First Quarter 2018

Labour Market
Advance Release

MINISTRY OF MANPOWER | Manpower Research and Statistics Department

COPYRIGHT NOTICE

LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2018

ISSN 0219-2527

© Manpower Research and Statistics Department Ministry of Manpower
Republic of Singapore

All rights reserved. Further reproduction of this material is prohibited without the written permission of the copyright holder. Application to reproduce any part of this publication should be addressed to:

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

In citation, please credit the source when you extract and use the information/data from the publication.

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

Statistical activities conducted by the Manpower Research and Statistics Department are governed bythe provisions of the Statistics Act (Chapter 317). The Act guarantees the confidentiality of information collected from individuals and companies. It spells out the legislative authority and responsibility of the Director, Manpower Research and Statistics Department. The Statistics Act is available in the Singapore Department of Statistics website at www.singstat.gov.sg.

CONTENTS

ii

Notations and Abbreviations

1

Highlights

2

Labour Market Advance Release, First Quarter 2018

Overview 2

Unemployment 2
Employment 3
Retrenchment 5

A1

Explanatory Notes

Notations

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

Abbreviations

EDB	:	Economic Development Board
FDW	:	Foreign Domestic Workers
GDP	:	Gross Domestic Product
MOM	:	Ministry of Manpower
MTI	:	Ministry of Trade and Industry
SSIC	:	Singapore Standard Industrial Classification
excl	:	Excluding

HIGHLIGHTS

- Unemployment rates in March 2018 were mostly lower than December 2017 and a year ago. Retrenchments were also lower in 1Q 2018 than the preceding quarter and a year ago. Total employment declined in 1Q 2018, but by a smaller extent than the same period last year. The decline was largely due to the continued contraction in Work Permit Holders in Construction and Marine Shipyard. All in, these indicators point to a slight improvement in labour market conditions in 1Q 2018.

- The unemployment rate declined for overall (from 2.1% in December 2017 to 2.0% in March 2018) and residents (from 3.0% to 2.8%). It was unchanged for citizens (3.0%). Unemployment rates in March 2018 were lower than a year ago.

- Total employment (excluding Foreign Domestic Workers) contracted by 2,100 in 1Q 2018, after a seasonal increase in 4Q 2017. The decline in 1Q 2018 was due largely to fewer Work Permit Holders in Construction and Marine Shipyard. However, the decline in 1Q 2018 was smaller than that observed in 1Q 2017, due to a smaller contraction in employment in Construction. Sectors which had higher concentration of locals in its manpower such as Community, Social & Personal Services, Financial & Insurance, Information & Communications and Transportation & Storage continued to post employment increases.

- Preliminary estimates showed that fewer workers were retrenched in 1Q 2018 (2,100) compared to the previous quarter (3,680), and a year ago (4,000). Retrenchments fell over the quarter in Manufacturing, Services and Construction.

Overview

Unemployment rates in March 2018 were mostly lower than December 2017 and a year ago. Retrenchments were also lower in 1Q 2018 than the preceding quarter and a year ago. Total employment declined by a smaller extent than the same period a year ago, due largely to the continued contraction in Work Permit Holders in Construction and Marine Shipyard. All in, these indicators point to a slight improvement in labour market conditions in 1Q 2018.

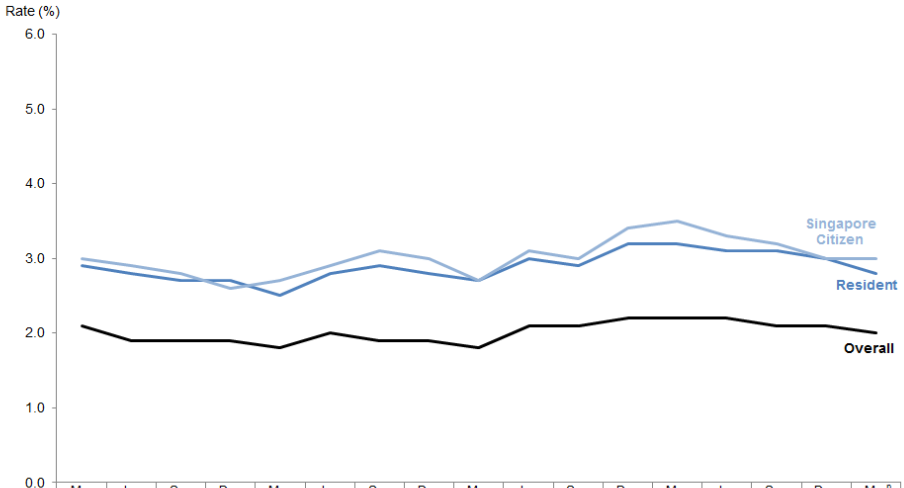
Unemployment

Unemployment rates in March 2018 were lower than a year ago

Quarter-on-quarter, the seasonally adjusted unemployment rate declined for overall (from 2.1% in December 2017 to 2.0% in March 2018) and residents (from 3.0% to 2.8%). It was unchanged for citizens (3.0%). Unemployment rates in March 2018 were lower than a year ago.

In March 2018, an estimated 64,800 residents were unemployed, lower than the 68,500 in December 2017. It also fell for citizens (from 58,600 to 57,900).[1]

Chart 1 Unemployment Rate (Seasonally Adjusted)



	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017	Jun 2017	Sep 2017	Dec 2017	Mar[P] 2018
Overall	2.1	1.9	1.9	1.9	1.8	2.0	1.9	1.9	1.8	2.1	2.1	2.2	2.2	2.2	2.1	2.1	2.0
Resident	2.9	2.8	2.7	2.7	2.5	2.8	2.9	2.8	2.7	3.0	2.9	3.2	3.2	3.1	3.1	3.0	2.8
Citizen	3.0	2.9	2.8	2.6	2.7	2.9	3.1	3.0	2.7	3.1	3.0	3.4	3.5	3.3	3.2	3.0	3.0

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

[P]: Preliminary

[1] Based on seasonally adjusted data on number of unemployed persons.

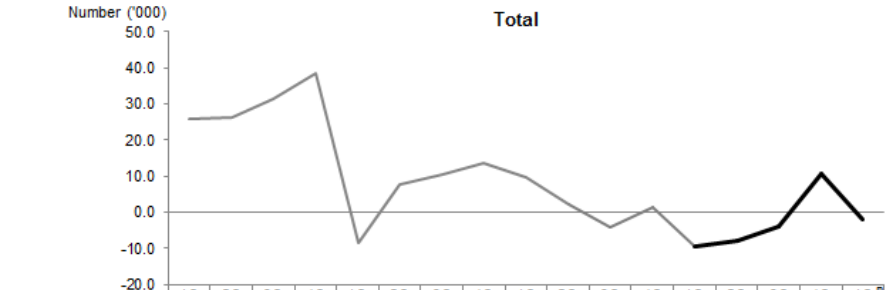
Employment

Total employment in 1Q 2018 contracted by a smaller extent than quarterly declines in 2017

Total employment (excluding Foreign Domestic Workers) contracted by 2,100 in the first quarter of 2018, after a seasonal increase in fourth quarter 2017. The decline in first quarter 2018 was due largely to fewer Work Permit Holders in Construction and Marine Shipyard[2]. However, this decline was lower than the quarterly declines observed in the first three quarters of 2017, due to a smaller contraction in employment within Construction.

Employment in construction contracted by 5,900 in the first quarter of 2018.[3] It also declined in manufacturing (-4,300).[4] Services continued to add workers (7,900 excluding FDWs), by a number similar to 2017 first and third quarters.[5] Sectors which had higher concentration of locals in its manpower such as Community, Social & Personal Services, Financial & Insurance, Information & Communications and Transportation & Storage continued to post employment increases.

Chart 2 Employment Change By Sector



	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018
Total	28.3	27.7	33.4	40.7	-6.1	9.7	12.6	16.1	13.0	4.2	-2.7	2.3	-6.8	-7.3	-2.3	12.7	1.2
Total (excl FDW)	25.9	26.3	31.5	38.3	-8.6	7.6	10.5	13.7	9.5	2.1	-4.2	1.2	-9.4	-7.9	-4.1	10.7	-2.1

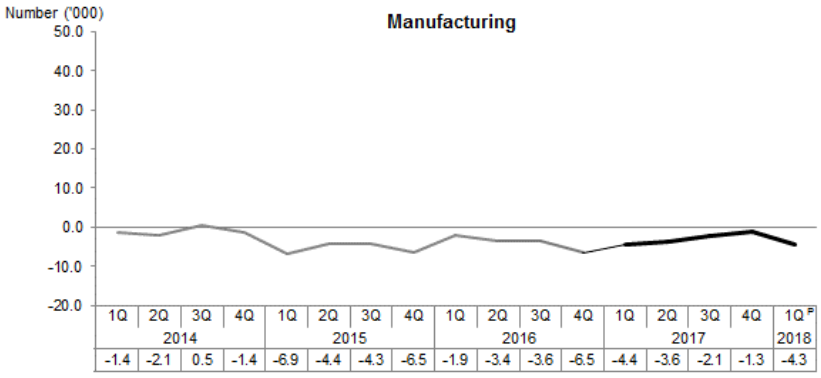
[2] This refers to shipbuilding and ship repairing, within the transport equipment industry.

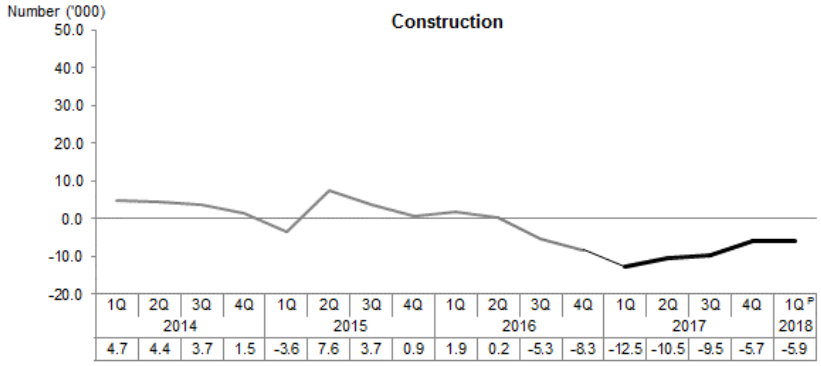
[3] Construction GDP contracted by 4.4% on a year-on-year basis in 1Q 2018. The weak performance was due to a fall in both private sector and public sector construction activities. Source: MTI's Advance Estimates of GDP, 13 April 2018.

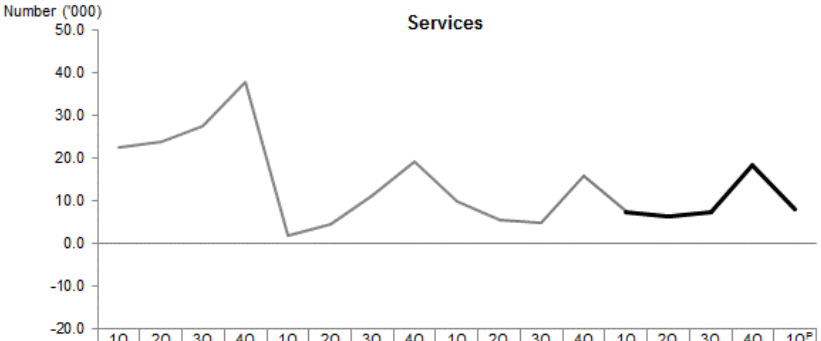
[4] A net weighted balance of 3% of manufacturers plans to hire fewer workers in 1Q 2018 compared to 4Q 2017. Source: EDB's Business Expectations of the Manufacturing Sector, 31 January 2018.

[5] Based on preliminary estimates, 483,900 persons were employed in manufacturing, 445,000 in construction, 2,714,700 (2,464,600 excl FDW) in services in March 2018. In all, employment totalled 3,670,600 (3,420,600 excl FDW) in March 2018 (total includes other sectors like agriculture, fishing etc.).

By Sector







	1Q 2014	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q^P 2018
Services	24.9	25.2	29.4	40.1	4.3	6.5	13.3	21.5	13.2	7.6	6.3	17.1	10.0	7.0	9.2	20.2	11.2
Services (excl FDW)	22.5	23.8	27.6	37.8	1.8	4.4	11.2	19.1	9.7	5.5	4.9	15.9	7.4	6.3	7.4	18.2	7.9

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

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 2010.

(4) Employment change is the difference in the employment level at the end of the reference period compared with the end of the preceding period.

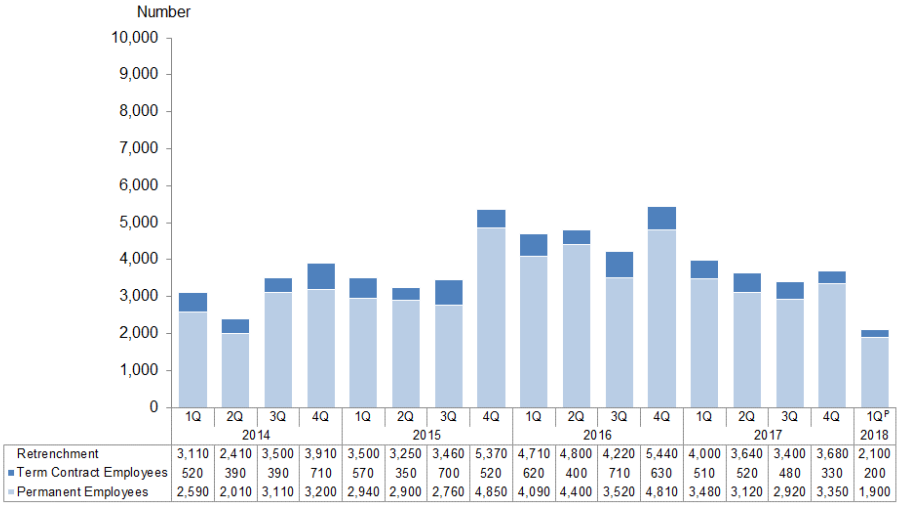
Retrenchment

Retrenchments were lower in 1Q 2018 compared to last quarter and a year ago

Preliminary estimates showed that fewer workers were retrenched in the first quarter of 2018 (2,100) compared to the previous quarter (3,680) and a year ago (4,000).

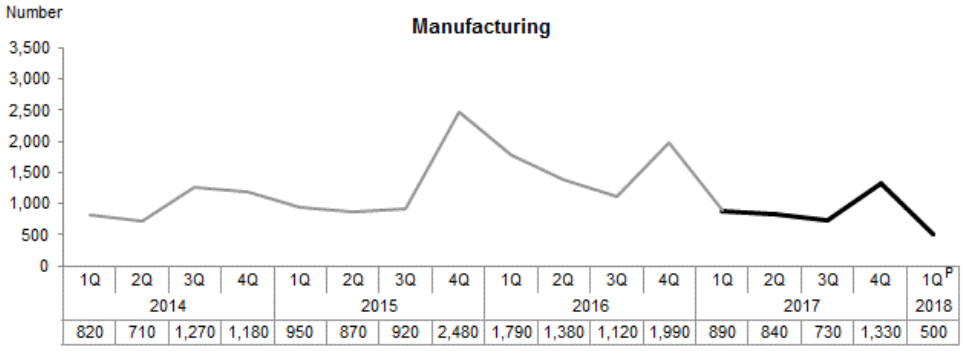
The decline over the first quarter of 2018 occurred in Manufacturing, Services and Construction. Services continued to form the bulk of retrenchments (60%) in the first quarter of 2018, followed by manufacturing (23%) and construction (16%).

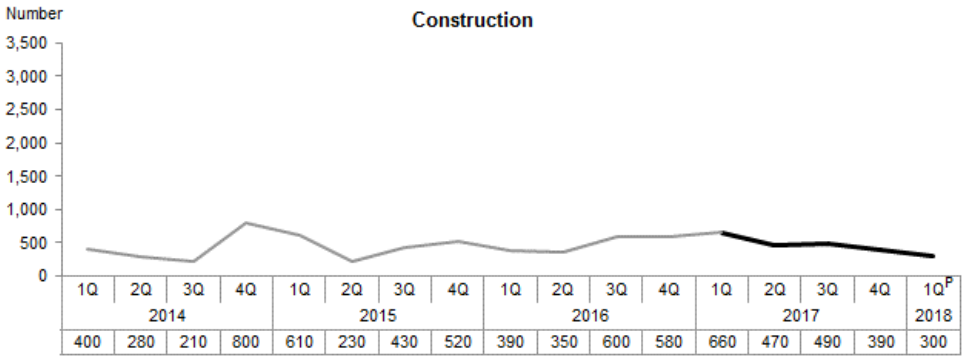
Chart 3 Retrenchment

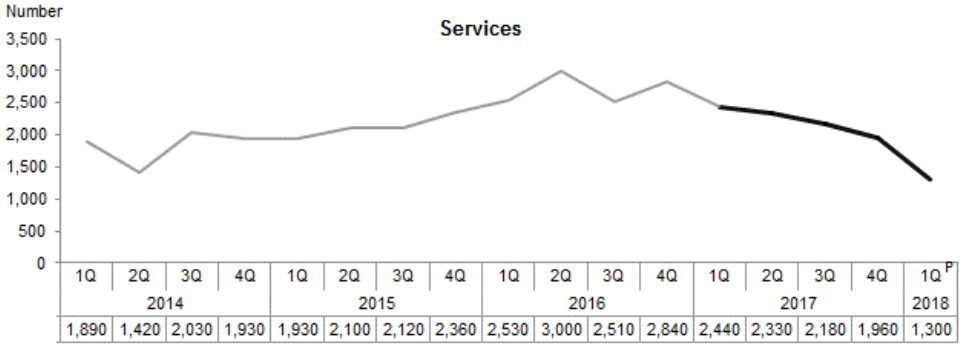


	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q[P]
	2014				2015				2016				2017				2018
Retrenchment	3,110	2,410	3,500	3,910	3,500	3,250	3,460	5,370	4,710	4,800	4,220	5,440	4,000	3,640	3,400	3,680	2,100
Term Contract Employees	520	390	390	710	570	350	700	520	620	400	710	630	510	520	480	330	200
Permanent Employees	2,590	2,010	3,110	3,200	2,940	2,900	2,760	4,850	4,090	4,400	3,520	4,810	3,480	3,120	2,920	3,350	1,900

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 2010.

(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.

Explanatory Notes

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 (also known as locals) 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 fall 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

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

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.

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

Retrenchment

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 PUBLICATIONS

Title	Date of Release
Labour Market 2017	15/03/2018
Own Account Workers 2017	05/03/2018
Job Vacancies 2017	07/02/2018
Labour Force in Singapore 2017	26/01/2018
Labour Market Third Quarter 2017	13/12/2017
Labour Market Second Quarter 2017	14/09/2017
Singapore Yearbook of Manpower Statistics 2017	29/06/2017
Manpower Statistics in Brief 2017	20/06/2017
Labour Market First Quarter 2017	13/06/2017
Report on Wage Practices 2016	30/05/2017
Retrenchment Benefits 2015	29/12/2016
Conditions of Employment 2016	21/11/2016
Redundancy and Re-entry into Employment 2015	20/04/2016

Related Charts/Tables

Other Publications

More releases are available online @ http://stats.mom.gov.sg
Subscribe to our email alert for the latest release