

Report on Wage Practices 2023



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

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REPORT ON WAGE PRACTICES 2023

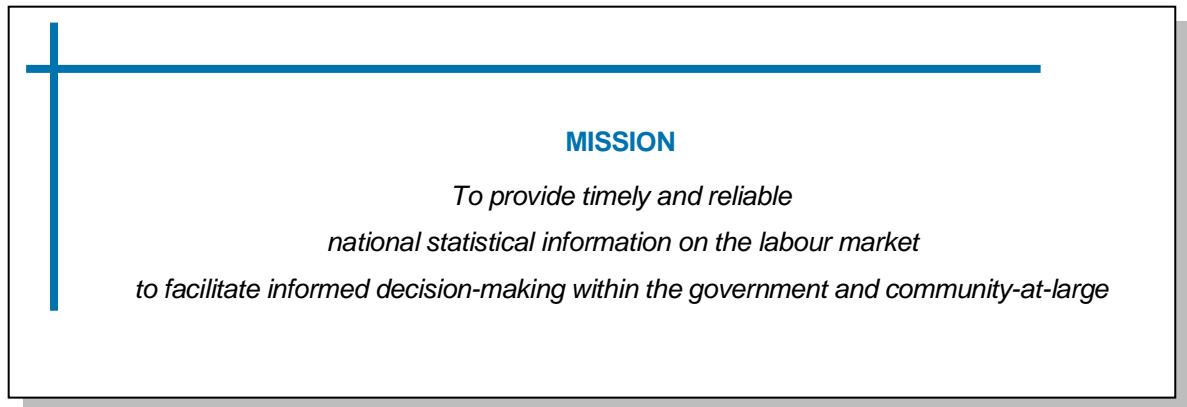
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Abbreviations

AVC	: Annual Variable Component
AWC	: Annual Wage Changes
AWS	: Annual Wage Supplement
CPF	: Central Provident Fund
CPI	: Consumer Price Index
Excl.	: Excluding
FWS	: Flexible Wage System
Incl.	: Including
MAS	: Monetary Authority of Singapore
MOM	: Ministry of Manpower
MTI	: Ministry of Trade and Industry
MVC	: Monthly Variable Component
NWC	: National Wages Council
NRAF	: Non Rank-and-File
PWM	: Progressive Wage Model
RAF	: Rank-and-File
VB	: Variable Bonus

Highlights

In 2023, the Singapore economy expanded by 1.1%, moderating from the 3.8% expansion in 2022. While the proportion of profitable establishments remained high (82.1%) in 2023, more establishments reported that they were less profitable than in 2022, reflecting slower economic growth. The labour market remained tight with unemployment rates staying low and stable¹. However, labour demand cooled over the course of the year². Against this backdrop:

- Nominal total wages³ continued to grow in 2023 (5.2%), although at a more moderate pace than in 2022 (6.5%). After accounting for inflation (which eased in 2023 from 2022), real wages grew by 0.4% in 2023, similar to the increase in 2022.
- A majority of establishments gave wage increases to their employees. However, this has declined from 72.2% in 2022 to 65.6% in 2023.
- The wage growth of Rank-and-File (RAF) (4.8%) and Junior Management (6.3%) employees was higher than that of Senior Management (4.6%) employees. In addition, the moderation in wage growth for the RAF (from 5.8% in 2022 to 4.8% in 2023) and Junior Management employees (from 7.4% to 6.3%) was also smaller than that of Senior Management (from 6.7% to 4.6%) employees. Going forward, we expect continued wage growth for lower-income employees, as the Local Qualifying Salary would be increased from \$1,400 to \$1,600 for full-time residents in 2024.
- All industries continued to see wage growth in 2023. However, the magnitude of wage change across industries was generally lower than the past year, except in *Administrative & Support Services* (2023: 7.1%, 2022: 5.2%) which saw higher wage growth. This reflects the impact of the Progressive Wage Model (PWM).
- In its 2023/2024 guidelines, the National Wages Council encouraged establishments to adopt a Flexible Wage System (FWS). In 2023, a majority of establishments continued to implement some form of FWS (80.4%), broadly similar to 2022 (80.6%). However, the proportion of establishments which have fully adopted FWS (ie. implemented both a Monthly Variable Component and Annual Variable Component) remained low at 10.3%.

The Singapore economy is expected to improve in 2024. The job market remains tight, and vacancies continue to outnumber job seekers. There continues to be strong demand for PMET workers in industries such as *Information & Communications, Financial Services, Professional Services* and *Health & Social Services*⁴. These developments could result in higher wage growth in 2024 compared to 2023. However, with an uncertain business environment, establishments might adopt a cautious stance with respect to wage increases. Recent polls on wage expectations conducted in the first quarter of 2024 revealed that less firms expressed an intention to raise the wages of their employees in the next three months⁵. On balance, we expect the nominal wage growth in 2024 to remain similar to 2023. With inflation expected to stay on a gradually moderating trend, we expect an improvement in real wage growth.

¹ The job vacancy to unemployed person ratio remained high at 1.87 in 2023. Unemployment rates remained low and stable throughout 2023, staying within the range observed during non-recessionary periods (overall: 1.8%-2.3%; resident: 2.5%-3.3%; citizen: 2.7%-3.5%). Source: Labour Market Survey and Labour Force Survey, Manpower Research & Statistics Department, MOM.

² In 2023, employment growth slowed in each successive quarter (1Q: 33,000, 2Q: 24,300, 3Q: 23,600, 4Q: 7,500) and the number of job vacancies declined in the first three quarters of 2023 (Mar: 97,800, Jun: 87,600, Sep: 78,200). Source: Administrative Records, Labour Force Survey and Labour Market Survey, Manpower Research & Statistics Department, MOM.

³ Total wage includes components such as the basic wage and annual variable component.

⁴ The proportion of PMET vacancies continued to rise, from 56.0% in 2022 to 57.2% in 2023, particularly in firms within growth sectors such as *Information & Communications* (15.2%), *Financial & Insurance Services* (10.7%), *Professional Services* (10.6%) and *Health & Social Services* (10.4%). Source: Labour Market Survey, Manpower Research & Statistics Department, MOM.

⁵ The proportion of firms with an intention to raise wages declined from 32.6% in Dec 2023 to 26.1% in Mar 2024. Source: Manpower Research & Statistics Department, MOM.

Report on Wage Practices 2023

1 Introduction

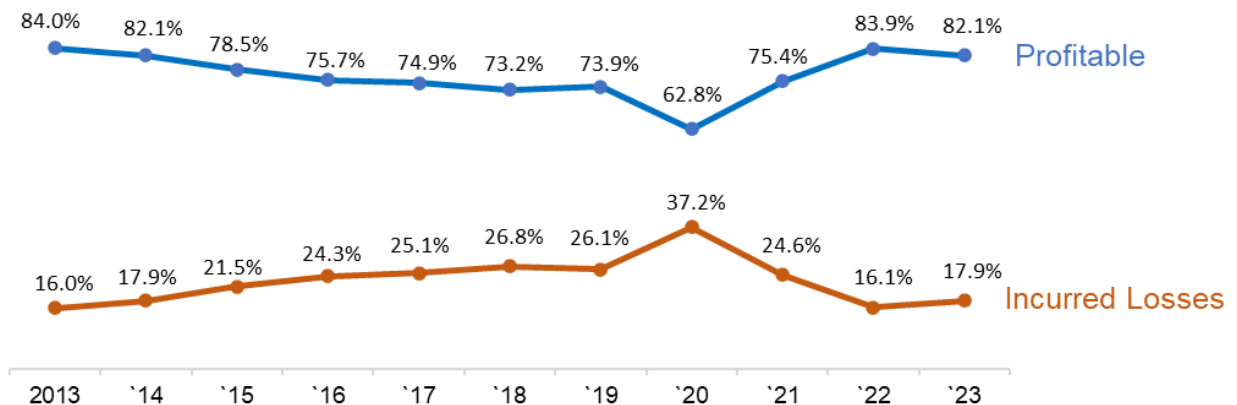
1.1 The data presented in this report is obtained from MOM's Annual Wage Changes (AWC) survey on private sector establishments. The survey captures information on the wage change of full-time resident employees in continuous employment with the same employer for at least a year. This removes the effects due to compositional changes such as job change and new entrants, while focusing on the wage experience of a majority of employees in the workforce⁶. The survey coverage and methodology are explained in [Annex 2](#).

2 Key Findings

Profitability Status

2.1 Reflecting slower economic growth, the proportion of establishments who reported that they were profitable in 2023 (82.1%) dipped compared to 2022 (83.9%) ([Chart 1](#)). More profitable establishments also reported a decline in their profits in 2023 (26.8%) compared to 2022 (22.0%) ([Chart 2](#)).

Chart 1: Proportion of Establishments by Profitability Status, 2013-2023

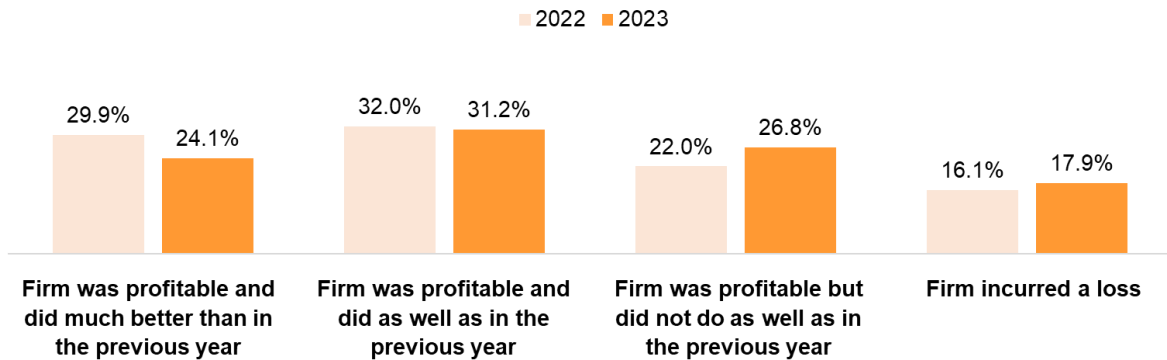


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: Based on private sector establishments that disclosed their profit status.

⁶ Based on the Labour Force in Singapore 2023 report, 83.6% of resident employees in the workforce were in their jobs for at least one year.

Chart 2: Distribution by Detailed Profit Status among Establishments



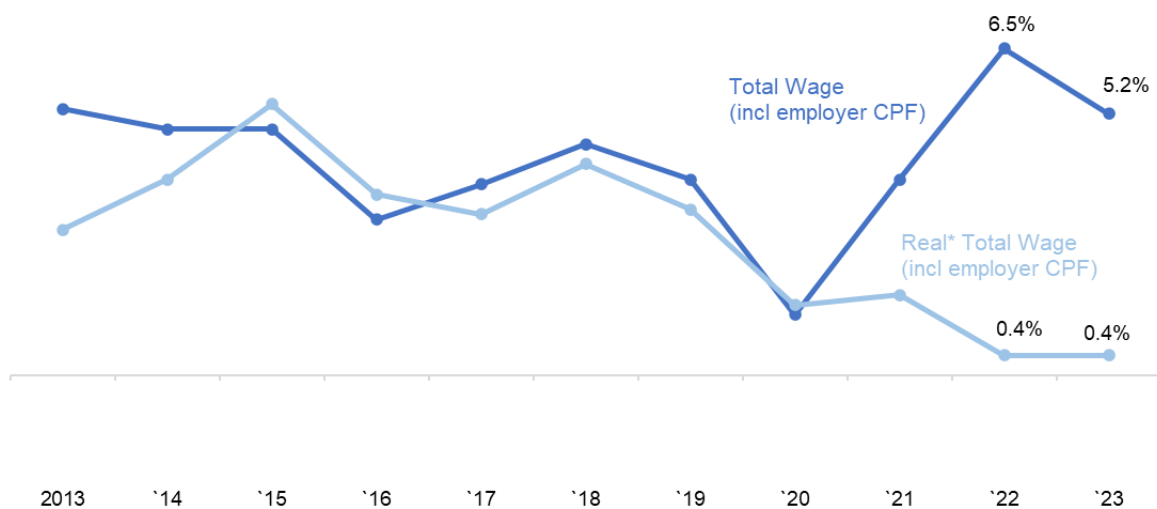
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Wage Trends

2.2 The labour market remained tight in 2023 with unemployment rates staying low and stable, but labour demand cooled over the course of the year⁷. Hence, the nominal total wages of full-time resident employees continued to grow, but the rate of increase slowed from 6.5% in 2022 to 5.2% in 2023 (**Chart 3**). Nevertheless, wage growth was higher than the range seen in non-recessionary years.

2.3 After accounting for inflation (which eased in 2023 from 2022), real wages grew by 0.4% in 2023, similar to the increase for 2022⁸.

Chart 3: Total Wage Change (Incl. Employer CPF), 2013-2023



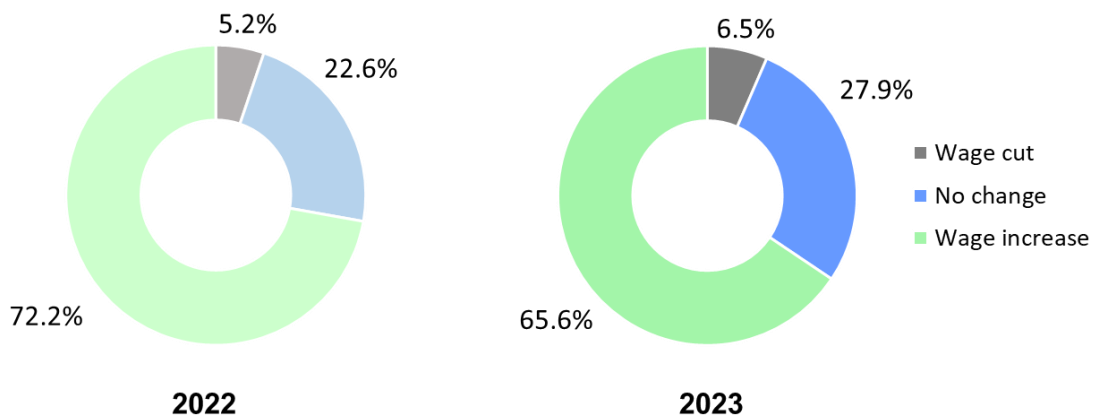
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

⁷ In 2023, employment growth slowed in each successive quarter (1Q: 33,000, 2Q: 24,300, 3Q: 23,600, 4Q: 7,500) and the number of job vacancies declined in the first three quarters of 2023 (Mar: 97,800, Jun: 87,600, Sep: 78,200). Source: Administrative Records, Labour Force Survey and Labour Market Survey, Manpower Research & Statistics Department, MOM.

⁸ Inflation eased to 4.8% in 2023, from 6.1% in 2022. Source: Department of Statistics.

2.4 A majority of establishments gave wage increases to their employees. However, as more establishments were less profitable in 2023 than in 2022, the proportion of establishments which gave wage increases to their employees declined from 72.2% in 2022 to 65.6% in 2023. (**Chart 4**). There was also a slight increase in the proportion of establishments that cut the wages of their employees, from 5.2% in 2022 to 6.5% in 2023, although they remained the minority.

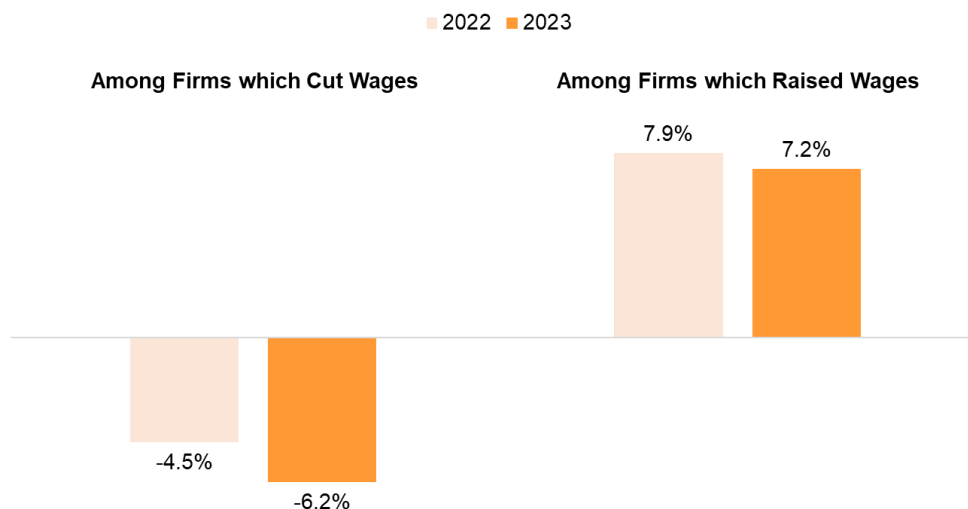
Chart 4: Distribution of Establishments by Total Wage Change



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

2.5 The magnitude of wage increases⁹ was smaller in 2023 (7.2%) compared to 2022 (7.9%) and the magnitude of wage cuts¹⁰ was larger in 2023 (-6.2%) than in 2022 (-4.5%) (**Chart 5**).

Chart 5: Magnitude of Total Wage Change among Establishments



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

⁹ Among establishments which gave wage increases.

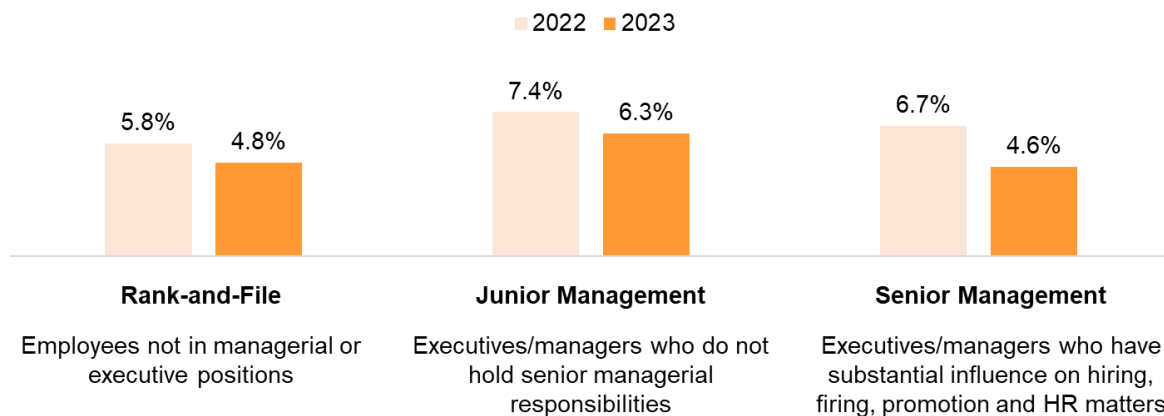
¹⁰ Among establishments which cut wages.

Wage Change by Employee Type

2.6 The moderated pace of wage growth was also seen across all employee types in 2023 compared to 2022 (**Chart 6**). The wage growth of Rank-and-File (RAF) (4.8%) and Junior Management (6.3%) employees was higher than that of Senior Management (4.6%) employees.

2.7 In addition, the moderation in wage growth for the RAF (from 5.8% in 2022 to 4.8% in 2023) and Junior Management (from 7.4% to 6.3%) employees was also smaller than that of Senior Management (from 6.7% to 4.6%) employees. Going forward, we expect continued wage growth for lower-income employees, as the Local Qualifying Salary would be increased from \$1,400 to \$1,600 for full-time residents in 2024¹¹.

Chart 6: Total Wage Change by Employee Type



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

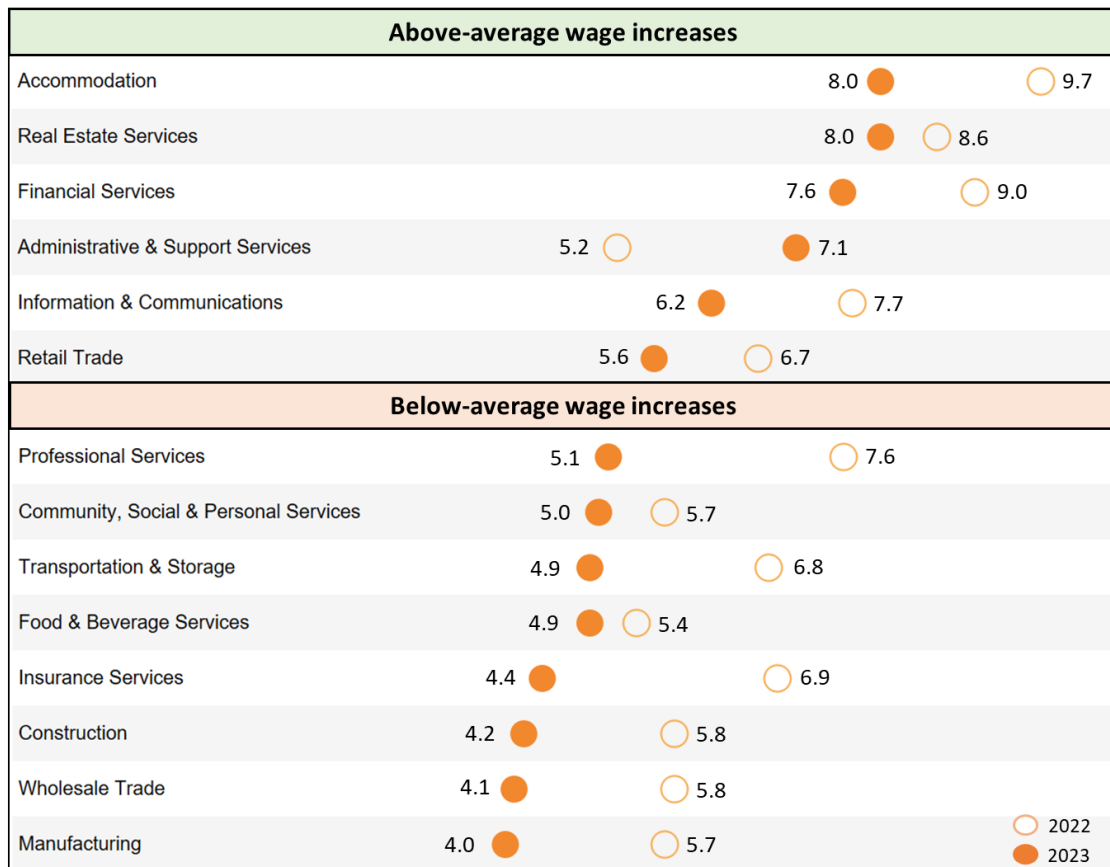
¹¹ From 1 July 2024, the Local Qualifying Salary will be raised from \$1,400 to \$1,600 per month. Firms hiring foreign workers will have to pay all their full-time local workers at least the Local Qualifying Salary (or Progressive Wage Model wages where applicable).

Wage Change by Industry

2.8 All industries continued to see wage growth in 2023 (**Chart 7**). However, the magnitude of wage change across industries was also generally lower than the past year, except in *Administrative & Support Services* (2023: 7.1%, 2022: 5.2%) which saw higher wage growth, reflecting the impact of the Progressive Wage Model (PWM)¹². Along with *Food & Beverage Services* and *Retail Trade*, wages in these industries are expected to continue growing steadily in the years ahead, alongside the expansion of the PWM¹³.

2.9 Above-average wage increases were observed in growth sectors like *Financial Services* (7.6%) and *Information & Communications* (6.2%). *Manufacturing* (4.0%) and *Construction* (4.2%) continued to see below-average wage increases, following a slowdown in goods-producing industries which continued to be affected by external headwinds such as global supply chain disruptions.

Chart 7: Total Wage Change by Industry (%)



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

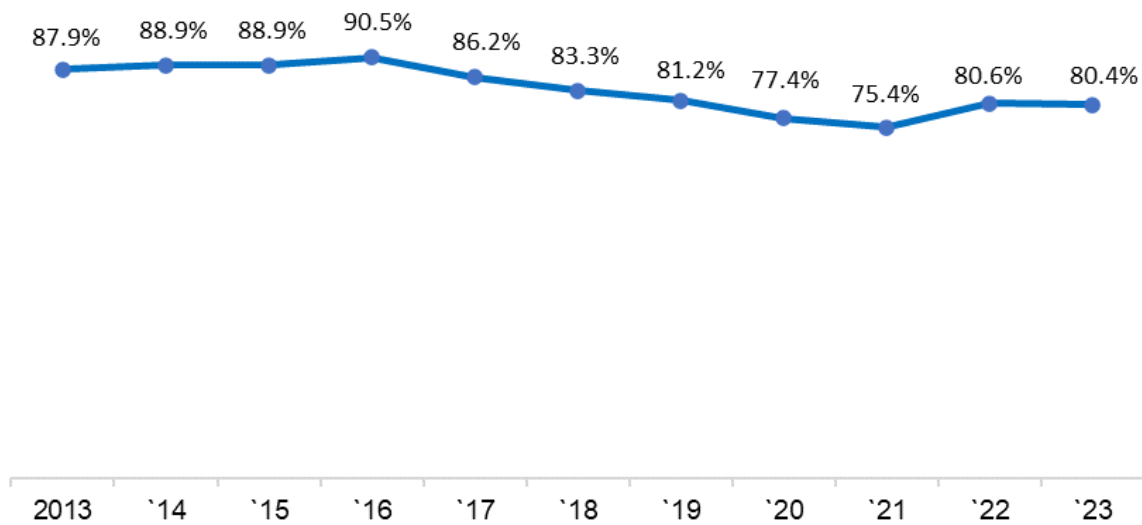
¹² The PWM helps to increase wages of workers through upgrading skills and improving productivity. It covers sectors such as *Cleaning, Security and Landscape* which are within *Administrative & Support Services*.

¹³ The PWM has expanded to cover local workers in the *Retail* industry (from 1 September 2022), *Food Services* industry and *Administrator* and *Driver* occupations (from 1 March 2023), and *Waste Management* industry (from 1 July 2023).

Flexible Wage System

2.10 In its 2023/2024 guidelines, the National Wages Council (NWC) encouraged establishments to adopt a Flexible Wage System (FWS), comprising of a Monthly Variable Component (MVC) and an Annual Variable Component (AVC). In 2023, a majority of establishments continued to implement some form of FWS (80.4%) (**Chart 8**), broadly similar to 2022 (80.6%).

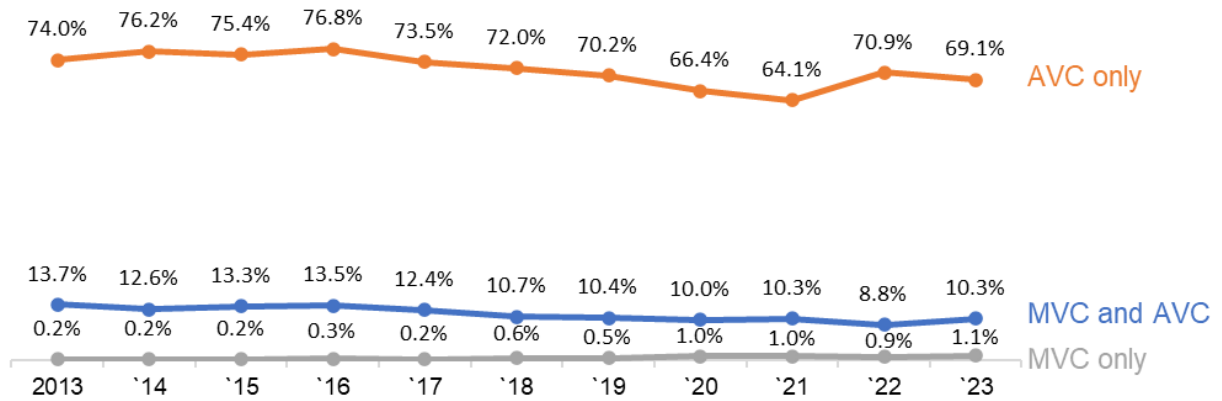
Chart 8: Proportion of Establishments which Implemented Some Form of Flexible Wage System, 2013-2023



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

2.11 However, the proportion of establishments which adopted the FWS in full, i.e. both the MVC and AVC, has remained low at 10.3% in 2023, notwithstanding an uptick from 8.8% in 2022 (**Chart 9**). Most establishments have not provided MVC, as they lacked awareness or did not intend to implement it yet¹⁴.

Chart 9: Proportion Of Establishments By Presence Of Variable Components, 2013-2023



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

¹⁴ In 2023, establishments' top reasons for not introducing MVC in their wage structure remained lack of awareness (40.1%) and did not intend to implement it yet (19.8%).

3 Conclusion

3.1 The Singapore economy is expected to improve in 2024¹⁵. The job market remains tight, and vacancies continue to outnumber job seekers. These developments could lead to higher wage growth in 2024 compared to 2023. However, with a more uncertain business environment, establishments may adopt a cautious stance with respect to wage increases. Recent polls on wage expectations conducted in the first quarter of 2024 revealed that fewer firms expressed an intention to raise wages of their employees in the next three months¹⁶. On balance, we expect the nominal wage growth in 2024 to remain similar to 2023. With inflation expected to stay on a gradually moderating trend, we expect an improvement in real wage growth.

¹⁵ Singapore's economy is expected to grow between 1.0% to 3.0% in 2024. Source: MTI.

¹⁶ The proportion of firms with an intention to raise wages declined from 32.6% in Dec 2023 to 26.1% in Mar 2024. Source: Manpower Research & Statistics Department, MOM.

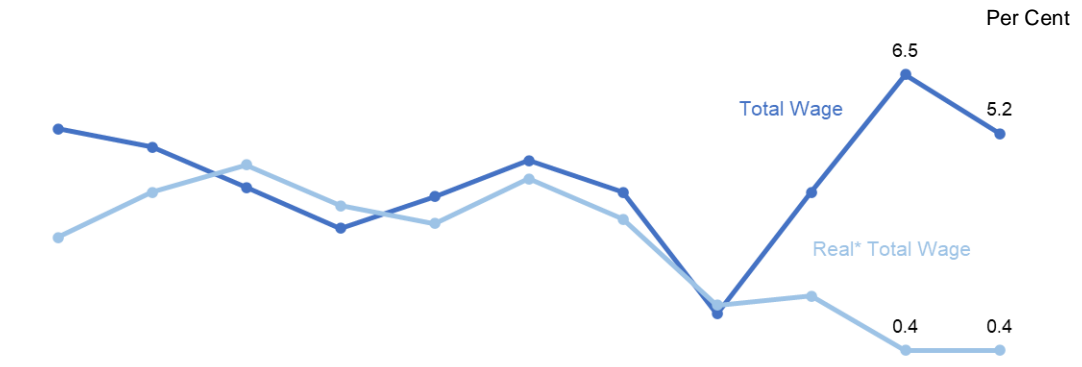
Chart A1: Total Wage and Basic Wage Changes, 2013-2023

Total Wage Change (Incl. Employer CPF)



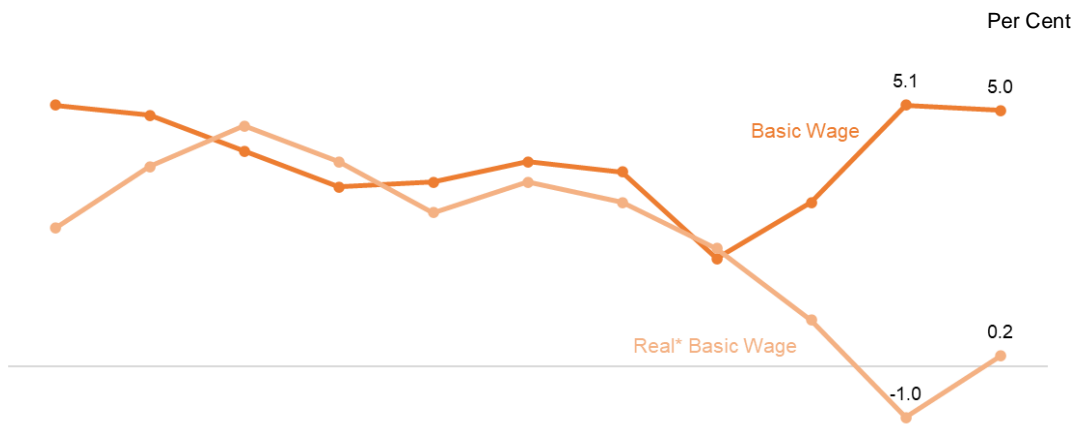
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Wage	5.3	4.9	4.9	3.1	3.8	4.6	3.9	1.2	3.9	6.5	5.2
Real* Total Wage	2.9	3.9	5.4	3.6	3.2	4.2	3.3	1.4	1.6	0.4	0.4

Total Wage Change (Excl. Employer CPF)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Wage	5.3	4.9	4.0	3.1	3.8	4.6	3.9	1.2	3.9	6.5	5.2
Real* Total Wage	2.9	3.9	4.5	3.6	3.2	4.2	3.3	1.4	1.6	0.4	0.4

Basic Wage Change (Excl. Employer CPF)



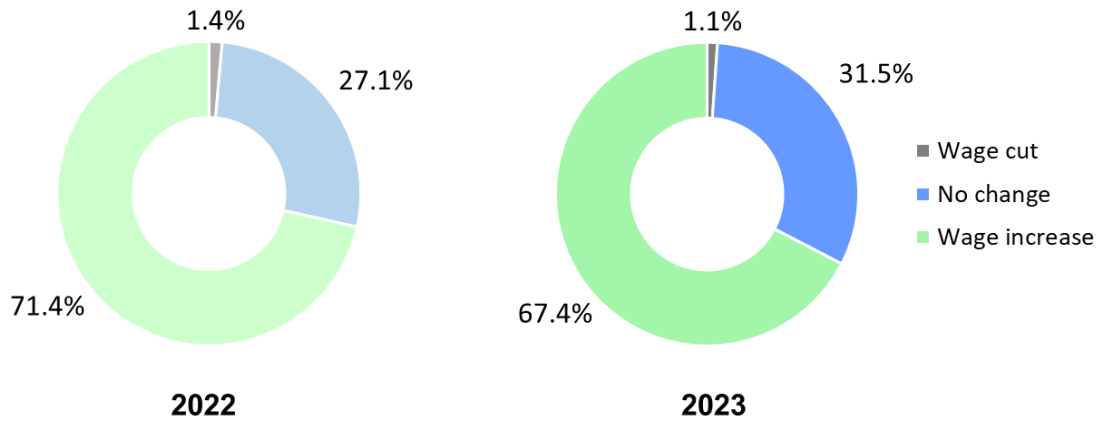
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Basic Wage	5.1	4.9	4.2	3.5	3.6	4.0	3.8	2.1	3.2	5.1	5.0
Real* Basic Wage	2.7	3.9	4.7	4.0	3.0	3.6	3.2	2.3	0.9	-1.0	0.2

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

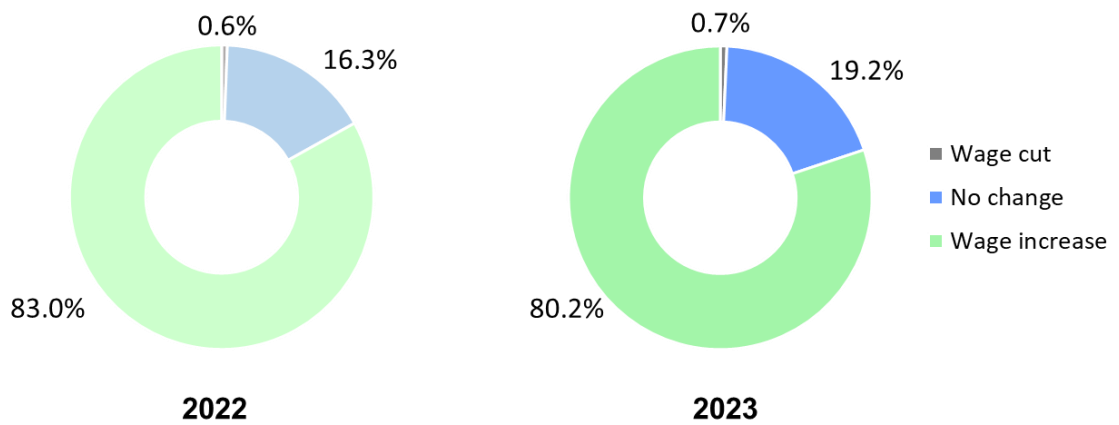
Note: * - Deflated by Consumer Price Index (CPI) for all items at 2019 prices (2019 =100)

Chart A2: Distribution by Basic Wage Change

Establishments



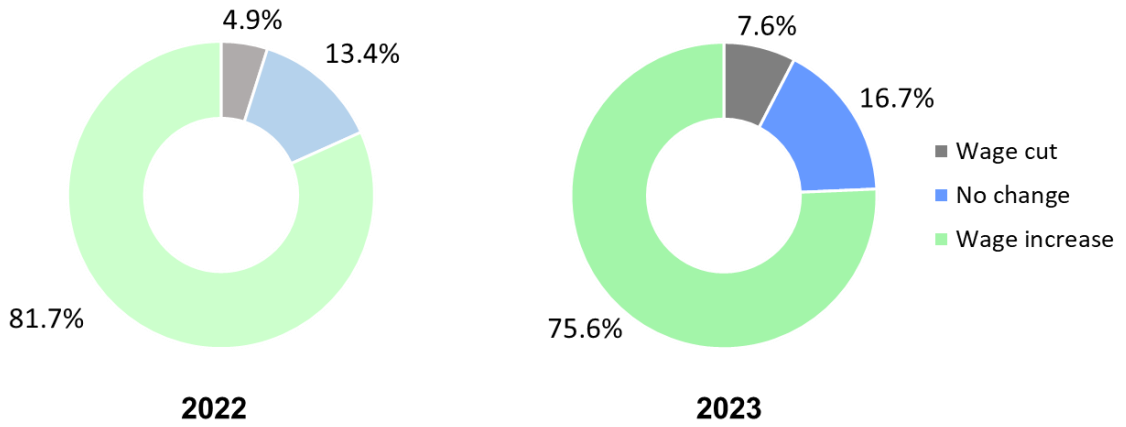
Employees



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

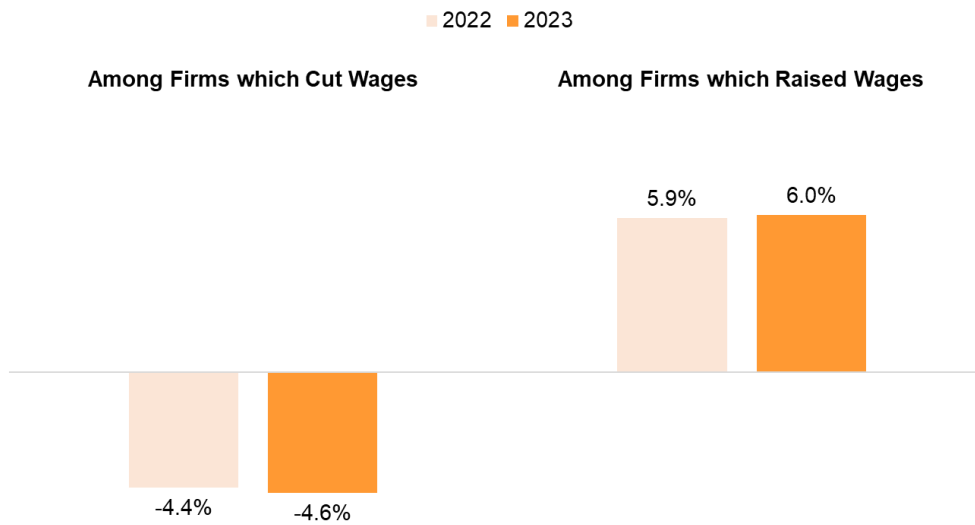
Note: Figure may not sum up to 100% due to rounding.

Chart A3: Distribution of Employees by Total Wage Change



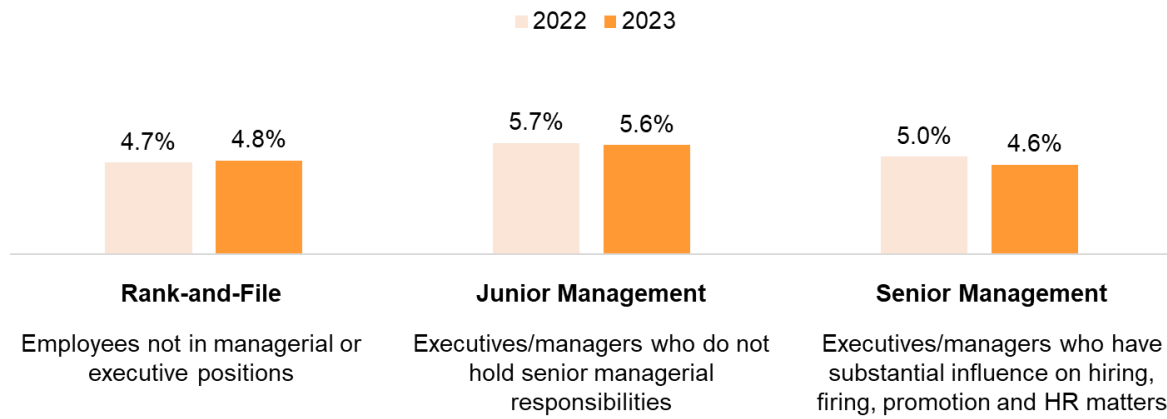
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A4: Extent of Basic Wage Change among Establishments



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

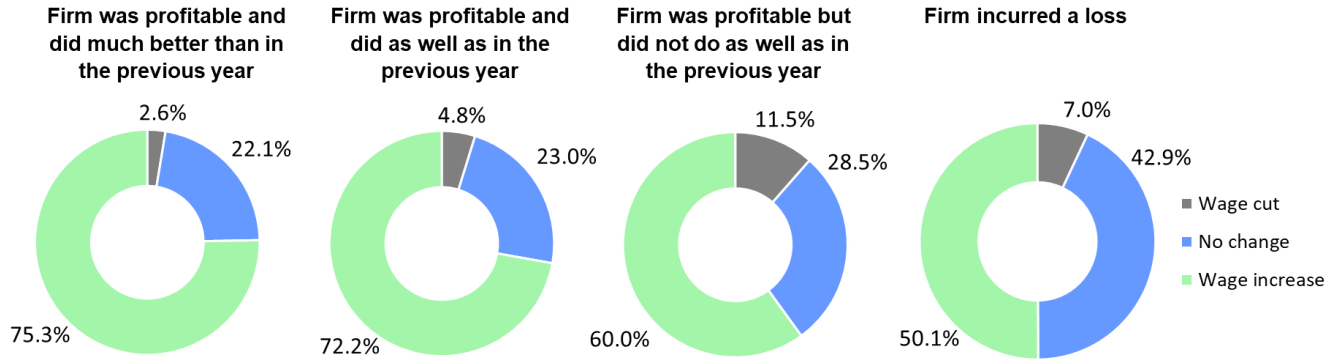
Chart A5: Basic Wage Change by Type of Employees



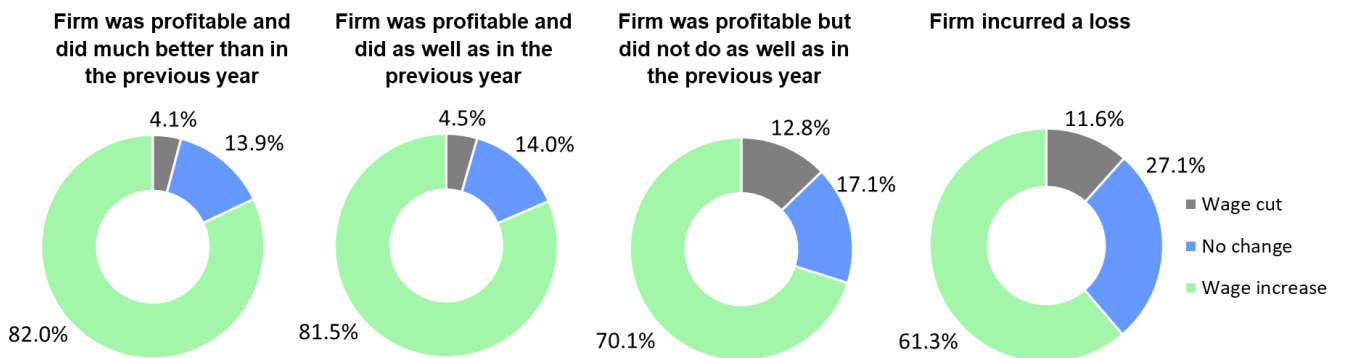
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A6: Distribution by Total Wage Change and Detailed Profit Status, 2023

Establishments



Employees



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

- Notes: (1) Figure may not sum up to 100% due to rounding.
 (2) Based on private establishments that disclosed their profit status.

Table A1: Total Wage Change by Profit Status

Profit Status	Type	Total Wage Change (%)	
		2022	2023
Profitable and did much better than previous years	Total	8.3	6.7
	RAF	7.1	5.8
	NRAF	9.5	7.4
Profitable and did as well as previous year	Total	6.4	5.3
	RAF	5.9	4.8
	NRAF	6.9	5.9
Profitable but did not do as well as previous year	Total	5.2	4.2
	RAF	5.1	4.7
	NRAF	5.3	3.7
Incurred a loss	Total	4.8	4.1
	RAF	4.1	3.6
	NRAF	5.5	4.7

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Based on private establishments that disclosed their profit status.
(2) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A2: Wage Change by Industry

Per cent

Industry (SSIC 2020)	Type	Total Wage Change		Basic Wage Change	
		2022	2023	2022	2023
Total	Total	6.5	5.2	5.1	5.0
	RAF	5.8	4.8	4.7	4.8
	NRAF	7.1	5.6	5.5	5.2
Manufacturing	Total	5.7	4.0	4.5	4.3
	RAF	5.3	3.8	4.2	4.2
	NRAF	6.2	4.3	4.8	4.5
Construction	Total	5.8	4.2	4.2	3.7
	RAF	6.1	4.2	4.4	3.7
	NRAF	5.6	4.1	4.1	3.8
Services	Total	6.7	5.6	5.3	5.4
	RAF	5.8	5.2	4.8	5.1
	NRAF	7.5	6.1	5.7	5.6
Wholesale Trade	Total	5.8	4.1	4.3	4.7
	RAF	5.2	3.3	4.0	4.0
	NRAF	6.3	4.9	4.5	5.3
Retail Trade	Total	6.7	5.6	6.5	5.7
	RAF	6.8	5.6	6.7	5.9
	NRAF	6.5	5.5	6.1	5.4
Transportation & Storage	Total	6.8	4.9	4.5	4.5
	RAF	5.6	4.4	4.4	4.2
	NRAF	9.0	5.7	4.7	5.1
Accommodation	Total	9.7	8.0	4.9	4.8
	RAF	9.8	8.0	4.9	4.9
	NRAF	9.7	8.1	4.9	4.6
Food & Beverage Services	Total	5.4	4.9	4.3	4.6
	RAF	5.1	4.7	4.0	4.4
	NRAF	6.1	5.7	4.8	5.0
Information & Communications	Total	7.7	6.2	6.7	5.9
	RAF	7.5	5.7	6.8	5.9
	NRAF	7.8	6.5	6.7	5.9
Financial Services	Total	9.0	7.6	7.1	6.6
	RAF	9.1	5.9	6.5	4.3
	NRAF	9.1	8.0	7.2	6.9
Insurance Services	Total	6.9	4.4	5.4	5.1
	RAF	6.8	5.1	5.3	5.1
	NRAF	6.9	4.3	5.4	5.1
Real Estate Services	Total	8.6	8.0	6.1	5.1
	RAF	7.4	7.4	5.8	4.6
	NRAF	10.1	8.7	6.3	5.7
Professional Services	Total	7.6	5.1	6.5	5.1
	RAF	6.0	4.8	4.7	4.8
	NRAF	8.5	5.3	7.5	5.2
Administrative & Support Services	Total	5.2	7.1	4.9	8.0
	RAF	5.1	8.0	4.9	8.9
	NRAF	5.6	4.6	4.6	5.6
Community, Social & Personal Services	Total	5.7	5.0	4.4	4.5
	RAF	5.5	4.8	4.2	4.2
	NRAF	5.9	5.3	4.6	4.7

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A3: Annual Variable Component by Industry

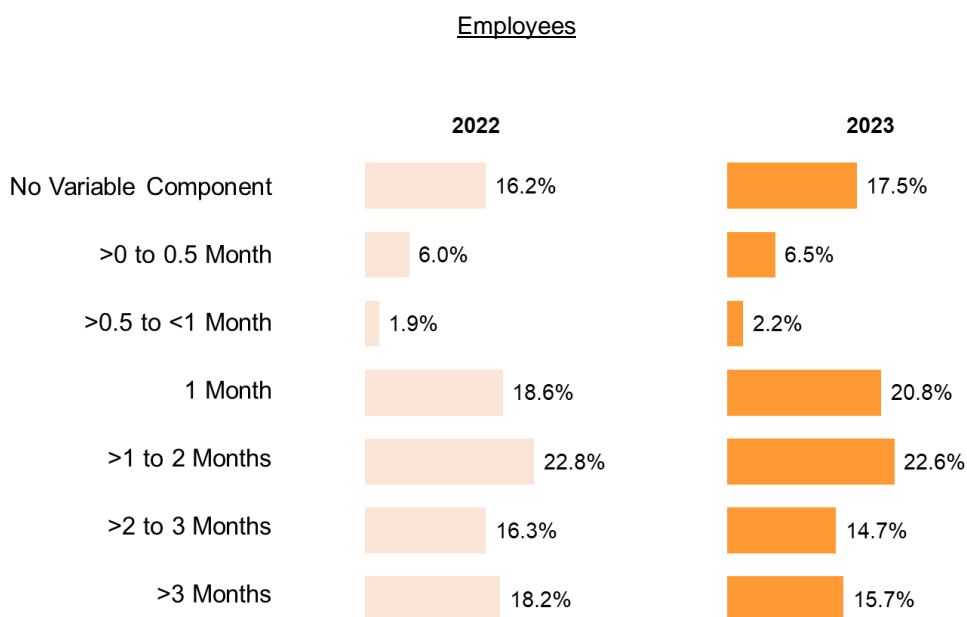
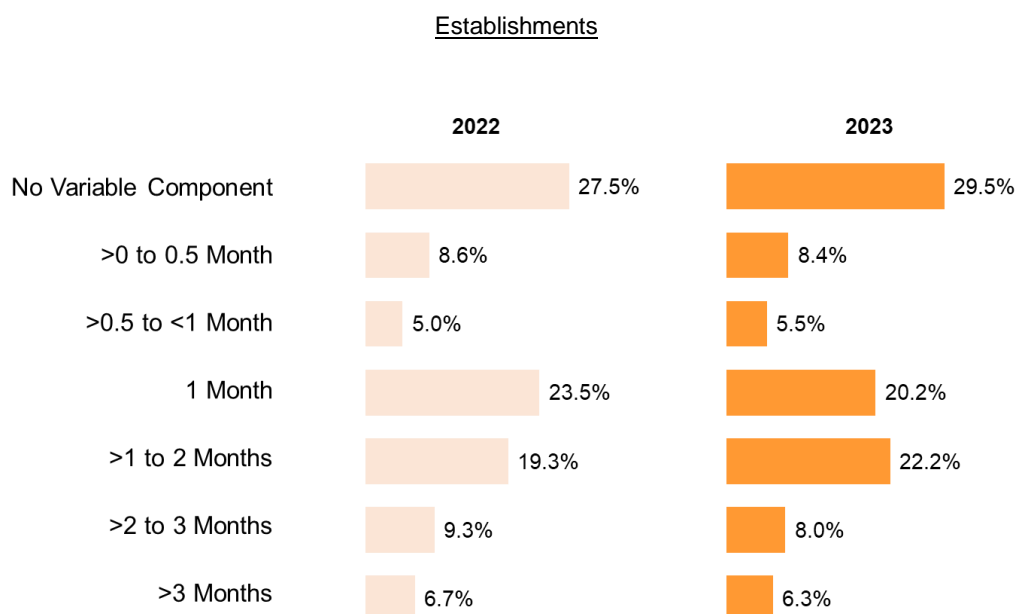
Months of Basic Wage

Industry (SSIC 2020)	Type	Annual Variable Component	
		2022	2023
Total	Total	1.93	1.76
	RAF	1.56	1.35
	NRAF	2.29	2.19
Manufacturing	Total	2.08	1.83
	RAF	1.87	1.64
	NRAF	2.30	2.05
Construction	Total	1.16	1.23
	RAF	0.97	1.02
	NRAF	1.34	1.52
Services	Total	1.97	1.82
	RAF	1.54	1.34
	NRAF	2.39	2.30
Wholesale Trade	Total	2.19	2.00
	RAF	1.78	1.48
	NRAF	2.51	2.44
Retail Trade	Total	2.15	1.16
	RAF	2.32	1.02
	NRAF	1.77	1.46
Transportation & Storage	Total	1.91	1.92
	RAF	1.69	1.67
	NRAF	2.29	2.36
Accommodation	Total	1.98	2.12
	RAF	1.96	1.96
	NRAF	1.99	2.28
Food & Beverage Services	Total	0.85	0.70
	RAF	0.80	0.66
	NRAF	0.97	0.81
Information & Communications	Total	1.78	1.75
	RAF	1.71	1.49
	NRAF	1.83	1.92
Financial Services	Total	3.39	3.11
	RAF	2.24	2.38
	NRAF	3.61	3.23
Insurance Services	Total	2.42	2.14
	RAF	1.82	1.63
	NRAF	2.61	2.28
Real Estate Services	Total	1.95	2.16
	RAF	1.46	1.90
	NRAF	2.52	2.44
Professional Services	Total	1.92	1.81
	RAF	1.68	1.61
	NRAF	2.05	1.94
Administrative & Support Services	Total	0.78	0.98
	RAF	0.68	0.84
	NRAF	1.15	1.37
Community, Social & Personal Services	Total	2.14	2.04
	RAF	1.78	1.69
	NRAF	2.47	2.41

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. This table is based on annual variable component collected in the reference year.

Chart A7: Distribution by Quantum of Annual Variable Component

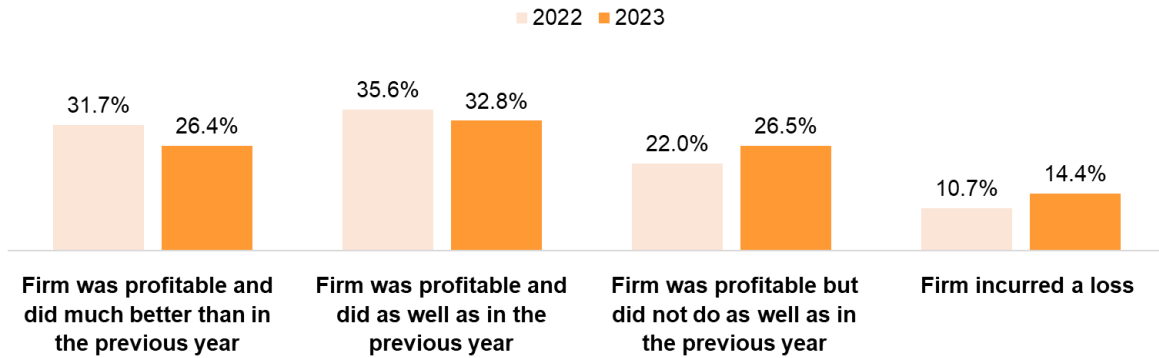


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Figures may not sum up to 100% due to rounding.

(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

Chart A8: Distribution by Detailed Profit Status among Employees



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Figure may not sum up to 100% due to rounding.
 (2) Based on private establishments that disclosed their profit status.

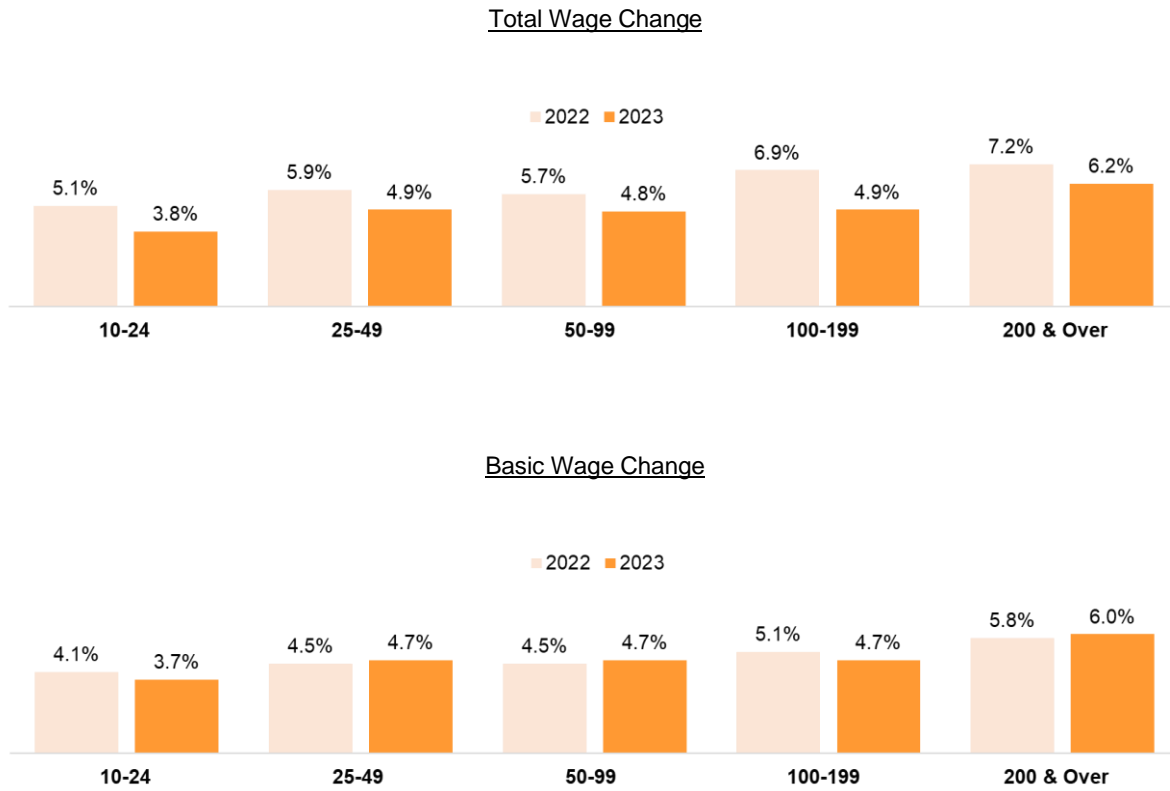
Chart A9: Proportion of Profitable Establishments and Employees by Establishment Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

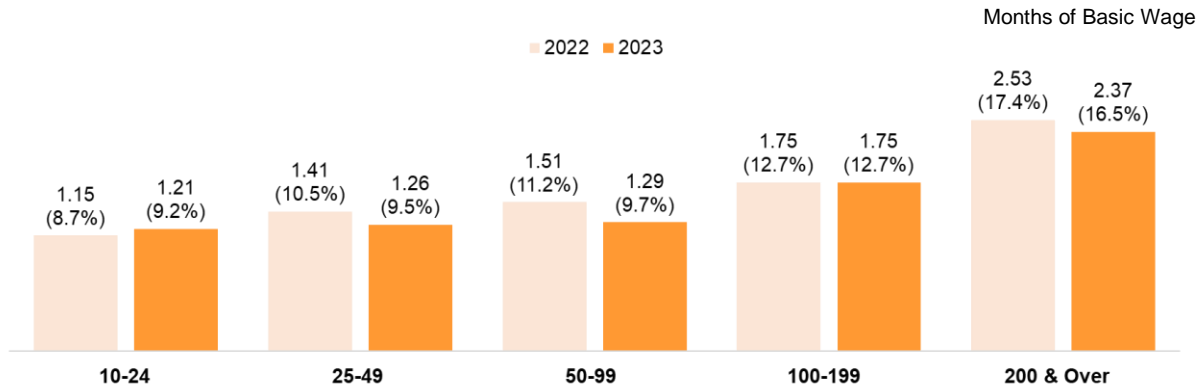
Note: Based on private sector establishments that disclosed their profit status

Chart A10: Wage Change by Establishment Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

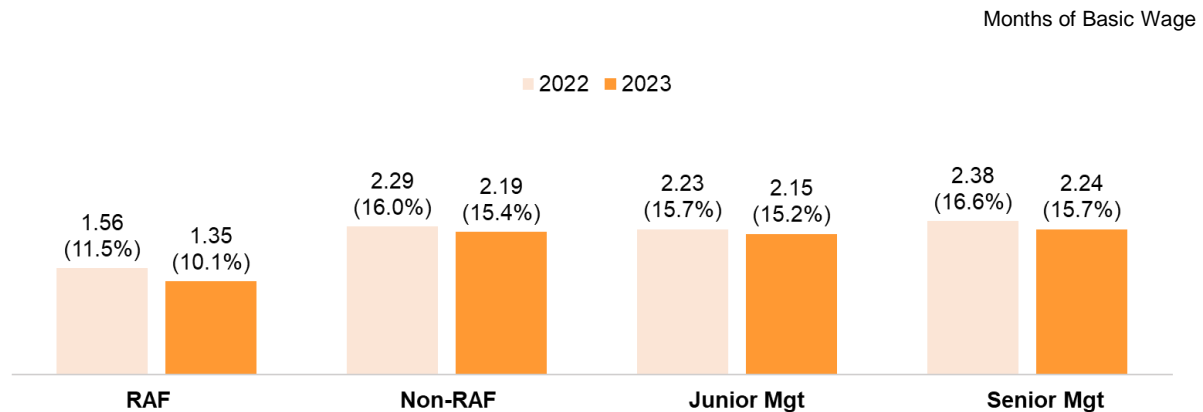
Chart A11: Annual Variable Component by Establishment Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Figures in brackets refer to annual variable component as a proportion of total wages.
 (2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

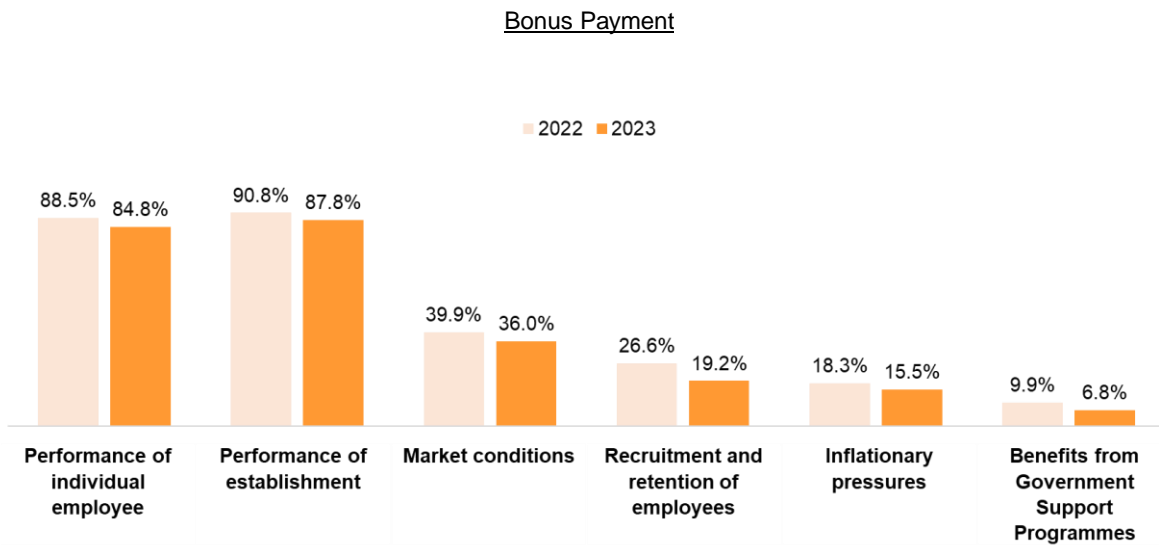
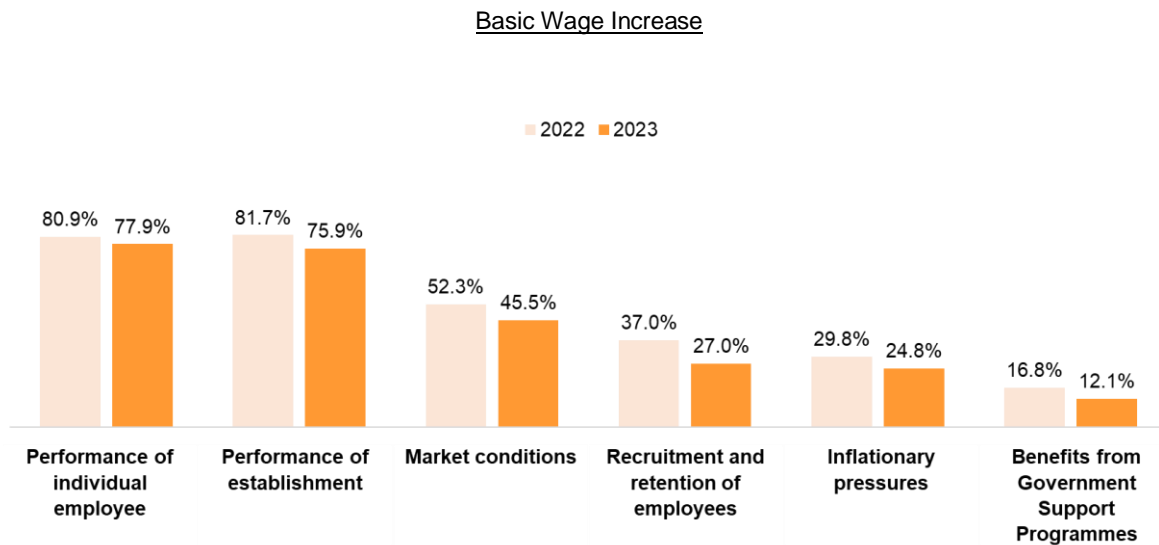
Chart A12: Annual Variable Component by Employee Type



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) RAF refers to rank-and-file. Non-RAF comprise junior and senior management employees.
 (2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

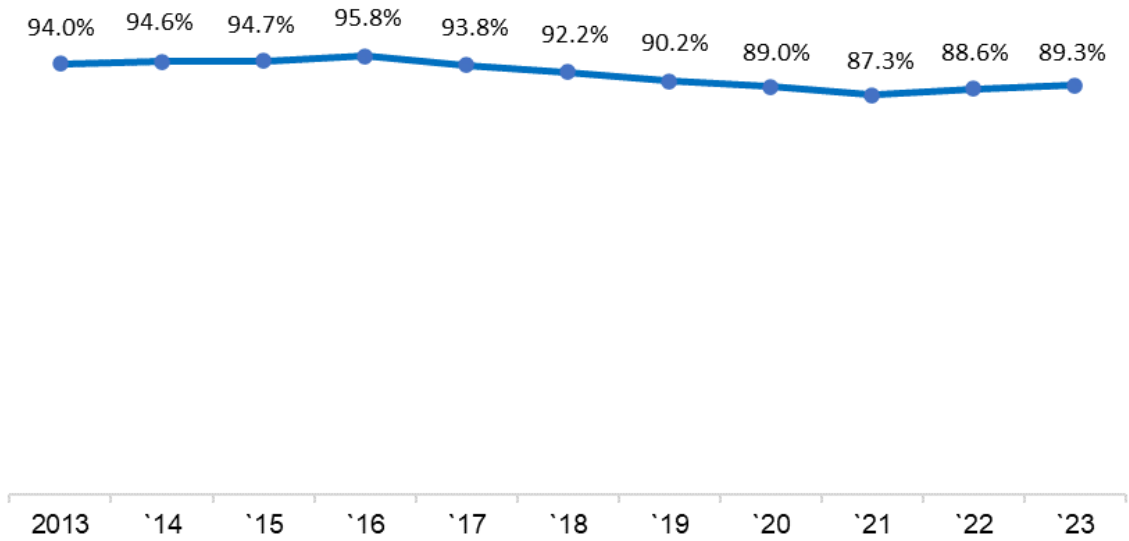
Chart A13: Proportion of Establishments by Factors Considered when Determining Basic Wage Increases and Bonus Payment



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

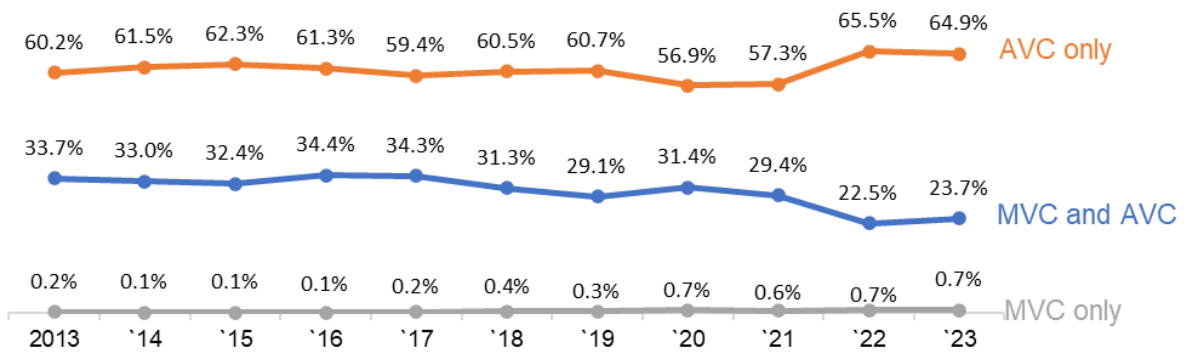
Notes: (1) Based on private establishments that had basic wage increase and/or bonus payment in their wage structure respectively.
 (2) Figures may not sum up to 100% as multiple selections were allowed.

Chart A14: Proportion of Employees under Some Form of Flexible Wage System, 2013-2023



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A15: Proportion of Employees By Presence of Variable Components, 2013-2023



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

SURVEY COVERAGE AND METHODOLOGY

SURVEY ON ANNUAL WAGE CHANGES, 2023

Introduction

The *Survey on Annual Wage Changes, 2023* was conducted by the Manpower Research and Statistics Department of the Ministry of Manpower under the Statistics Act 1973 (2020 Revised Edition). The survey fieldwork was conducted from 8 November 2023 to 14 April 2024.

Objective

The survey was conducted to obtain information on the extent of wage changes in 2023.

Coverage

The survey covered private sector establishments with at least 10 employees. Some 5,494 private establishments responded to the survey. These establishments employed 970,100 employees which included 494,400 resident full-time employees on the Central Provident Fund (CPF) scheme with at least 1 year in service (comprising 236,100 rank-and-file employees, 180,300 junior and 78,000 senior management staff) and 317,200 non-resident employees. Resident full-time employees with less than a year of service, or on part-time formed the remaining 158,500. The survey response rate was 85.5%.

The results were weighted to reflect the population of private sector establishments with at least 10 employees by using expansion factors based on sampling fraction.

Methodology

The survey was conducted using online questionnaires. Respondents could submit their returns online, with clarifications made over the phone.

Reference Period

The reference period for the survey was November 2022 to November 2023.

Data Collected

The establishments were asked to provide information on the average basic wage change, Annual Wage Supplement (AWS) and Variable Bonus (VB) to employees in 2023. The information collected pertains to full-time employees on the CPF scheme who had been with the establishment for at least one year as at 30 November 2023.

Analysis

Findings on the extent of wage changes in private sector in 2023 is based on private establishments with at least 10 employees. Unless otherwise stated, all data on annual variable component are based on data collected in the reference year.

Classification

The industries of the surveyed establishments were classified according to the Singapore Standard Industrial Classification (SSIC) 2020.

Reliability of Data

In a sample survey, inferences about the target population are drawn from the data collected from the sample. Errors due to extension of the conclusions based on one sample to the entire population are known as sampling errors. The sampling error of an estimate is the extent of variation between the estimated value obtained from a sample and the true value from the population. Factors influencing the sampling error include the sample size, the sample design, method of estimation, the variability of the population and the characteristics studied.

A common measure of the sampling error of an estimate is its standard error, which is a measure of the variation among the estimates derived from all possible samples. An alternative measure is the relative standard error of an estimate which indicates the standard error relative to the magnitude of the estimate. A sample estimate and an estimate of its standard error can be used to construct an interval that will, at specified levels of confidence, include the true value. By statistical convention, the confidence level has been set at 95 per cent.

Estimates of the sampling variability of selected indicators are as follows:

	Estimate	Standard Error	Relative Standard Error (%)	95% Confidence Interval	
				Lower	Upper
Total Wage Change (Incl. Employer CPF)^	5.2%	0.13%-pt	2.5%	4.9%	5.5%
Total Wage Change (Excl. Employer CPF)^	5.2%	0.13%-pt	2.5%	4.9%	5.5%
Basic Wage Change^	5.0%	0.10%-pt	1.9%	4.8%	5.2%
Variable Component^ (months of basic wage)	1.76	0.03	1.52%	1.70	1.81
Proportion of establishments which adopted some form of Flexible Wage System (FWS)#	80.4%	0.8%-pt	1.0%	78.8%	82.0%
Proportion of employees in establishments which adopted some form of Flexible Wage System (FWS)#	89.3%	1.0%-pt	1.1%	87.4%	91.2%

Notes:

(1) ^ Wage growth pertains to wage increases granted by private sector establishments (with at least 10 employees) to full-time employees on CPF Scheme who were in continuous employment for at least a year.

(2) # This refers to those who had adopted either the monthly variable component (MVC) or annual variable component (AVC).

Concepts and Definitions

Total number of paid employees:	This refers to the number of persons, both local and foreign, working <u>directly</u> for the establishment, including employees who on this day are on sick leave, annual leave, etc. but are still on the establishment's payroll. These permanent and/or temporary employees can work on a full-time or part-time basis. It includes piece-rated workers but excludes workers who work 'on and off' (e.g. exhibition and convention workers hired especially for an event for short durations (say 3 – 5 days)).
Local employees:	This refers to Singapore Citizens and Permanent Residents.
Rank-and-File Employees:	This includes employees who are in technical, clerical, sales, service, production, transport, cleaning and related positions. They are not employees in managerial or executive positions.
Junior Management Staff:	This refers to executives and managers who do not hold senior managerial responsibilities. They do not have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Senior Management Staff:	This refers to executives and managers who have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Basic Wage:	This refers to the total basic pay before deduction of the employees' CPF contributions and personal income tax. It excludes employers' CPF contributions, bonuses, overtime payments, commissions, allowances (e.g. shift, food, housing and transport), other monetary payments and payments-in-kind.
Basic Wage Adjustment:	This usually comprises wage adjustments and built-in increments such as annual (or service), merit and NWC increments. Promotional increments are excluded.

Annual Wage Supplement (AWS):	This refers to the annual payment usually made at year-end and is commonly known as the 13th month allowance.
Variable Bonus (VB):	This refers to the payment given in addition to the AWS. It includes incentive payments and 'ang pows' but excludes AWS. The variable bonus is usually linked to establishment and/or individual performance and may vary from year to year. It may be paid in a lump sum or divided into several payments over the year; in which case the several payments should be added together.
Annual Variable Component (AVC):	This usually consists of 2 components i.e. AWS, and VB. Generally, the annual variable component is linked to establishment's profitability.
Monthly Variable Component (MVC):	This refers to the component of monthly basic wage that can be adjusted easily and quickly to meet changing business conditions. It should attract CPF, overtime pay, allowances, etc. The MVC can be built-up through wage increase or 'hived-off' from basic wage. Establishments can also implement a cut in basic wage by reducing MVC.
Market Conditions:	This can refer to a country's economic performance, industry's and/or transnational organisation's performance (in the case of multi-national corporation).

Formulae

- Basic Wage Change in 2023

$$= \frac{\text{End 2023 Basic Wage} - \text{End 2022 Basic Wage}}{\text{End 2022 Basic Wage}} \times 100\%$$

- Total Wage Change in 2023

$$= \frac{\text{2023 Total Wage} - \text{2022 Total Wage}}{\text{2022 Total Wage}} \times 100\%$$

Where:

Total Wage = Annual Basic Wage + Annual Variable Component (i.e. Annual Wage Supplement and Variable Bonus)

FEEDBACK FORM

Report Title: Report on Wage Practices 2023

1. How would you rate this report in terms of:

	Excellent	Good	Average	Poor
a) Relevance to your work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Providing useful insights on prevailing labour market trends/development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Ease of understanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Which area(s) of the report do you find most useful? Please provide reasons.

3. How do you find the length of the report?

Too detailed Just right Too brief

4. Overall, how would you rate this report?

	Excellent	Good	Average	Poor
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. What additional information (if any) would you like us to include in our future issues?

6. Any other comments or suggestions you wish to bring to our attention?

Thank you for your valuable feedback

Name of Officer: _____ Designation: _____

Department: _____

Please return the above to:

Director

Manpower Research and Statistics Department

Ministry of Manpower

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Republic of Singapore

Fax: 6317 1804

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