



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

30 April 2010

EMPLOYMENT SITUATION IN FIRST QUARTER 2010

Employment continued to grow strongly

Employment

1 Employment continued to grow strongly in the first quarter of 2010, amid the robust economic recovery. Total employment is estimated to have grown by 34,000 in the first quarter, the third quarterly increase after two quarters of decline in the first half of 2009. The employment growth was slightly lower than the 37,500 in the last quarter of 2009, which was a seasonal high due to the year-end festivities. In contrast, employment fell by 6,200 in the first quarter last year due to the global economic downturn.

2 The bulk of the employment gains continued to come from services, with an addition of 31,200 workers in the first quarter of 2010, comparable to 31,500 in the previous quarter. Manufacturing added 3,400 workers, a second consecutive increase, after shedding workers for four consecutive quarters. Construction registered a small decline of 800 workers, after 20 successive quarters of employment gains starting from the first quarter of 2005.

Table 1: Employment

(In Thousands)

	Employment Change					Employment Level as at Mar 2010 ^P
	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10 ^P	
Total*	-6.2	-7.7	14.0	37.5	34.0	3,024.0
Manufacturing	-22.1	-15.9	-6.4	0.7	3.4	545.9
Construction	8.3	4.7	7.4	4.6	-0.8	384.2
Services	7.5	3.8	12.7	31.5	31.2	2,072.8

^P: Preliminary estimates

*: Total includes agriculture, fishing, quarrying, utilities and sewerage & waste management
Data may not add up due to rounding

Retrenchment and Redundancy

3 Based on preliminary estimates, 1,600 workers were retrenched and 500 contracts were terminated prematurely, resulting in a total of 2,100 workers made redundant in the first quarter of 2010. This was comparable to the 2,220 workers made redundant in the previous quarter and was only 16% of the record 12,760 workers affected in the first quarter of 2009.

Table 2.1: Redundancy

	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10 ^P
Redundancy	12,760	5,980	2,470	2,220	2,100
Retrenchment	10,900	5,170	2,110	1,980	1,600
Early Release of Contract Workers	1,860	810	350	250	500

^P: Preliminary estimates

Data may not add up due to rounding

4 Redundancies in manufacturing rose to 1,000 from 860 in the previous quarter. Services laid off 800 workers, down from 1,080 in the preceding quarter. Construction laid off 300 workers, compared with 250 in the fourth quarter of 2009.

Table 2.2: Redundancy by Sector

	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10 ^P
Total*	12,760	5,980	2,470	2,220	2,100
Manufacturing	9,250	2,900	840	860	1,000
Construction	330	230	140	250	300
Services	3,170	2,850	1,460	1,080	800

^P: Preliminary estimates

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

Data may not add up due to rounding

Unemployment

5 With the strong job gains, the seasonally adjusted overall unemployment rate dipped to 2.2% in March 2010 from a revised 2.3% in December 2009 (December 2009 data have been revised from 2.1% to 2.3%, after annual updating of seasonal factors. See Table 3 footnotes). Similarly, among the resident labour force, the unemployment rate dipped to 3.2% from a revised 3.3% in December 2009.

Table 3: Unemployment Rate

	Mar 09	Jun 09	Sep 09	Dec 09	Mar 10 ^P
<u>Seasonally Adjusted</u>					
Overall (%)	3.2	3.2	3.3	2.3	2.2
Resident (%)	4.6	4.5	4.8	3.3	3.2
<u>Non-Seasonally Adjusted</u>					
Overall (%)	3.0	4.1	2.9	2.1	2.1
Resident (%)	4.4	5.9	4.1	2.9	3.1

^P: Preliminary estimates

Notes:

Data have been revised using the latest set of seasonal factors, updated in line with standard seasonal adjustment procedure. The revision is done once a year, taking into account observations for the latest available year.

This current revision resulted in adjustments ranging from -0.2 to +0.3%-point. For example, the seasonally adjusted unemployment rate for December 2009 was revised from 2.1% (overall) and 3.0% (resident) to 2.3% (overall) and 3.3% (resident).

6 On a non-seasonally adjusted basis, the overall unemployment rate was 2.1%, unchanged from December 2009 but significantly lower than the 3.0% in March 2009. The resident unemployment was 3.1%, slightly higher than 2.9% in December 2009 but also significantly lower than the 4.4% in March 2009. An estimated 63,400 residents were unemployed in March 2010. The seasonally adjusted figure was 66,300.

More Information

7 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, First Quarter 2010*.

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

Upcoming Publications

9 The Ministry's Manpower Research and Statistics Department will be releasing the full report on the *Labour Market, First Quarter 2010* on 15 June 2010.

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National Archives of Singapore

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.

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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