

Fourth Quarter 2024

Labour Market Advance Release



MINISTRY OF
MANPOWER

Manpower Research
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE FOURTH QUARTER 2024

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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

4Q 2024

Advance estimates showed that the labour market continued to expand in 4Q 2024, though there were signs of moderation. Total employment continued to grow, but the increases for both residents and non-residents slowed. Retrenchments rose, though they remained within non-recession norms, while unemployment stayed low.

- Employment growth for both residents and non-residents was slower in 4Q 2024 compared to 3Q. As a result, total employment growth slowed from 22,300 to 8,700 in 4Q, though it was still higher compared to a year ago in 4Q 2023 (3,900).
- Demand for residents in growth sectors remained strong, with employment increases in key sectors such as *Professional Services*, *Financial Services*, and *Health & Social Services*. There was also an uptick in *Retail Trade* due to year-end seasonal hiring, following declines in earlier quarters.
- Similar to past quarters, non-resident employment growth was largely driven by the *Construction* sector, where employers are unable to find enough resident workers to fill positions.
- The number of retrenchments increased to 3,600 from 3,050 in 3Q 2024 but remained around non-recession levels.
- Unemployment rates for residents and citizens rose from September to October 2024 (resident: from 2.6% to 2.8%; citizen: from 2.7% to 2.9%). They held steady in November and December, staying within the range observed during non-recession periods. The overall unemployment rate remained unchanged at 1.9%.

Full Year 2024

Total employment growth in 2024 is expected to be 45,500, lower than the 78,800-increase seen in 2023. Resident employment growth in 2024¹ is expected to be higher than in 2023, when resident employment declined. In contrast, non-resident employment growth in 2024 is expected to slow considerably from 2023.

Despite the rise in retrenchments in the final quarter of 2024, the total number of retrenchments for the year was lower at 12,930 (or 5.8 retrenched per 1,000 employees) compared to 14,590 (or 6.7 retrenched per 1,000 employees) in 2023. Business reorganisation

¹ Based on preliminary estimates for 4Q 2024 and available data from the first three quarters of 2024.

/ restructuring remained the primary reason for retrenchments in 2024, rather than sectoral downturns or business closures.

In 2024, the unemployment situation remained stable and low throughout the year, and annual rates were broadly unchanged from 2023 (overall: 2.0% in 2024 vs. 1.9% in 2023; resident: 2.8% vs. 2.7%; citizen: unchanged at 2.9%).

Outlook for 2025

Employment growth is expected to be slower in 2025 due to global uncertainties and market volatility, but in the near term, there are signs of optimism, with more companies planning wage increases and hiring. MOM's forward-looking polls in December 2024 found that 32% of companies plan to raise wages, up from 16% in September. Additionally, the proportion of companies expecting to hire more workers increased from 43% to 46%. This positive shift in hiring sentiment, along with a tight labour market and the projected expansion of the Singapore economy in 2025², suggests a low risk of sharp retrenchment increases, and a stable unemployment situation.

However, in the long term, resident employment growth is likely to slow as our resident labour force participation rate is already consistently high by international standards, and the remaining pool of available resident workers is therefore limited. At the same time, non-resident employment will continue to grow as economic agencies focus on attracting investments and global talent, which will strengthen Singapore's role as a global hub and generate more quality job opportunities for Singaporeans.

The *Labour Market Report Fourth Quarter 2024*, to be released in mid-March 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.

² Singapore's GDP growth is projected to come in at around 1-3% in 2025.

Overview

Advance estimates showed that the labour market continued to expand in 4Q 2024, though there were signs of moderation. Total employment continued to grow, but the increases for both residents and non-residents slowed. Retrenchments rose, though they remained within non-recession norms, while unemployment stayed low.

Total employment growth in 2024 is expected to be lower than in 2023. Resident employment is expected to rise, reversing 2023's decline, while non-resident employment growth is expected to slow considerably from 2023. Despite the rise in retrenchments in the final quarter of 2024, the total number and incidence of retrenchments for the year were lower compared to 2023, with business reorganisation / restructuring remaining the primary reason for retrenchments. Annual unemployment rates were broadly unchanged from 2023.

Looking ahead, employment growth is expected to be slower in 2025 due to global uncertainties and market volatility. However, in the near term, there are signs of optimism, with more companies planning wage increases and hiring. This positive shift in hiring sentiment, along with a tight labour market and the projected expansion of the Singapore economy in 2025, suggests a low risk of sharp retrenchment increases, and a stable unemployment situation.

Employment^{P,3,4,5}

4Q 2024

Employment growth for both residents⁶ and non-residents⁷ was slower in 4Q 2024 compared to 3Q. As a result, total employment growth slowed from 22,300 to 8,700 in 4Q, though it was still higher compared to 4Q 2023 (3,900).

Demand for resident workers in growth sectors remained strong in 4Q 2024, with employment increases in key sectors such as *Professional Services*, *Financial Services*, and *Health & Social Services*. There was also an uptick in *Retail Trade* due to year-end seasonal hiring, following declines in earlier quarters.

³ Employment figures cited in this report exclude Migrant Domestic Workers (MDW).

⁴ Based on preliminary estimates, 486,500 persons were employed in *Manufacturing*, 537,600 in *Construction*, and 2,999,200 (2,697,600 excl. MDW) in *Services* in December 2024. Employment totalled 4,047,200 (3,745,500 excl. MDW) in December 2024 (total includes other sectors like agriculture, fishing etc.).

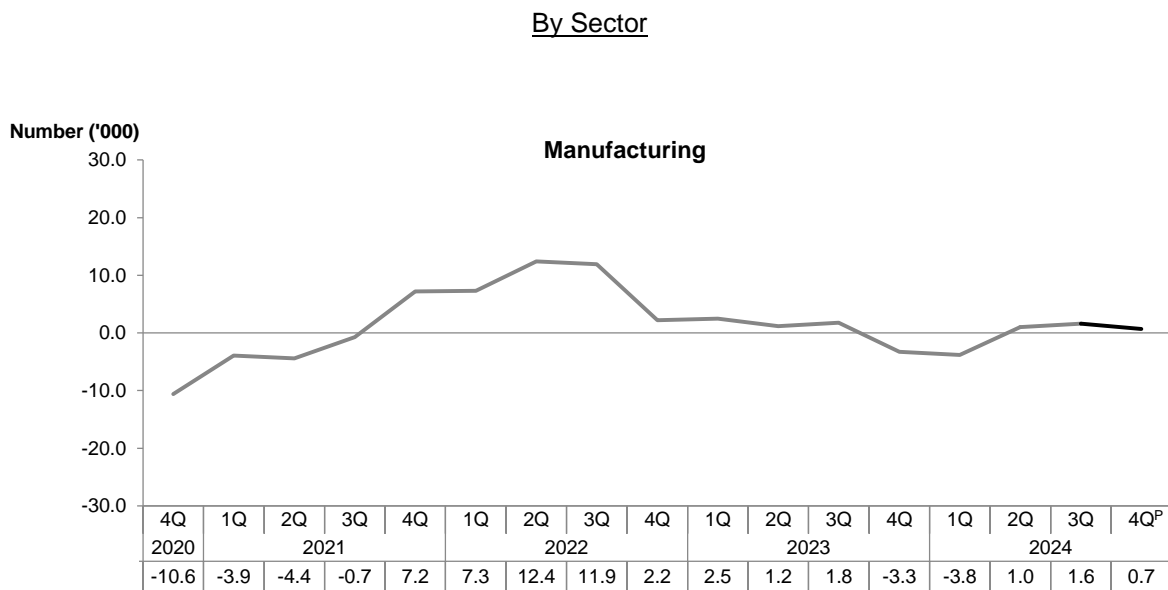
⁵ Data from 1Q 2023 onwards have been revised to reflect updates in the self-employed component.

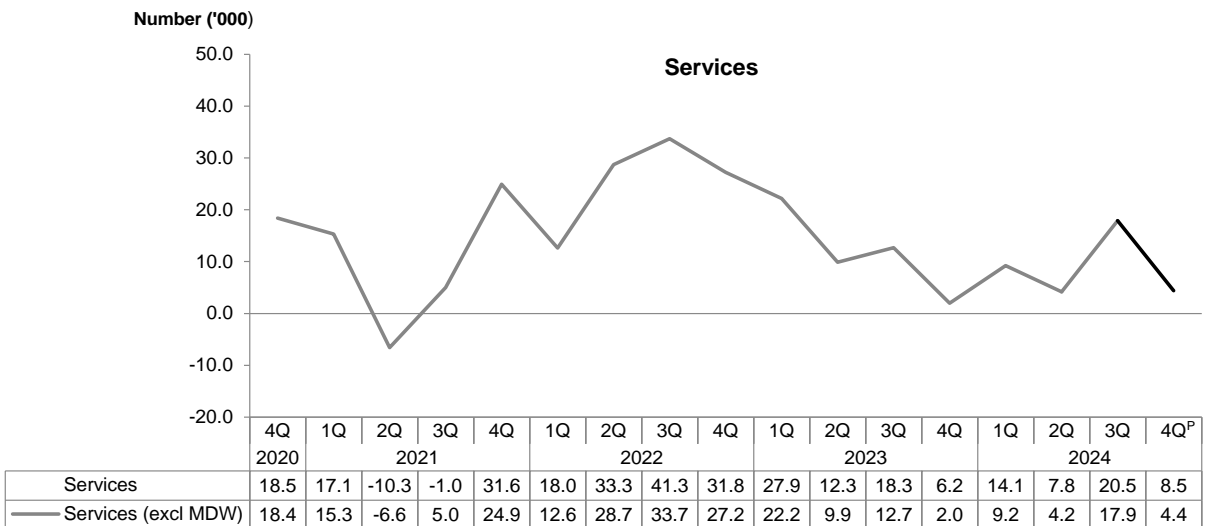
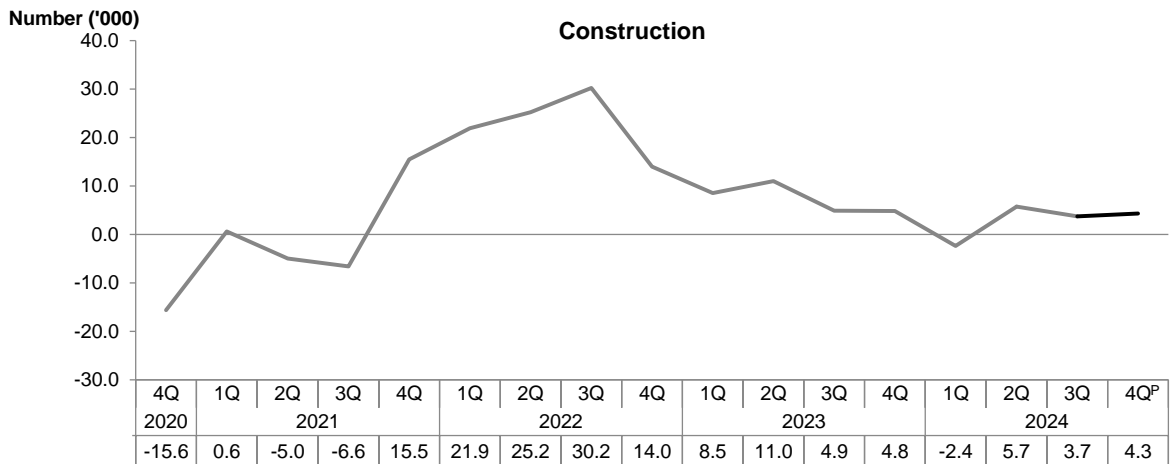
⁶ "Resident" refers to Singapore Citizens and Permanent Residents.

⁷ 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 Fourth Quarter 2024, to be released in mid-March 2025.

Non-resident employment change showed mixed trends in 4Q 2024. Similar to past quarters, non-resident employment growth was largely driven by the *Construction* sector, where employers are unable to find enough resident workers to fill positions. Non-resident employment declines were seen in outward-oriented sectors such as *Information & Communications* and *Insurance Services*.

Chart 1 Quarterly Employment Change





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

^P: Preliminary

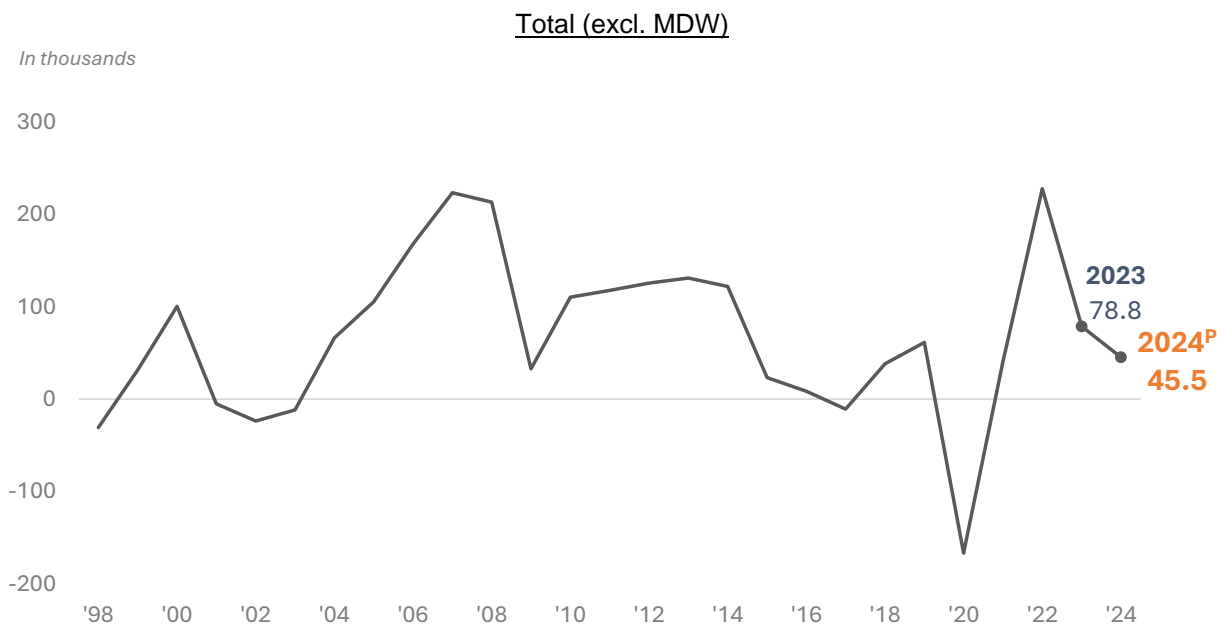
Notes:

- (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 at the end of the preceding period.

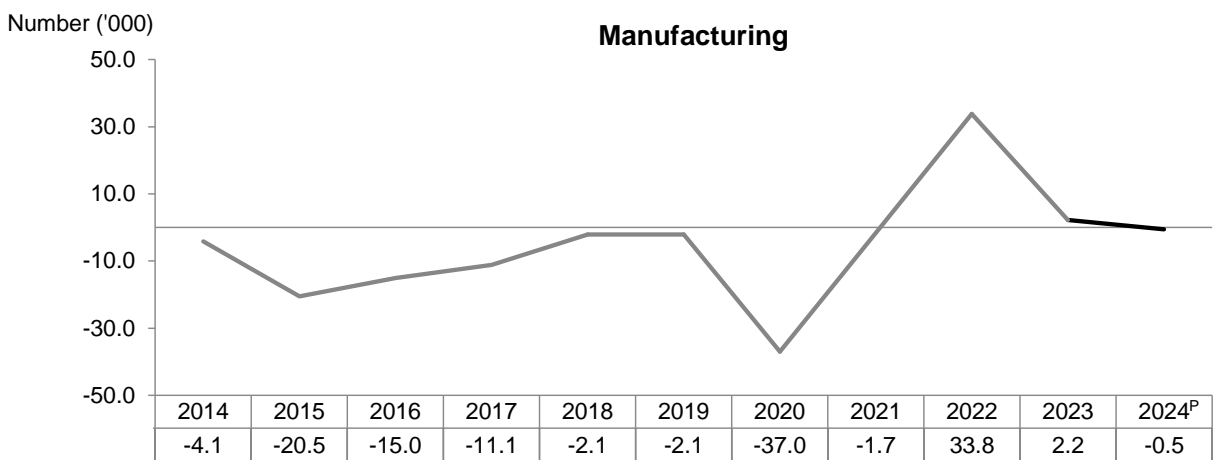
Full Year 2024

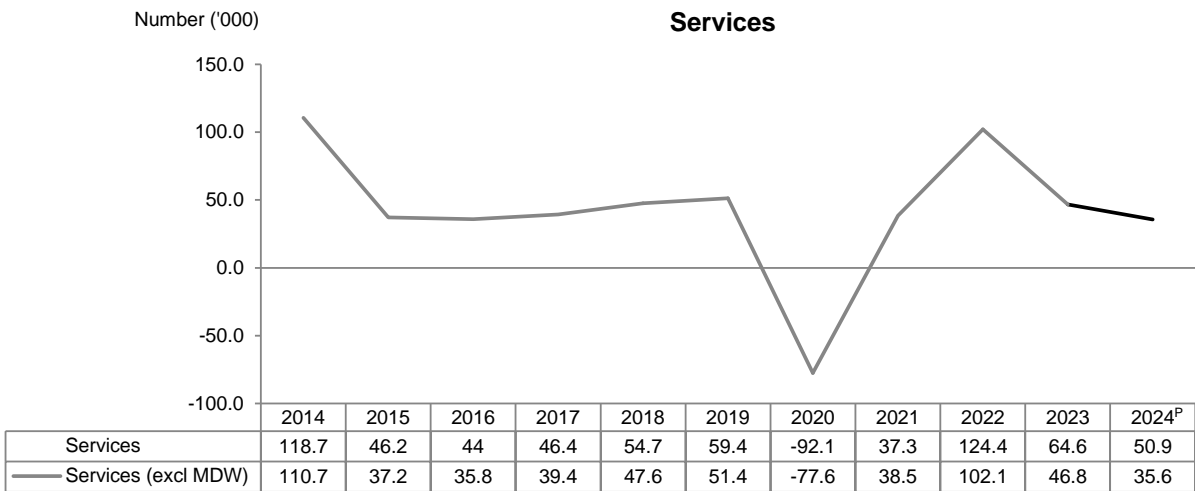
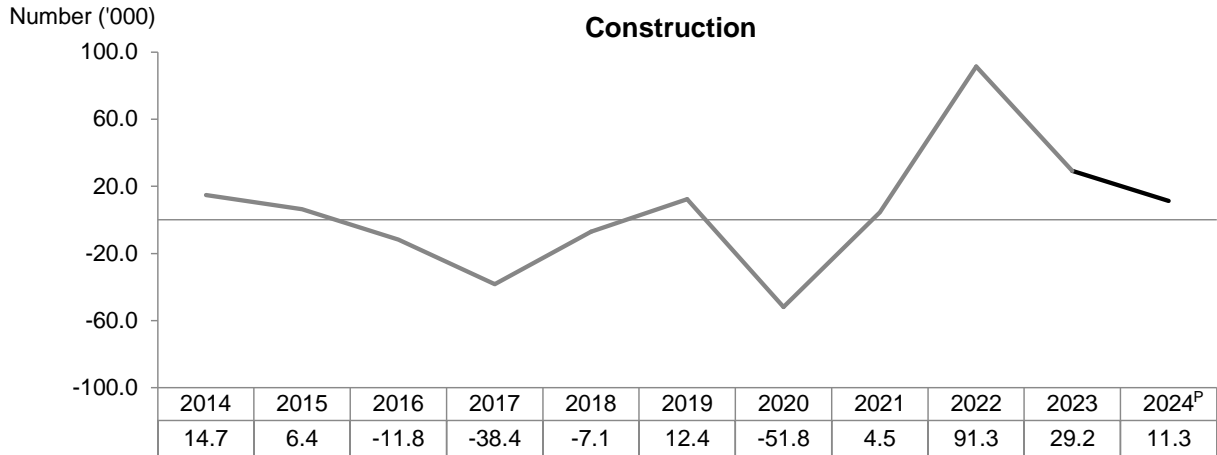
Total employment growth in 2024 is expected to be 45,500, lower than the 78,800-increase seen in 2023. Resident employment growth in 2024 is expected to be higher than in 2023, when resident employment declined. In contrast, non-resident employment growth in 2024 is expected to slow considerably from 2023.

Chart 2 Annual Employment Change



By Sector





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

^P: Preliminary

Notes:

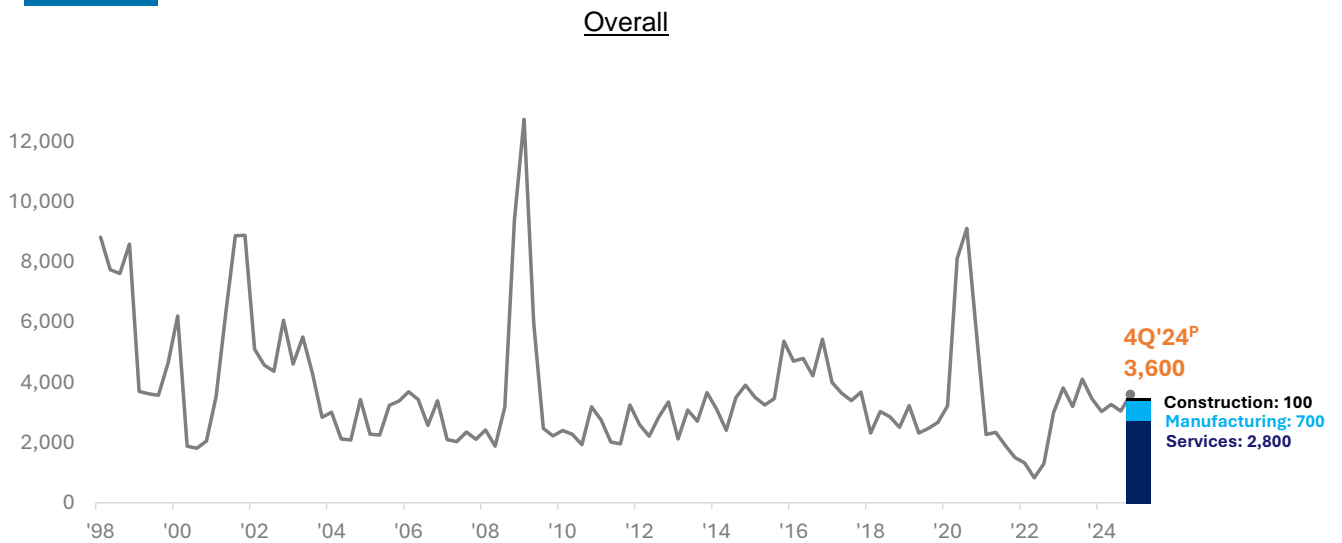
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) The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

Retrenchments^P

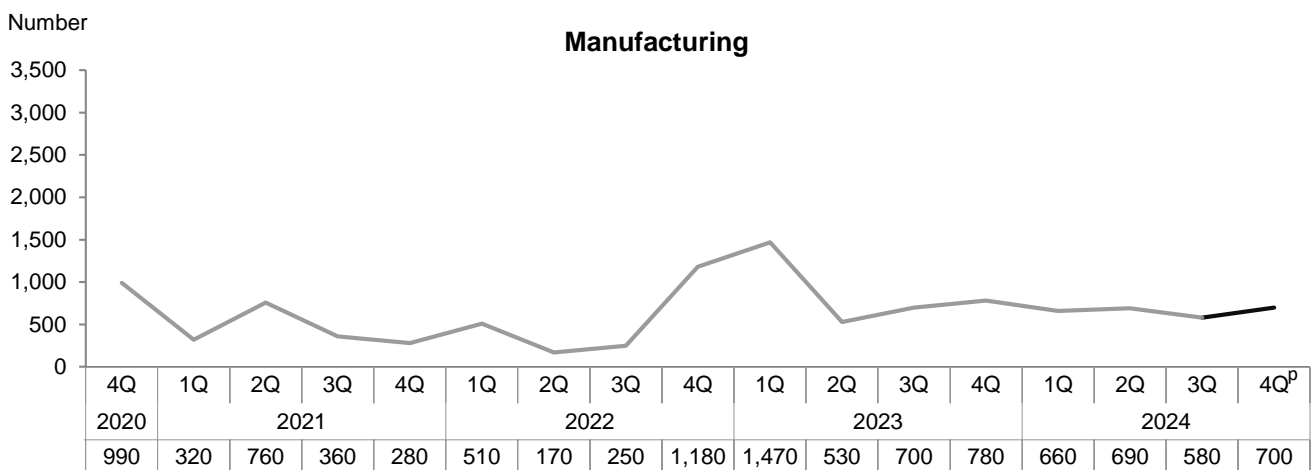
4Q 2024

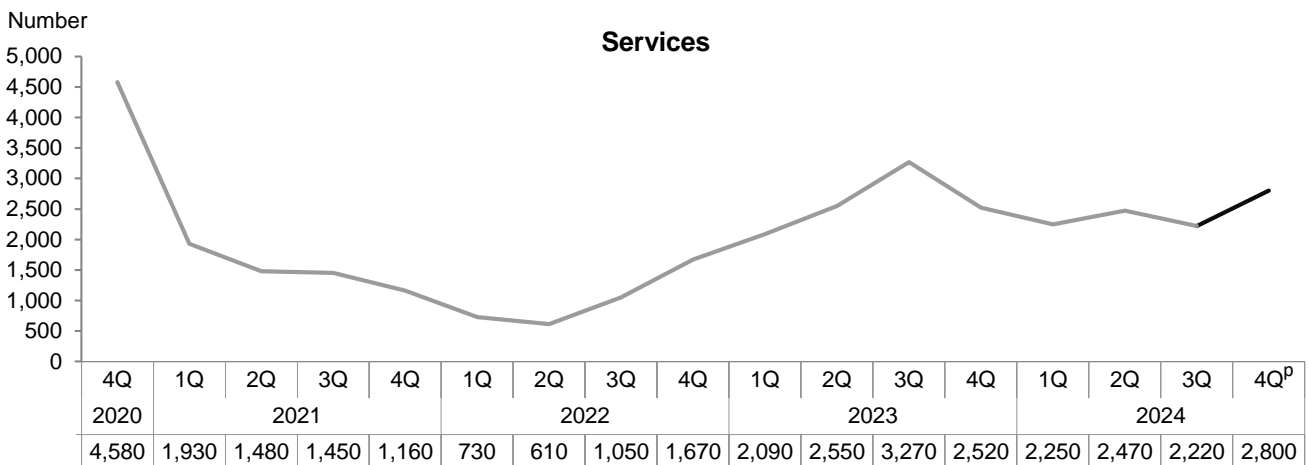
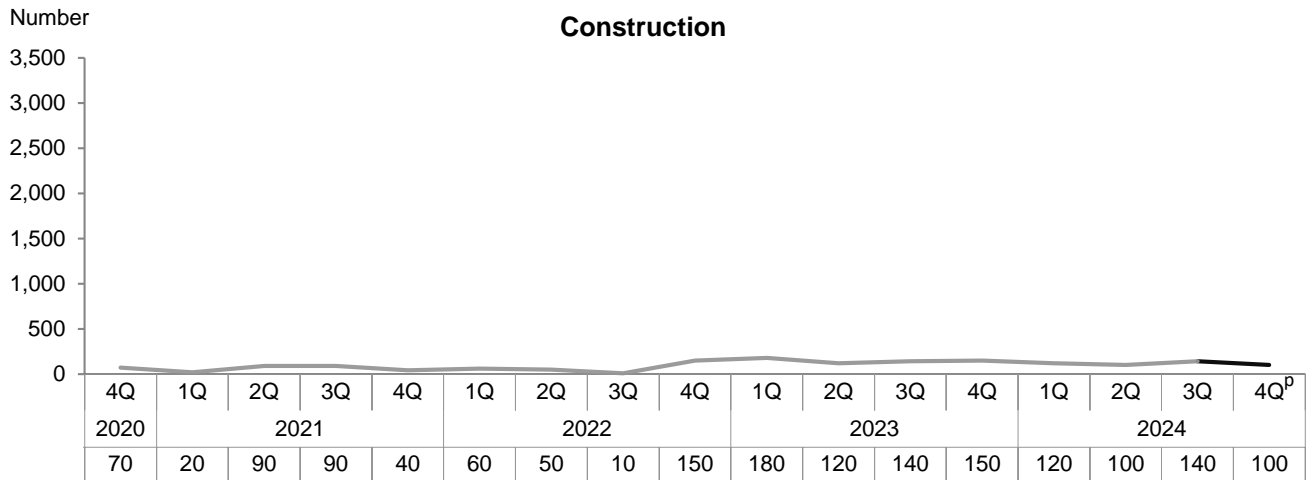
The number of retrenchments increased to 3,600 from 3,050 in 3Q 2024 but remained around non-recession levels. Retrenchments increased in the *Manufacturing* and *Services* sectors, while they remained relatively stable in the *Construction* sector.

Chart 3 Quarterly Retrenchments



By Sector





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

^P: Preliminary

Notes:

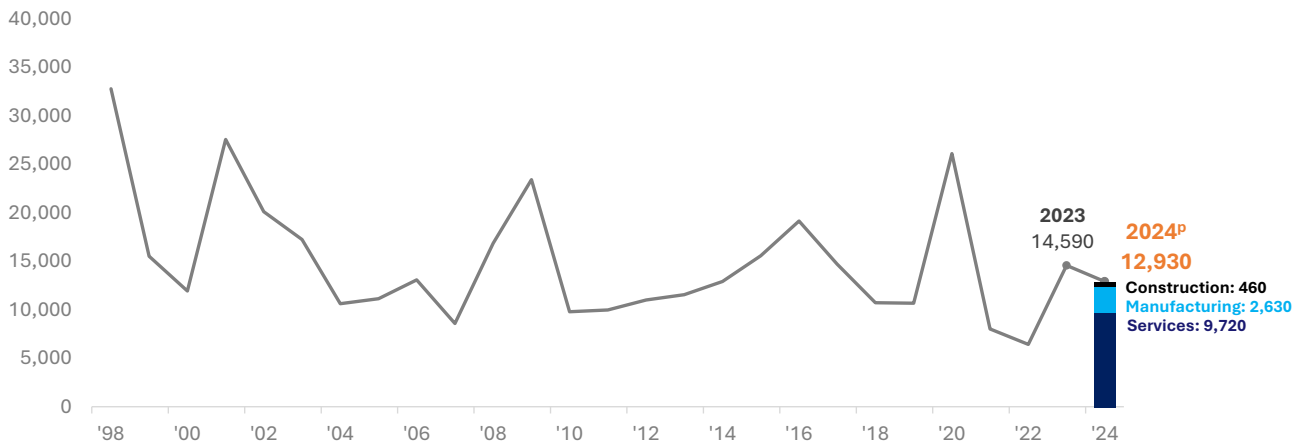
- (1) Before 2006, the survey covered private sector establishments each with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.
- (2) The industries are classified based on SSIC 2020.
- (3) Data for the three major sectors may not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

Full Year 2024

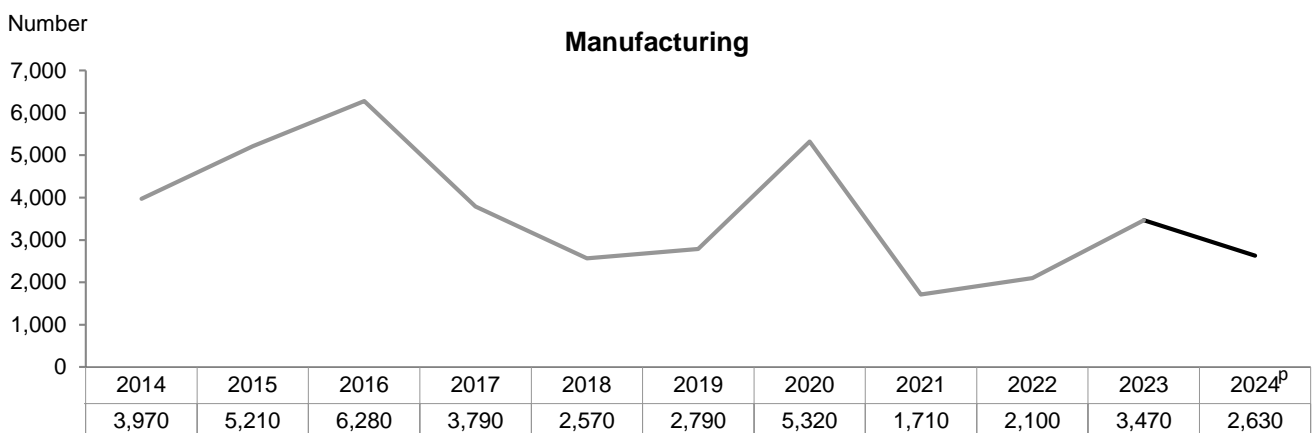
Despite the rise in retrenchments in 4Q, retrenchments were lower in 2024 (12,930) compared to 2023 (14,590), with no significant increases across sectors. The incidence of retrenchment also declined from 6.7 retrenched per 1,000 employees in 2023 to 5.8 in 2024. Throughout 2024, business reorganisation / restructuring remained the primary reason for retrenchments, rather than sectoral downturns or business closures.

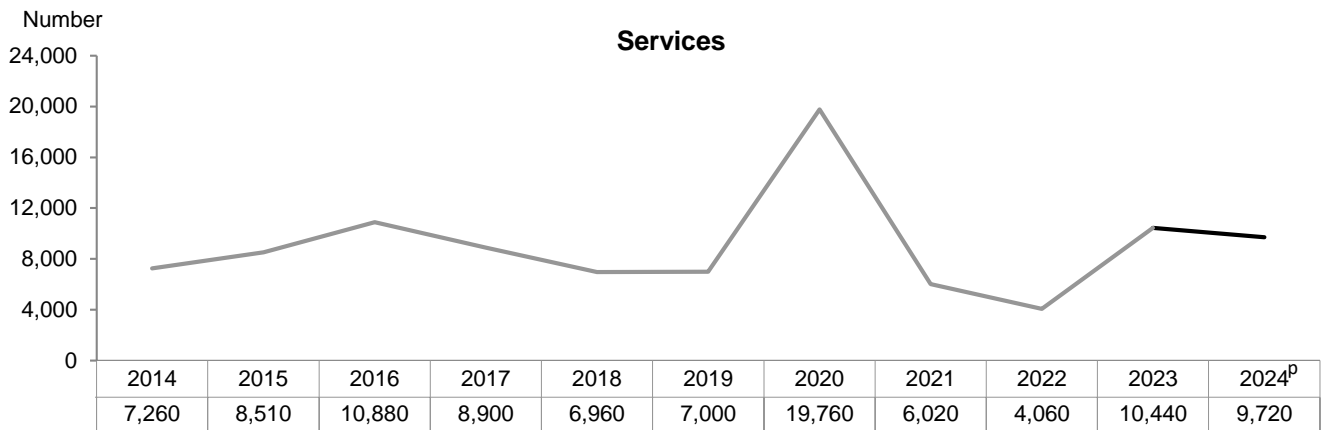
Chart 4 Annual Retrenchments

Overall



By Sector





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

^P: Preliminary

Notes:

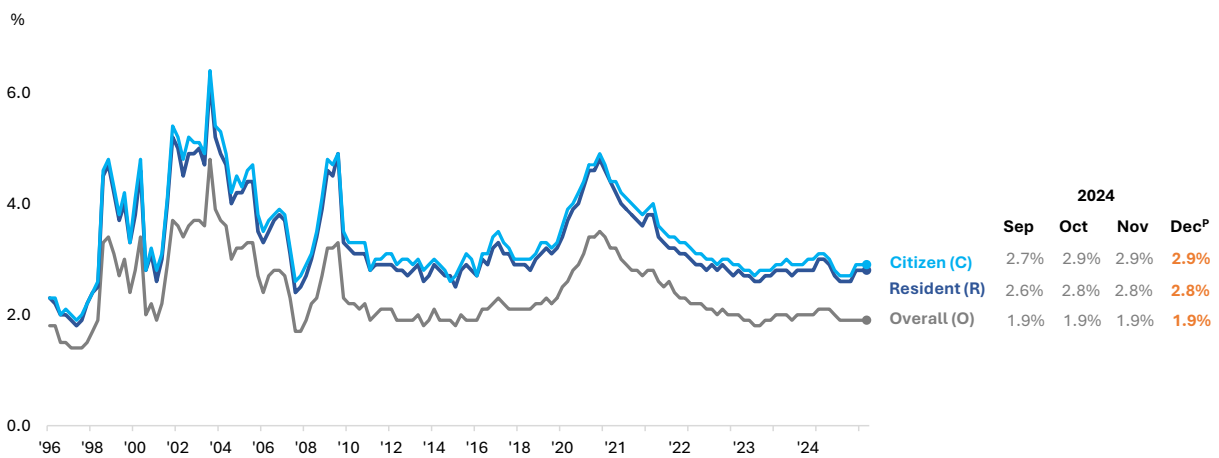
- (1) Before 2006, the survey covered private sector establishments each with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.
- (2) The industries are classified based on SSIC 2020.
- (3) Data for the three major sectors may not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

Unemployment^P

4Q 2024

Unemployment rates for residents and citizens rose from September to October 2024 (resident: from 2.6% to 2.8%; citizen: from 2.7% to 2.9%). They held steady in November and December, staying within the range observed during non-recession periods⁸. The overall unemployment rate remained unchanged at 1.9%.

Chart 5 Unemployment Rates (Seasonally Adjusted)



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

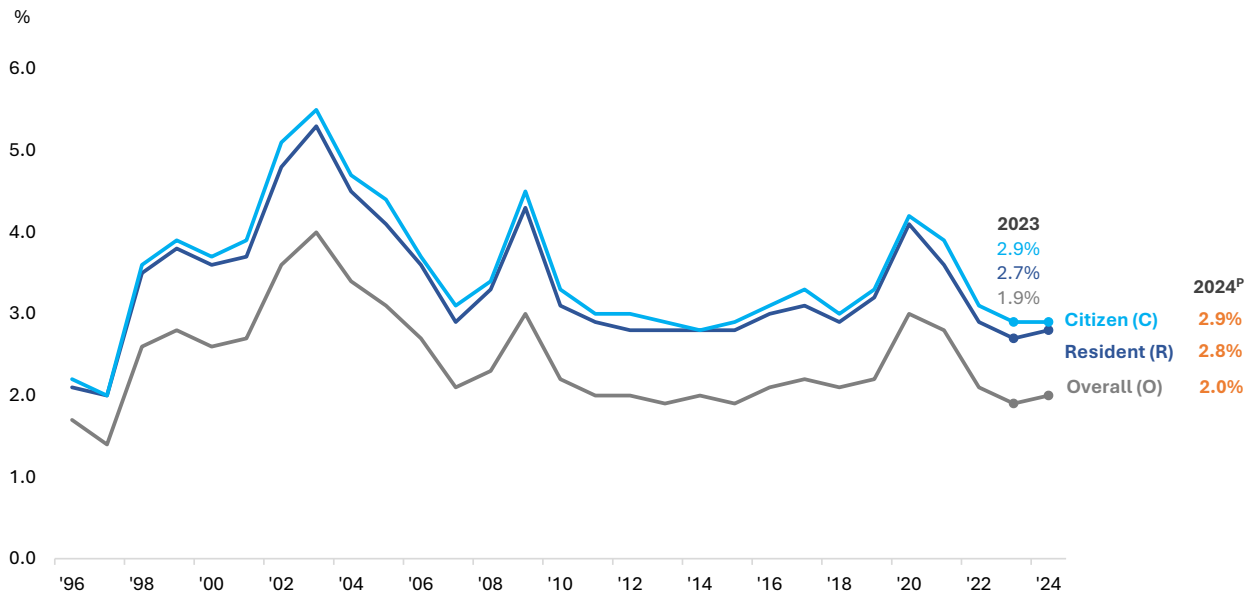
^P: Preliminary

⁸ From 2015 to 2019, the range was – overall: 1.8% - 2.3%; residents: 2.5% - 3.3%; citizens: 2.7% - 3.5%.

Full Year 2024⁹

In 2024, the unemployment situation remained stable and low throughout the year, and annual rates remained broadly unchanged from 2023 (overall: 2.0% in 2024 vs. 1.9% in 2023; resident: 2.8% vs. 2.7%; citizen: unchanged at 2.9%).

Chart 6 Unemployment Rates (Annual Average)



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

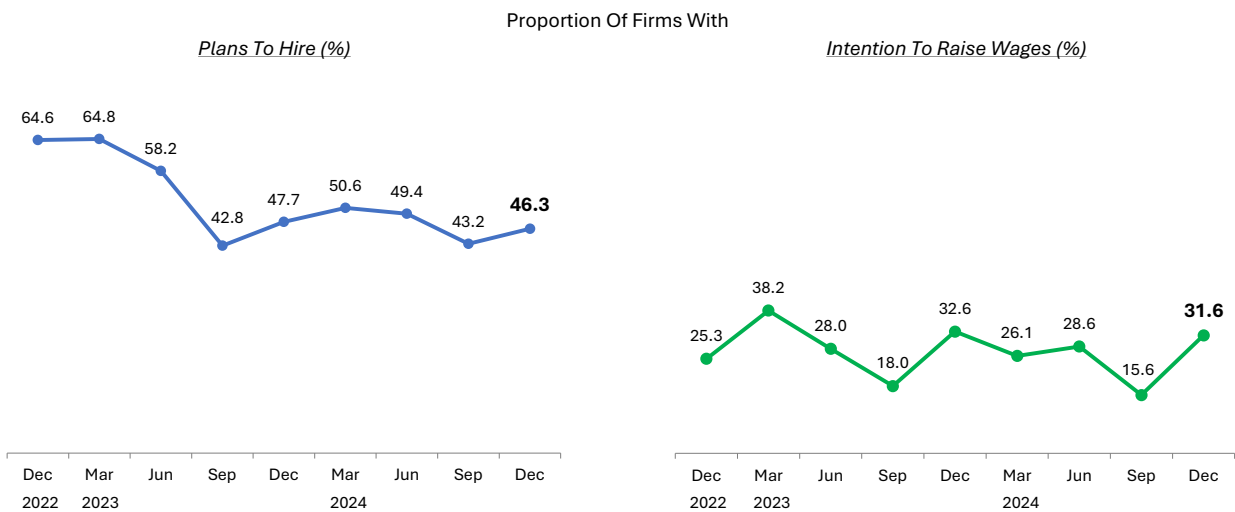
P: Preliminary

⁹ Annual average unemployment figures have been revised to use seasonally adjusted (SA) data where available, in place of non-seasonally adjusted (NSA) data. This revision ensures the figures more accurately reflect the unemployment situation.

MOM's forward-looking polls in December 2024 found that 32% of companies plan to raise wages – double the 16% in September. Additionally, the proportion of companies expecting to hire more workers increased from 43% in September to 46% in December.

Notwithstanding increased uncertainty in the global economy, the positive hiring sentiment in the near term, combined with a tight labour market and the projected expansion of the Singapore economy in 2025, is likely to provide support to the labour market in the quarters ahead.

Chart 7 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.

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 ...

Labour Market Report Fourth Quarter 2024	10-14 Mar 2025*
Job Vacancies 2024	24-28 Mar 2025*
Labour Market Advance Release First Quarter 2025	29-30 Apr 2025*
Report on Wage Practices 2024	26-30 May 2025*

PAST ...

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
Labour Market Report Second Quarter 2024	17 Sep 2024
Labour Market Advance Release Second Quarter 2024	31 Jul 2024
Report on Wage Practices 2023	25 Jun 2024

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