

First Quarter 2022

Labour Market Advance Release



MINISTRY OF
MANPOWER

Manpower Research
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2022

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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

Advance estimates point to a generally positive and hiring labour market in 1Q 2022:

- Total employment continued to expand, with non-resident employment forming the bulk of the expansion due to an increase in work permit holders in the *Construction* sector as border controls ease. Resident employment continued to see steady growth in outward-oriented sectors.
- The unemployment situation held steady after declining to pre-pandemic normal in February 2022. We expect unemployment rates to stay low amidst a tight labour market.
- Retrenchments declined to a record low and were generally attributed to reorganisation / restructuring.

In the coming months, as economic recovery continues to drive demand for workers, we expect unemployment rates to stay low, and employment to continue to grow.

The *Labour Market Report 1Q 2022*, to be released in mid-June 2022, will provide more details, such as resident and non-resident employment, sectoral breakdowns, number of job vacancies, labour turnover, and re-entry rates among retrenched residents.

For data requests and queries pertaining to our report, reach out to us at mom_rsd@mom.gov.sg.

Overview

Preliminary estimates on employment, unemployment, and retrenchment, reflect a generally robust labour market in 1Q 2022. Total employment rose, with non-resident employment growth picking up pace amid the progressive re-opening of our borders, and sustained steady resident employment growth in outward-oriented sectors. The unemployment situation held steady at pre-COVID levels, and retrenchments declined to a record low. In the coming months, as economic recovery continues to drive demand for workers, we expect unemployment rates to stay low, and employment to continue to grow.

Employment^{P,1,2}

In 1Q 2022, total employment continued to expand by 41,100, though this was at a slightly slower pace than 4Q 2021 (47,900). With the progressive lifting of border restrictions, the increase in non-resident employment was significantly greater than that of resident employment, as employers back-filled their non-resident workforce in sectors such as *Construction*.^{3,4}

Resident employment trends were mixed across sectors. Outward-oriented sectors such as *Information & Communications* and *Financial Services* continued to see steady growth. The former was driven by strong demand for IT and digital solutions, while the latter was in part driven by activities linked to financial services, such as security dealing and payments processing⁵. In contrast, resident employment declined in sectors such as *Food & Beverages Services*, *Retail Trade*, and *Accommodation*. These sectors typically experience employment declines following seasonal hiring for the festive period in the fourth quarter.

For non-resident employment, similar to the past quarter, the bulk of the expansion was attributed to the increase in work permit holders in the *Construction* sector. In all other sectors, non-resident employment was stable or only saw slight increases. We anticipate continued non-resident employment growth in the quarter ahead, given the significant relaxation of border measures from April 2022.

¹ Employment figures cited in this report exclude Migrant Domestic Workers (MDWs).

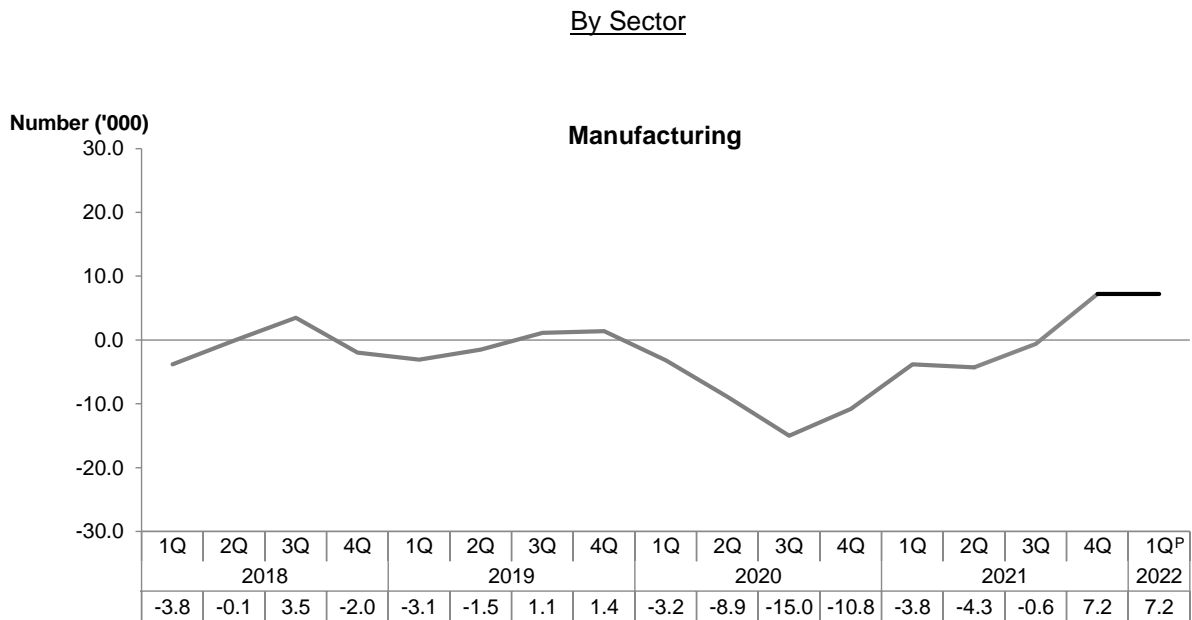
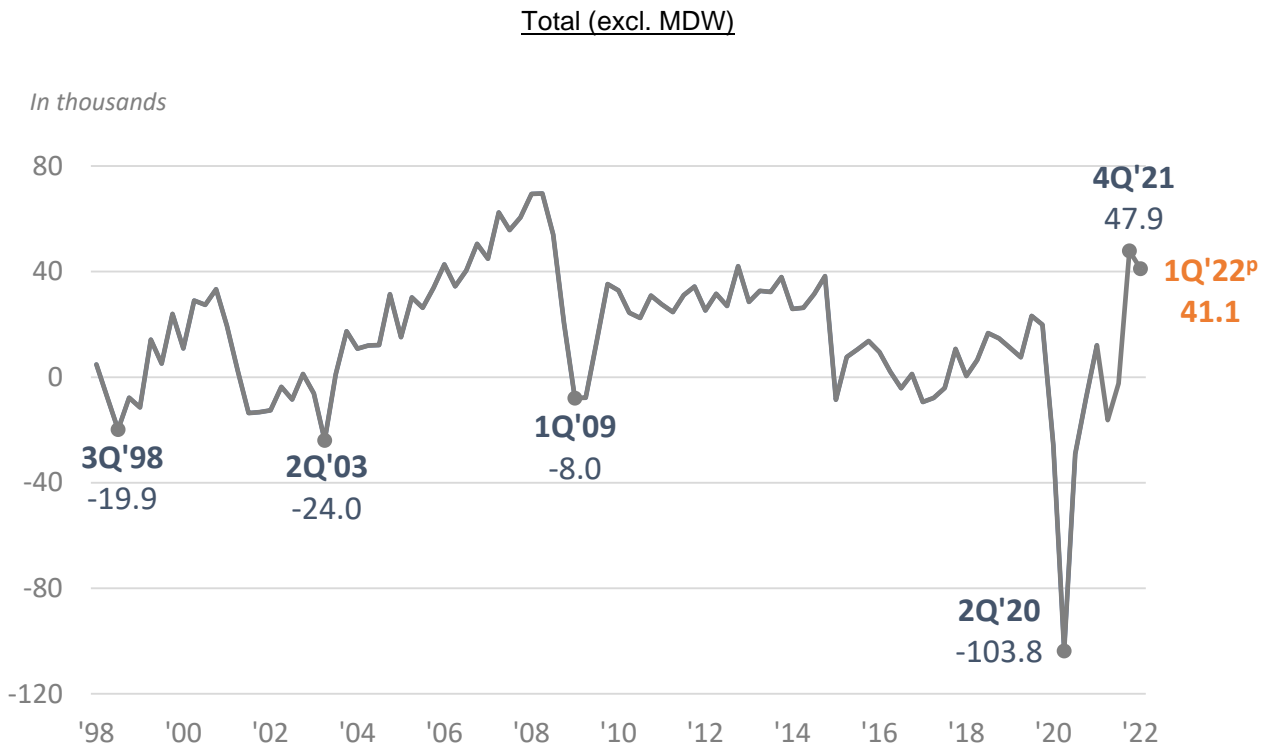
² Based on preliminary estimates, 456,400 persons were employed in *Manufacturing*, 429,800 in *Construction*, and 2,776,400 (2,524,700 excl. MDW) in *Services* in March 2022. Employment totalled 3,690,000 (3,438,300 excl. MDW) in March 2022 (total includes other sectors like agriculture, fishing etc.).

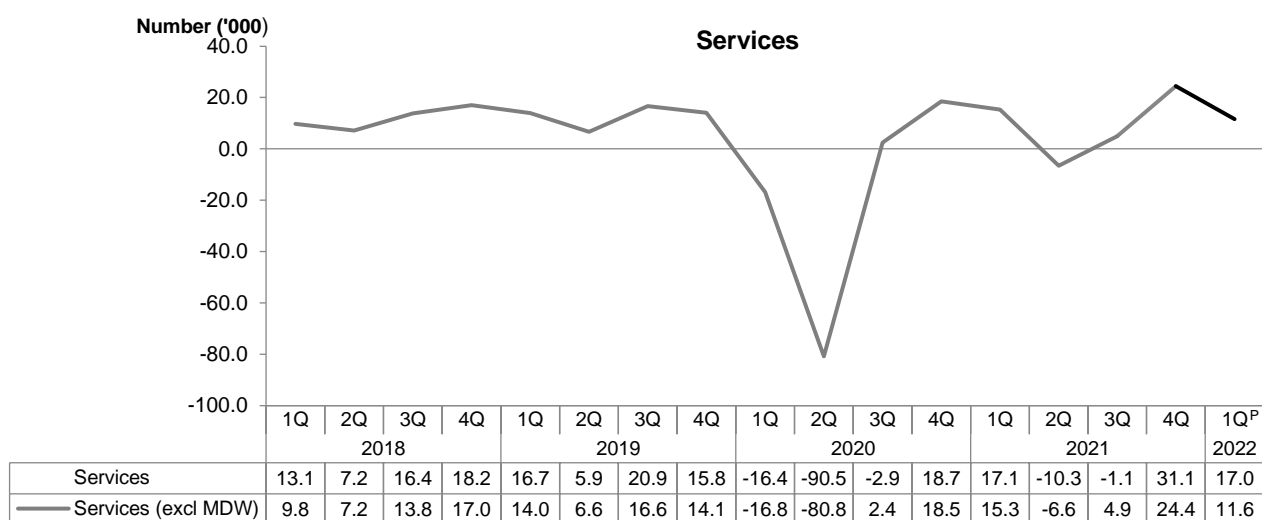
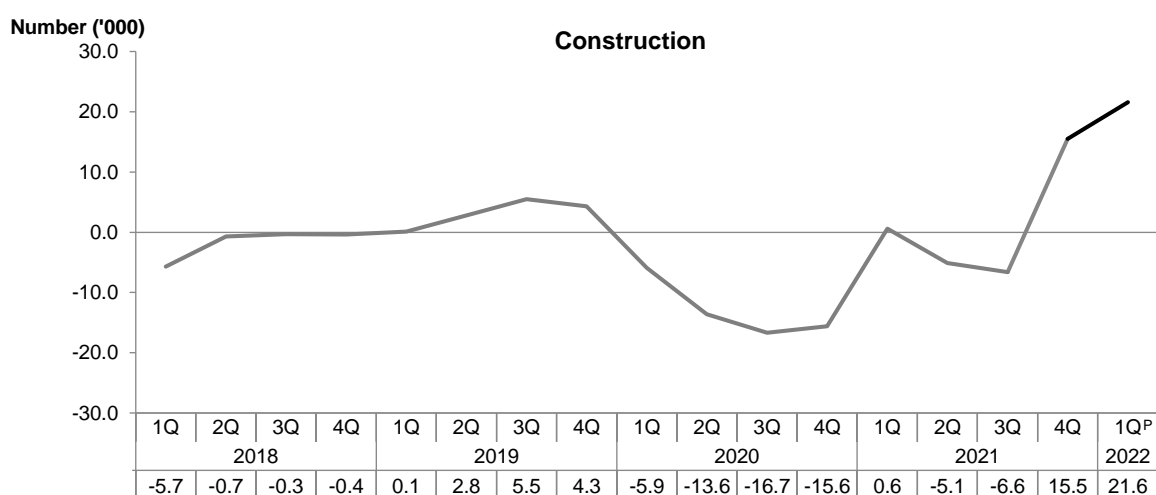
³ As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release. These figures will be published in the Labour Market Report 1Q 2022 to be released in mid-June 2022.

⁴ Based on latest data published by the Department, as of December 2021, non-resident employment was still about 18% below its pre-pandemic level in December 2019, while resident employment was 3.7% above. Updated figures comparing March 2022 with December 2019 will be published in the Labour Market Report 1Q 2022.

⁵ Source: MTI

Chart 1 Quarterly Employment Change By Sector





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

^P: Preliminary

Notes:

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) The industries are classified based on SSIC 2015.
- (4) Employment change refers to the difference between employment level at the end of the reference period and that of the end of the preceding period.

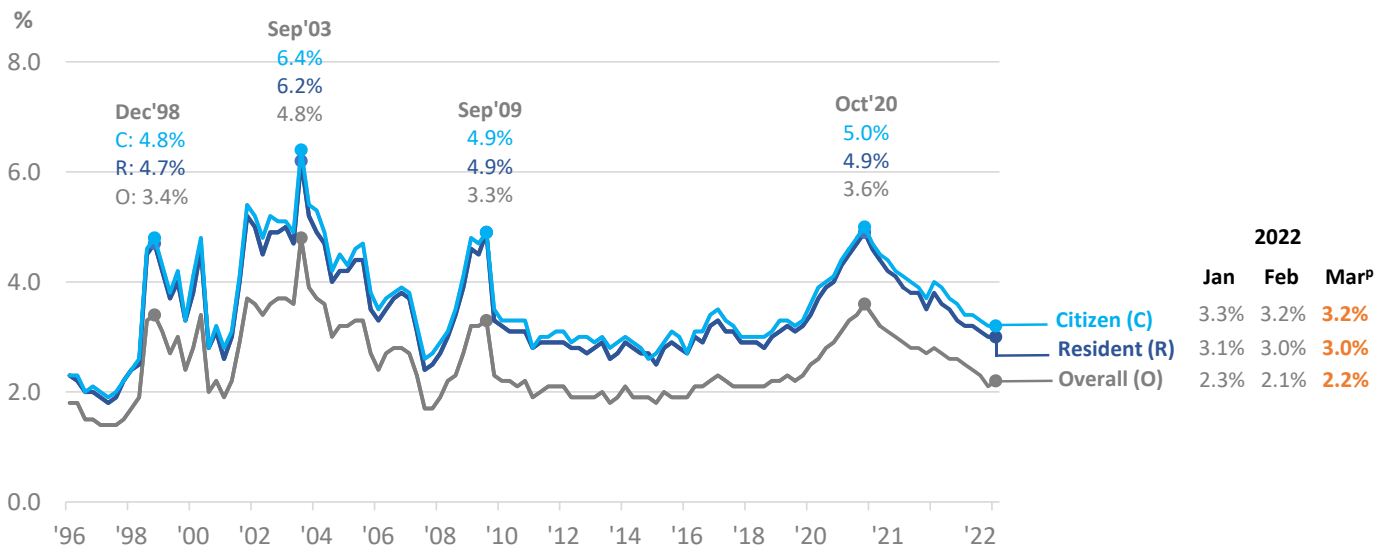
Unemployment^P

The unemployment situation held steady in March, after returning to pre-COVID levels⁶ in February 2022. In March 2022, the resident and citizen unemployment rates remained unchanged at 3.0% and 3.2% respectively. The overall unemployment rate edged up slightly from 2.1% to 2.2% but remained at pre-COVID rate.

Over the quarter, the number of unemployed residents⁷ fell from 76,300 in December 2021 to 73,900 in March 2022.

As the improving economy continues to drive the demand for workers, we expect unemployment rates to stay low amidst a tight labour market. Still, downside risks remain – protracted supply chain disruptions and higher prices could affect business sentiments and profitability, and in turn, labour demand.

Chart 2 Unemployment Rates (Seasonally Adjusted)



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

⁶ Pre-COVID rates are determined by using the average of the seasonally adjusted unemployment figures obtained at quarterly intervals in 2018 and 2019. The quarterly average unemployment rates in 2018 / 2019 were 2.2% at the overall, 3.0% among residents, and 3.2% among citizens.

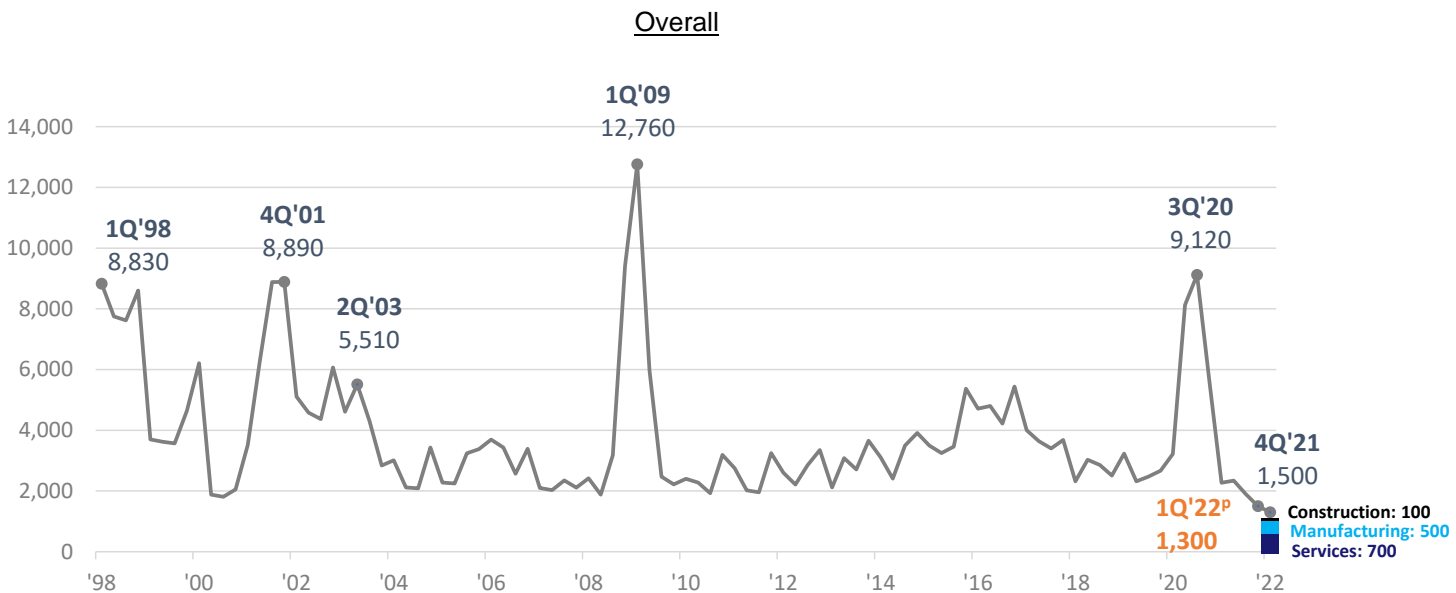
⁷ "Residents" refers to Singapore Citizens and Permanent Residents.

Retrenchment^P

Based on latest survey returns to date, the number of retrenchments is expected to decline to a record low in 1Q 2022 (1,300 or 0.6 retrenched per 1,000 employees).

Over the quarter, retrenchments in the *Services* sector continued to decline while the *Manufacturing* and *Construction* sectors saw a moderate rise in retrenchments. Akin to past quarters, reorganisation / restructuring remains a common reason for the layoffs.

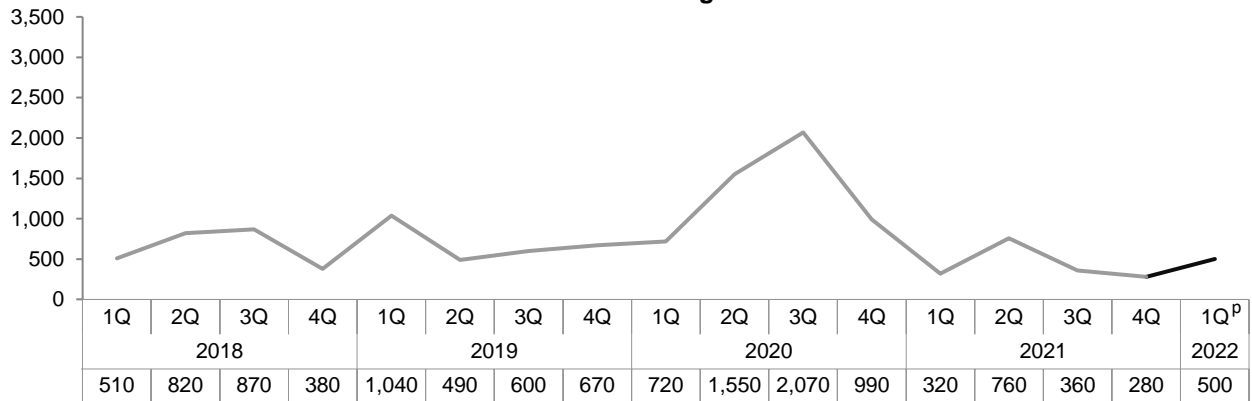
Chart 3 Quarterly Retrenchments



By Sector

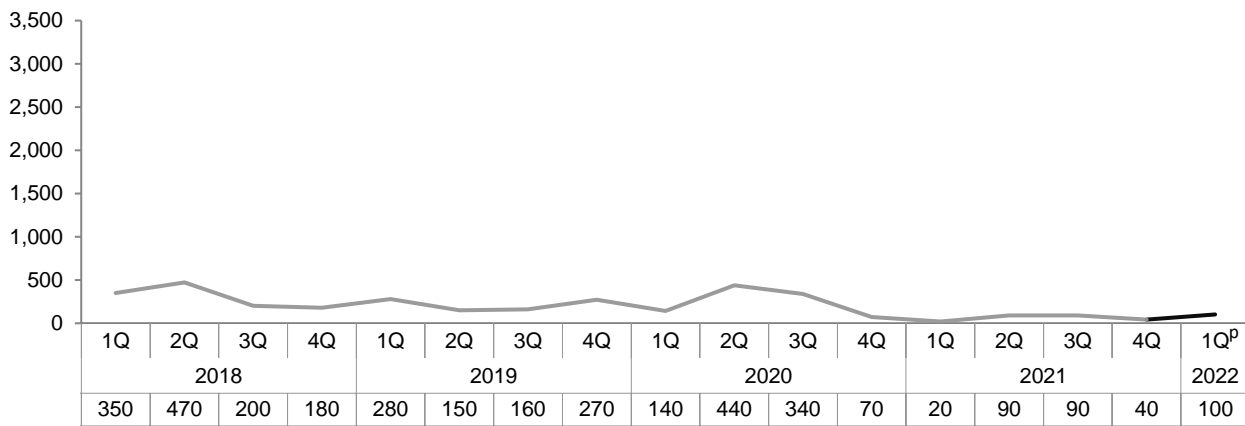
Number

Manufacturing



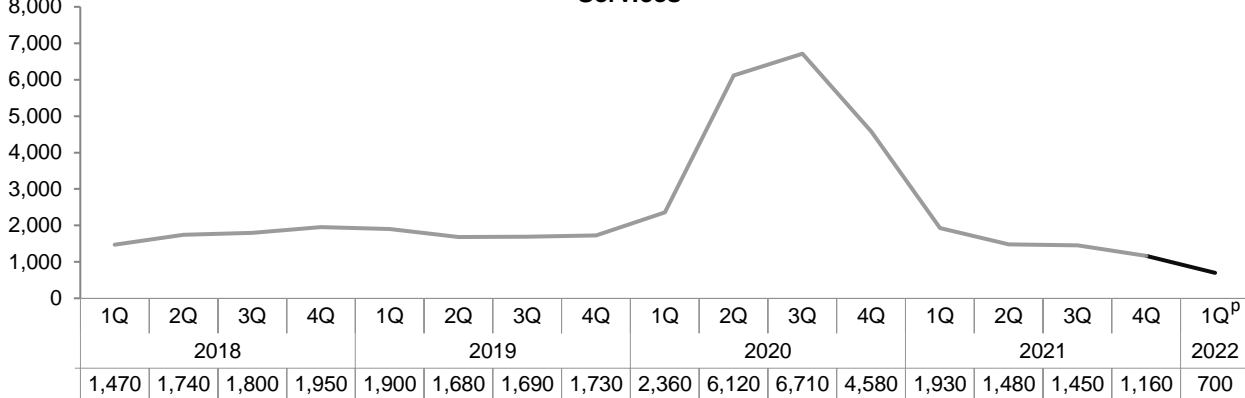
Number

Construction



Number

Services



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

^P: Preliminary

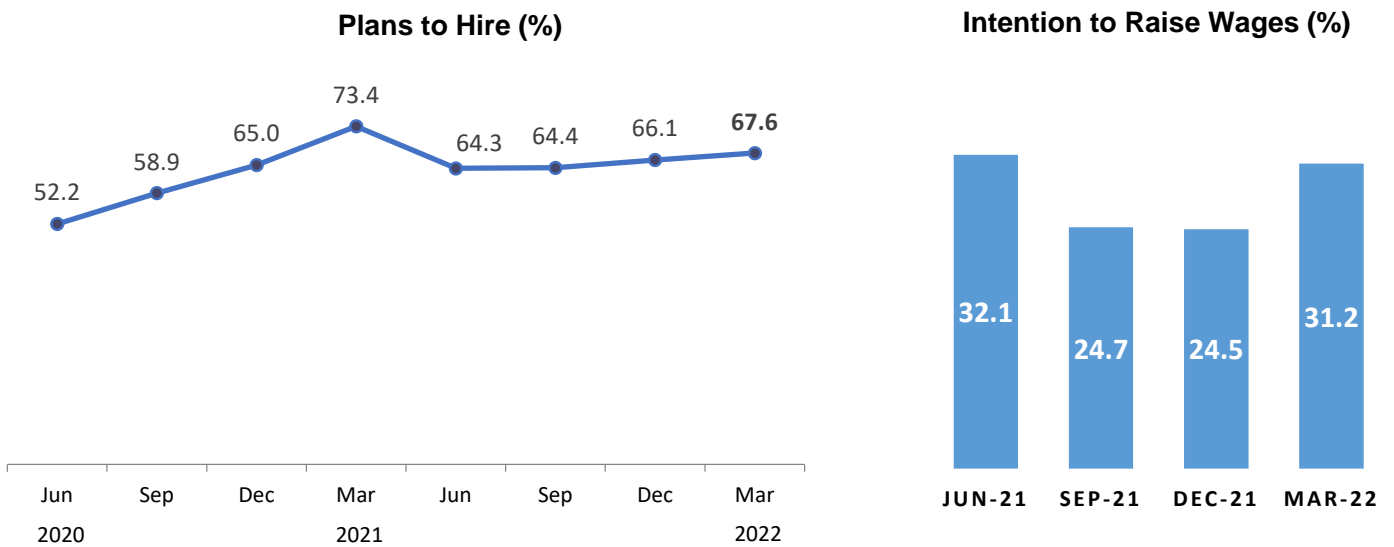
Notes:

- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2015.
- (3) Data for the three major sectors may 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.

We continue to observe optimism among companies with regards to hiring expectations in the quarter ahead. The proportion of companies indicating plans to hire edged up further in March 2022 (68%), in line with the steadily increasing number of job vacancies.

More than a quarter of companies polled in March 2022 had intention to raise wages within the upcoming three months (31%) – a slight increase from December 2021 (25%). While continued economic growth is expected, in the months ahead, business sentiments could still be affected by downside risks, given the Russia-Ukraine conflict, protracted global supply disruptions, and surging inflation.

Chart 4 Company Plans and Hiring Intent for the Next Three Months



Source: Manpower Research & Statistics Department, MOM

Note:

Data reflect proportion of companies who 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.

Retrenchments

Source

Labour Market Survey

Coverage

Before 2006, the survey covers private establishments with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.

Concepts and Definitions

Retrenchment refers to

- i) termination of permanent employees due to redundancy; and
- ii) early termination of term contract employees due to redundancy.

In the public sector, it includes those who left service under the Special Resignation Scheme².

Uses and Limitations

Data on retrenchment are useful in the analysis of re-structuring or ailing industries.

The number of retrenched persons (flow) should not be confused with persons unemployed (stock). Not all retrenched persons will be unemployed as some will re-enter into employment or decide to leave the labour force. If the persons have not found a new job and are actively looking and available for work, they join the pool of unemployed.

² The Special Resignation Scheme (introduced in April 1988) allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

OTHER RELEASES



UPCOMING ...

Report On Wage Practices 2021	25-31 May 2022*
Labour Market Report First Quarter 2022	13-17 Jun 2022*
Singapore Yearbook Of Manpower Statistics 2022	30 Jun 2022

PAST ...

Labour Market Advance Release First Quarter 2022	28 Apr 2022
Job Vacancies 2021	1 Apr 2022
Labour Market Report 2021	14 Mar 2022
Labour Market Advance Release 2021	28 Jan 2022
Labour Force In Singapore 2021	28 Jan 2022
Labour Market Report Third Quarter 2021	15 Dec 2021
Labour Force In Singapore Advance Release 2021	1 Dec 2021
Labour Market Advance Release Third Quarter 2021	29 Oct 2021

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