

First Quarter 2019

Labour Market Advance Release



MINISTRY OF
MANPOWER

Manpower Research
and Statistics Department

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LABOUR MARKET ADVANCE RELEASE FIRST QUARTER 2019

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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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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

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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

- Preliminary indicators suggested that the labour market held up in 1Q 2019 despite signs of external economic headwinds and uncertainty in 2019. Key labour market indicators stayed mostly on trend. Employment grew, retrenchments remained low, and overall and resident unemployment rates held steady, although the citizen unemployment rate edged up modestly.
- Total employment (excluding Foreign Domestic Workers) continued to grow in 1Q 2019 (12,000), a healthy increase considering that growth was significantly higher than 1Q 2018 (400), and lower than 4Q 2018 (14,700) because of seasonal factors. Employment growth mainly occurred in Services sectors such as Community, Social & Personal Services, Administrative & Support Services, Professional Services, Financial Services, and Transportation & Storage. Construction registered its first increase in employment, albeit slight, after eleven consecutive quarters of decline. Manufacturing continued to shed workers.
- The overall (2.2%) and resident (3.0%) unemployment rates held steady in March 2019 after rising in the previous quarter. However, the citizen unemployment rate continued to inch up (from 3.1% in December 2018 to 3.2% in March 2019).
- Based on preliminary estimates, the number of retrenchments remained low in 1Q 2019 (2,500), similar to the preceding quarter (2,510), and slightly above the multi-quarter low in 1Q 2018 (2,320). Trends were mixed across industries. Retrenchments declined over the quarter in Services, increased in Manufacturing and remained unchanged in Construction.

Overview

Preliminary indicators suggested that the labour market held up in 1Q 2019 despite signs of external economic headwinds and uncertainty in 2019. Key labour market indicators stayed mostly on trend. Employment grew, retrenchments remained low, and overall and resident unemployment rates held steady, although the citizen unemployment rate edged up modestly.

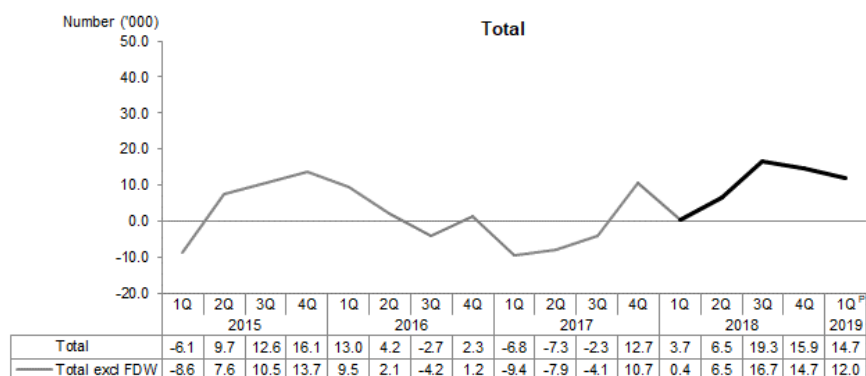
Employment

Total employment continued to grow in 1Q 2019

Total employment (excluding Foreign Domestic Workers) grew by 12,000 in 1Q 2019, a healthy increase considering that growth was significantly higher than 1Q 2018 (400), and lower than 4Q 2018 (14,700) because of seasonal factors.

Employment growth mainly occurred in Services sectors such as Community, Social & Personal Services, Administrative & Support Services, Professional Services, Financial Services, and Transportation & Storage. Due to improvement in private sector construction activities¹, Construction registered its first increase in employment, albeit slight, after eleven consecutive quarters of decline. Employment in Manufacturing continued to decline in the first quarter of 2019.²

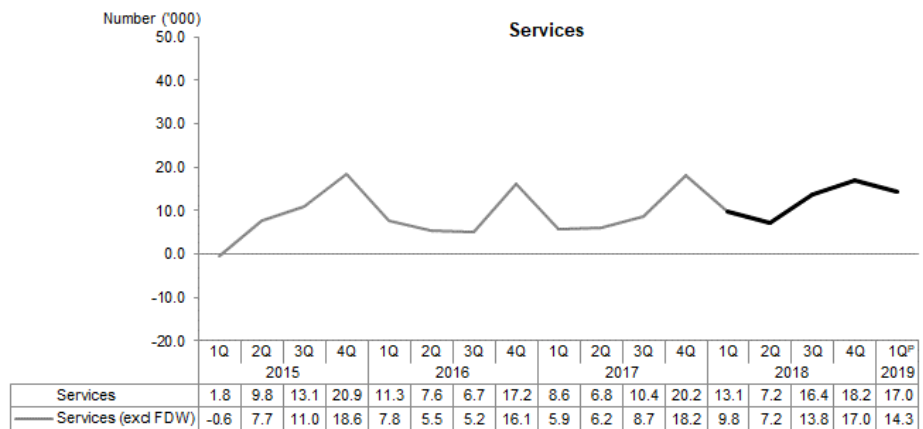
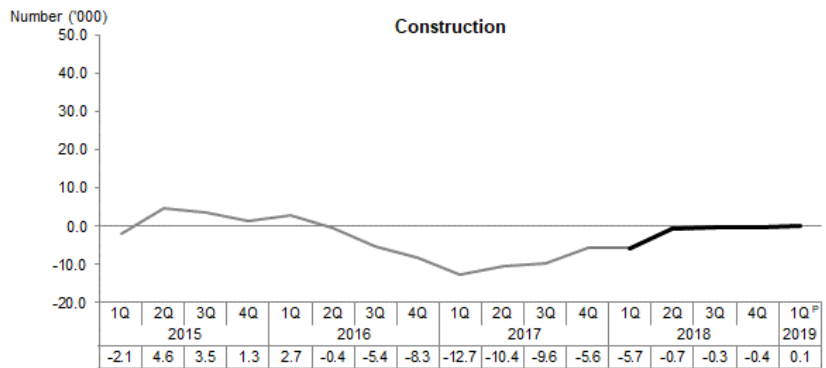
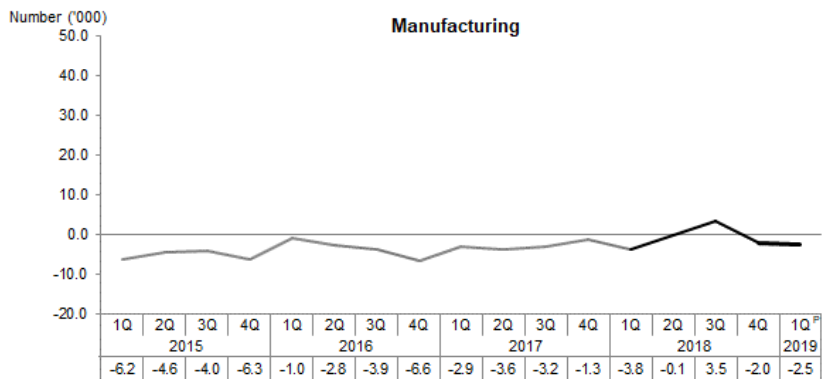
Chart 1 Employment Change By Sector



¹ Source: MTI's Advance Estimates of GDP, 12 April 2019.

² Based on preliminary estimates, 485,200 persons were employed in manufacturing, 444,800 in construction, 2,772,300 (2,515,800 excl FDW) in services in March 2019. Employment totaled 3,729,500 (3,473,000 excl FDW) in March 2019 (total includes other sectors like agriculture, fishing etc.).

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 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.

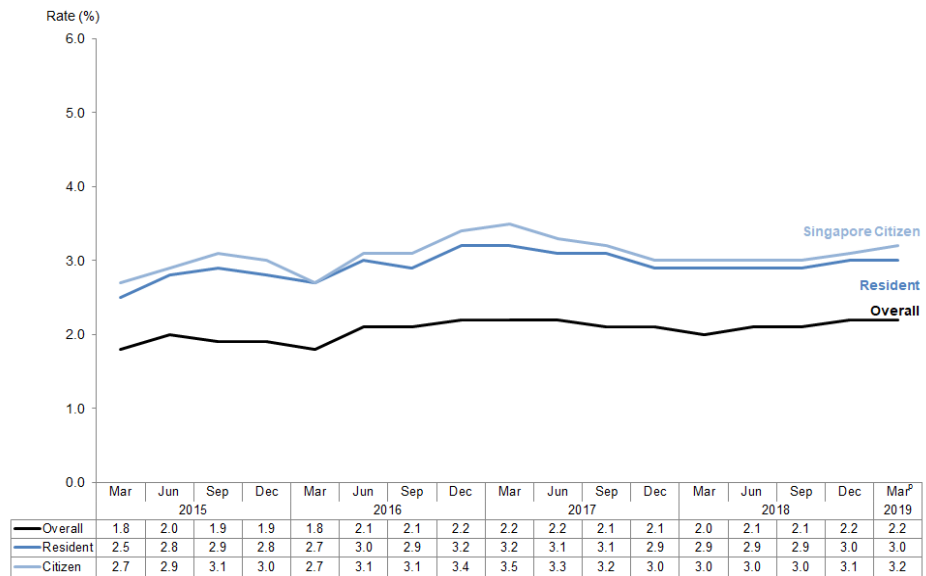
Unemployment

Unemployment rate held steady for overall and residents, and inched up for citizens

The seasonally adjusted overall (2.2%) and resident (3.0%) unemployment rates remained unchanged, after rising in the previous quarter. It continued to edge up for citizens from 3.1% in December 2018 to 3.2% in March 2019.

In March 2019, an estimated 69,400 residents were unemployed, lower than the 69,600 in December 2018. It was higher for citizens (from 60,300 to 61,900).³

Chart 2 Unemployment Rate (Seasonally Adjusted)



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

P: Preliminary

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

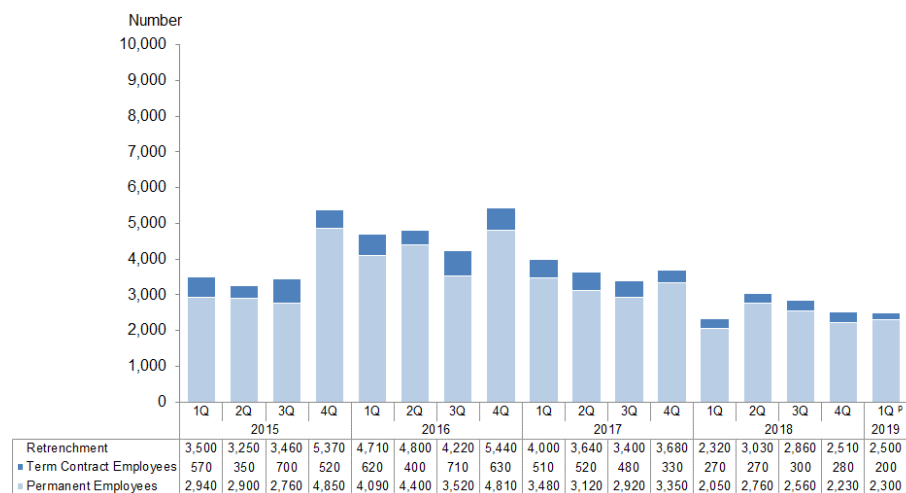
Retrenchment

Retrenchments were similar to last quarter and slightly higher than a year ago

Preliminary estimates showed that the number of workers retrenched in the first quarter of 2019 (2,500) was similar to the preceding quarter (2,510), and slightly above the multi-quarter low in 1Q 2018 (2,320)⁴.

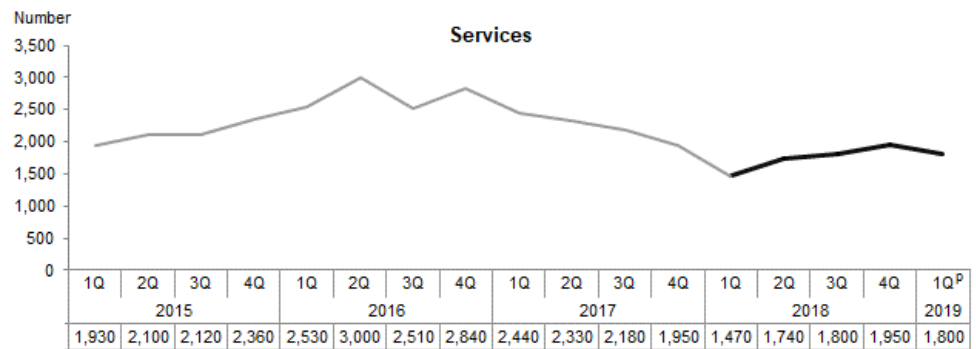
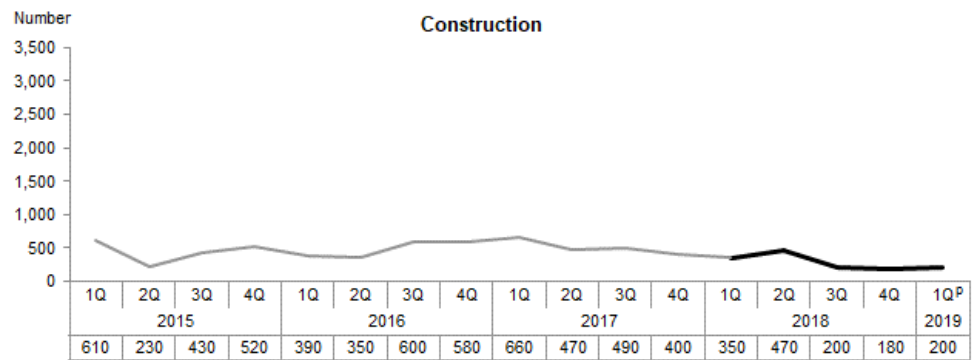
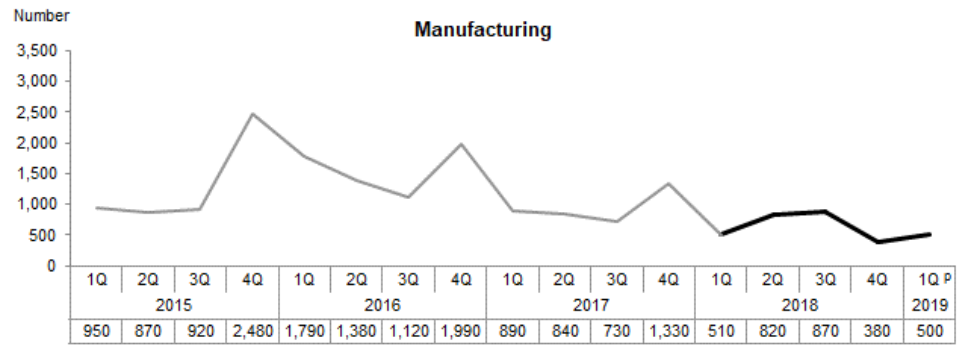
Trends were mixed across industries. Retrenchments declined over the quarter in Services, increased in Manufacturing and remained unchanged in Construction. Services continued to form the bulk of retrenchments (72%), followed by Manufacturing (20%) and Construction (8%).

Chart 3 Retrenchment



⁴ Lowest since 1Q 2013 (2,120).

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.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 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.

Retrenchment

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.

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