

Third Quarter 2022

# Labour Market Advance Release



MINISTRY OF  
MANPOWER

Manpower Research  
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE THIRD QUARTER 2022

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To provide timely and reliable national statistical information on the labour market to facilitate informed decision-making within the government and community-at-large

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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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# CONTENTS

	ii
Notations and Abbreviations	
	1
Highlights	
	2
Labour Market Advance Release Third Quarter 2022	
Overview	2
Employment	2
Unemployment	5
Retrenchment	6
	A1
Explanatory Notes	

**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 indicate that the momentum of the labour market's improvement could be easing in 3Q 2022 amidst slower economic growth. While total employment continued to expand (75,600), there was a slight uptick in September's unemployment rates (overall: 2.0%; residents: 2.9%; citizens: 3.1%), and retrenchments rose over the quarter (1,600).

In the coming months, a deteriorating global economic environment, higher global inflation, as well as geopolitical tensions could affect the labour market outlook. Some unevenness in employment growth may emerge across sectors.

As the proportion of firms with intention to raise wages in the coming months held steady, the risk of a wage-price spiral remains low for now. For wage growth to be sustainable, wages should rise in tandem only with improvements in workers' productivity and skills.

- Total employment surpassed its pre-pandemic level by 1.7% in September 2022. Similar to past quarters, the increase in resident employment was led by outward-oriented sectors of *Information & Communications*, *Professional Services*, and *Financial Services*. Meanwhile, non-resident employment growth remained concentrated in sectors typically more reliant on non-resident workers – *Construction* and *Manufacturing*.
- Unemployment rates ticked up in September 2022, after trending down to a 6-year low in August<sup>1</sup>. However, they remained within the pre-pandemic range.
- Retrenchments increased, but remained a step down from its pre-COVID average. They came from *Manufacturing* (mainly due to discontinuation of product lines) and *Services* (mainly due to reorganisation / restructuring).
- While forward-looking data shows that overall hiring sentiments among firms remain optimistic, some unevenness in growth could emerge across sectors in the final quarter of 2022. Demand in tourism- and consumer-related sectors is expected to remain robust, supported by the recovery of international visitor arrivals and year-end festive hiring. In contrast, trade-reliant sectors such as *Manufacturing* could experience more subdued employment growth as external demand weakens.

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The *Labour Market Report 3Q 2022*, to be released in mid-December 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](mailto:mom_rsd@mom.gov.sg).

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<sup>1</sup> In August 2022, unemployment rates were overall: 1.9%, resident: 2.7%, and citizen: 2.8%.

## Overview

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Advance estimates indicate that the momentum of the labour market's improvement could be easing in 3Q 2022 amidst slower economic growth. While total employment continued to expand with increases among both residents and non-residents, there was a slight uptick in September's unemployment rates, and retrenchments rose over the quarter.

## Employment<sup>P,2,3</sup>

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Total employment expanded by 75,600 in 3Q 2022, continuing the strong growth from the previous quarter (66,500). With this expansion, total employment surpassed its pre-pandemic level<sup>4</sup> by 1.7% in September 2022. Resident employment increased further in 3Q 2022, though the pace of increase had slowed, while non-residents continued to see robust employment growth.<sup>5</sup>

Among residents, industry-trends were mixed in 3Q 2022. Similar to past quarters, resident employment increases were led by the outward-oriented sectors of *Information & Communications*<sup>6</sup>, *Professional Services*, and *Financial Services*. On the other hand, sustained declines were observed in *Administrative & Support Services*, partly reflecting the gradual scale-back of COVID-related occupations such as Safe-Distancing Ambassadors and vaccination centre workers.

In contrast, non-resident employment grew steadily across all sectors. The increases were concentrated in *Construction* and *Manufacturing* – sectors which are more reliant on non-resident workers. Non-resident employment gains in consumer-facing *Retail Trade* and *Food & Beverages Services* kept pace with the previous quarter, and picked up in *Accommodation*, alleviating the heightened demand for manpower resulting from the easing of COVID-19 restrictions.

In the final quarter of 2022, some unevenness in growth could emerge across sectors. Demand in tourism- and consumer-related sectors should remain robust, supported by the recovery of international visitor arrivals and hiring for the year-end festive season. In contrast, trade-reliant sectors such as *Manufacturing* may experience more subdued employment growth as external demand weakens.

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<sup>2</sup> Employment figures cited in this report exclude Migrant Domestic Workers (MDWs).

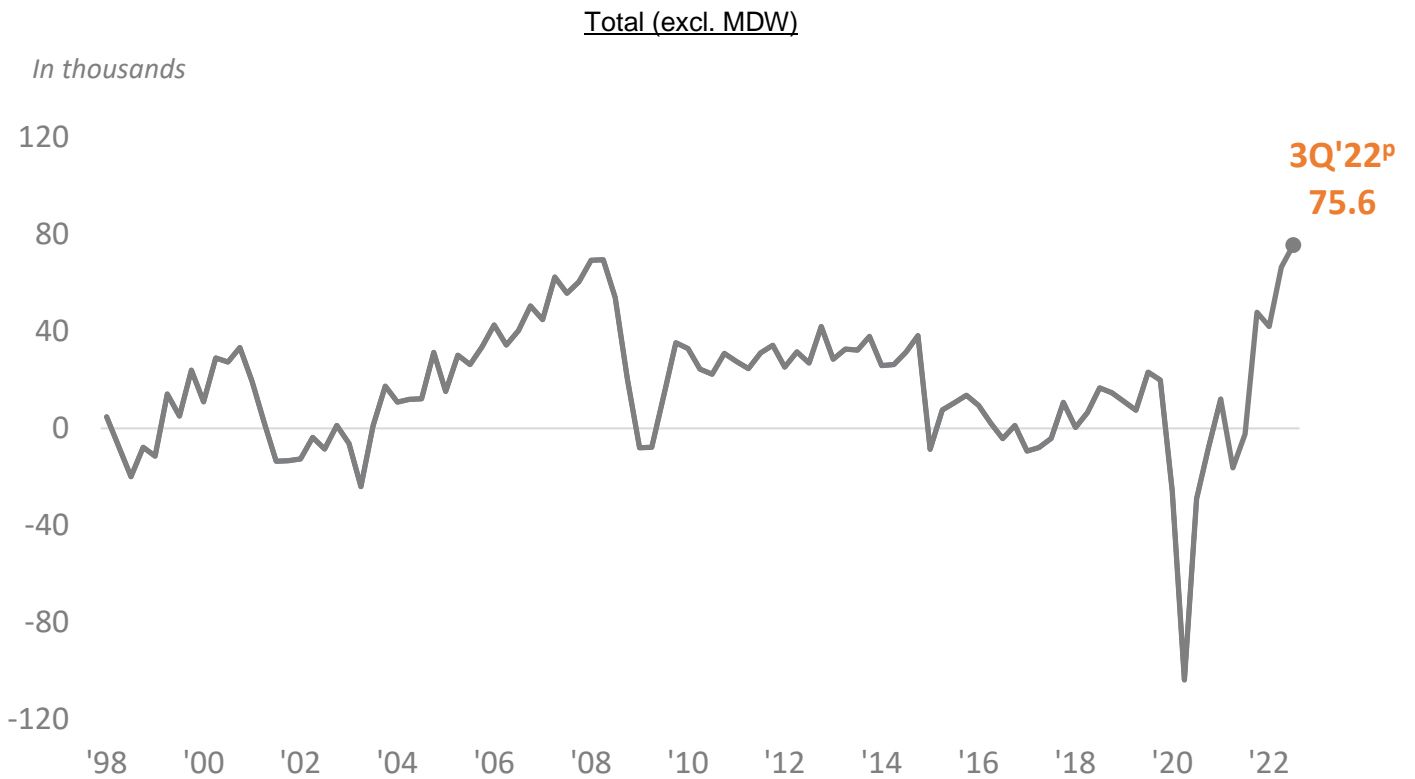
<sup>3</sup> Based on preliminary estimates, 482,100 persons were employed in *Manufacturing*, 485,200 in *Construction*, and 2,853,700 (2,589,800 excl. MDW) in *Services* in September 2022. Employment totalled 3,845,100 (3,581,300 excl. MDW) in September 2022 (total includes other sectors like agriculture, fishing etc.).

<sup>4</sup> This refers to December 2019.

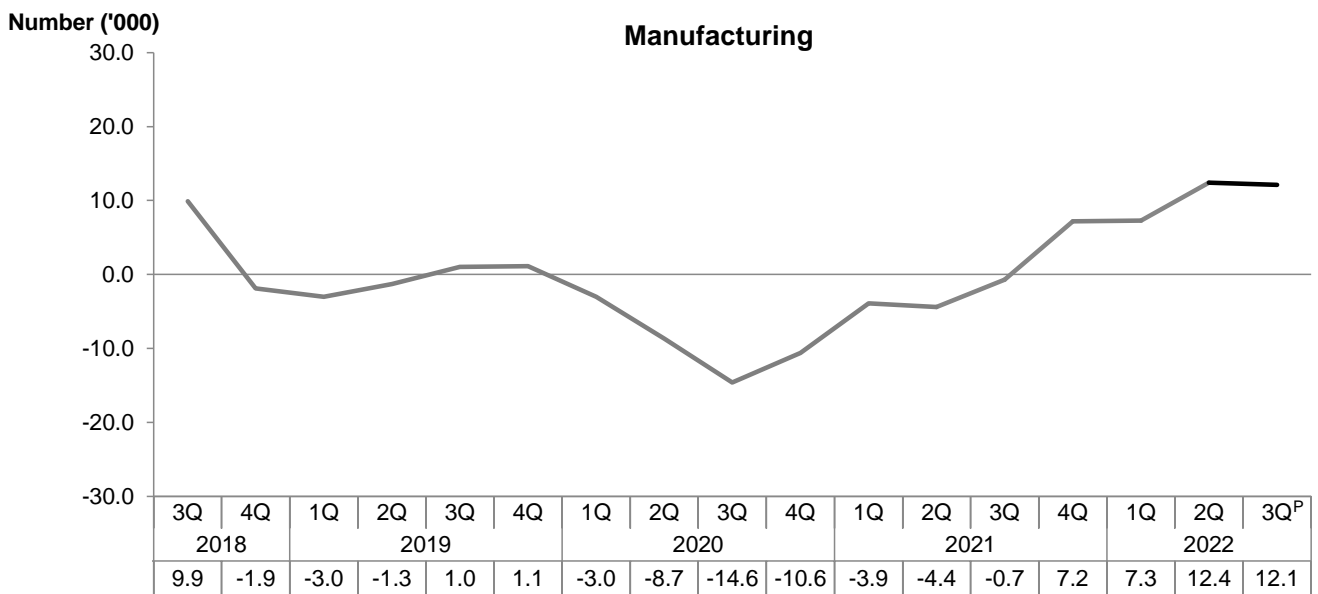
<sup>5</sup> As per the Department's usual practice, resident and non-resident quarterly employment change figures will not be released for the Labour Market Advance Release. These figures will be published in the Labour Market Report 3Q 2022, to be released in mid-December 2022.

<sup>6</sup> Resident employment increases in the ICT sector reflects the sector's robust GDP growth in 3Q 2022, on the back of an increase in IT development, consultancy, data hosting and related activities.

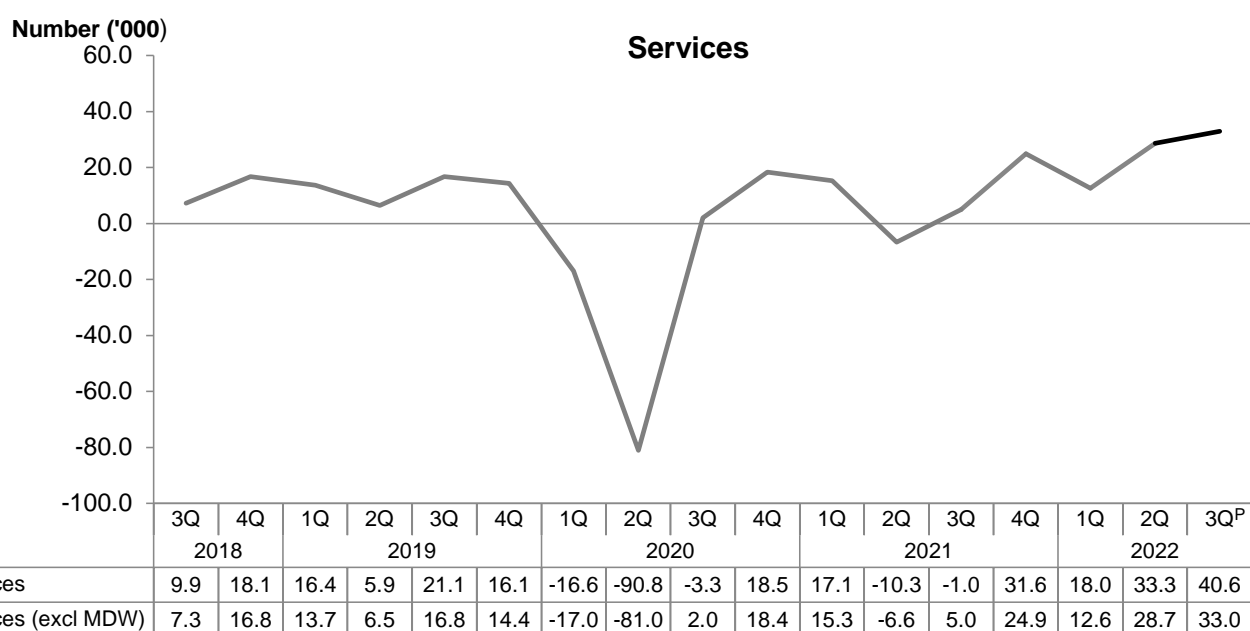
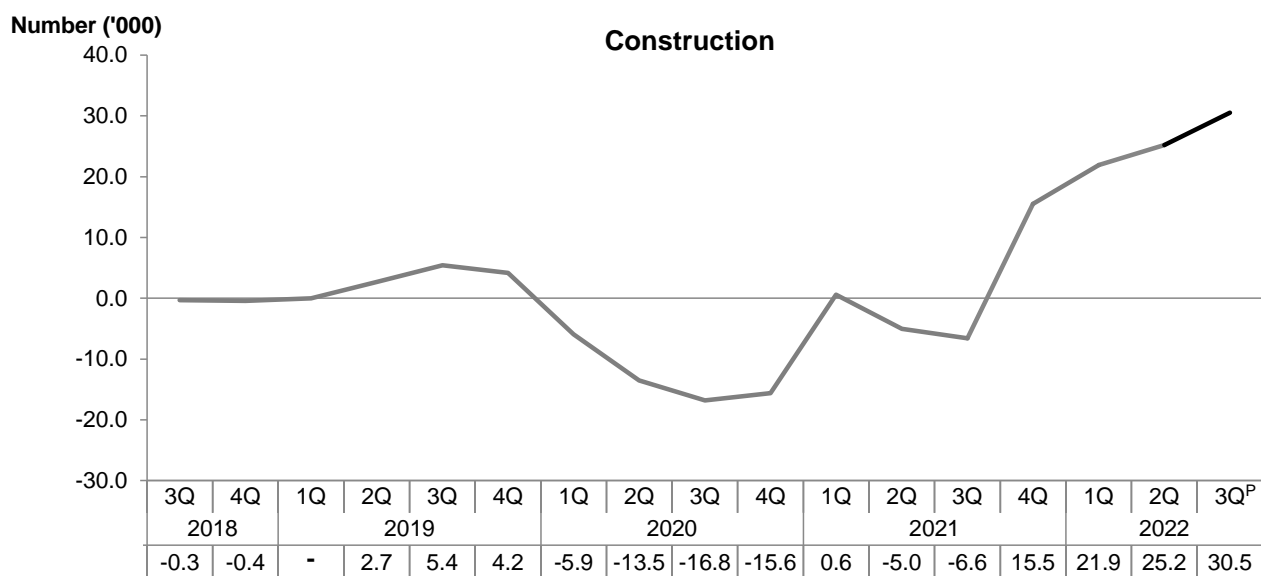
**Chart 1** Quarterly Employment Change By Sector



By Sector







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

<sup>P</sup>: Preliminary

**Notes:**

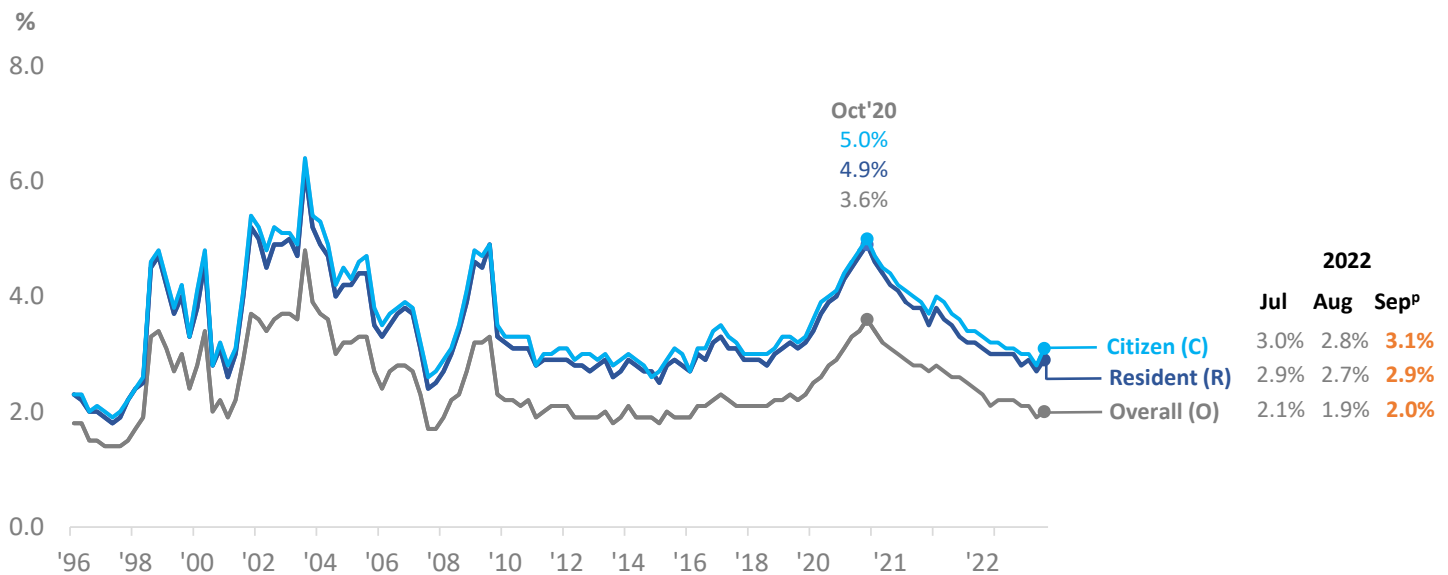
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (3) The industries are classified based on SSIC 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.
- (5) Data are revised at the industry level to reflect updates in industry classification of firms based on SSIC 2020.
- (6) “-“ : nil or negligible.

## Unemployment<sup>P</sup>

Unemployment rates edged up from the 6-year low in August, to 2.0% at the overall, 2.9% for residents, and 3.1% for citizens in September 2022. The rates in September remained within the pre-COVID range.<sup>7</sup>

Over the quarter, the number of unemployed residents<sup>8</sup> rose from 69,300 in June 2022 to 70,900 in September 2022.

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



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

<sup>7</sup> In the pre-COVID quarters of 2018 / 2019, the average unemployment rates were 2.2% overall, 3.0% for residents, and 3.2% for citizens.

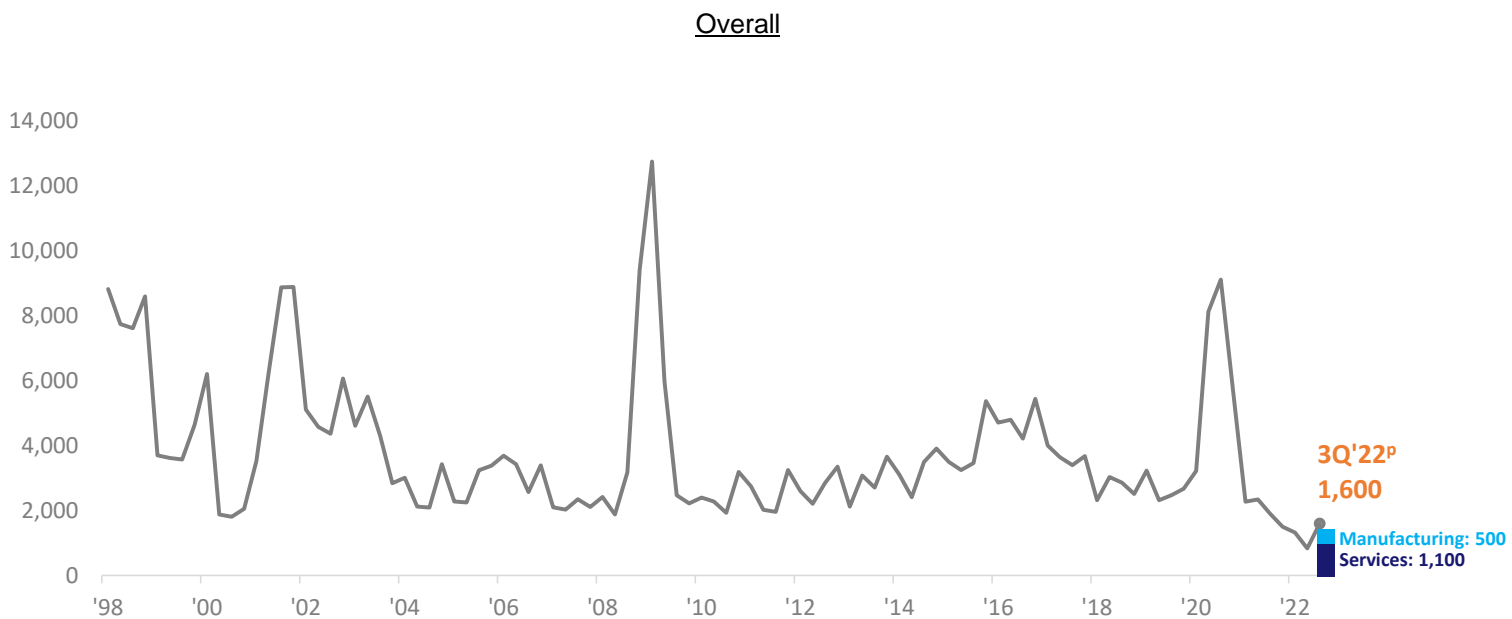
<sup>8</sup> "Residents" refers to Singapore Citizens and Permanent Residents.

## Retrenchments<sup>P</sup>

Based on latest survey returns to date, the number of retrenchments is expected to increase to 1,600 in 3Q 2022, from 2Q's all-time low of 830. Notwithstanding the rise, the level in 3Q 2022 continues to be lower than the pre-COVID average.<sup>9</sup>

Retrenchments in 3Q 2022 were in *Services*, primarily due to business reorganisation or restructuring, and *Manufacturing*, mainly as a result of the discontinuation of product lines. The latter has been facing increasing headwinds amidst the global slowdown in manufacturing activities. Firms may also be restructuring business operations and laying off employees in anticipation of a weakened global economy, against the backdrop of high inflation, tighter central bank monetary policies, and geopolitical uncertainties.

Chart 3 Quarterly Retrenchments

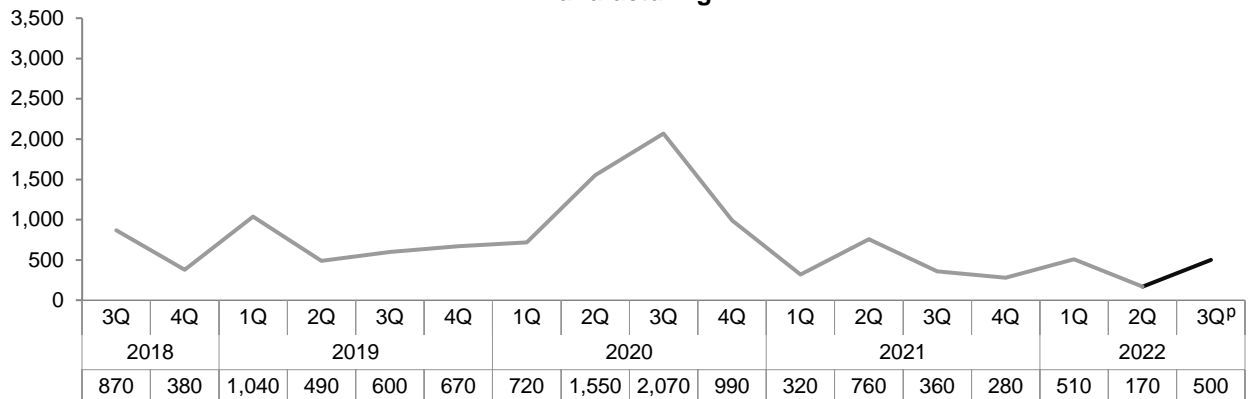


<sup>9</sup> Quarterly average of 2,680 in 2018 / 2019.

By Sector

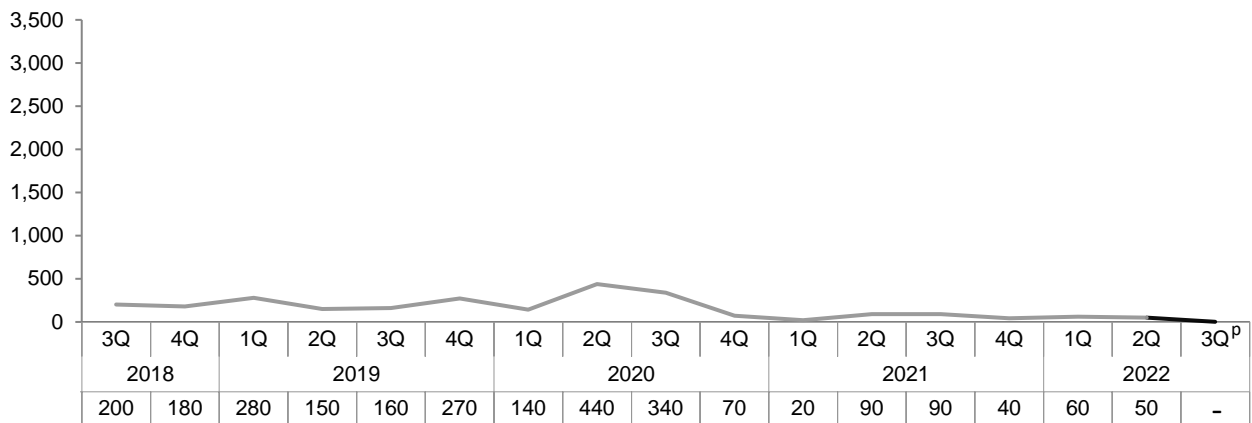
Number

**Manufacturing**



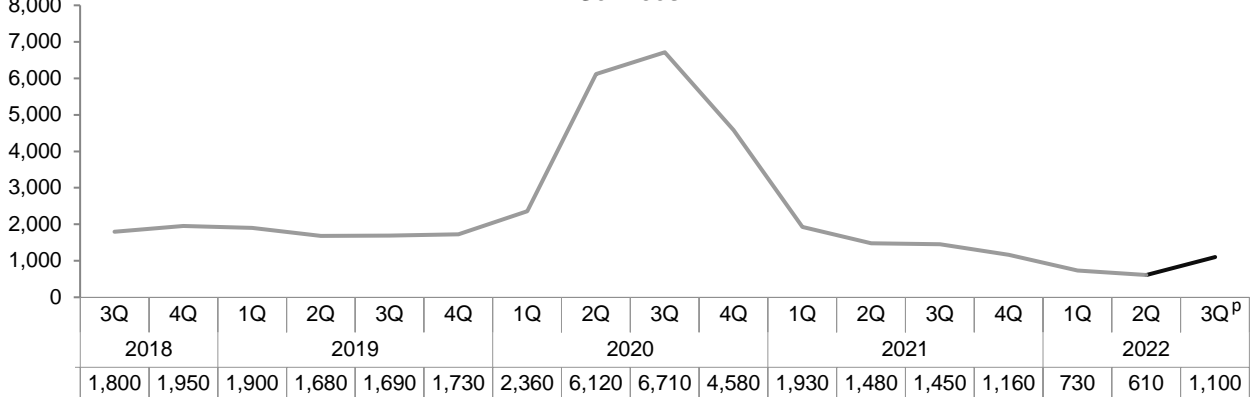
Number

**Construction**



Number

**Services**



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

<sup>P</sup>: Preliminary

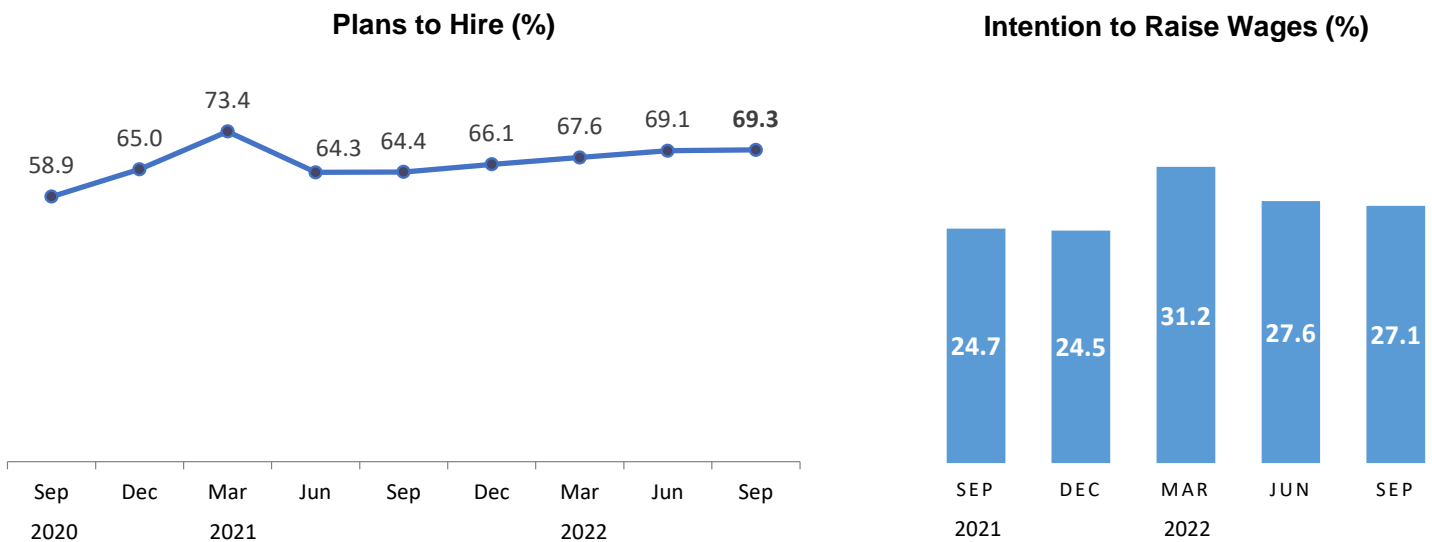
Notes:

- (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 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.
- (4) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.
- (5) Data are revised at the industry level to reflect updates in industry classification of firms based on SSIC 2020. Revisions have also been made to the 2Q 2022 figures, following clarifications with survey respondents.
- (6) “-“ : nil or negligible.

Forward-looking data based on polls regarding firms' hiring and wages sentiments suggest that in general, firms remain optimistic about hiring, as the proportion looking to hire is still on a slight uptrend. This will further support employment growth in the final quarter of 2022, as employers hire more actively for the year-end festive season.

The proportion of firms intending to raise wages in the next three months has also held steady at about 1 in 4, indicating that firms remain prudent about raising wages. The risk of a wage-price spiral hence remains low for now. For wage growth to be sustainable, wages should rise in tandem only with improvements in workers' productivity and skills.

**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.<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 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.

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<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.

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<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.

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<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



## UPCOMING ...

Labour Force In Singapore Advance Release 2022	28 Nov - 2 Dec 2022*
Labour Market Report Third Quarter 2022	12-16 Dec 2022*
Labour Force In Singapore 2022	26-31 Jan 2023*
Labour Market Advance Release 2022	30-31 Jan 2023*

## PAST ...

Labour Market Advance Release Third Quarter 2022	28 Oct 2022
Labour Market Report Second Quarter 2022	14 Sep 2022
Labour Market Advance Release Second Quarter 2022	29 Jul 2022
Singapore Yearbook Of Manpower Statistics 2022	30 Jun 2022
Labour Market Report First Quarter 2022	17 Jun 2022
Report On Wage Practices 2021	30 May 2022
Labour Market Advance Release First Quarter 2022	28 Apr 2022
Job Vacancies 2021	1 Apr 2022

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*\*The actual date of release will be indicated at least a week before the scheduled publication date.*