

First Quarter 2017

Labour Market Advance Release



MINISTRY OF
MANPOWER

Manpower Research
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2017

ISSN 0219-2527

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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

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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

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Notations

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

Abbreviations

CPF	: Central Provident Fund
EDB	: Economic Development Board
FDW	: Foreign Domestic Workers
excl	: Excluding
MOM	: Ministry of Manpower
MTI	: Ministry of Trade and Industry
PMETs	: Professionals, Managers, Executives & Technicians
Prod & Tpt Op, Cleaners & Labourers	: Production & Transport Operators, Cleaners & Labourers
Prof, Mgrs, Execs & Tech	: Professionals, Managers, Executives & Technicians
SSIC	: Singapore Standard Industrial Classification

HIGHLIGHTS

- The seasonally adjusted resident and citizen unemployment rate was unchanged in March 2017 compared to December 2016, after rising from September 2016. Total employment contracted in the first quarter of 2017, mainly due to a decrease in Work Permit Holders in manufacturing and construction. The number of layoffs fell from the previous quarter, but remained similar to a year ago.
- The seasonally adjusted unemployment rate was unchanged for residents (3.2%) and citizens (3.5%) in March 2017 compared to December 2016, after rising from September 2016. Including foreigners, overall unemployment rate continued to increase from 2.2% to 2.3%.
- Total employment contracted in the first quarter of 2017 (-8,500), compared to the seasonal high in the fourth quarter of 2016 (2,300). It was also lower than the first quarter of 2016 (13,000). The contraction in the first quarter of 2017 occurred in manufacturing (-4,400) and construction (-12,900), mainly due to a decrease in Work Permit Holders. At the same time, services employment continued to grow (8,700), though growth was slower than the first quarter of 2016 (13,200).
- Some 4,800 workers were laid off in the first quarter of 2017, lower than the fourth quarter (5,440), but similar to a year ago (4,710). Redundancies declined in manufacturing, but continued to increase in construction and services.

Overview

The seasonally adjusted resident and citizen unemployment rate was unchanged in March 2017 compared to December 2016, after rising from September 2016. Total employment contracted in the first quarter of 2017, mainly due to a decrease in Work Permit Holders in manufacturing and construction. The number of layoffs fell from the previous quarter, but remained similar to a year ago.

Unemployment

Resident and citizen unemployment rate unchanged over the quarter

Preliminary estimates showed that the seasonally adjusted unemployment rate was unchanged for residents (3.2%) and citizens (3.5%) in March 2017 compared to December 2016, after rising from September 2016. Including foreigners, overall unemployment rate rose from 2.2% to 2.3%.¹

Although the unemployment rate has trended up in recent quarters, it remained below recessionary high in 2009 (overall: 3.3%, resident: 4.9%; citizen: 4.9%)².

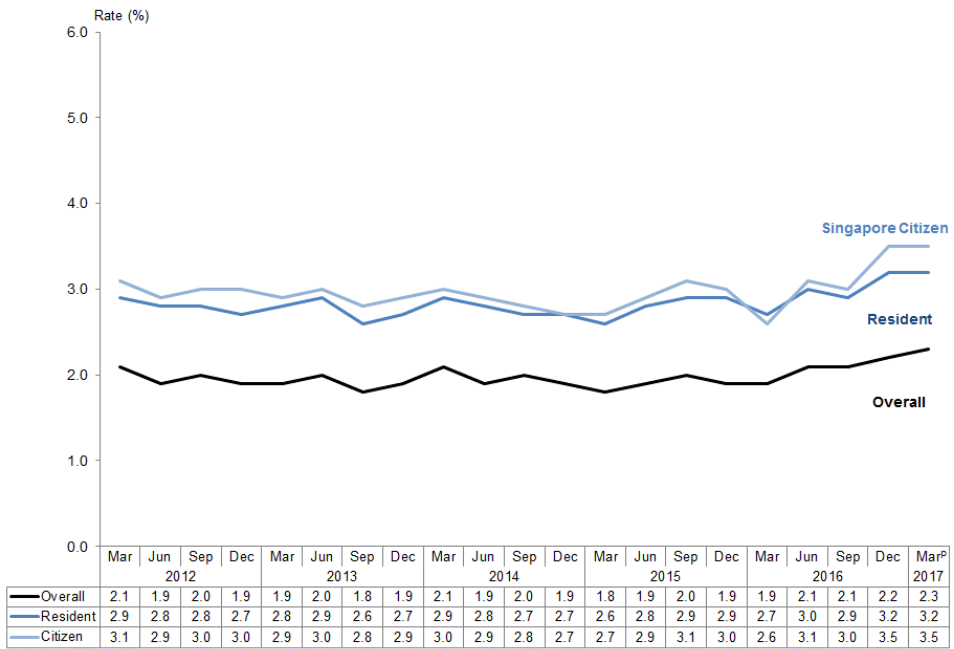
In March 2017, an estimated 74,400 residents, including 67,100 Singapore citizens were unemployed, broadly similar to December 2016.³

¹ Please see explanatory notes for details on seasonal adjustment.

² Unemployment rates are for September 2009.

³ Based on seasonally adjusted data on number of unemployed persons.

Chart 1 Unemployment Rate (Seasonally Adjusted)



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

^P: Preliminary

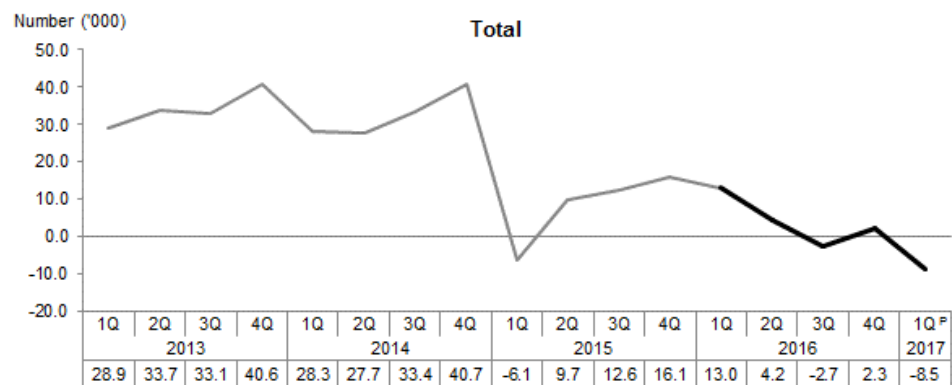
Employment

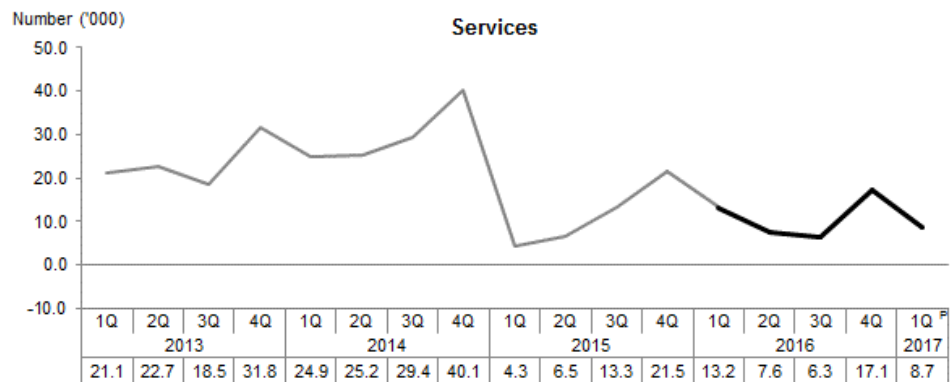
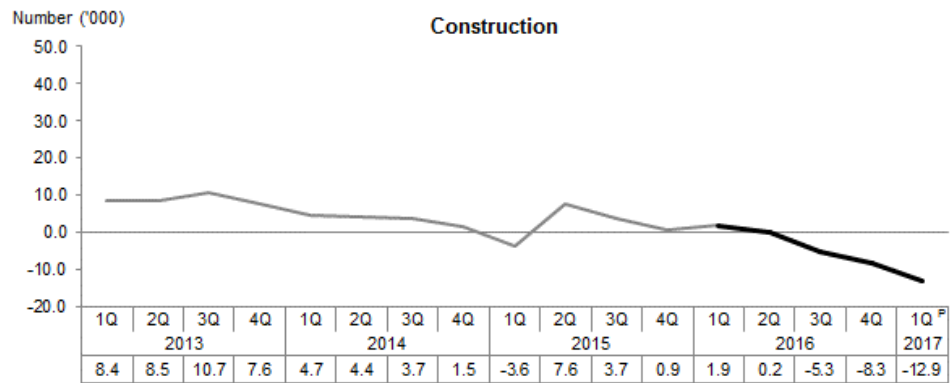
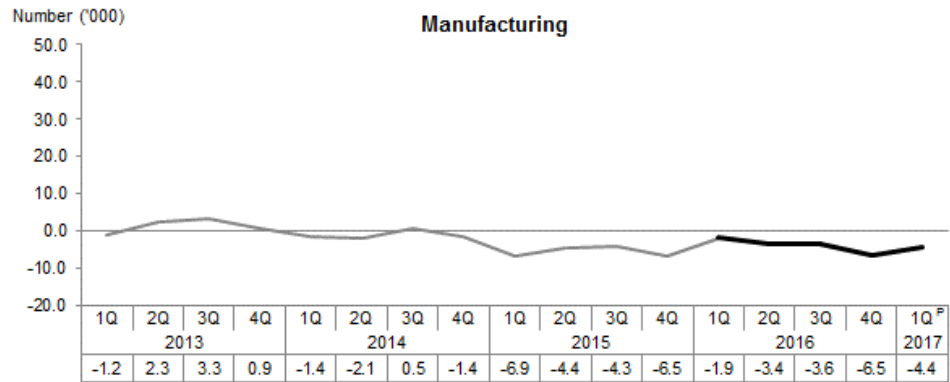
Employment contracted in the first quarter

Total employment contracted in the first quarter of 2017 (-8,500), compared to the seasonal high in the fourth quarter of 2016 (2,300). It was also lower than in the first quarter of 2016 (13,000). The contraction was mainly due to a decrease in Work Permit Holders in manufacturing and construction.

Employment in manufacturing continued to decline (-4,400) in the first quarter of 2017, though it eased from the sharp contraction in the fourth quarter of 2016 (-6,500). Construction employment contracted (-12,900) for the third consecutive quarter. The declines were offset by services where employment continued to grow by 8,700 in the first quarter of 2017. Growth was however lower than the seasonal increase of 17,100 in the fourth quarter of 2016 and the same period a year ago (13,200).

Chart 2 Employment Change By Sector





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

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 2010.
- (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.

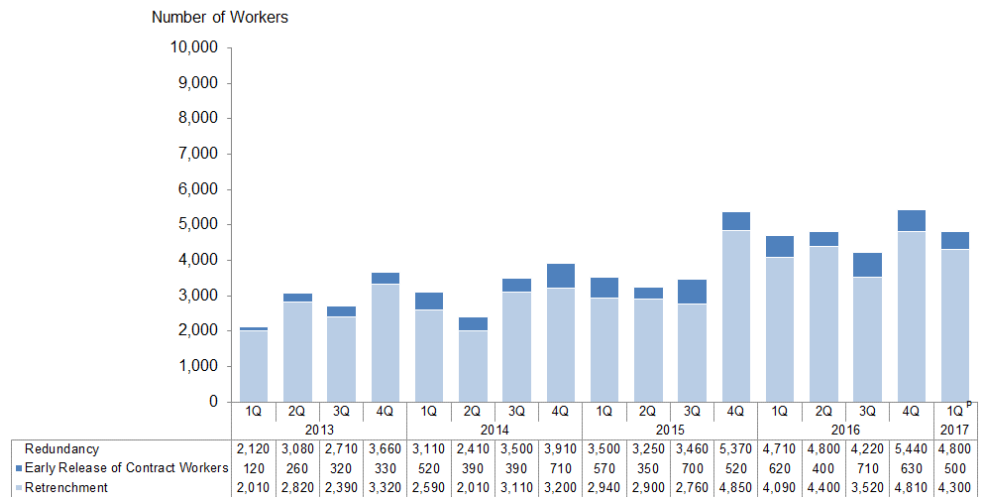
Redundancy

The number of layoffs fell in the first quarter, but similar to a year ago

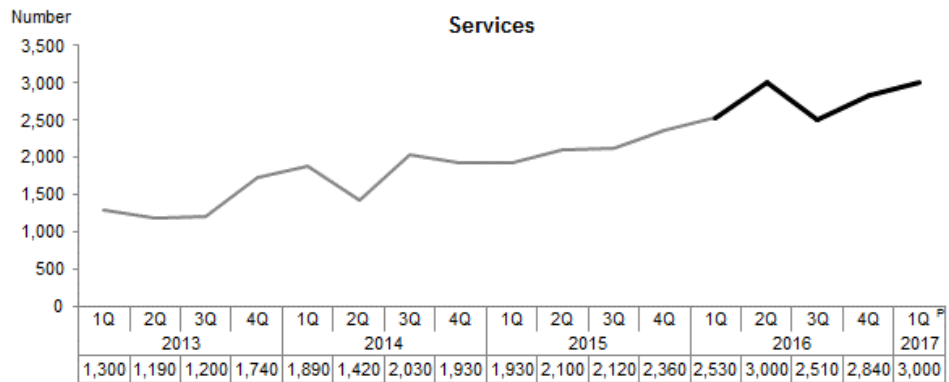
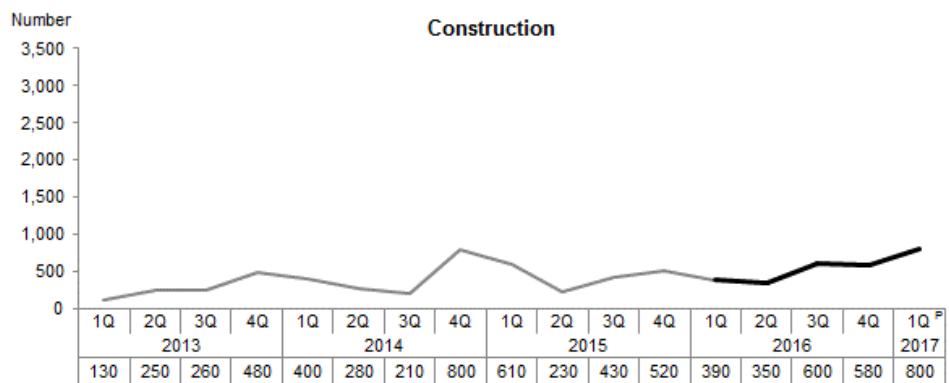
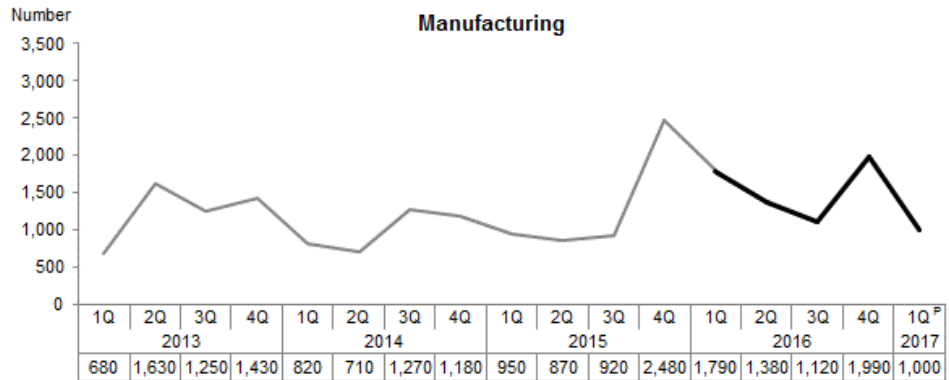
Based on preliminary estimates, 4,800 workers were laid off in the first quarter of 2017, lower than the fourth quarter (5,440), but similar to a year ago (4,710).

Redundancies declined in manufacturing, but continued to increase in construction and services. Services continued to form the bulk of redundancies (63%) in the first quarter of 2017, followed by manufacturing (21%) and construction (17%).

Chart 3 Redundancy



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 2010.
- (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

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.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 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

¹ Population figures for March and June are finalised in September while figures for September and December are finalised in March the next year. Unemployment data are therefore subject to the latest available population estimates.

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.

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.

Redundancy

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

Redundancy comprises retrenchment and early release of contract workers due to redundancy.

Retrenchment refers to the termination of employment of a permanent employee due to redundancy. In the public sector, it includes those who left service under the Special Resignation Scheme that allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

Early release of contract workers refers to employees on term contracts which were terminated prematurely because of redundancy.

Uses and Limitations

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

The number of persons made redundant (flow) should not be confused with persons unemployed (stock). Not all persons made redundant 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.

Revision to Seasonally Adjusted Unemployment Data

The seasonally adjusted unemployment rates for the past five years are revised annually to take into account observations for the latest available year based on data up to December of each year. This revision takes place when data for March are released. However, during the course of carrying out this year's revision, we noticed unstable seasonal patterns in recent years. Hence, we are reviewing the series further.

In the interim, data for each quarter will be seasonally adjusted by taking into account data as and when it becomes available. The revision for the unemployment series will be done together with the final release of the December 2017 data².

Trends for unemployment rate after revision is expected to remain similar.

² In the Labour Market Report 2017 scheduled for release on 15 March 2018.

OTHER PUBLICATIONS



Title



Date of Release

Labour Market 2016	15/03/2017
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Conditions of Employment 2016	21/11/2016
Labour Market Second Quarter 2016	15/09/2016
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