

EMPLOYMENT SITUATION IN SECOND QUARTER 2011

Employment

1 Total employment growth moderated in the second quarter this year. Preliminary estimates show that total employment grew by 22,800 in the second quarter of 2011. The gains were lower than the 28,300 in the preceding quarter and 24,900 in the same quarter last year.

2 The bulk or 18,800 of the employment gains came from services. Construction added 2,600 workers and manufacturing employment rose by 1,300.

Table 1: Employment

	Employment Change					Employment Level as at June 2011 ^P
	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11 ^P	
Total*	24,900	20,500	33,900	28,300	22,800	3,156,900
Manufacturing	-2,300	-700	-1,200	100	1,300	539,400
Construction	2,000	-	900	1,500	2,600	399,700
Services	25,400	21,300	30,900	26,500	18,800	2,198,100

^P: Preliminary estimates

-: Nil or negligible

*: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.

Data are rounded to the nearest hundred. Hence, they may not add up.

Retrenchment and Redundancy

3 Based on preliminary estimates, 1,500 workers were retrenched and 400 had their contracts terminated prematurely, resulting in a total of 1,900 workers made redundant in the second quarter of 2011. This was substantially lower than the 2,750 redundancies in the preceding quarter.

Table 2.1: Redundancy

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11 ^P
Redundancy	2,280	1,930	3,190	2,750	1,900
Retrenchment	2,010	1,440	2,480	2,380	1,500
Early Release of Contract Workers	270	490	710	370	400

^P: Preliminary estimates

Data are rounded to the nearest ten. Hence, they may not add up.

4 Services laid off 900 workers, followed by manufacturing with 600. Construction displaced another 400 workers.

Table 2.2: Redundancy by Sector

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11 ^P
Total*	2,280	1,930	3,190	2,750	1,900
Manufacturing	1,220	970	1,390	1,410	600
Construction	150	140	680	290	400
Services	920	820	1,120	1,050	900

^P: Preliminary estimates

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

Data are rounded to the nearest ten. Hence, they may not add up.

Unemployment

5 With the slower employment growth, the overall unemployment rate increased from a seasonally adjusted 1.9% in March 2011 to 2.1% in June 2011. Over the same period, the unemployment rate for residents rose from 2.7% to 3.0%. This brought the unemployment rates to around the levels in 2010, after declining in the first quarter this year.

Table 3: Unemployment Rate

	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11 ^P
<u>Seasonally Adjusted</u>					
Overall (%)	2.2	2.1	2.2	1.9	2.1
Resident (%)	3.1	3.1	3.1	2.7	3.0
<u>Non-Seasonally Adjusted</u>					
Overall (%)	2.8	1.8	2.0	1.8	2.7
Resident (%)	4.1	2.6	2.7	2.6	4.0

^P: Preliminary estimates

6 On a non-seasonally adjusted basis, the overall and resident unemployment rates in June 2011 were 2.7% and 4.0% respectively. The unemployment rates were higher than in March 2011, reflecting the increase in job seekers as tertiary graduates entered the labour market and students sought employment during the mid-year school vacation. Nevertheless, the rates were slightly lower than in June 2010. An estimated 81,300 residents were unemployed in June 2011. The seasonally adjusted figure was 62,700.

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, Second Quarter 2011*.

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, Second Quarter 2011* on 15 September 2011.

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. Estimates of the total labour force are derived by combining data on residents (also known as locals, i.e. Singapore citizens and permanent residents) obtained from the survey with foreign workforce data compiled from administrative records.

Concepts and Definitions

Unemployed persons refer to persons aged 15 years and over who did not work but were available for work and were actively looking for a job during the survey 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 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.