First Quarter 2024

Labour Market
Advance Release

MINISTRY OF MANPOWER | Manpower Research and Statistics Department

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LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2024

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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 showed that total employment grew in 1Q 2024, and was wholly supported by an increase in resident employment as non-resident employment contracted. While unemployment rates edged up slightly in March 2024, we do not expect increases to be sustained amid lower retrenchments and continued employment growth in 1Q 2024.

- Total employment grew by 4,900 in 1Q 2024, lower than the previous quarter (7,500). Employment growth in 1Q 2024 was wholly supported by an increase in resident employment, as non-resident employment contracted.

- The increase in resident employment was mainly in growth sectors such as *Financial Services* and *Health & Social Services*, as well as *Public Administration & Education*. Declines in non-resident employment were mainly in *Construction*, *Manufacturing* and *Information & Communications*.

- Unemployment rates edged up slightly in March 2024 (overall: 2.1%; residents: 3.0%; and citizens: 3.1%), though they remained within the range observed during non-recessionary periods.

- Retrenchments fell to 3,000 in 1Q 2024, from 3,460 in 4Q 2023. Business reorganisation/ restructuring remained the top reason for retrenchments in 1Q 2024.

MOM's forward-looking polls indicated continued improvements in employment, as the proportion of firms which cited an intention to hire in the next three months rose from 47.7% to 50.7%. However, wage improvements could slow, as the proportion of firms with an intention to raise wages declined from 32.6% to 26.1%.

The *Labour Market Report First Quarter 2024*, to be released in mid-June 2024, 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

Advance estimates showed that total employment grew in 1Q 2024, and was wholly supported by an increase in resident employment as non-resident employment contracted. Unemployment rates edged up slightly in March 2024 but were within the range observed in non-recessionary periods. Retrenchments declined for the second consecutive quarter with business reorganisation or restructuring as the main reason for most of these retrenchments. With lower retrenchments and continued employment growth, we do not expect increases in unemployment rates to be sustained.

MOM's forward-looking polls indicated continued improvements in employment, as more firms expected to hire in the coming months. However, wage improvements could slow, with fewer firms looking to raise the wages of their employees.

Employment[P,1,2]

Total employment (excluding Migrant Domestic Workers) grew by 4,900 in 1Q 2024, lower than the previous quarter (7,500). Employment growth in 1Q 2024 was wholly supported by an increase in resident employment. This increase in resident employment was higher than that in the quarters of 2023, but comparable to those in non-recessionary periods.

The increase in resident[3] employment[4] was mainly in growth sectors such as *Financial Services* and *Health & Social Services*, as well as *Public Administration & Education*. Employment growth in these sectors outweighed the seasonal declines in *Retail Trade*, *Food & Beverage Services* and *Accommodation* following the end of the festive period.

Non-resident employment contracted for the first time since 3Q 2021. The decline was largely due to *Construction* (mostly Work Permit holders), which accounts for a significant portion of Work Permit Holders and is traditionally the main driver of non-resident employment growth. Employment in the sector fell for the first time since 4Q 2021, as *Construction* firms adapted to a reduction in the sector's Dependency Ratio Ceiling from 1:7 to 1:5 with effect from 1 January 2024. Smaller declines were also seen in outward-oriented sectors such as *Manufacturing* and *Information & Communications*.

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

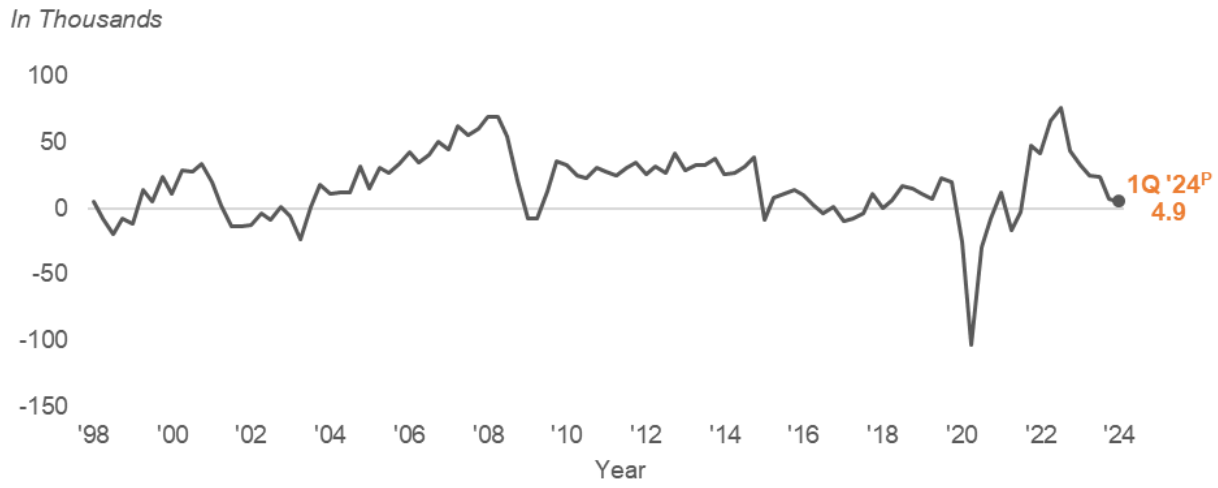
[2] Based on preliminary estimates, 482,500 persons were employed in *Manufacturing*, 523,900 in *Construction*, and 2,978,500 (2,687,300 excl. MDW) in *Services* in March 2024. Employment totalled 4,009,500 (3,718,300 excl. MDW) in March 2024 (total includes other sectors like agriculture, fishing etc.).

[3] "Resident" refers to Singapore Citizens and Permanent Residents.

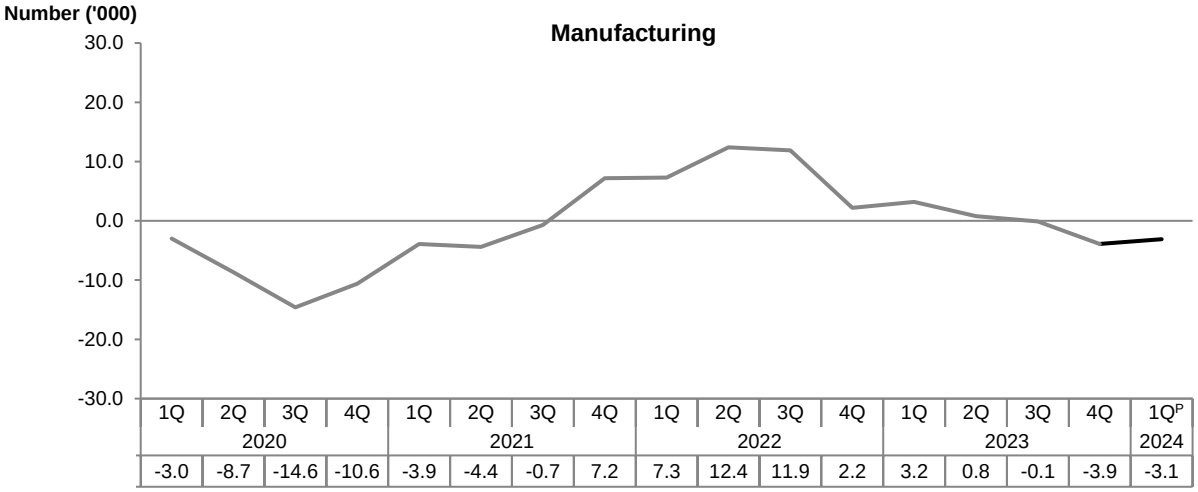
[4] As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release. These figures will be published in the Labour Market Report First Quarter 2024, to be released in mid-June 2024.

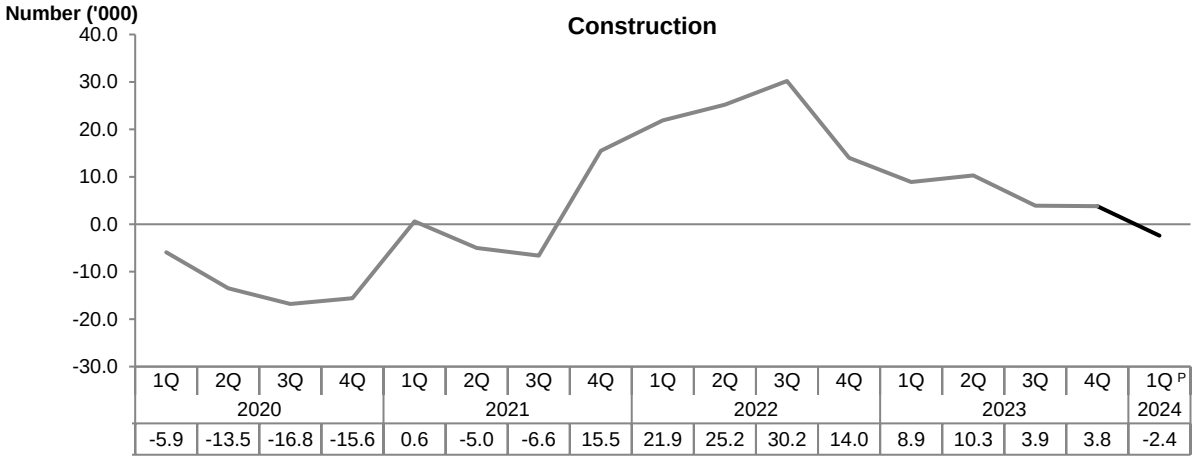
Chart 1 Quarterly Employment Change

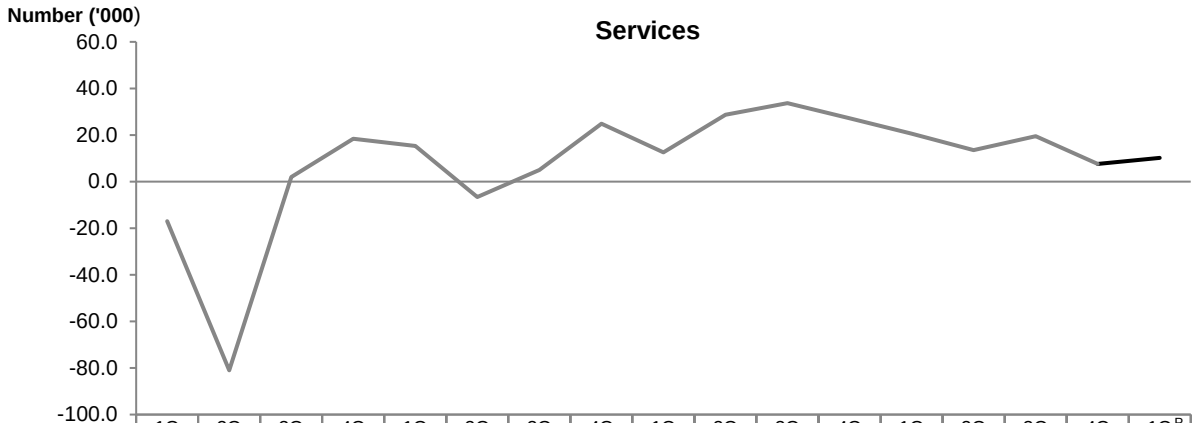
Total (excl. MDW)



By Sector







	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q[P] 2024
Services	-16.6	-90.8	-3.3	18.5	17.1	-10.3	-1.0	31.6	18.0	33.3	41.3	31.8	26.2	15.9	25.1	11.8	15.2
Services (excl MDW)	-17.0	-81.0	2.0	18.4	15.3	-6.6	5.0	24.9	12.6	28.7	33.7	27.2	20.6	13.5	19.5	7.6	10.2

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 of the end of the preceding period.

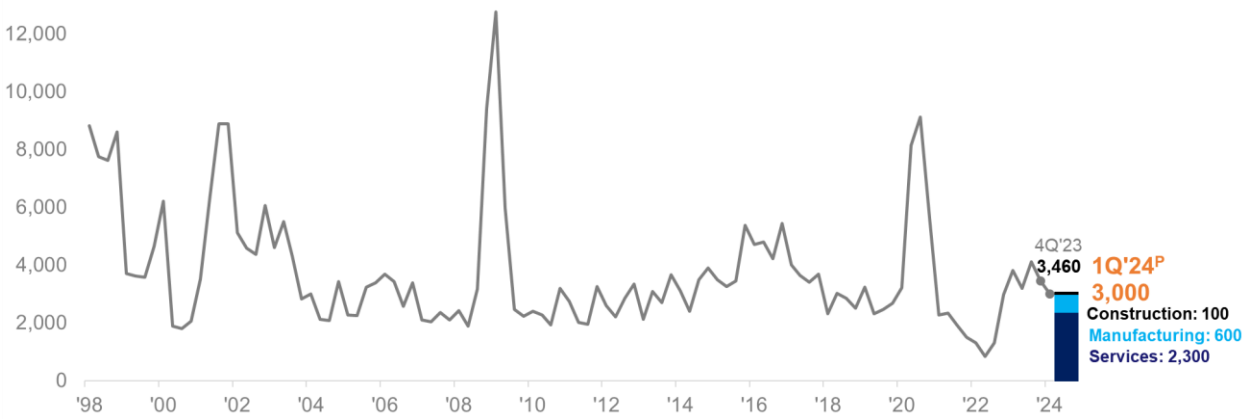
Retrenchments[P]

Retrenchments fell for the second consecutive quarter, from 3,460 in 4Q 2023 to 3,000 in 1Q 2024. The decline was mainly from *Electronics Manufacturing* and *Wholesale Trade*. Business reorganisation/ restructuring remained the top reason for retrenchments in 1Q 2024, and this was unchanged from previous non-recessionary years.

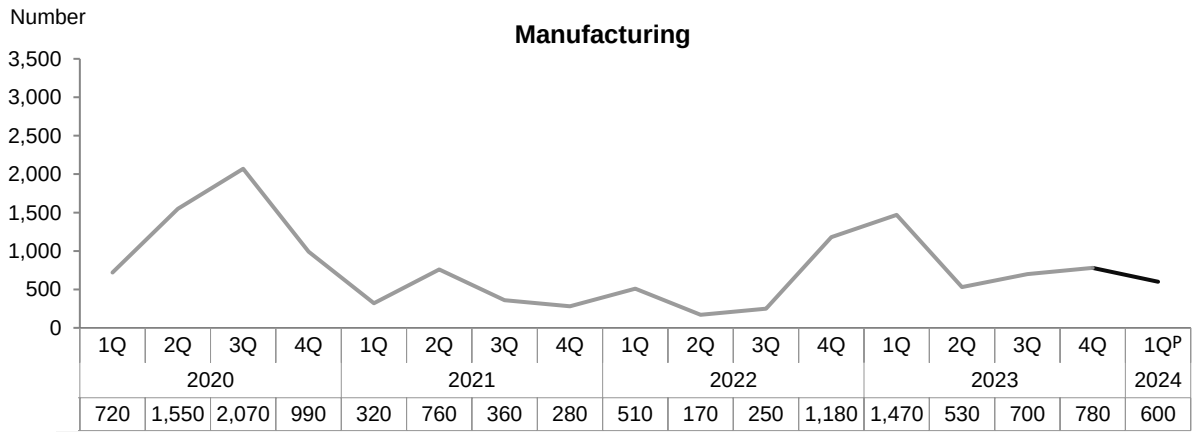
While the number of retrenchments in most other sectors either held steady or declined, retrenchments rose slightly in *Fabricated Metals Manufacturing*, *Professional Services* and *IT Services*.

Chart 2 Quarterly Retrenchments

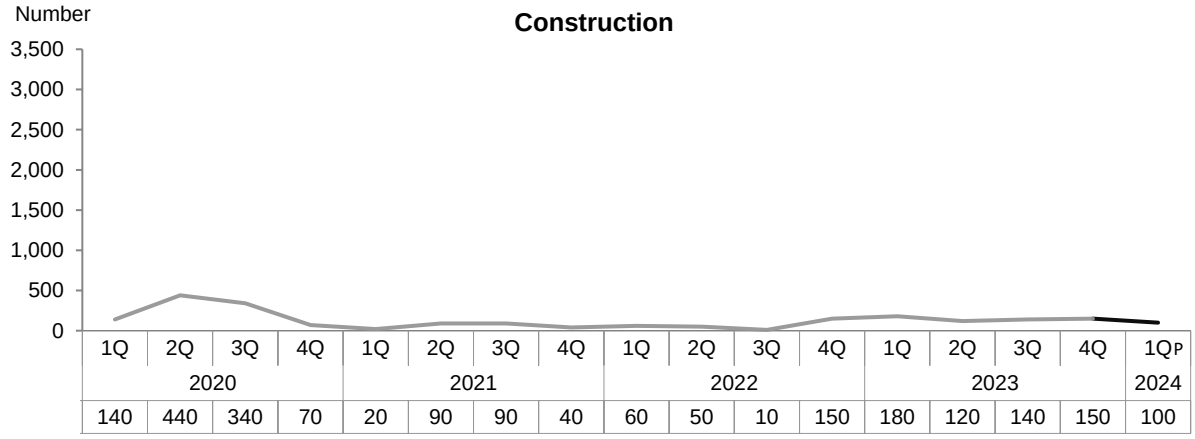
Overall



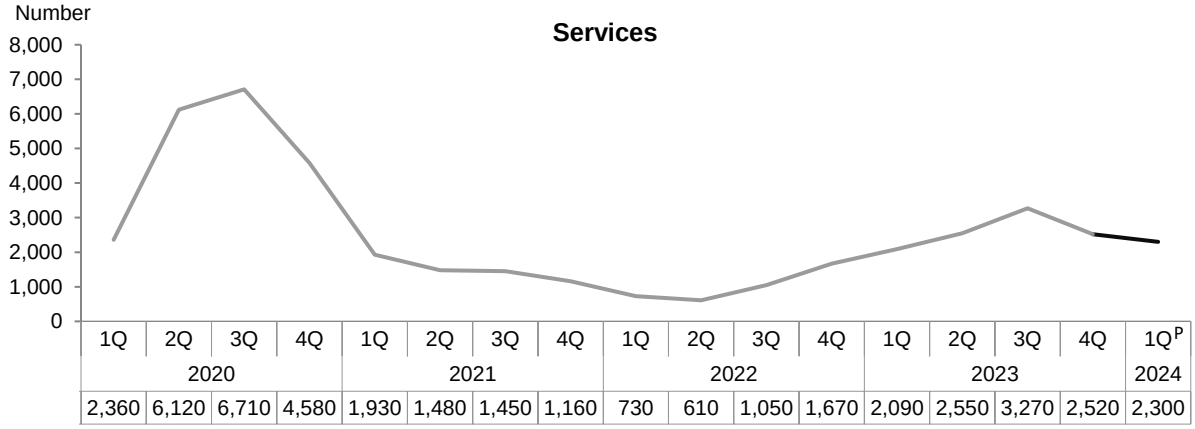
By Sector



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1QP
2020				2021				2022				2023				2024
720	1,550	2,070	990	320	760	360	280	510	170	250	1,180	1,470	530	700	780	600



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q[P]
	2020				2021				2022				2023				2024
	140	440	340	70	20	90	90	40	60	50	10	150	180	120	140	150	100



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q[P]
	2020				2021				2022				2023				2024
	2,360	6,120	6,710	4,580	1,930	1,480	1,450	1,160	730	610	1,050	1,670	2,090	2,550	3,270	2,520	2,300

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

[P]: Preliminary

Notes:

(1) 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.

(2) The industries are classified based on SSIC 2020.

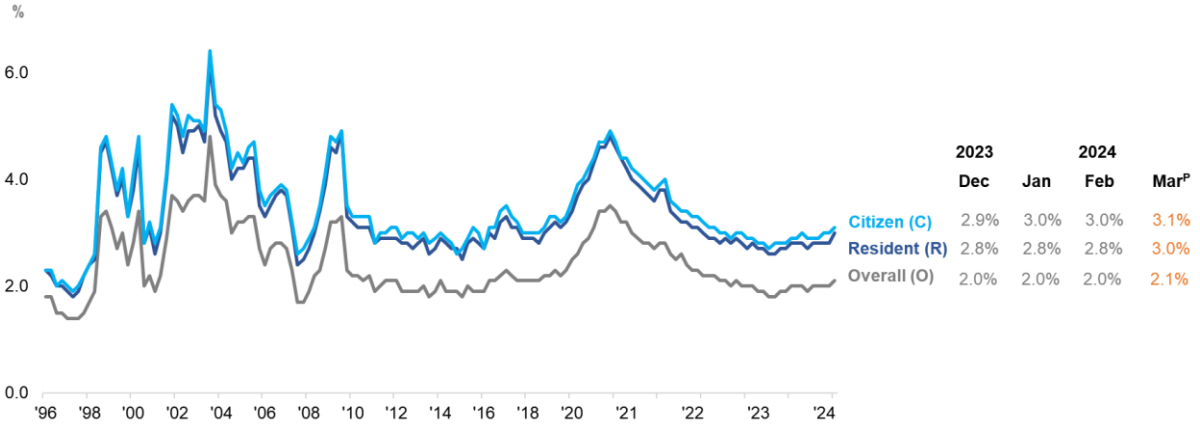
(3) Data for the three major sectors may not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

Unemployment[P]

Unemployment rates edged up slightly in March 2024 (overall: 2.1%; residents: 3.0%; and citizens: 3.1%), though they remained within the range observed during non-recessionary periods[5].

The slight rise in unemployment rates was not unexpected, amid higher retrenchments in the second half of 2023. However, we do not expect sustained increases in unemployment rates, as retrenchments have since eased in 1Q 2024 and employment continued to grow.

Chart 3 Unemployment Rates (Seasonally Adjusted)



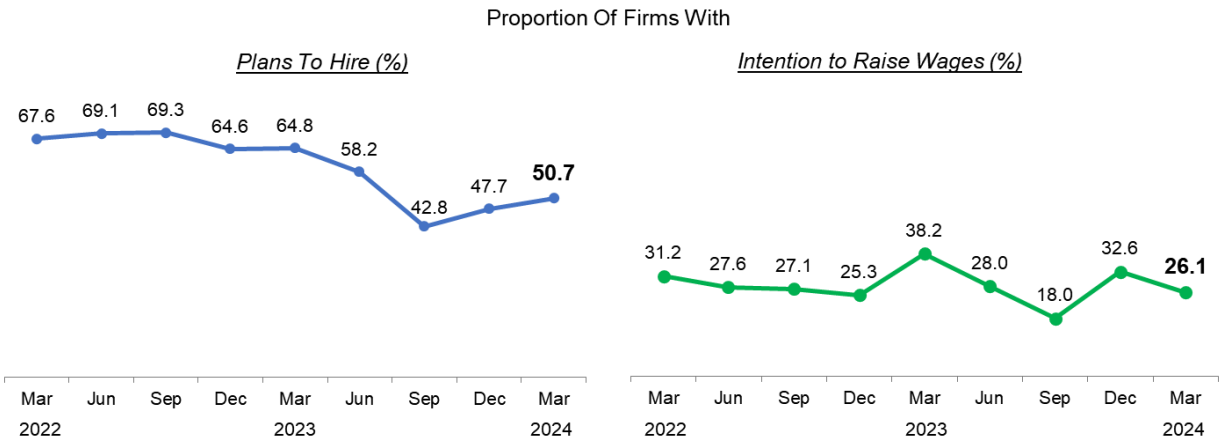
Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

[P]: Preliminary

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

MOM's forward-looking polls indicated continued improvements in employment, as the proportion of firms which cited an intention to hire in the next three months rose from 47.7% to 50.7%. However, wage improvements could slow, as the proportion of firms with an intention to raise wages declined from 32.6% to 26.1%.

Chart 4 Hiring and Wage Expectations 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 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 RELEASES

UPCOMING ...

Labour Market Report First Quarter 2024	10-14 Jun 2024*
Report on Wage Practices 2023	24-27 Jun 2024*
Singapore Yearbook of Manpower Statistics 2024	28 Jun 2024
Labour Market Advance Release Second Quarter 2024	30-31 Jul 2024*

PAST ...

Labour Market Advance Release First Quarter 2024	30 Apr 2024
Job Vacancies 2023	25 Mar 2024
Labour Market Report Fourth Quarter 2023	14 Mar 2024
Labour Market Advance Release Fourth Quarter 2023	31 Jan 2024
Labour Force In Singapore 2023	31 Jan 2024
Labour Market Report Third Quarter 2023	14 Dec 2023
Labour Force In Singapore Advance Release 2023	30 Nov 2023
Labour Market Advance Release Third Quarter 2023	26 Oct 2023

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