

LABOUR MARKET ADVANCE RELEASE

Second Quarter 2016



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

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LABOUR MARKET ADVANCE RELEASE
SECOND QUARTER 2016

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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
n.a.	: Not applicable/not available
p.a.	: Per annum
Cont'd	: Continued

Abbreviations

CPF	: Central Provident Fund
CPI	: Consumer Price Index
DOS	: Department of Statistics
FDW	: Foreign Domestic Workers
MOM	: Ministry of Manpower
SSIC	: Singapore Standard Industrial Classification

HIGHLIGHTS

- Preliminary estimates showed that overall unemployment rose in June 2016 from March 2016. Unemployment increased for residents and citizens, after declining in the previous quarter. Amid subdued global economic conditions, employment grew at a slower pace in the second quarter of 2016, compared with the first quarter of 2016 and a year ago. The number of layoffs rose from the previous quarter and a year ago.
- Quarter on quarter, the seasonally adjusted unemployment rate rose from 1.9% in March 2016 to 2.1% in June 2016. Over the same period, unemployment rate increased among residents (2.7% to 3.0%) and citizens (2.6% to 3.1%), after declining in the previous quarter. Unemployment among residents and citizens declined in the previous quarter due to a lower labour force participation rate among youths aged 15 to 24.¹
- Total employment is estimated to have increased by 5,500 in the second quarter of 2016. Amid subdued global economic conditions, the pace of increase was slower than in the first quarter of 2016 (13,000) and in the second quarter of 2015 (9,700). There was a broad-based slowdown in employment growth across the three sectors. Services grew by 8,600, slower than in the previous quarter (13,200). Employment in manufacturing continued to trend down (-3,400). Construction employment remained relatively unchanged (400) in second quarter 2016, after the 1,900 increase in the preceding quarter.
- In June 2016, total employment reached 3,674,700, 1.3% higher than a year ago. This was similar to the 1.4% pace in March 2016, but slower than the average growth of about 2% in 2015.
- Preliminary data showed that redundancies continued to trend up. Some 5,500 workers were made redundant in the second quarter of 2016, up from 4,710 in the first quarter of 2016 and 3,250 a year ago. Over the quarter, layoffs in manufacturing fell, while it increased in services and stayed relatively unchanged for construction.

¹ Labour Market Report First Quarter 2016, Manpower Research & Statistics Department, MOM

Overview

Preliminary estimates showed that overall unemployment rose in June 2016 from March 2016. Unemployment increased for residents and citizens, after declining in the previous quarter. Amid subdued global economic conditions, employment grew at a slower pace in the second quarter of 2016, compared with the first quarter of 2016 and a year ago. The number of layoffs rose from the previous quarter and a year ago.

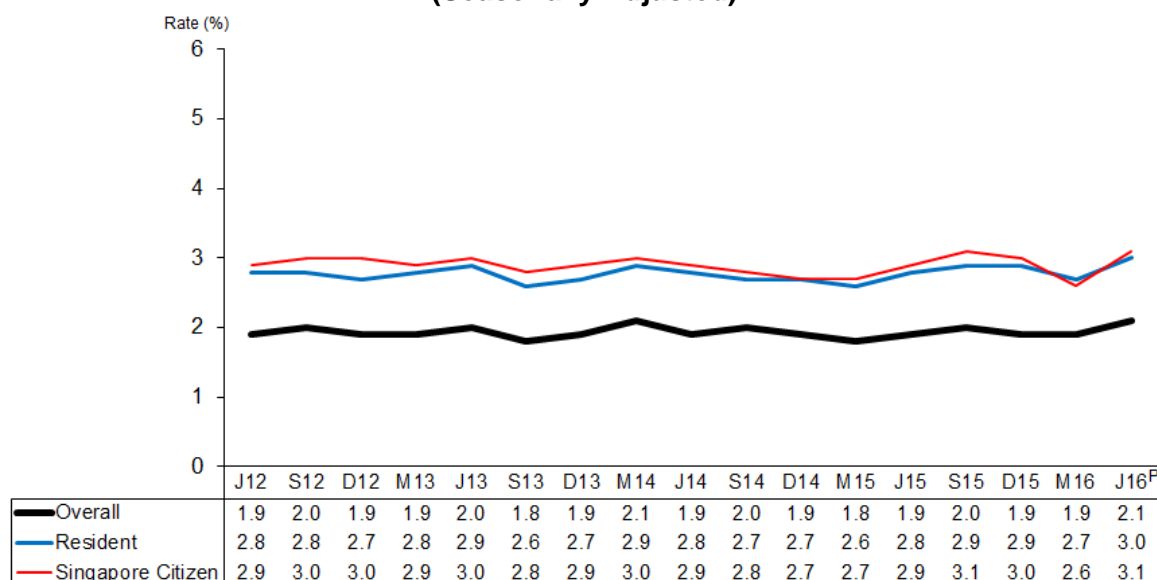
Unemployment

Unemployment rose for residents and citizens in June 2016, after declining in March 2016

Preliminary estimates showed that quarter on quarter, the seasonally adjusted unemployment rate rose from 1.9% in March 2016 to 2.1% in June 2016. Over the same period, unemployment rate increased among residents (2.7% to 3.0%) and citizens (2.6% to 3.1%), after declining in the previous quarter. Unemployment among residents and citizens declined in the previous quarter due to a lower labour force participation rate among youths aged 15 to 24.²

In June 2016, an estimated 68,300 residents, including 60,300 Singapore citizens were unemployed. This was higher than 60,400 and 50,800 in March 2016.³

**Chart 1: Unemployment Rate
(Seasonally Adjusted)**



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

^P: Preliminary

² Labour Market Report First Quarter 2016, Manpower Research & Statistics Department, MOM

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

Employment

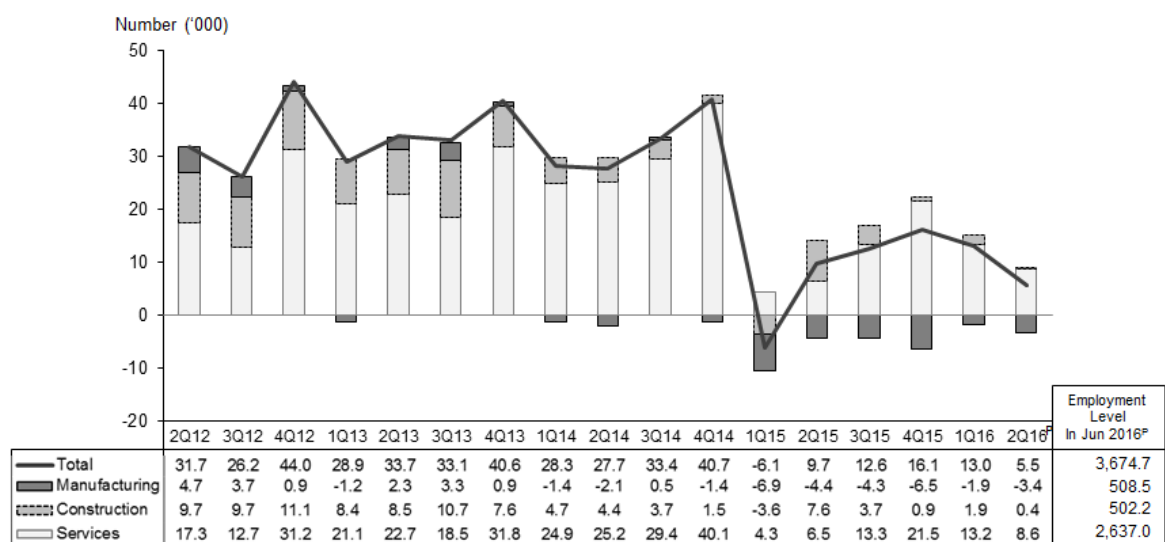
Amid subdued global economic conditions, total employment grew at a slower pace in second quarter 2016

Total employment is estimated to have increased by 5,500 in the second quarter of 2016. Amid subdued global economic conditions⁴, the pace of increase was slower than in the first quarter of 2016 (13,000) and in the second quarter of 2015 (9,700).

There was a broad-based slowdown in employment growth across the three sectors. Services, which formed the bulk of total employment increases in second quarter 2016, grew by 8,600, slower than in the previous quarter (13,200). Employment in manufacturing continued to trend down (-3,400)⁵. Construction employment remained relatively unchanged (400) in second quarter 2016, after the 1,900 increase in the preceding quarter.

In June 2016, total employment reached 3,674,700, 1.3% higher than a year ago. This was similar to the 1.4% pace in March 2016, but slower than the average growth of about 2% in 2015.

Chart 2: Employment Change By Sector



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) The industries are classified based on SSIC 2010.
- (3) Data for the sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

⁴ According to J.P. Morgan's Global Manufacturing & Services Purchasing Managers' Index (PMI), the global economy in the second quarter of 2016 recorded weak growth in output and new orders. *Source: J.P. Morgan, 5 July 2016*

⁵ A net weighted balance of 12% of manufacturers planned to hire fewer workers in the second quarter of 2016, compared with the first quarter of 2016. *Source: EDB, 29 April 2016*

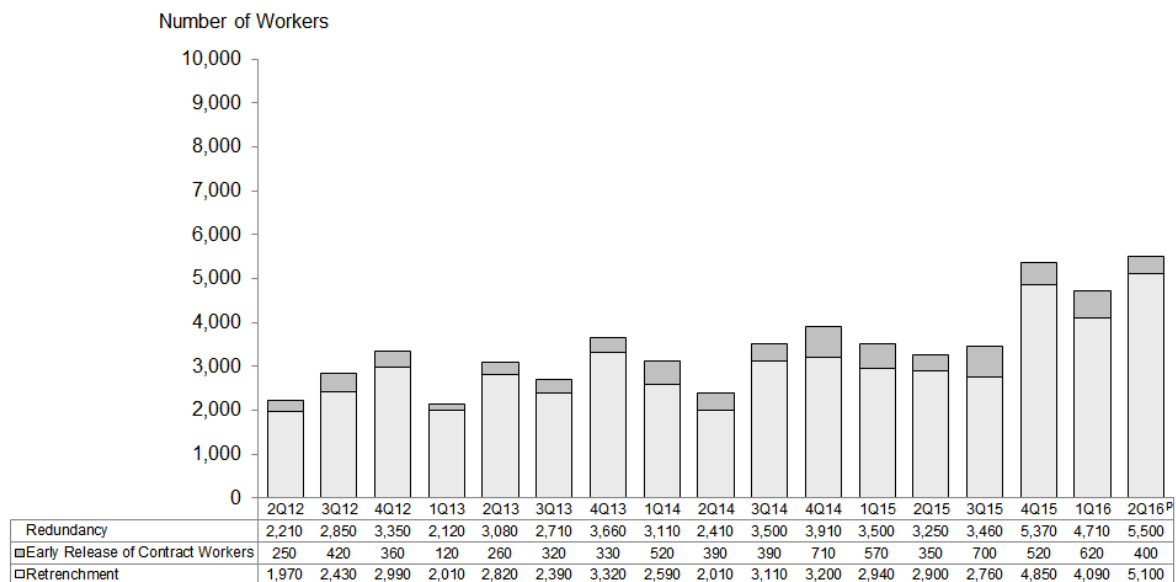
Redundancy

Layoffs rose from the previous quarter and a year ago

Preliminary data showed that redundancies continued to trend up. Some 5,500 workers were made redundant in the second quarter of 2016, up from 4,710 in the first quarter of 2016 and 3,250 a year ago.⁶

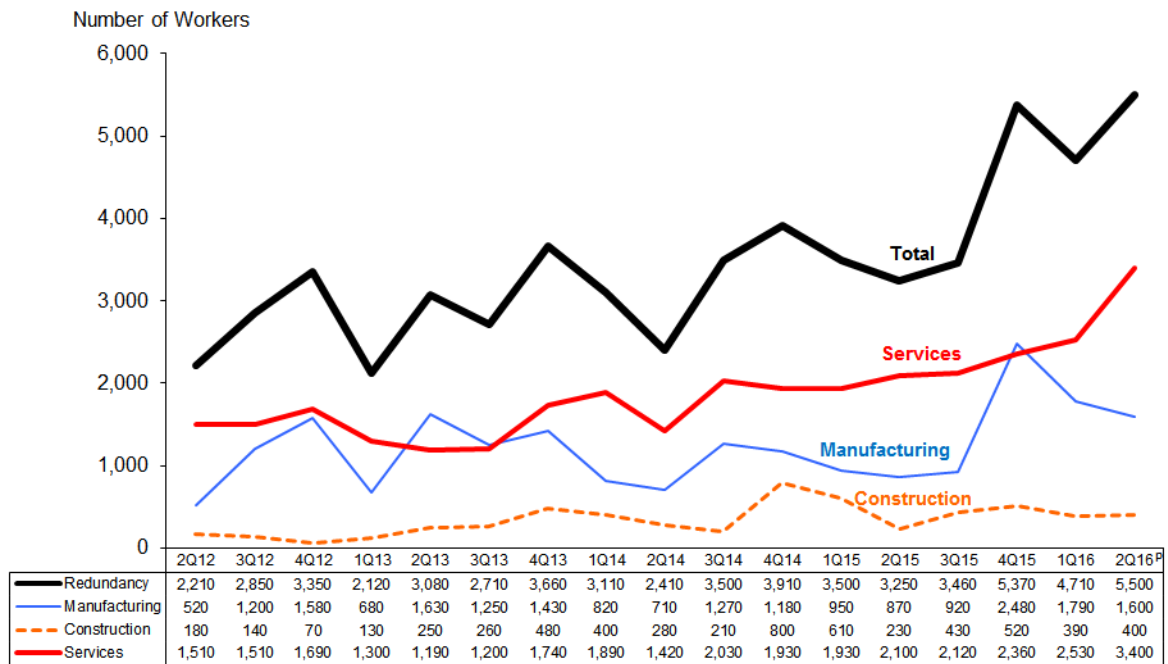
Services formed the bulk of redundancies (62%) in second quarter 2016. The sector laid off more workers over the quarter (2,530 to 3,400). Meanwhile, layoffs fell in manufacturing (1,790 to 1,600) and stayed relatively unchanged for construction (390 to 400).

Chart 3.1: Redundancy



⁶ The number of layoffs in second quarter 2016 remained lower than that observed during the 2008/2009 recession (4Q 2008: 9,410; 1Q 2009: 12,760; 2Q 2009: 5,980).

Chart 3.2: Redundancy By Sector



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

^P: Preliminary

Notes:

- (1) Data pertain to the public sector and private sector establishments each with at least 25 employees.
- (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

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.

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.

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 (introduced in April 1988) 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

OTHER PUBLICATIONS



Title



Date of Release

Singapore Yearbook of Manpower Statistics 2016	30/06/2016
Manpower Statistics in Brief 2016	20/06/2016
Labour Market First Quarter 2016	13/06/2016
Report on Wage Practices 2015	02/06/2016
Redundancy and Re-entry into Employment 2015	20/04/2016
Labour Market 2015	15/03/2016
Job Vacancies 2015	03/02/2016
Labour Force in Singapore 2015	28/01/2016
Labour Market Third Quarter 2015	15/12/2015
Employer Supported Training 2014	05/10/2015
Labour Market Second Quarter 2015	15/09/2015
Conditions of Employment 2014	09/12/2014

Related Charts/Tables



Other Publications

