

Second Quarter 2019

# Labour Market Advance Release



MINISTRY OF  
MANPOWER

Manpower Research  
and Statistics Department

## COPYRIGHT NOTICE

LABOUR MARKET ADVANCE RELEASE SECOND QUARTER 2019

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](mailto: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 (MRSD) are governed by the 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.

Statistics compiled and disseminated by the MRSD adhere to international standards on official statistics set by the International Labour Organisation and International Monetary Fund.

For insights on the labour market, visit us at [stats.mom.gov.sg](https://stats.mom.gov.sg)

# CONTENTS

	ii
Notations and Abbreviations	
	1
Highlights	
	2
Labour Market Advance Release, Second Quarter 2019	
Overview	2
Employment	2
Unemployment	4
Retrenchments	5
	A1
Explanatory Notes	

**Notations**

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

**Abbreviations**

- 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

- Based on preliminary data, total employment growth was lower than the previous quarter and a year ago, suggesting greater caution in hiring. Furthermore, resident and citizen unemployment rates continued their uptrend since September 2018. However, retrenchments stayed low, suggesting that while firms had slowed down hiring, most were not laying off existing workers.
- Total employment (excluding Foreign Domestic Workers) continued to grow in 2Q 2019 (4,000), but at a slower pace compared to the past quarter (10,700) and a year ago (6,500). Employment continued to grow in Services. However, it was slower than the past quarter as the growth which occurred in sectors such as Information & Communications, Professional Services, Community, Social & Personal Services and Financial Services were curtailed by the decline in Retail Trade. Increases in Construction were higher, reflecting an increase in public sector construction activities. Manufacturing continued to contract for the third consecutive quarter, as manufacturing output declined.
- The seasonally adjusted resident and citizen unemployment rates continued to increase in June 2019 (resident: from 3.0% to 3.1%; citizen: from 3.2% to 3.3%), continuing the uptrend since September 2018.
- The number of retrenchments in 2Q 2019 (2,300) was lower than the preceding quarter (3,230) and a year ago (3,030).

## Overview

Based on preliminary data, total employment growth was lower than the previous quarter and a year ago, suggesting greater caution in hiring. Furthermore, resident and citizen unemployment rates continued their uptrend since September 2018. However, retrenchments stayed low, suggesting that while firms had slowed down hiring, most were not laying off existing workers.

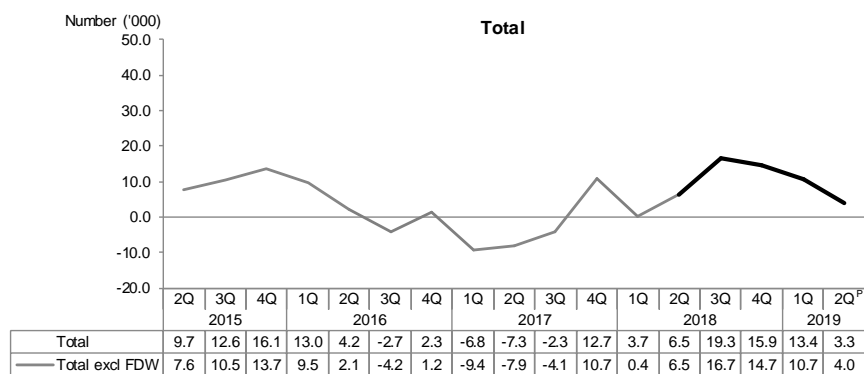
## Employment

Total employment (excluding Foreign Domestic Workers) continued to grow in 2Q 2019 (4,000), but at a slower pace compared to the past quarter (10,700) and a year ago (6,500).

Employment continued to grow in Services. However, it was slower than the past quarter as the growth which occurred in sectors such as Information & Communications, Professional Services, Community, Social & Personal Services and Financial Services were curtailed by the decline in Retail Trade. Increases in Construction were higher, reflecting an increase in public sector construction activities<sup>1</sup>. Manufacturing continued to contract for the third consecutive quarter, as manufacturing output declined<sup>1,2</sup>.

**Total employment grew at a slower pace in 2Q 2019**

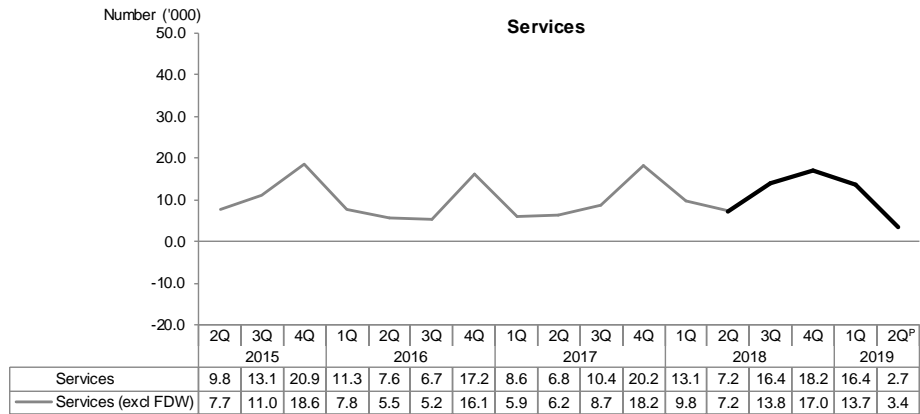
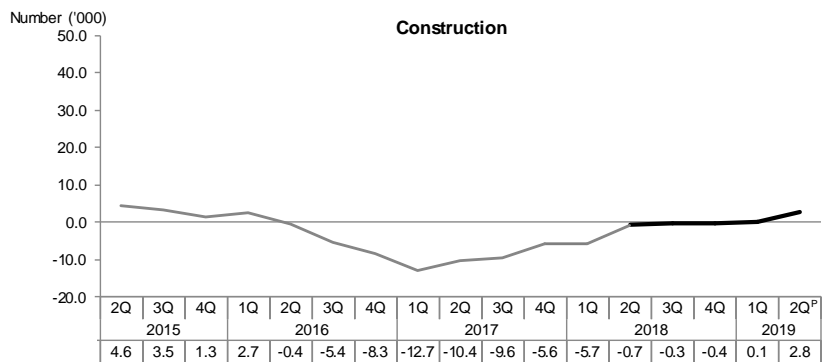
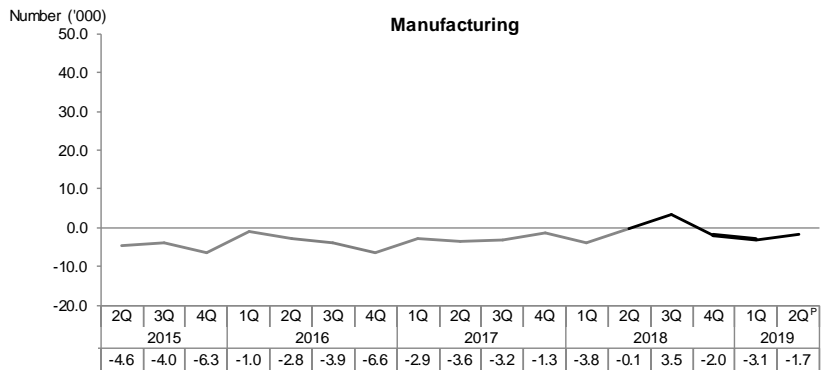
**Chart 1** Employment Change By Sector



<sup>1</sup> Source: MTI's Advance Estimates of GDP, 12 July 2019.

<sup>2</sup> Based on preliminary estimates, 483,300 persons were employed in manufacturing, 447,100 in construction, 2,774,400 (2,518,500 excl FDW) in services in June 2019. Employment totalled 3,731,600 (3,475,700 excl FDW) in June 2019 (total includes other sectors like agriculture, fishing etc.).

By Sector



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

<sup>P</sup>: 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 is the difference in the employment level at the end of the reference period compared with the end of the preceding period.
- (5) Data for 1Q 2019 are revised to reflect updates in industry classification of firms.



## Unemployment

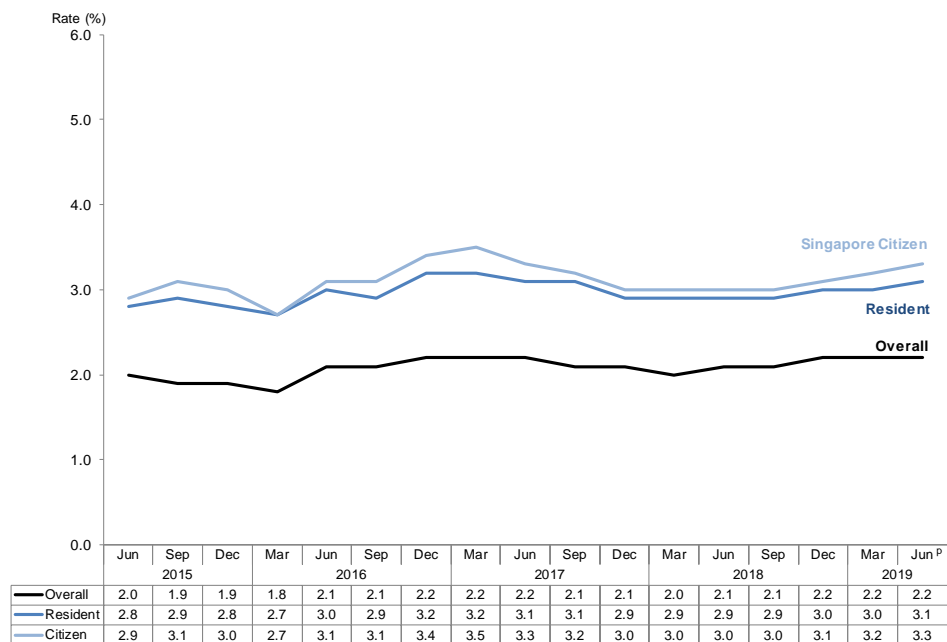
### *Resident and citizen unemployment rates continued to increase*

The seasonally adjusted overall (2.2%) unemployment rate held steady in June 2019. However, the resident and citizen unemployment rates continued to increase in June 2019 (resident: from 3.0% to 3.1%; citizen: from 3.2% to 3.3%), continuing the uptrend since September 2018.

The increase in the recent quarter was in part due to more persons entering the labour force to look for work. They were possibly prompted to look for jobs now, in anticipation of the slowdown in pace of hiring with the uncertain economic conditions.

In June 2019, an estimated 72,400 residents were unemployed, higher than in March 2019 (69,700). More citizens were also unemployed (from 62,200 to 64,300).<sup>3</sup>

**Chart 2** Unemployment Rate (Seasonally Adjusted)



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

P: Preliminary

<sup>3</sup> Based on seasonally adjusted data on number of unemployed persons.

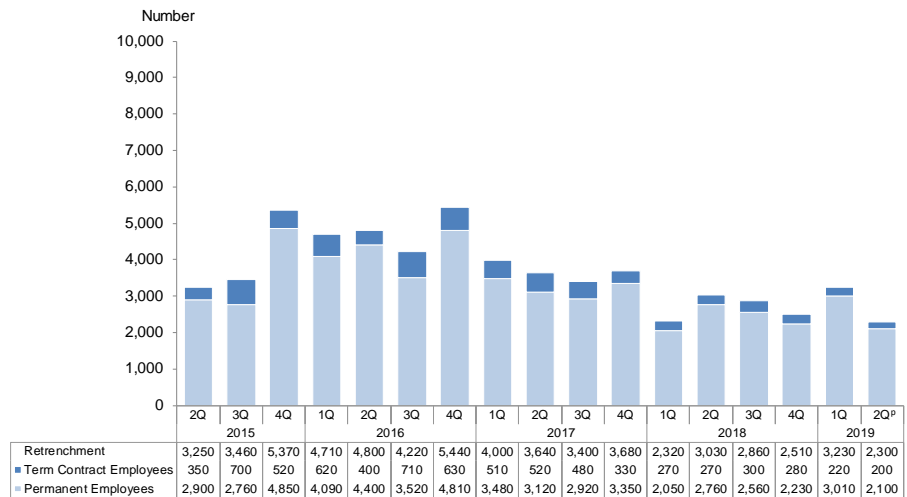
## Retrenchments

### Retrenchments stayed low

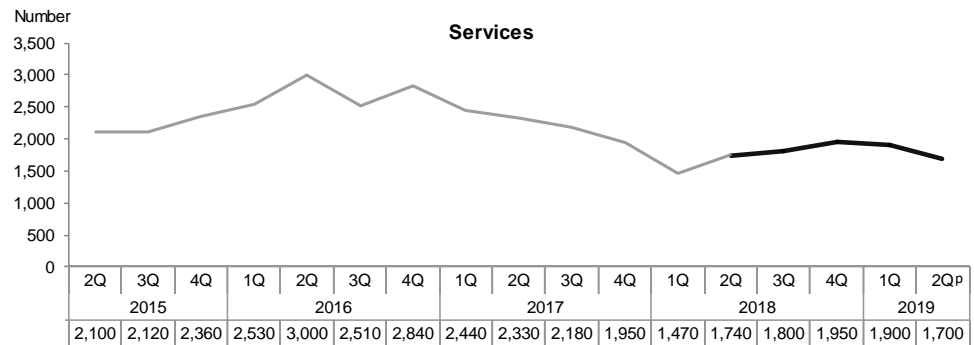
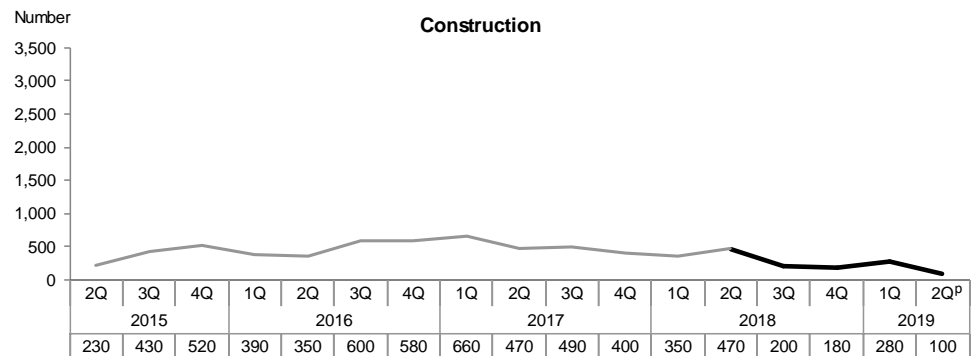
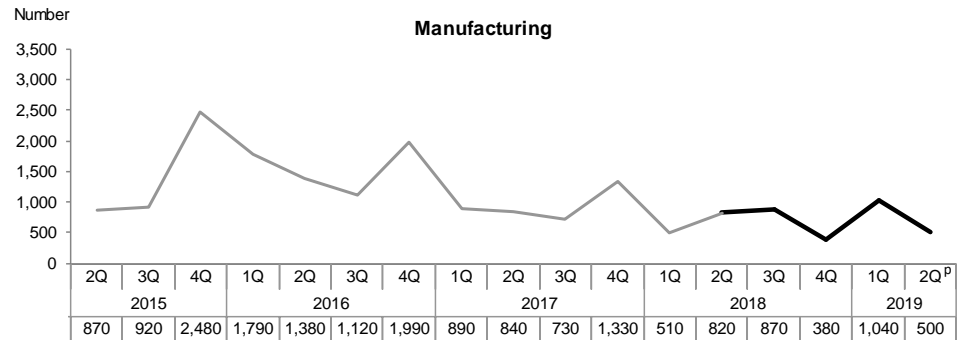
The number of retrenchments in 2Q 2019 (2,300) was lower than the preceding quarter (3,230) and a year ago (3,030). This suggests that while firms had slowed down their hiring, they were not laying off existing workers.

Over the quarter, declines were observed in all three broad sectors. Services continued to form the bulk of retrenchments (74%), followed by Manufacturing (22%) and Construction (4.3%).

Chart 3 Retrenchments



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 2015.
- (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

### 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.

## 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.<sup>1</sup>

### 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 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.

---

<sup>1</sup> Population figures for each quarter will be finalised in the next quarter. Unemployment data are therefore subject to the latest available population estimates.

## 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<sup>2</sup>.

### 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.

---

<sup>2</sup> 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



Title



Date of Release

## **UPCOMING ...**

Labour Market Second Quarter 2019	12/09/2019
-----------------------------------	------------

## **PAST ...**

Labour Market Advance Release Second Quarter 2019	26/07/2019
Singapore Yearbook of Manpower Statistics 2019	27/06/2019
Labour Market First Quarter 2019	13/06/2019
Report on Wage Practices 2018	29/05/2019
Job Vacancies 2018	19/03/2019
Labour Market 2018	14/03/2019
Retrenchment & Re-entry Into Employment 2018	14/03/2019
A More Flexible Singapore!	28/02/2019

---

More releases are available online @ <https://stats.mom.gov.sg>  
You may also subscribe to our email alert for the latest releases

