

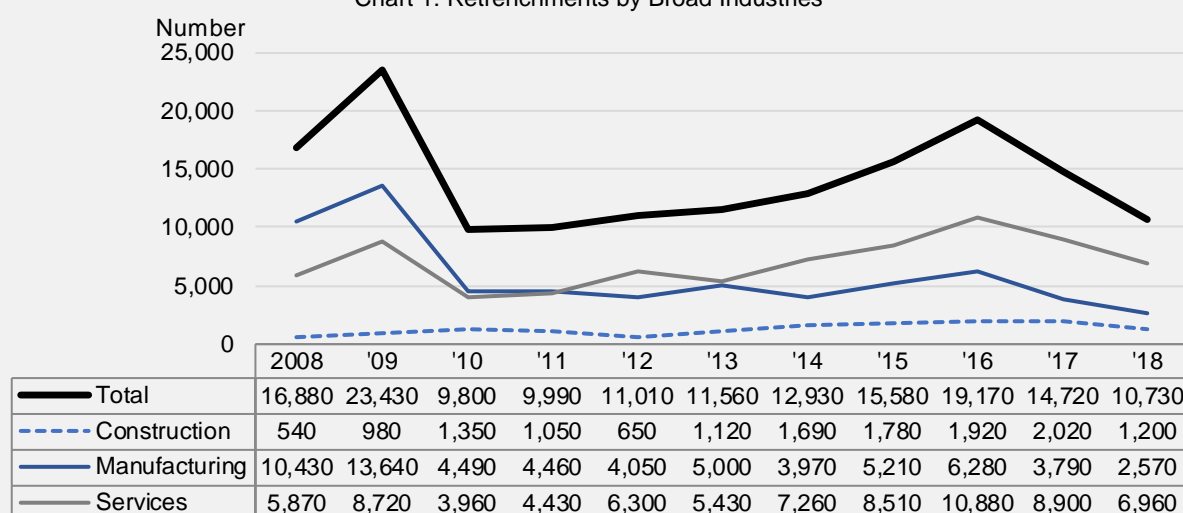
RETRENCHMENT & RE-ENTRY INTO EMPLOYMENT (ANNUAL)

Along with improvements in the labour market¹, the number of retrenchments continued to decline in 2018 to 10,730, the lowest since 2011. Taking into account the size of the workforce, the incidence of retrenchment had been on a downtrend, and the 2018 rate (5.1 retrenched per 1,000 employees) was the lowest in the past decade. The number of private retrenching establishments similarly declined, from 1,425 in 2017 to 1,239 in 2018.

Retrenchments continued to come from higher-skilled services industries

The decline in retrenchments was broad-based. Services accounted for the majority (or 65%) of the retrenchments, mainly in wholesale trade (15%), financial services (12%), professional services (10%)² and information & communications (10%)³.

Chart 1: Retrenchments by Broad Industries



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

Note:

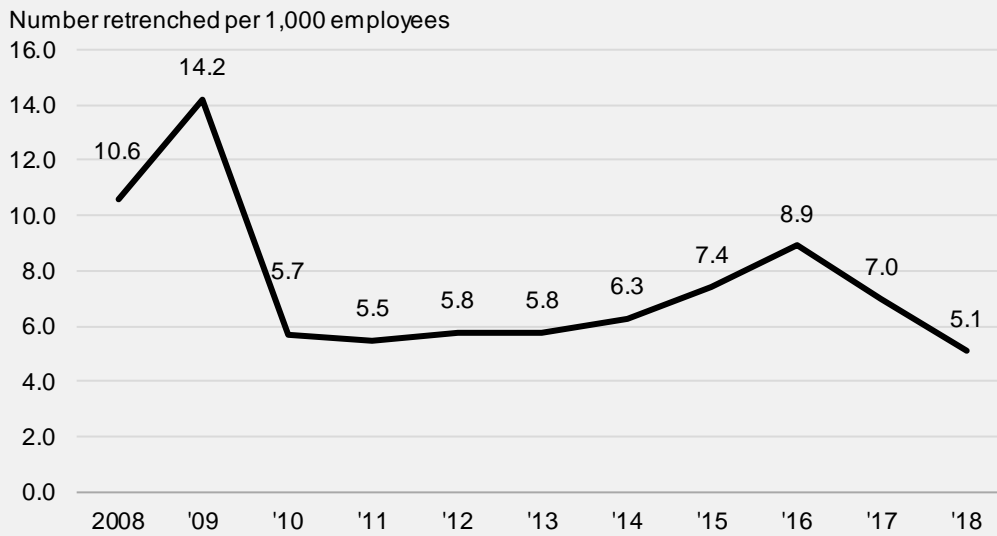
Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

¹ Unemployment rates remain low, and employment and vacancies continue to grow in 2018.

² Mainly legal, accounting and management services.

³ Mainly telecommunications.

Chart 2: Incidence of Retrenchment



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

Note:

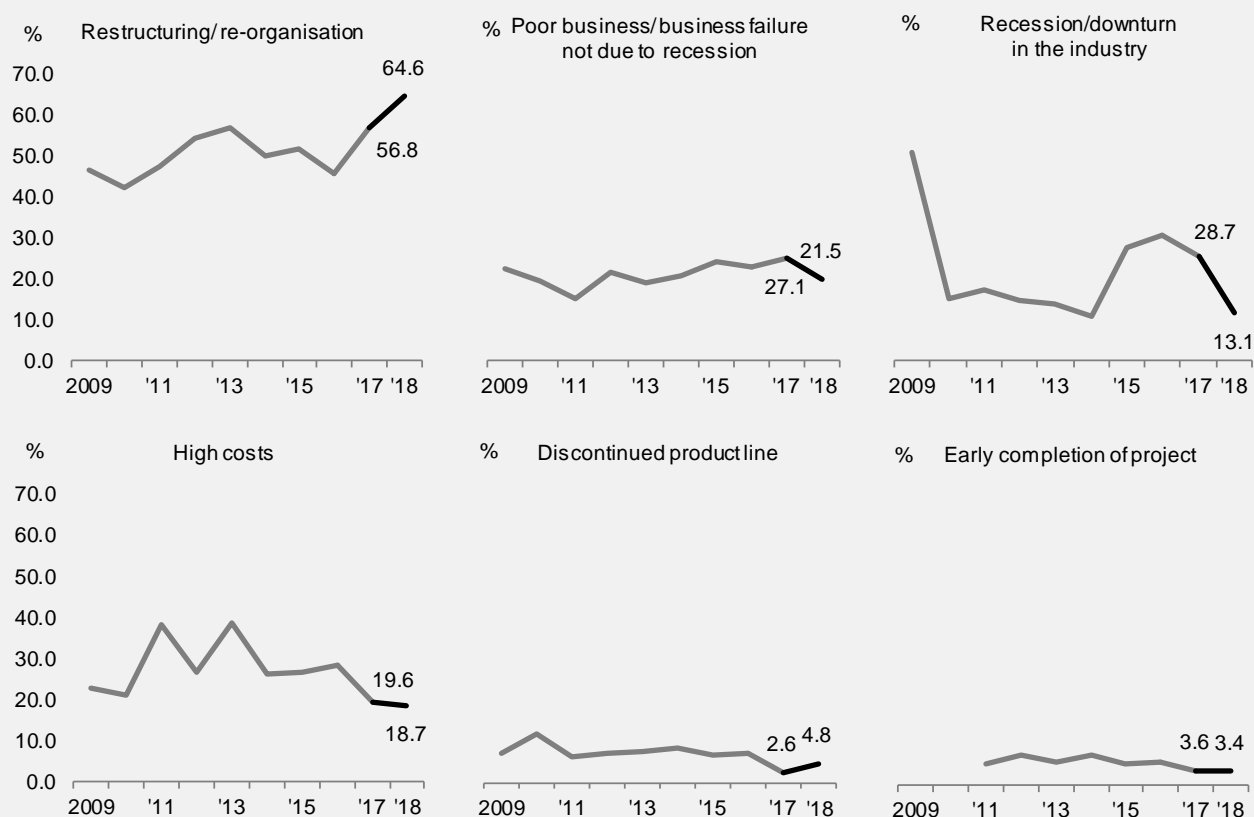
Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

Business restructuring and re-organisation remained the top reason for retrenchment

Retrenchments due to restructuring and re-organisation occur regardless of economic cycles as companies seek to adapt to changing environment and on-going competition. In 2018, business restructuring and re-organisation remained the top reason for retrenchments at 65% as business reinvent for growth. Meanwhile, retrenchments due to reasons such as high costs, recession, and poor business have either declined or remained stable.

Retrenchments as a result of business restructuring and re-organisation were high across firms of varying sizes. But among small businesses with 25-49 employees, which were more likely than larger firms to retrench their employees, poor business was the most commonly cited reason, particularly in construction and food & beverage services. This reflected the greater volatility of small establishments.

Chart 3: Retrenched Employees by Reasons for Retrenchment



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

Notes:

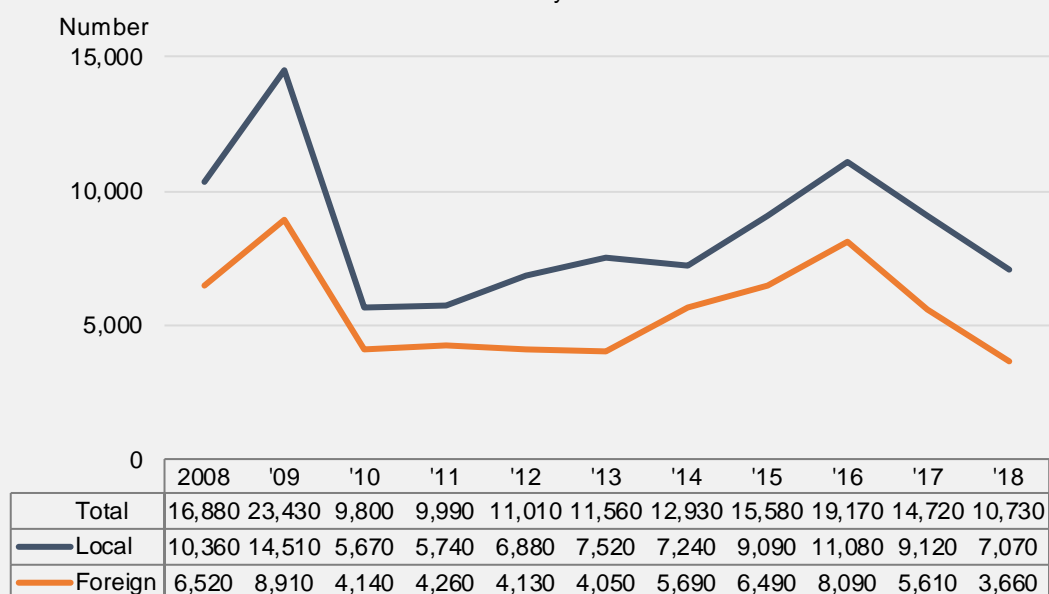
- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) Establishments can indicate more than one reason.
- (3) Data on reasons for retrenchment is available from 2009. Data on early completion of project is available from 2011.

Retrenchments declined for both locals and foreigners

The number of retrenchments has declined for both locals (from 9,120 in 2017 to 7,070 in 2018) and foreigners (from 5,610 to 3,660). But local share of retrenchments has been rising, though it remained slightly lower than their corresponding share of employment.⁴

⁴ Locals' share of employment (excluding FDW) was 67.3% in December 2018.

Chart 4: Retrenchments by Residential Status



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

Note:

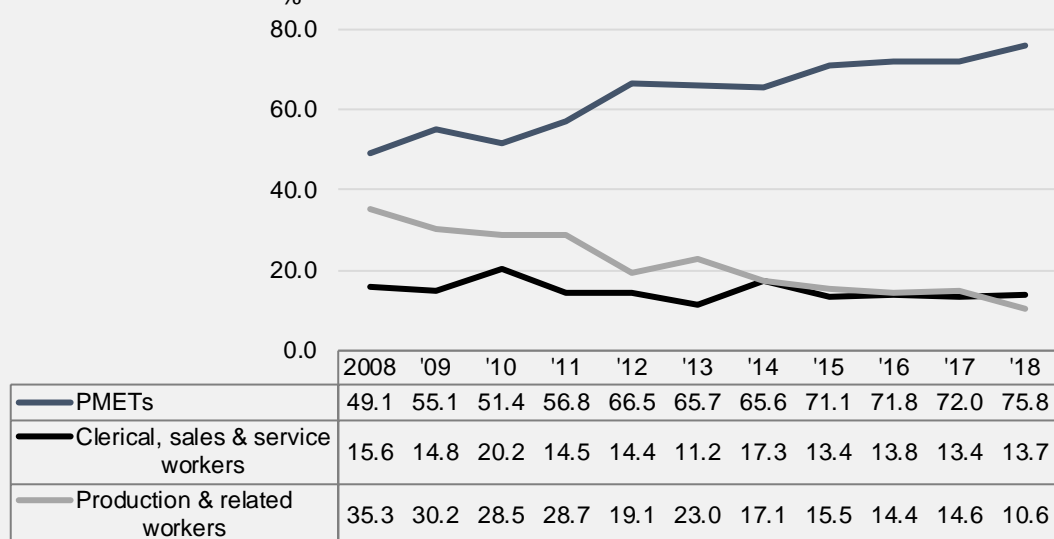
Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

Profile of Retrenched Locals

PMETs were more prone to retrenchments

As PMETs' share in the workforce has risen, and retrenchments were occurring mainly in higher-skilled PMET-dominated industries, PMETs formed a rising majority (76%) of local retrenchments in 2018.

Chart 5: Share of Local Retrenchments by Occupation



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

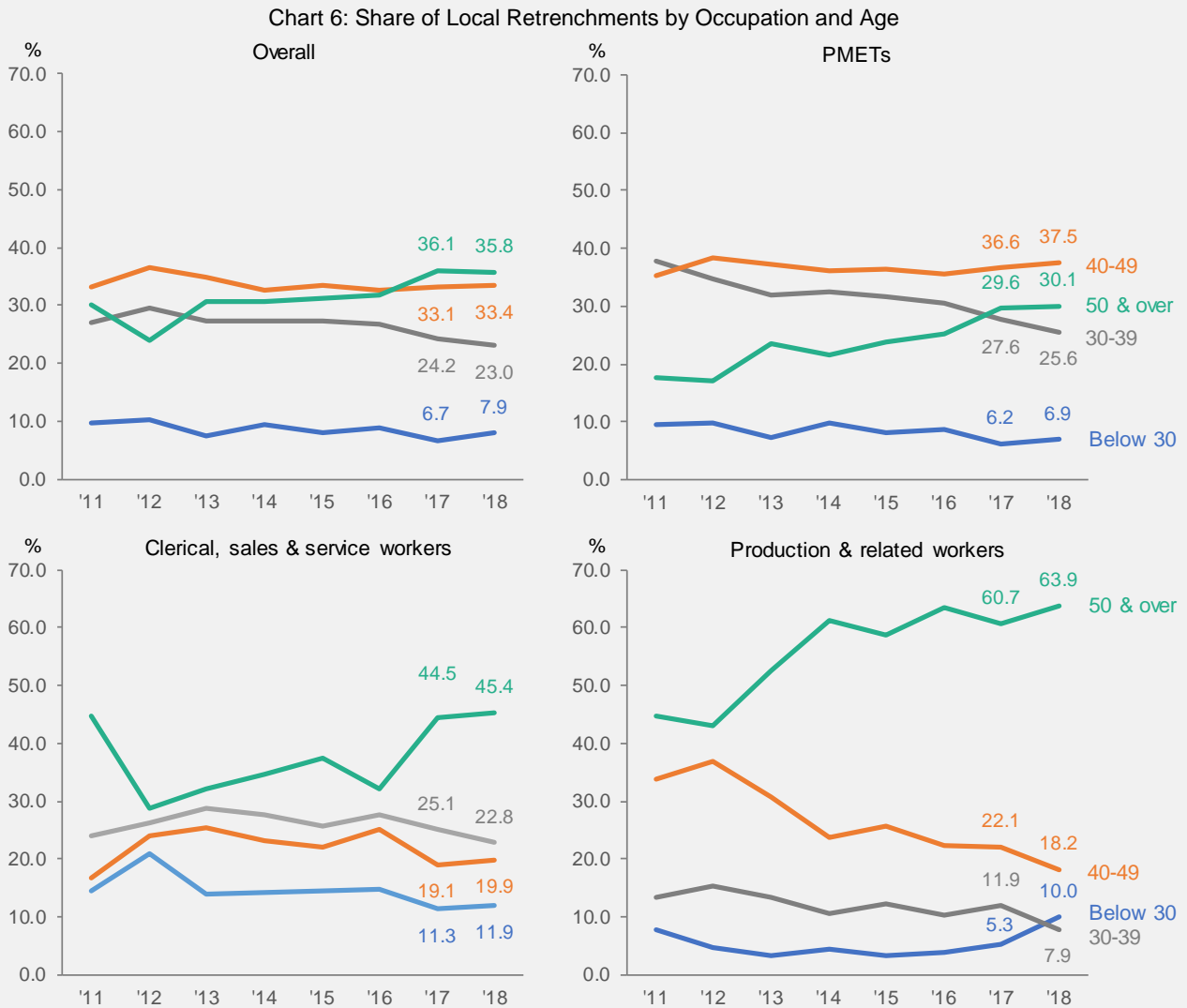
Note:

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

Locals retrenched were generally older

In 2018, older workers aged 50 & over formed a higher share of retrenchments (36%), regardless of occupation. This was followed by those in their 40s (33%), who also had the greatest likelihood of retrenchments at 7.6 retrenched per 1,000 local employees compared to other age groups (below 30: 2.2; 30-39: 5.0; 50 & over: 6.0).⁵

PMETs were most likely to be in their 40s (38%) while clerical, sales & service workers (45%) and production & related workers (64%) were most likely to be aged 50 & over.



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

Note:

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

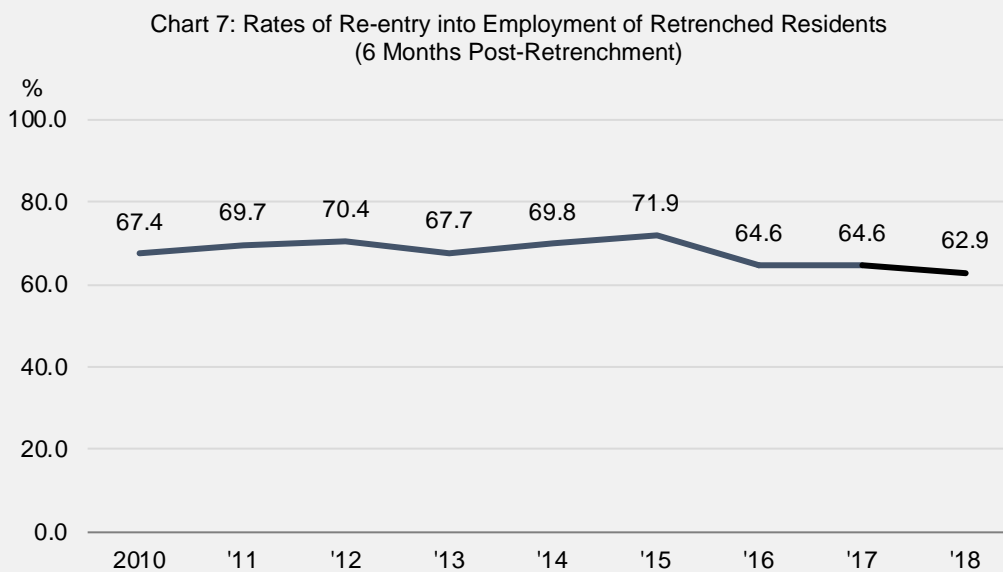
⁵ Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board.

Rate of Re-entry into Employment

Rate of re-entry dipped in 2018

Based on CPF records, the re-entry rate into employment among retrenched residents dipped in 2018⁶ (from 65% in 2017 to 63% in 2018). Re-entry rates in the current three years have been lower than preceding years. This partly reflects the increasing share of those older, PMETs, and degree holders who tended to have below-average re-entry rates. These groups typically spent more time seeking jobs that matched their skills and salary expectations.

Given a longer time⁷ to re-enter, re-entry rates of PMETs and degree holders' improved to be closer to the overall, though still lower. But the same is not observed for older residents, as some may have chosen to stay out of the labour force.



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

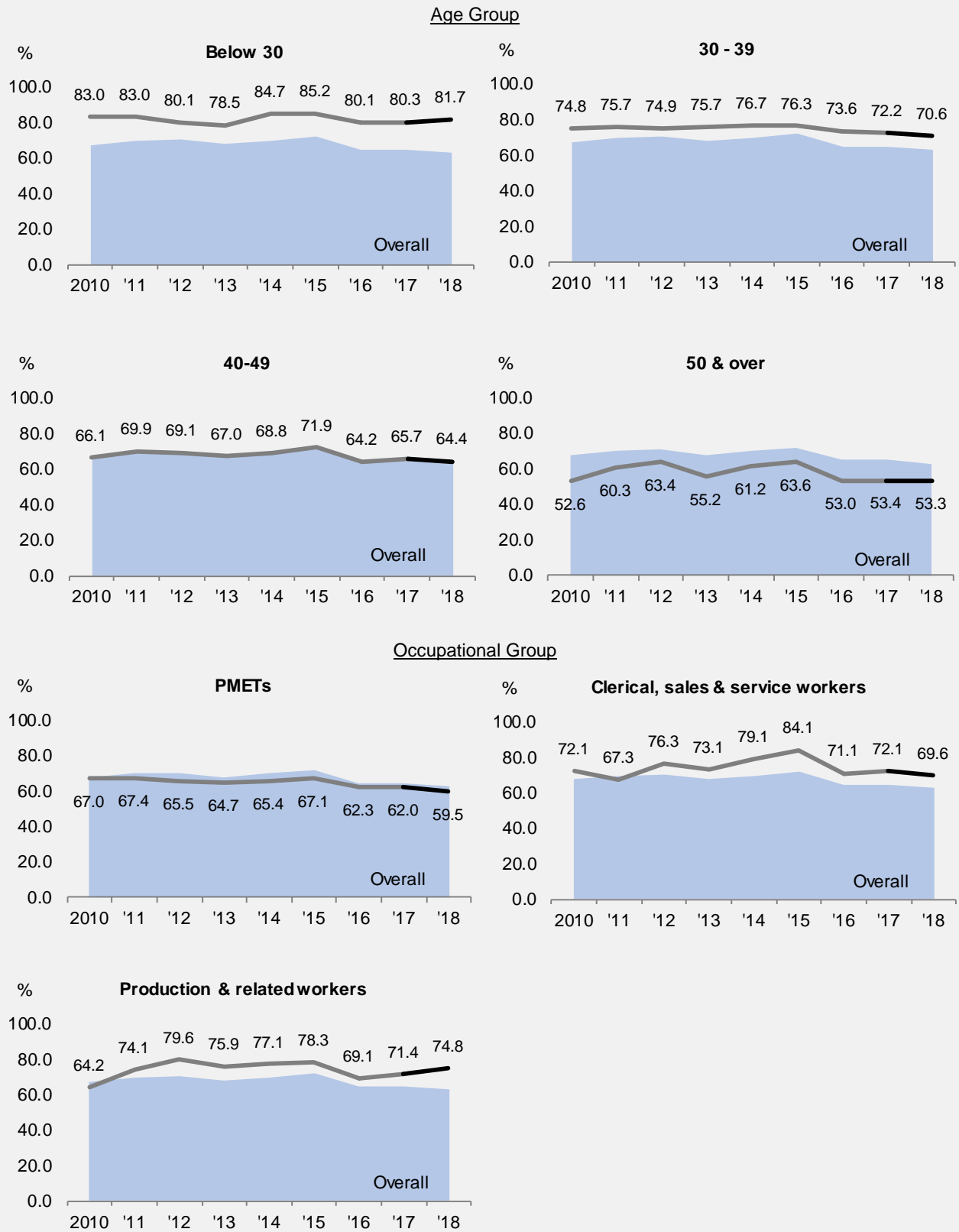
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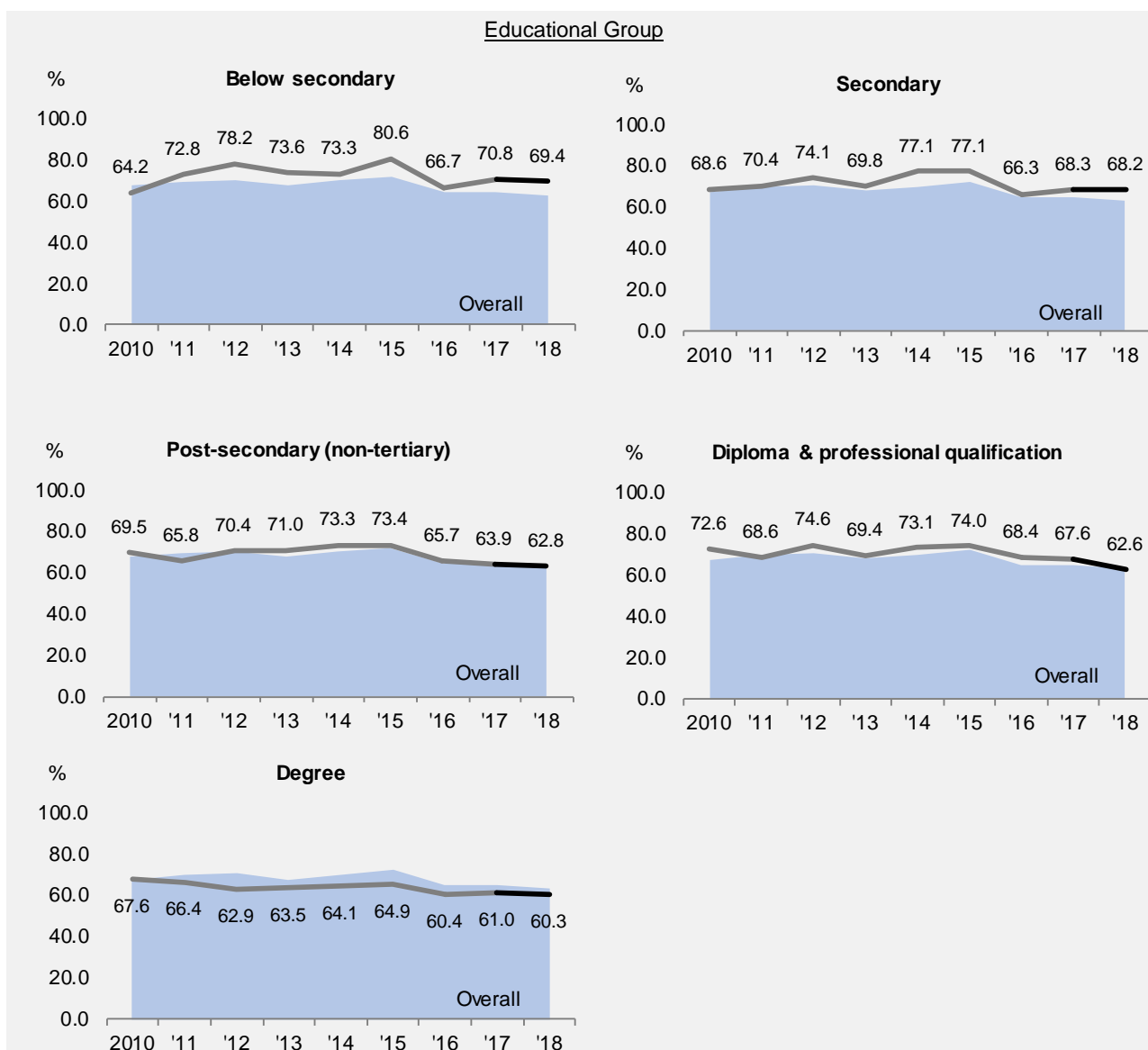
- (1) The annual rates refer to retrenched residents who re-enter employment by the year, given 6 months post-retrenchment.
- (2) Data pertain to residents retrenched by private sector establishments (each with at least 25 employees) and the public sector.

⁶ The 2018 re-entry rate pertains to residents retrenched from 3Q 2017 to 2Q 2018, whom re-entered employment by 2018 (given 6 months post-retrenchment).

⁷ This refers to more than 6 months post-retrenchment.

Chart 8: Rates of Re-entry into Employment of Retrenched Residents (6 Months Post-Retrainment)





Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

Notes:

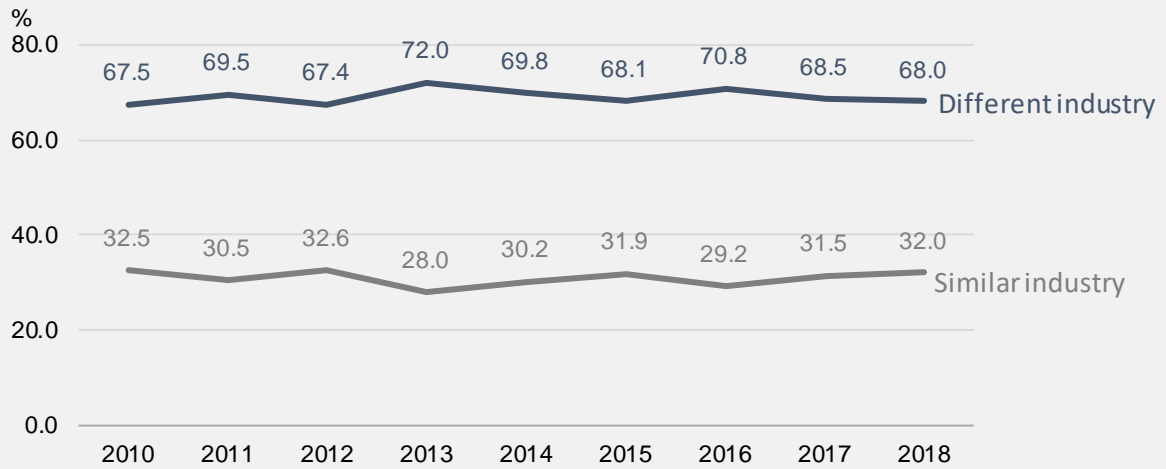
- (1) The annual rates refer to retrenched residents who re-enter employment by the year, given 6 months post-retrenchment.
- (2) Data pertain to residents retrenched by private sector establishments (each with at least 25 employees) and the public sector.

Majority switched industries upon re-entering

It was common for retrenched residents to switch industries when they re-entered employment. In 2018, 68% who re-entered had switched industries though most still re-entered in a similar occupation⁸. The remaining 32% re-entered in a similar industry. Residents retrenched from insurance services (49%), retail trade (48%), financial services (47%), and construction (45%) were more likely to re-enter into similar industries.

⁸ Similar occupation after re-entry is determined based on comparison of occupation before and after retrenchment using one-digit Singapore Standard Occupational Classification (SSOC). Source: Supplementary Survey, Manpower Research & Statistics Department, MOM.

Chart 9: Share of Retrenched Residents Who Re-entered Employment
by Similar or Different Industry (6 Months Post-Retrenchment)

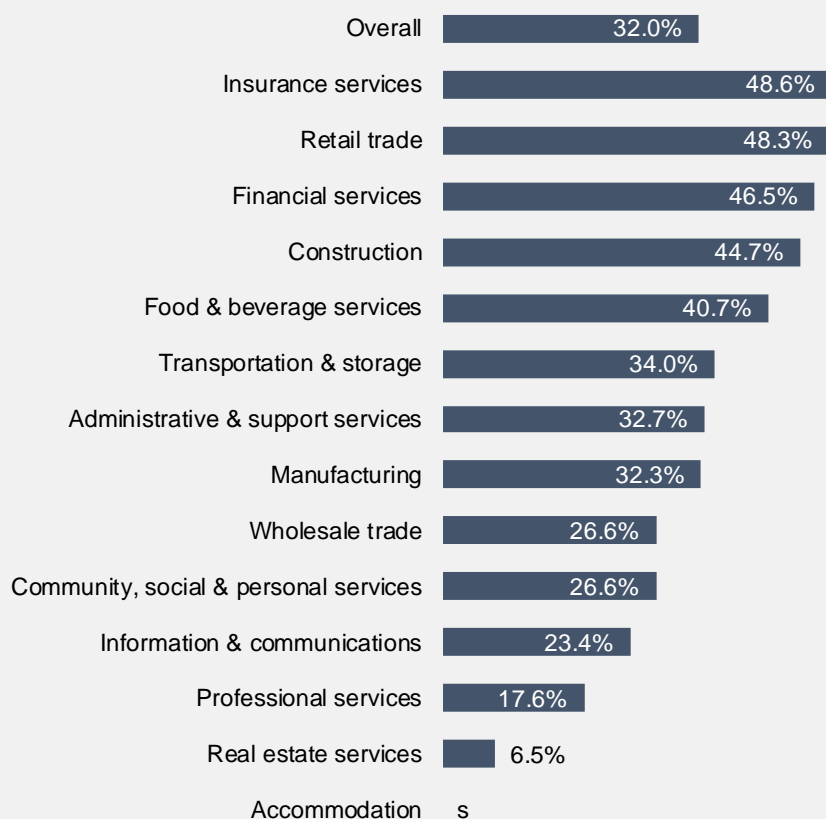


Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

Notes:

- (1) Data pertain to residents retrenched by private sector establishments (each with at least 25 employees) and the public sector.
- (2) Similar/different industry after re-entry is determined based on comparison of industry before and after retrenchment using two-digit Singapore Standard Industrial Classification (SSIC) groupings.

Chart 10: Share of Retrenched Residents Who Re-entered into a Similar Industry by Previous Industry (6 Months Post-Retrenchment)



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

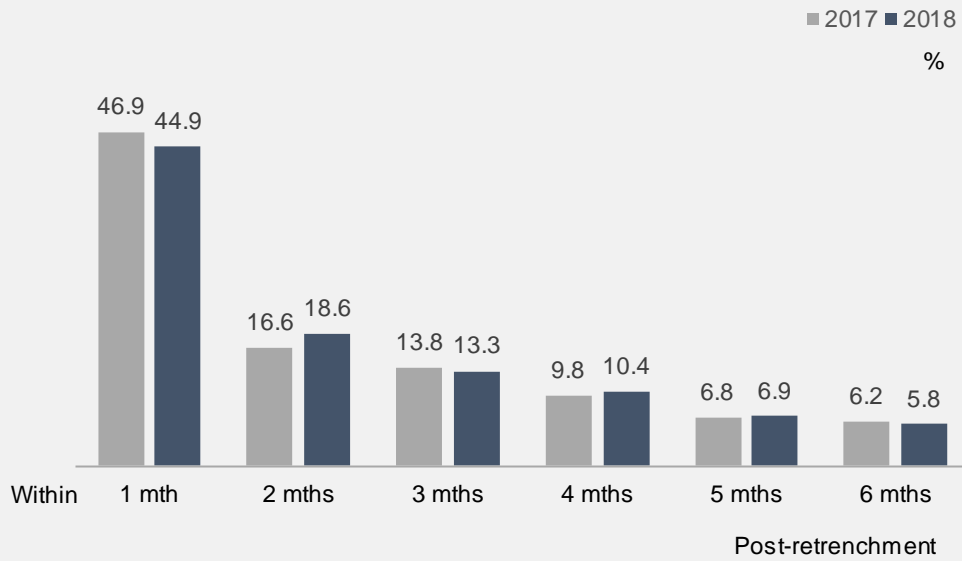
Notes:

- (1) s: Data suppressed due to small numbers.
- (2) Data pertain to residents retrenched by private sector establishments (each with at least 25 employees) and the public sector.
- (3) Similar industry after re-entry is determined based on comparison of industry before and after retrenchment using two-digit Singapore Standard Industrial Classification (SSIC) groupings.

Majority re-entered employment relatively quickly

Among those who re-entered employment, nearly 1 in 2 (45%) did so relatively quickly within the first month. PMETs and degree holders had below-average proportions who re-entered within the first month, reflecting more time spent seeking jobs that matched their skills and salary expectations.

Chart 11: Share of Retrenched Residents Who Re-entered Employment by Time Taken (6 Months Post-Retranchment)



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

Notes:

- (1) Data pertain to retrenched residents who re-enter employment by the year, given 6 months post-retranchment.
- (2) Data pertain to residents retrenched by private sector establishments (each with at least 25 employees) and the public sector.

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