



## P R E S S R E L E A S E

29 January 2010

### EMPLOYMENT SITUATION IN FOURTH QUARTER 2009

*Unemployment fell significantly with strong job creation and fewer layoffs*

#### Employment

1 Job creation accelerated in the fourth quarter of 2009, supported by hirings for the year-end festivities and the integrated resorts. Total employment is estimated to grow by 38,700 in the fourth quarter of 2009, much higher than the gains of 14,000 in the preceding quarter and 21,300 in the fourth quarter of 2008. For the whole of 2009, total employment increased by 38,800, as job gains in the second half of the year more than offset the losses in the first half.

2 The bulk of the employment gains came from services which added 32,100 workers in the fourth quarter of 2009, significantly higher than the gains in the first three quarters of the year and the fourth quarter of 2008. For the whole of 2009, services employment rose by 56,100. Construction added 4,700 workers in the quarter, bringing its total gains to 25,200 in 2009. After shedding workers for four consecutive quarters, manufacturing employment rose by 1,400 in the fourth quarter. As the gains were not sufficient to offset the earlier losses, manufacturing employment contracted by 43,000 in 2009.

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**Table 1.1: Employment**

(In Thousands)

	Employment Change							Employment Level as at Dec 09 <sup>p</sup>
	4Q 08	2008	1Q 09	2Q 09	3Q 09	4Q 09 <sup>p</sup>	2009 <sup>p</sup>	
Total*	21.3	221.6	-6.2	-7.7	14.0	38.7	38.8	2,991.2
Manufacturing	-7.0	19.5	-22.1	-15.9	-6.4	1.4	-43.0	543.2
Construction	10.7	64.0	8.3	4.7	7.4	4.7	25.2	385.2
Services	17.3	136.4	7.5	3.8	12.7	32.1	56.1	2,042.2

<sup>p</sup>: Preliminary estimates

\*: Total includes agriculture, fishing, quarrying, utilities and sewerage & waste management

Data may not add up due to rounding

3 Despite the economic contraction, local employment grew by 43,000 in 2009. In contrast, foreign employment fell by 4,200 compared to a record increase of 156,900 in 2008. As at December 2009, there were 1.05 million foreigners forming 35.2% of the 2.99 million persons employed in Singapore. The majority comprising 64.8% or 1.94 million persons employed were locals.

**Table 1.2: Employment (Annual)**

(In Thousands)

	Employment Change							Employment Level as at Dec 09 <sup>P</sup>
	2003	2004	2005	2006	2007	2008	2009 <sup>P</sup>	
Total	-12.9	71.4	113.3	176.0	234.9	221.6	38.8	2,991.2
Local	14.9	49.9	63.5	90.9	90.4	64.7	43.0	1,937.7
Foreign	-27.9	21.5	49.8	85.1	144.5	156.9	-4.2	1,053.5

<sup>P</sup>: Preliminary estimates

Locals also known as residents refer to Singapore citizens and permanent residents

Data may not add up due to rounding

### **Retrenchment and Redundancy**

4 Redundancy fell for the third consecutive quarter. Based on preliminary estimates, 1,300 workers were retrenched and 200 contracts were terminated prematurely, resulting in a total of 1,500 workers made redundant in the fourth quarter of 2009. This was substantially lower than the redundancies in the preceding quarter (2,470) and the fourth quarter of 2008 (9,410).

5 For the whole of 2009, 22,700 workers were made redundant. This was higher than 16,880 in 2008, due to the spike in redundancies in the first quarter of 2009 arising from the economic downturn.

**Table 2.1: Redundancy**

	4Q 08	2008	1Q 09	2Q 09	3Q 09	4Q 09 <sup>P</sup>	2009 <sup>P</sup>
Redundancy	9,410	16,880	12,760	5,980	2,470	1,500	22,700
Early Release of Contract Workers	1,910	2,970	1,860	810	350	200	3,200
Retrenchment	7,500	13,920	10,900	5,170	2,110	1,300	19,500

<sup>P</sup>: Preliminary estimates

Data may not add up due to rounding

6 Manufacturing formed the bulk of redundancies (59.0% or 13,400) in 2009. Services laid off 8,300 or 36.6% and construction, 1,000 or 4.4%.

**Table 2.2: Redundancy by Sector**

	4Q 08	2008	1Q 09	2Q 09	3Q 09	4Q 09 <sup>P</sup>	2009 <sup>P</sup>
Total*	9,410	16,880	12,760	5,980	2,470	1,500	22,700
Manufacturing	5,170	10,500	9,250	2,900	840	400	13,400
Construction	390	530	330	230	140	300	1,000
Services	3,810	5,810	3,170	2,850	1,460	800	8,300

<sup>P</sup>: Preliminary estimates

\*: Total includes agriculture, fishing, quarrying, utilities and sewerage & waste management

Data may not add up due to rounding

## **Unemployment**

7 With the strong employment growth, the seasonally adjusted overall unemployment rate improved significantly to 2.1% in December 2009 from 3.4% in September 2009. Among the resident labour force, the unemployment rate fell to 3.0% from 5.0% over the same period. An estimated 60,100 residents were unemployed in December 2009. The seasonally adjusted figure was 61,400.

**Table 3.1: Unemployment Rate (Quarterly)**

	Dec 08	Mar 09	Jun 09	Sep 09	Dec 09 <sup>P</sup>
<b><u>Seasonally Adjusted</u></b>					
Overall (%)	2.5	3.3	3.3	3.4	2.1
Resident (%)	3.6	4.8	4.6	5.0	3.0
<b><u>Non-Seasonally Adjusted</u></b>					
Overall (%)	2.4	3.0	4.1	2.9	2.0
Resident (%)	3.5	4.4	5.9	4.1	2.9

<sup>P</sup>: Preliminary estimates

8 Pulled up by the higher rates in the first three quarters, the unemployment rate averaged 3.0% (overall) and 4.3% (resident) for the whole of 2009, up from 2.2% and 3.2% respectively in 2008. On average, 87,000 residents were unemployed in 2009, compared with 62,900 in 2008.

**Table 3.2: Unemployment Rate (Annual)**

	2003	2004	2005	2006	2007	2008	2009 <sup>P</sup>
Overall (%)	4.0	3.4	3.1	2.7	2.1	2.2	3.0
Resident (%)	5.2	4.4	4.1	3.6	3.0	3.2	4.3

<sup>P</sup>: Preliminary estimates

Annual figures are the simple averages of the non-seasonally adjusted unemployment figures at quarterly intervals.

### **More Information**

9 Information on data sources and coverage, as well as definitions of key concepts used in the report can be found in the attached Explanatory Notes. The preliminary data estimates are available online at the Ministry of Manpower's website: <http://www.mom.gov.sg/mrsd/publication>. A more detailed breakdown of the preliminary estimates will be released in the *Economic Survey of Singapore, 2009*.

10 The above is a statistical release of the Manpower Research and Statistics Department of the Ministry.

### ***Upcoming Publications***

11 The Ministry's Manpower Research and Statistics Department will be releasing the full report on the *Labour Market, 2009* on 15 March 2010.

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## Employment

### Source

Administrative records. The self-employed component is estimated from the Labour Force Survey.

### Coverage

The employment data comprises all persons in employment i.e. employees and the self-employed. However, it excludes males 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 (also known as resident) employee is any 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 which is a compulsory savings scheme to provide 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 difference in the employment level at the end of the reference period compared with the end of the preceding period.

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### Uses and Limitations

This data series allows users to identify individual industries where employment is growing or stagnating. An analysis of the data over time also helps in understanding the impact of cyclical and structural changes in the economy on the demand for workers. Detailed data are published in the quarterly *Labour Market Report*.

The change in employment over time is the net result of increases and decreases in employment i.e. net of inflows and outflows of workers. Users should not mistake an increase in employment as gross job creation.

## Unemployment

### Source

Labour Force Survey

### Coverage

The survey covers private households on the main island of Singapore. It excludes workers living in construction worksites, dormitories and workers' quarters at the workplace and persons commuting from abroad to work in Singapore. To achieve full coverage of the labour force in Singapore, data on residents (also known as locals, i.e. Singapore citizens and permanent residents) from the survey are combined with foreign workforce data compiled from work passes issued by the Ministry of Manpower.

### Concepts and Definitions

**Unemployed Persons** refer to persons aged 15 years and over who were without work during the survey reference period but were available for work and were actively looking for a job. 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 total number of economically active persons (i.e. employed and unemployed persons) aged 15 years and over.

### 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 the 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 to look 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.

## Retrenchment and Redundancy

### Source

Labour Market Survey

### Coverage

Before 2006, the survey covers private sector establishments each 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 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.

**Redundancy** refers to an employee made redundant due to retrenchment or early release of contract.

### Uses and Limitations

Data on retrenchment and redundancy are useful in the analysis of re-structuring or ailing industries. Detailed data are published in the quarterly *Labour Market Report*.

The number of persons retrenched or made redundant (flow) should not be confused with persons unemployed (stock). Not all persons retrenched or made redundant will be unemployed as some will be re-employed or decide to leave the workforce.

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