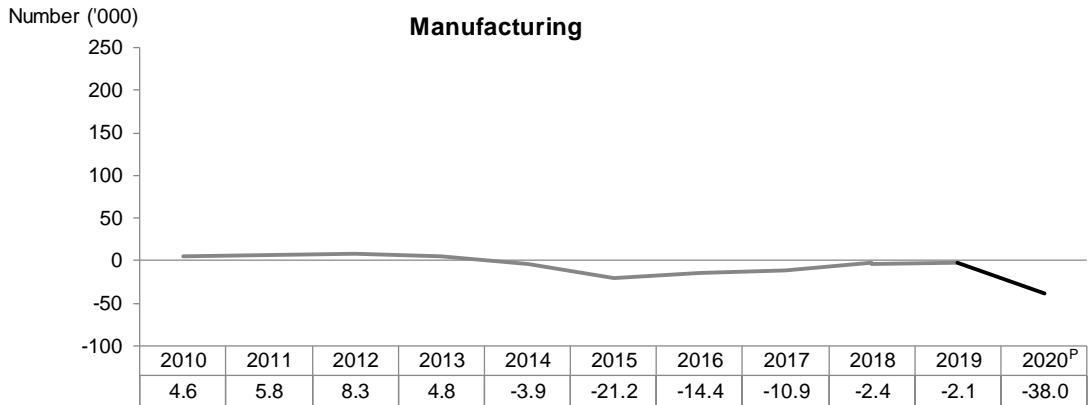
Chart 2 Annual Employment Change

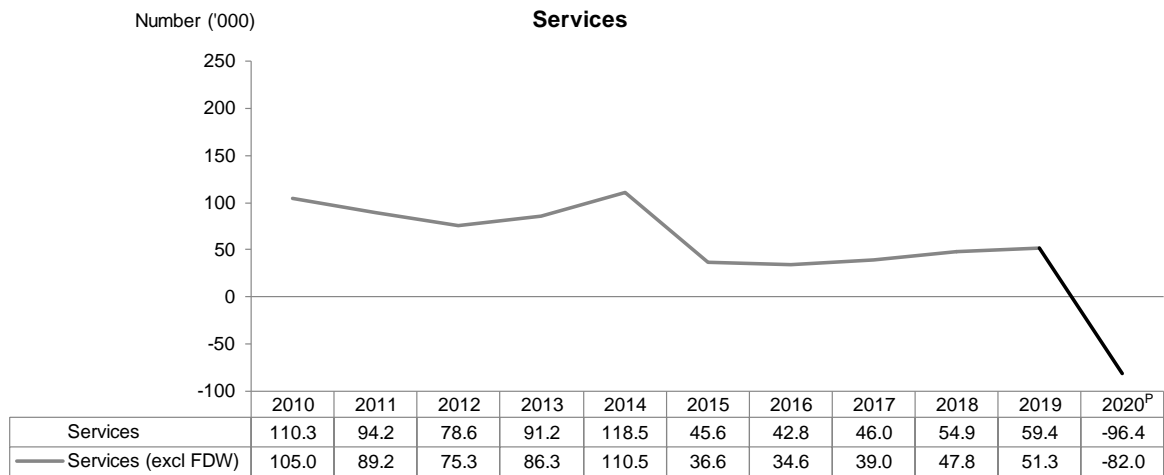


By Residential Status (excl FDW)



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) 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.

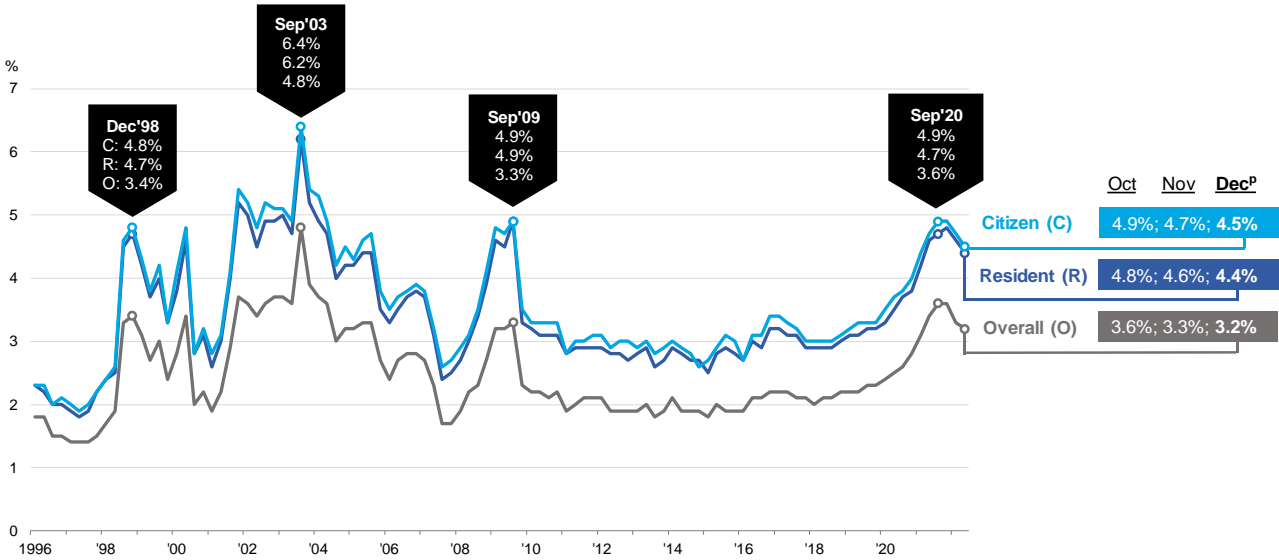
Unemployment^P

December 2020

The unemployment situation continued to ease in December 2020 as unemployment rates declined for the second consecutive month when compared to November 2020 (overall: from 3.3% to 3.2%; resident: from 4.6% to 4.4%; citizen: from 4.7% to 4.5%).

There were 104,400 unemployed residents³ in December 2020, of which 90,100 were citizens.⁴

Chart 3 Unemployment Rates (Seasonally Adjusted)



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

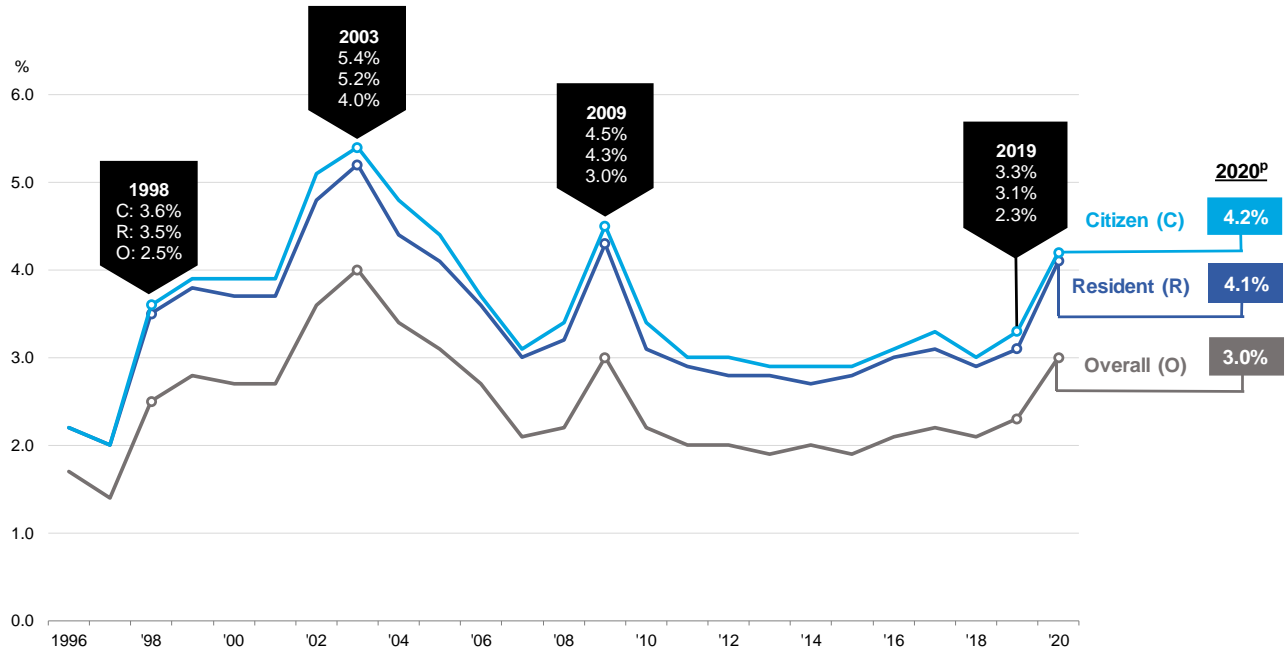
^P: Preliminary

³ "Residents" refer to Singapore Citizens and Permanent Residents.
⁴ Based on seasonally adjusted data on number of unemployed persons.

Full Year 2020

As monthly unemployment rates in 2020 were consistently higher than in 2019, the annual average⁵ unemployment rates for the year 2020 rose as well (overall: from 2.3% to 3.0%; resident: from 3.1% to 4.1%; citizen: from 3.3% to 4.2%). However, they remained below the annual rates observed during SARS in 2003 (overall: 4.0%; resident: 5.2%; citizen: 5.4%) and the Global Financial Crisis in 2009 (overall: 3.0%; resident: 4.3%; citizen: 4.5%).

Chart 4 Unemployment Rates (Annual Average)



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

^P: Preliminary

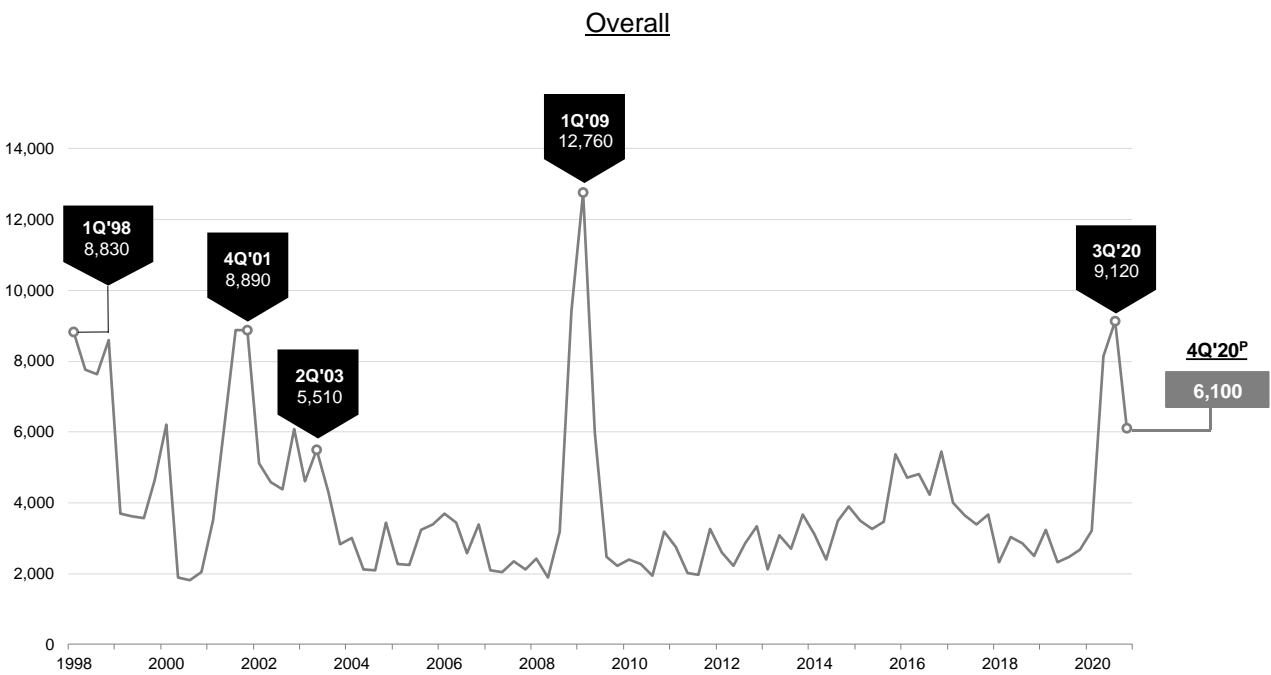
⁵ Annual figures are the simple averages of the non-seasonally adjusted unemployment figures obtained at quarterly intervals (i.e. Mar, Jun, Sep, Dec).

Retrenchment^P

4Q 2020

The number of retrenchments in 4Q 2020 (6,100) is expected to be lower than in 3Q 2020 (9,120), reflecting the first decline after five consecutive quarters of increase. Over the quarter, retrenchments were lower across all three broad sectors. However, sectors such as *Air Transport Services* still saw higher retrenchments, due to on-going travel restrictions.

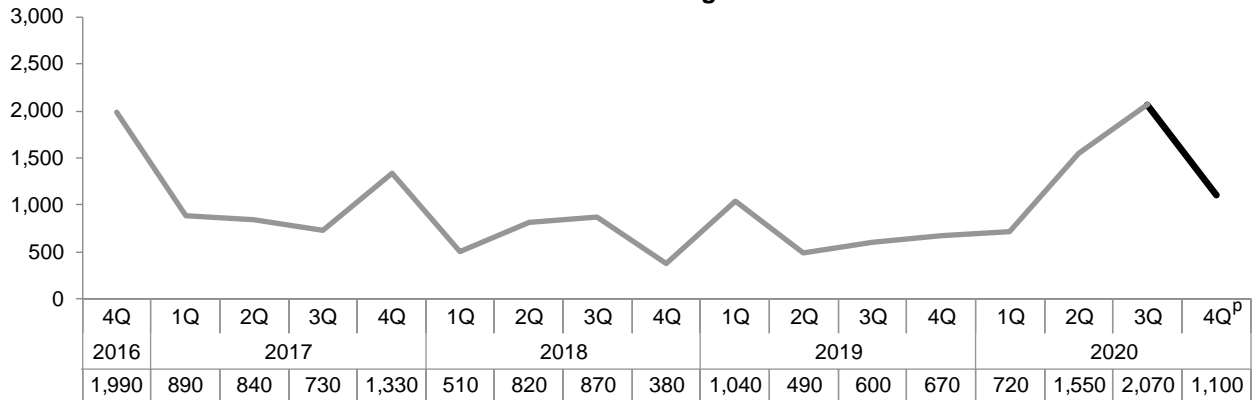
Chart 5 Quarterly Retrenchments



By Sector

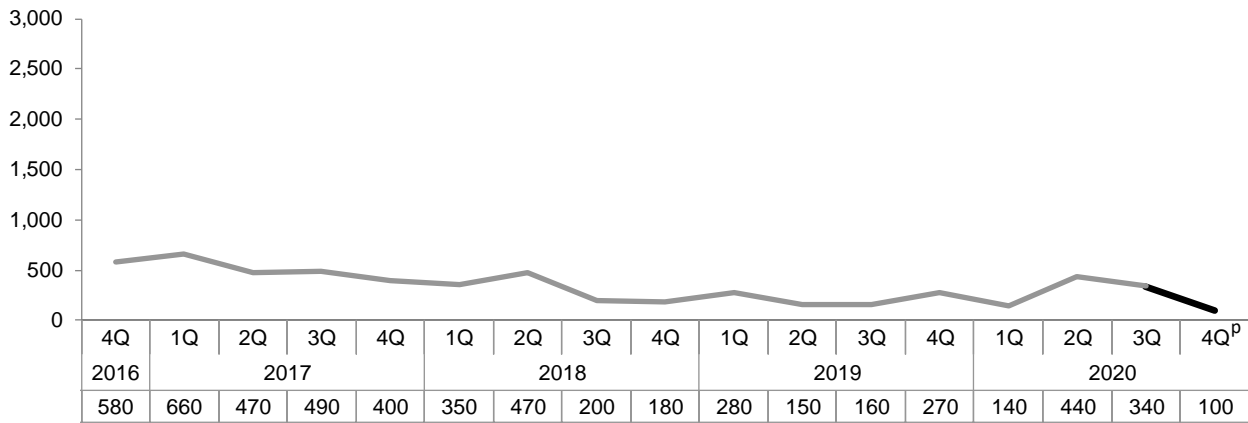
Number of Workers

Manufacturing



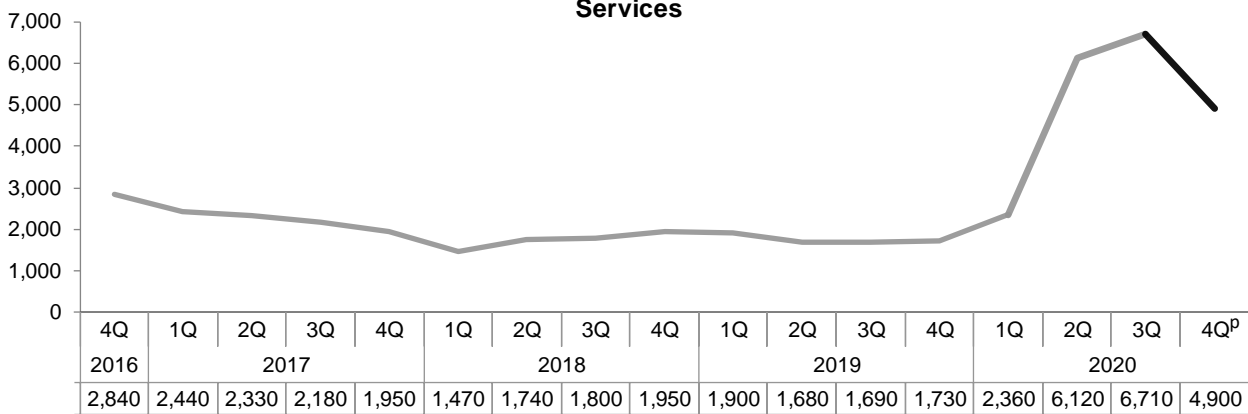
Number of Workers

Construction



Number of Workers

Services



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

^P: Preliminary

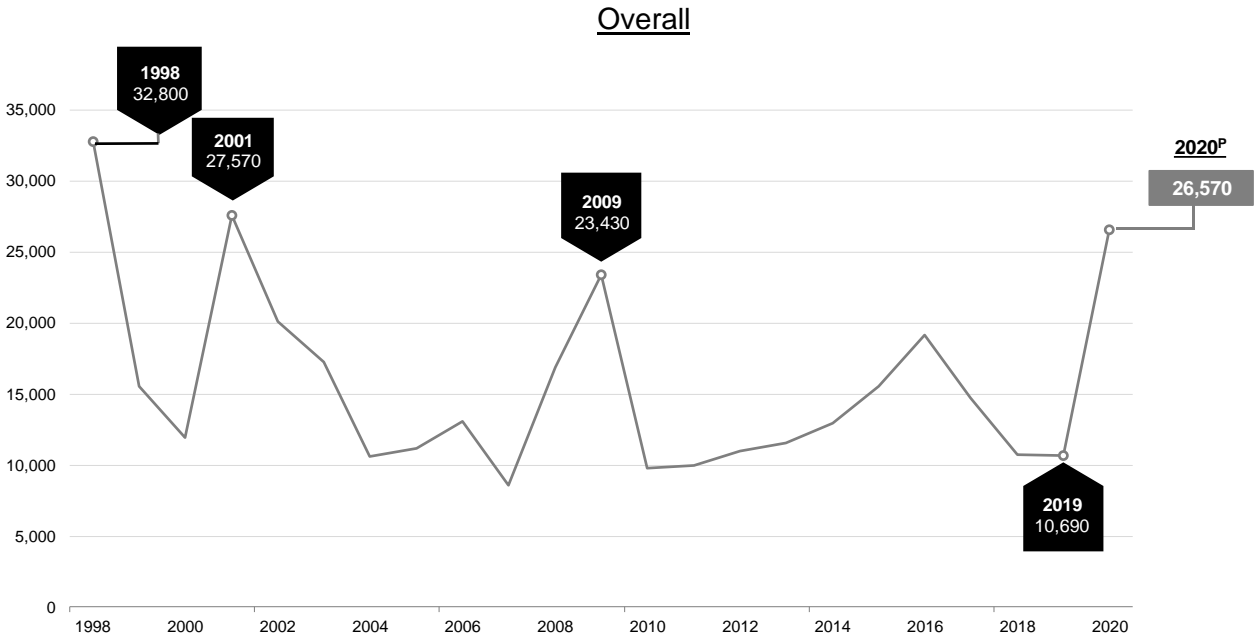
Notes:

- (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.

Full Year 2020

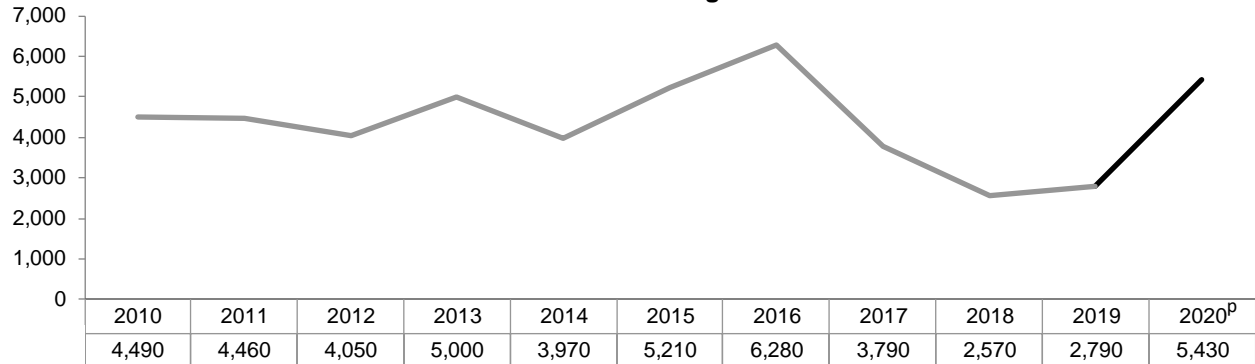
The total number of retrenchments is expected to reach 26,570 in 2020, reflecting a sharp increase from 2019 (10,690). Retrenchments rose for all three broad sectors, occurring mainly in *Arts, Entertainment & Recreation*, *Wholesale Trade*, as well as *Air Transport Services*. These industries bore the brunt of COVID-19 safe-distancing and Circuit Breaker measures.

Chart 6 Annual Retrenchments

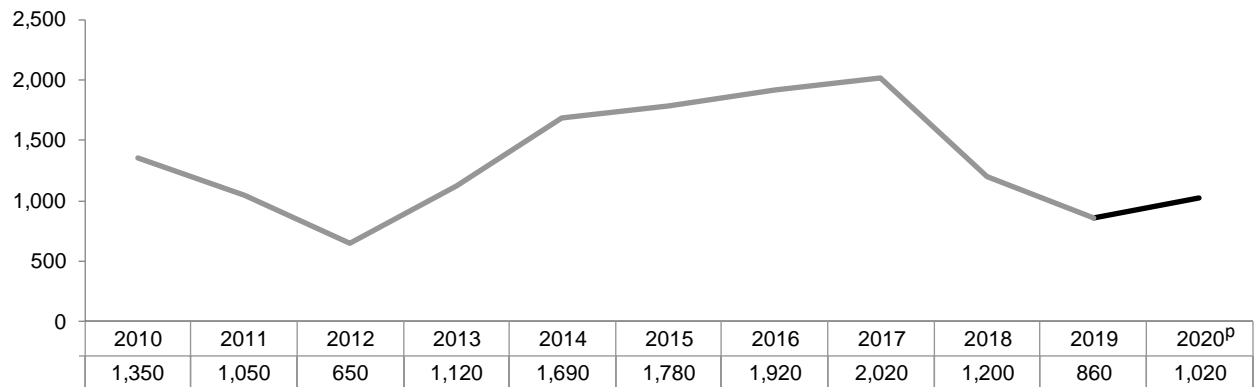


By Sector

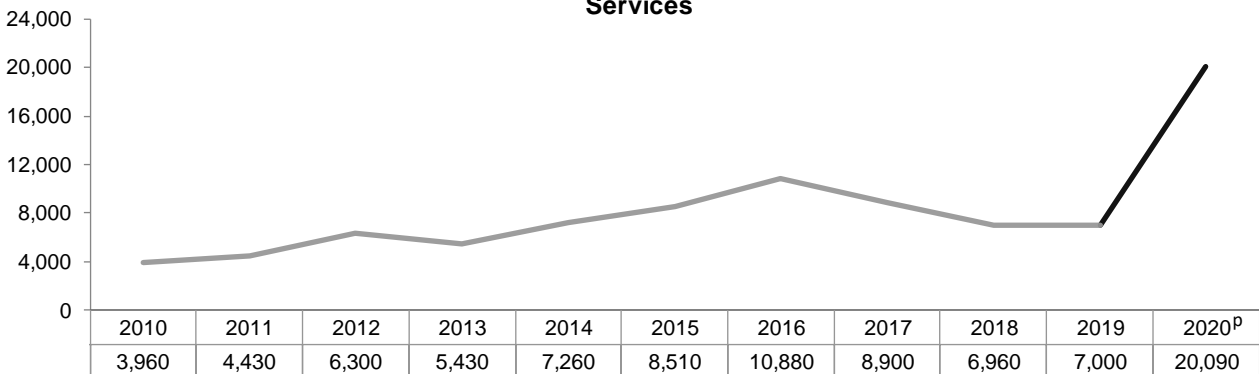
Number of Workers

Manufacturing

Number of Workers

Construction

Number of Workers

Services

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

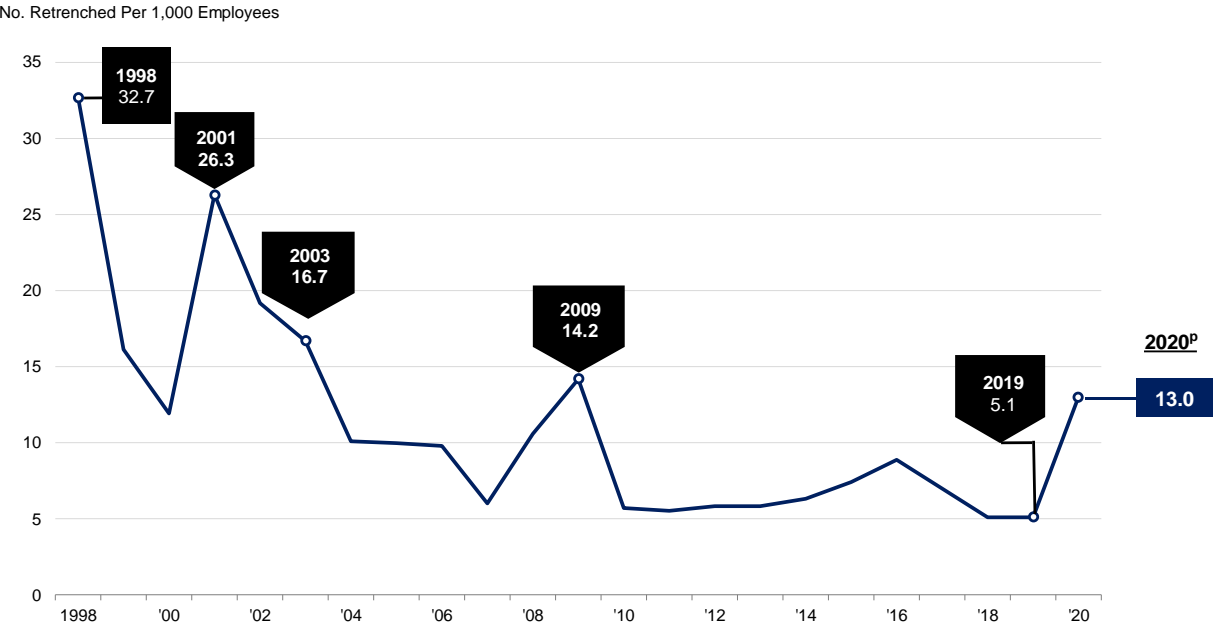
P: Preliminary

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.

However, after taking into account the increases in the workforce size over the years, the incidence of retrenchment in 2020 (13.0 retrenched per 1,000 employees) remained lower compared to past recessionary years. This suggests that in 2020, employees were not more vulnerable to retrenchments as compared to their counterparts in previous recessions.

Chart 7 Annual Incidence of Retrenchment



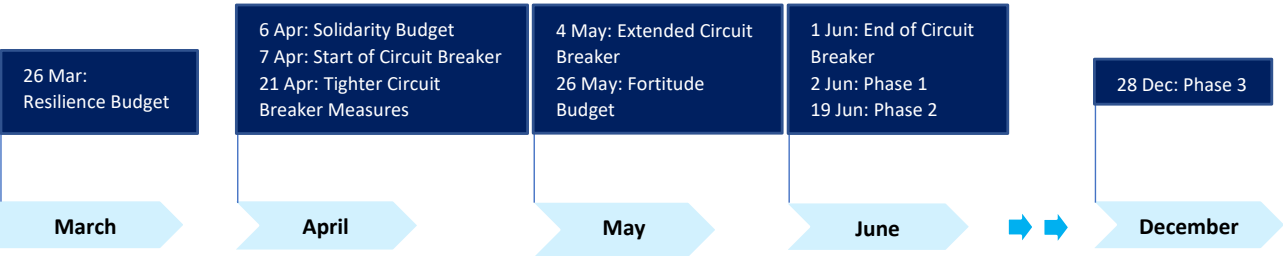
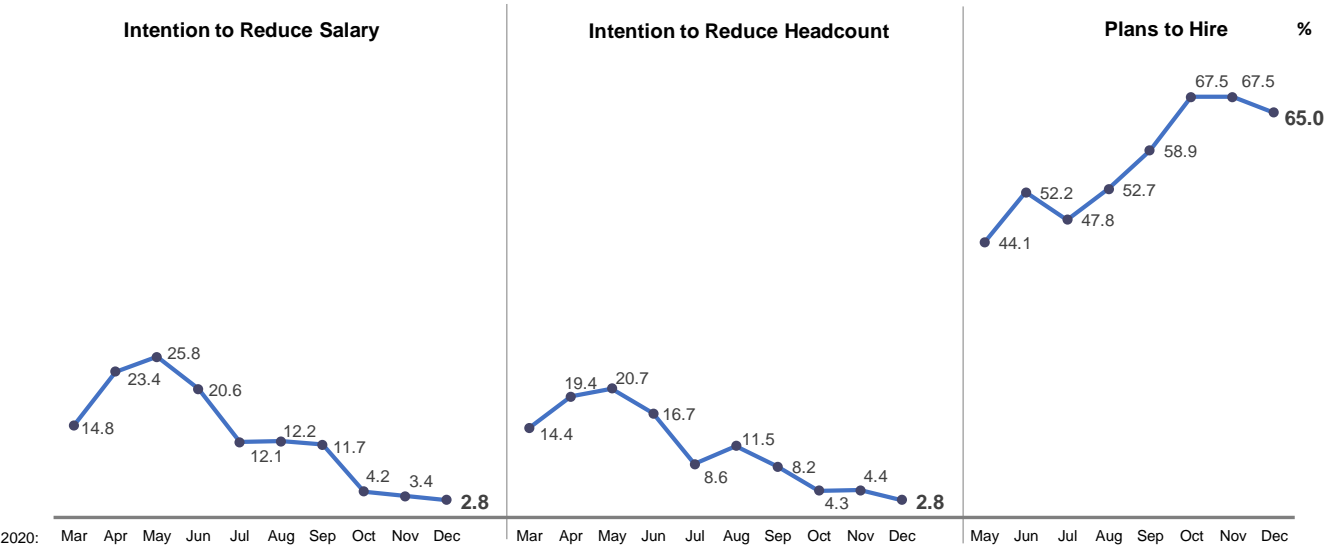
Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

^P: Preliminary

Note:
Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

On-going company polls by the Department pointed to considerable improvements in business sentiments and economic conditions. The proportion of companies polled in December 2020 indicating intention to reduce salary or headcount declined greatly to a mere 2.8% – the lowest since the polls commenced. On the other hand, the proportion of companies indicating plans to hire remained consistently high in 4Q 2020 as well, compared to past quarters.

Chart 8 Cost-reducing and Hiring Intent of Companies in the Next Two Months



Source: Manpower Research & Statistics Department, MOM

Note: Data reflect proportion of companies who indicated yes or maybe to reducing salary or headcount, or having plans to hire in the next two 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 foreigners 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 foreign 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 end of the next month. 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 2020	15-19 Mar 2021*
Job Vacancies 2020	22-26 Mar 2021*

PAST ...

Labour Market Advance Release 2020	28 Jan 2021
Labour Force In Singapore 2020	28 Jan 2021
Labour Market Report Third Quarter 2020	17 Dec 2020
Labour Force In Singapore Advance Release 2020	3 Dec 2020
Labour Market Advance Release Third Quarter 2020	30 Oct 2020
Labour Market Report Second Quarter 2020	14 Sep 2020
Labour Market Advance Release Second Quarter 2020	29 Jul 2020

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