

EMPLOYMENT SITUATION 2011



**MINISTRY OF
MANPOWER**

Manpower Research and Statistics Department
Singapore

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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

Abbreviations

- Cont'd : Continued
- CPF : Central Provident Fund
- CPI : Consumer Price Index
- DOS : Department of Statistics
- MOM : Ministry of Manpower
- SSIC : Singapore Standard Industrial Classification

HIGHLIGHTS

- Employment growth remained strong in 2011. Preliminary estimates show that total employment grew by 36,300 in the fourth quarter of 2011, bringing growth in the whole of 2011 to 121,300, slightly higher than the gains of 115,900 in 2010. The bulk of the employment gains continued to come from services, which added 95,100 workers in 2011. This was lower than the increase of 112,600 in 2010. Boosted by public projects, construction employment rose by 22,200 in 2011, much higher than the gains of 3,400 in 2010. Manufacturing employment grew by 2,900, as gains totalling 4,800 in the first three quarters offset the losses of 1,900 in the fourth quarter.
- With slower resident population growth and most economically active residents already employed, local employment grew by 36,600 in 2011, after increasing by 56,200 in 2010. In response to strong manpower demand, foreign employment rose by 84,800 in 2011, following gains of 59,700 in 2010. Excluding foreign domestic workers, foreign employment grew by 79,800 in 2011, after increasing by 54,400 in 2010. As at December 2011, there were 2,029,300 locals forming 62.9% of the 3,227,200 persons employed in Singapore. The remaining 37.1% or 1,197,900 were foreigners. Excluding foreign domestic workers, the foreigners' share of employment was 32.8% in December 2011, up from 31.4% in December 2010.
- Layoffs increased substantially in the fourth quarter, resulting in a slightly higher number of workers affected in the whole year than in 2010. Based on preliminary estimates, 3,600 workers were made redundant in the fourth quarter of 2011.¹ This was substantially higher than the 1,960 laid off in the preceding quarter. For the full year of 2011, an estimated 10,400 workers were made redundant, slightly higher than the 9,800 in 2010.
- Amid the strong employment creation, the unemployment rate in December 2011 was unchanged from a quarter ago at 2.0% overall, 2.9% for residents and 3.0% for Singapore citizens. For the whole of 2011, the unemployment rate averaged 2.0% overall, 2.9% for residents and 3.0% for Singapore citizens. These rates were the lowest recorded in 14 years, after declining from 2.2% for overall, 3.1% for residents and 3.4% for Singapore citizens in 2010.
- The median income of Singaporeans rose, amid the tight labour market. Among Singapore citizens in full-time employment, the median monthly income from work² rose by 6.3% over the year to \$3,070 in June 2011. This came after growth of 5.1% in 2010. After adjusting for inflation, the real income growth was 1.0% in 2011, following the 2.2% growth in 2010. Cumulatively over the last five years, the median income from work of full-time employed Singapore citizens rose in real terms by 13% or 2.5% p.a. Even for low-income Singaporeans at the 20th percentile, real income grew over the last five years by 11% or 2.2% p.a.

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

² In this analysis, income from work includes employer CPF contributions for employees.

Employment

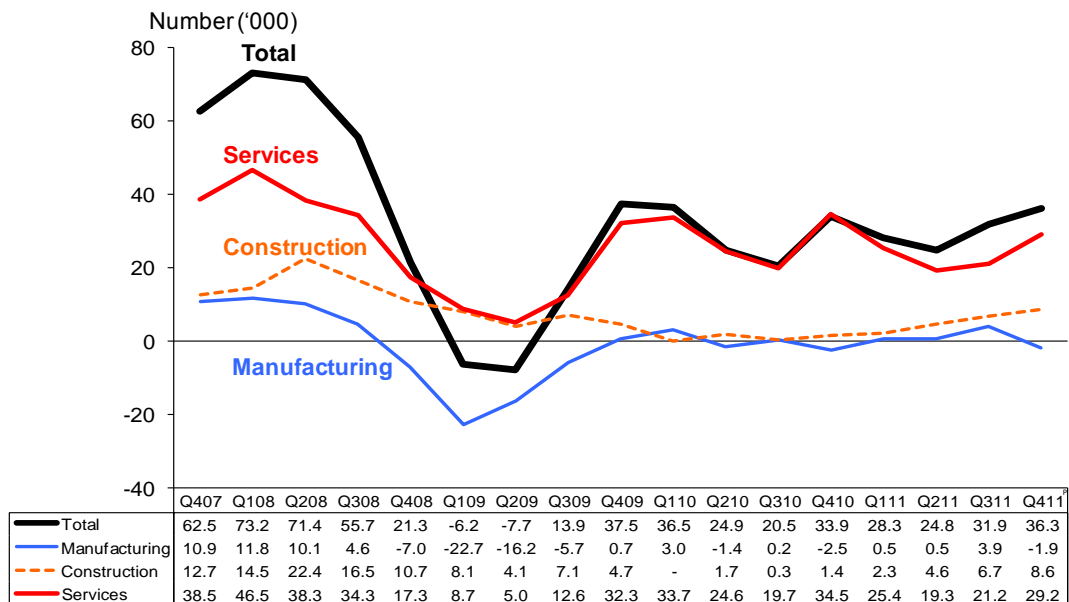
Employment growth remained strong in 2011

The fourth quarter of 2011 saw strong employment creation, supported by hiring for the festive season. Preliminary estimates show that total employment grew by 36,300 in the fourth quarter of 2011. This was up from the gains of 31,900 in the preceding quarter and 33,900 in the fourth quarter of 2010.

For the whole of 2011, total employment increased by 121,300, slightly higher than the gains of 115,900 in 2010. The bulk of the employment gains continued to come from services, which added 95,100 workers in 2011. This was lower than the increase of 112,600 in 2010. Boosted by public projects, construction employment rose by 22,200 in 2011, much higher than the gains of 3,400 in 2010. Manufacturing employment grew by 2,900, as gains totalling 4,800 in the first three quarters offset the losses of 1,900 in the fourth quarter.

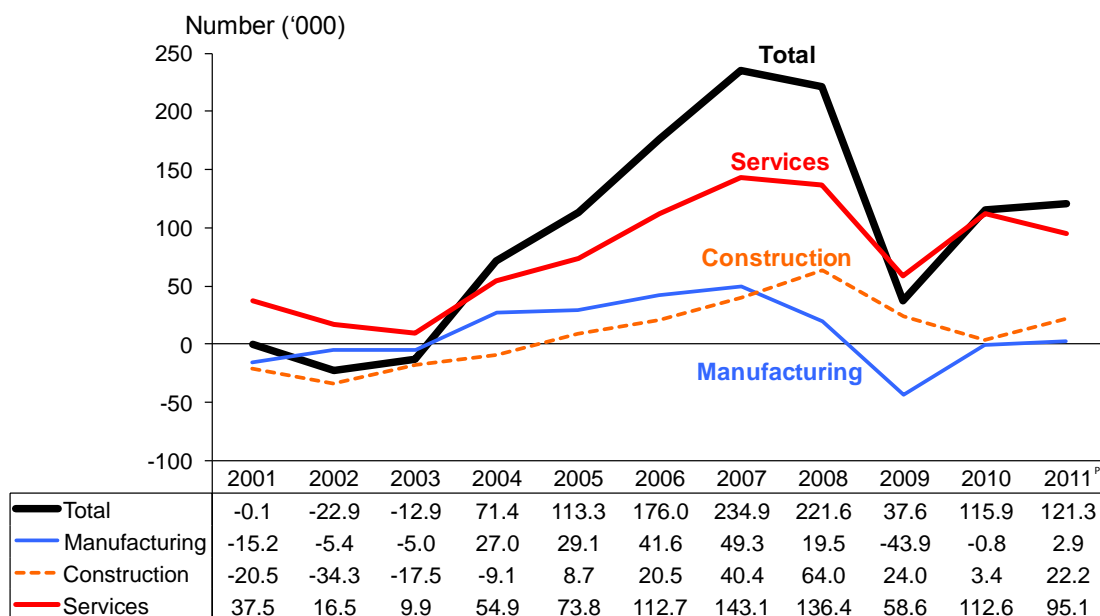
Chart 1: Employment Change By Sector

Quarterly



(cont'd)

Annual



Source: Administrative Records

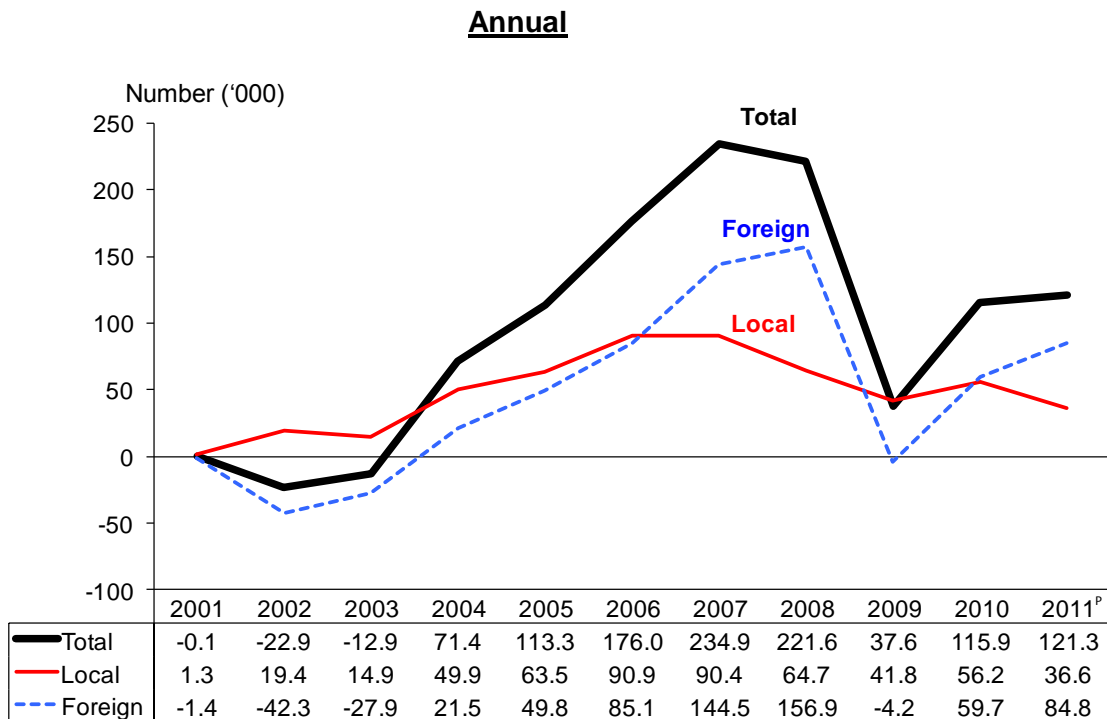
^P: preliminary
 -: nil or negligible

Notes:

- (1) The industries are classified based on SSIC 2010 from 2009 onwards and SSIC 2005 before 2009.
- (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.

With slower resident population growth and most economically active residents already employed, local employment grew by 36,600 in 2011, after increasing by 56,200 in 2010. In response to strong manpower demand, foreign employment rose by 84,800 in 2011, following gains of 59,700 in 2010. Excluding foreign domestic workers, foreign employment grew by 79,800 in 2011, after increasing by 54,400 in 2010.

Chart 2: Employment Change By Residential Status



Source: Administrative Records

^P: preliminary

Note:

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

As at December 2011, there were 2,029,300 locals forming 62.9% of the 3,227,200 persons employed in Singapore. The remaining 37.1% or 1,197,900 were foreigners. Excluding foreign domestic workers, the foreigners' share of employment was 32.8% in December 2011, up from 31.4% in December 2010.

Redundancy

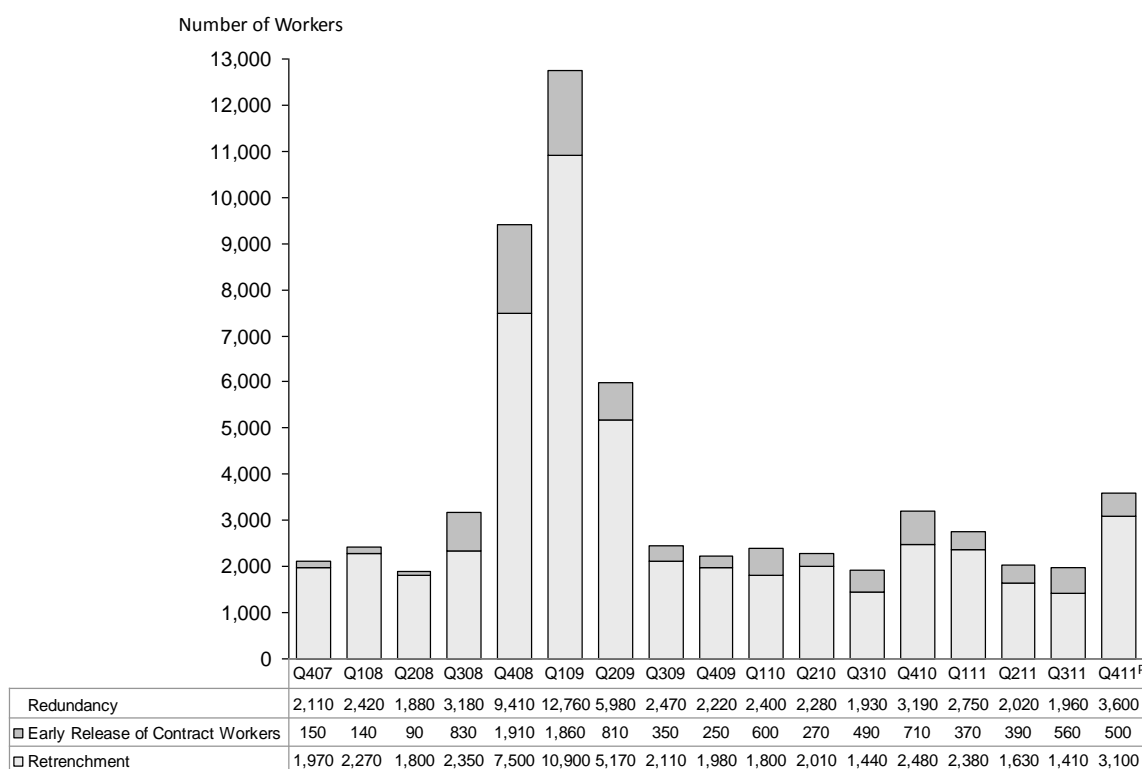
Layoffs rose slightly in 2011, pulled up by substantial rise in fourth quarter

Layoffs increased substantially in the fourth quarter, resulting in a slightly higher number of workers affected in the whole year than in 2010. Based on preliminary estimates, 3,600 workers were made redundant in the fourth quarter of 2011. This was substantially higher than the 1,960 laid off in the preceding quarter.

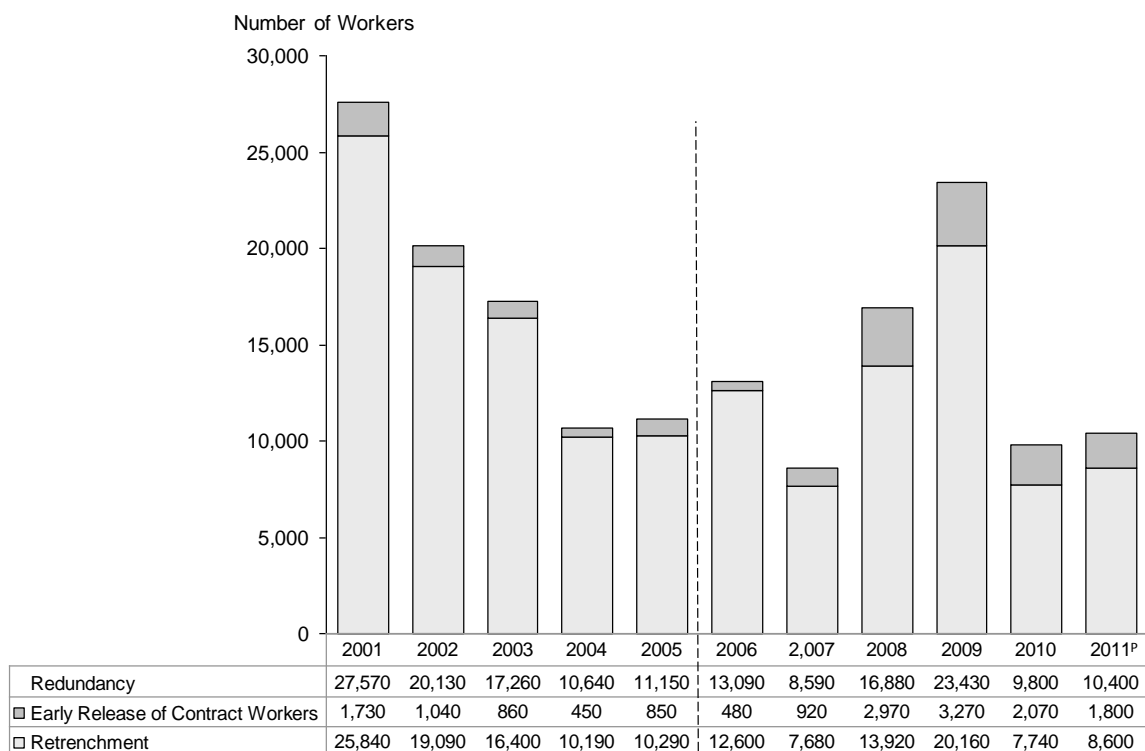
For the full year of 2011, an estimated 10,400 workers were made redundant, slightly higher than the 9,800 in 2010. Services laid off 4,700 workers, followed closely by manufacturing with 4,400. Construction displaced another 1,200 workers in 2011.

Chart 3: Redundancy

Quarterly



(cont'd)

Annual

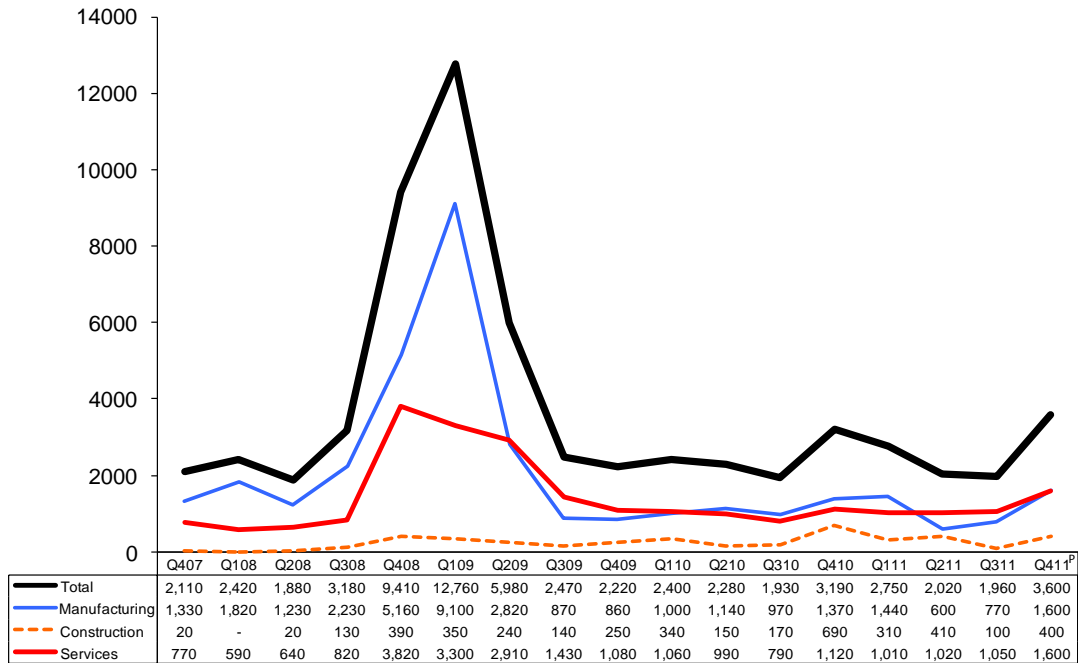
Source: Labour Market Survey, MOM

^P: preliminary**Notes:**

- (1) Before 2006, data pertain to private sector establishments each with at least 25 employees. From 2006 onwards, data also include the public sector.
- (2) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.

Chart 4: Redundancy By Sector

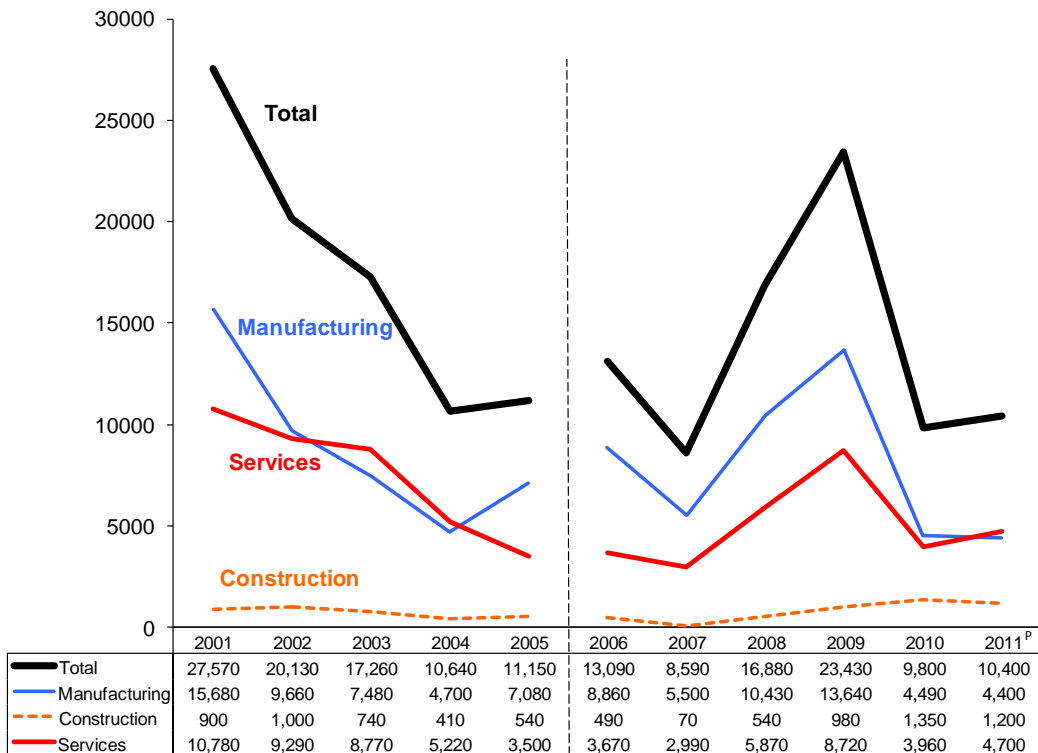
Quarterly



(cont'd)

Annual

Number of Workers



Source: Labour Market Survey, MOM

^P: preliminary

Notes:

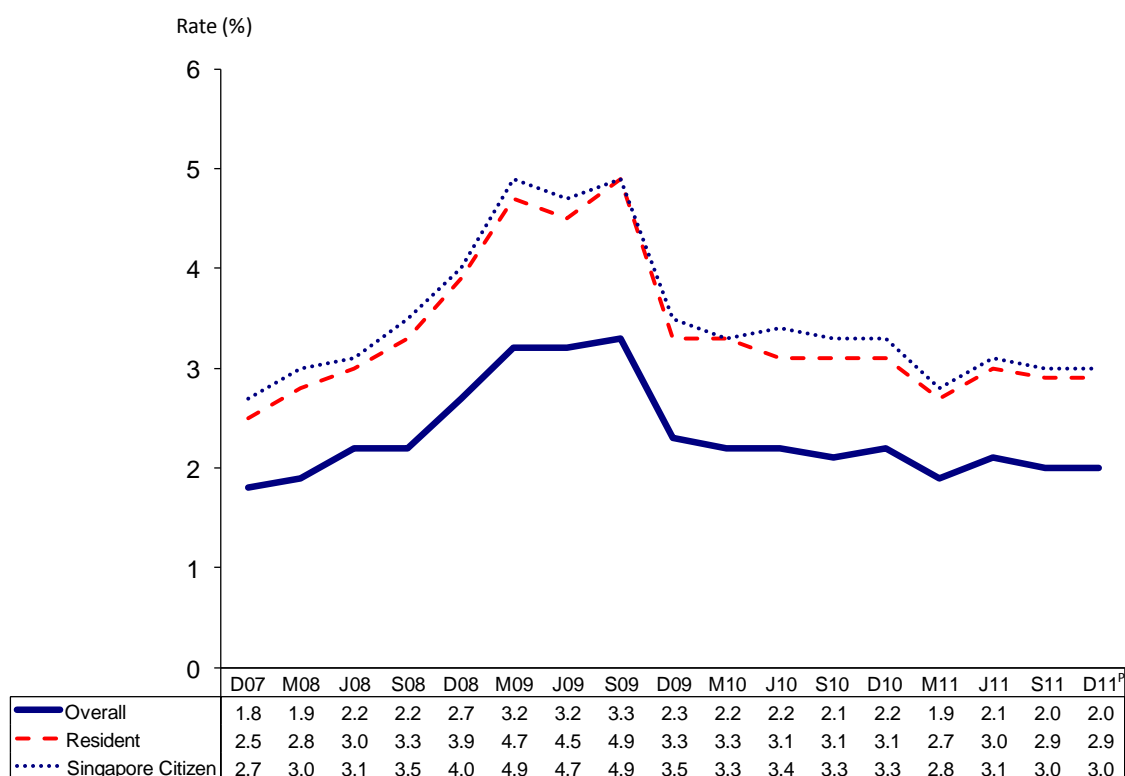
- (1) Before 2006, data pertain to private sector establishments each with at least 25 employees. From 2006 onwards, data also include the public sector.
- (2) The industries are classified based on SSIC 2010 from 2006 onwards and SSIC 2005 before 2006.
- (3) Data for the three major sectors do not add 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

Unemployment rate in 2011 declined to 14-year low

Amid the strong employment creation, the unemployment rate in December 2011 was unchanged from a quarter ago. Preliminary estimates show that the seasonally adjusted unemployment rate remained at 2.0% overall, 2.9% for residents and 3.0% for Singapore citizens in December 2011. An estimated 54,200 residents, including 48,300 Singapore citizens were unemployed in December 2011. The seasonally adjusted figures were 60,700 for residents and 54,000 for citizens.

Chart 5: Unemployment Rate (Seasonally Adjusted)

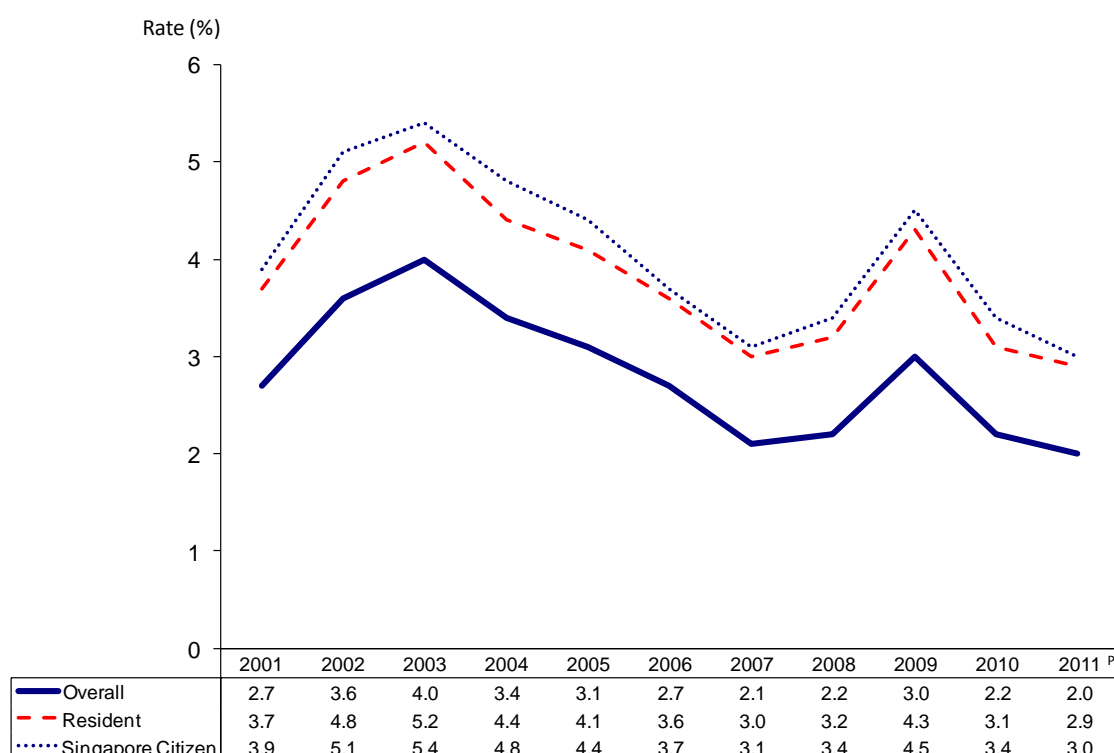


Source: Labour Force Survey, MOM

^P: preliminary

For the whole of 2011, the unemployment rate averaged 2.0% overall, 2.9% for residents and 3.0% for Singapore citizens. These rates were the lowest recorded in 14 years, after declining from 2.2% for overall, 3.1% for residents and 3.4% for Singapore citizens in 2010. On average, 60,600 residents including 52,900 Singapore citizens were unemployed in 2011. The corresponding figures in 2010 were 64,800 and 57,700.

**Chart 6: Unemployment Rate
(Annual Average)**



Source: Labour Force Survey, MOM, except data for June 2005 which are from the General Household Survey 2005 conducted by Department of Statistics, Ministry of Trade and Industry.

P: preliminary

Note:

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

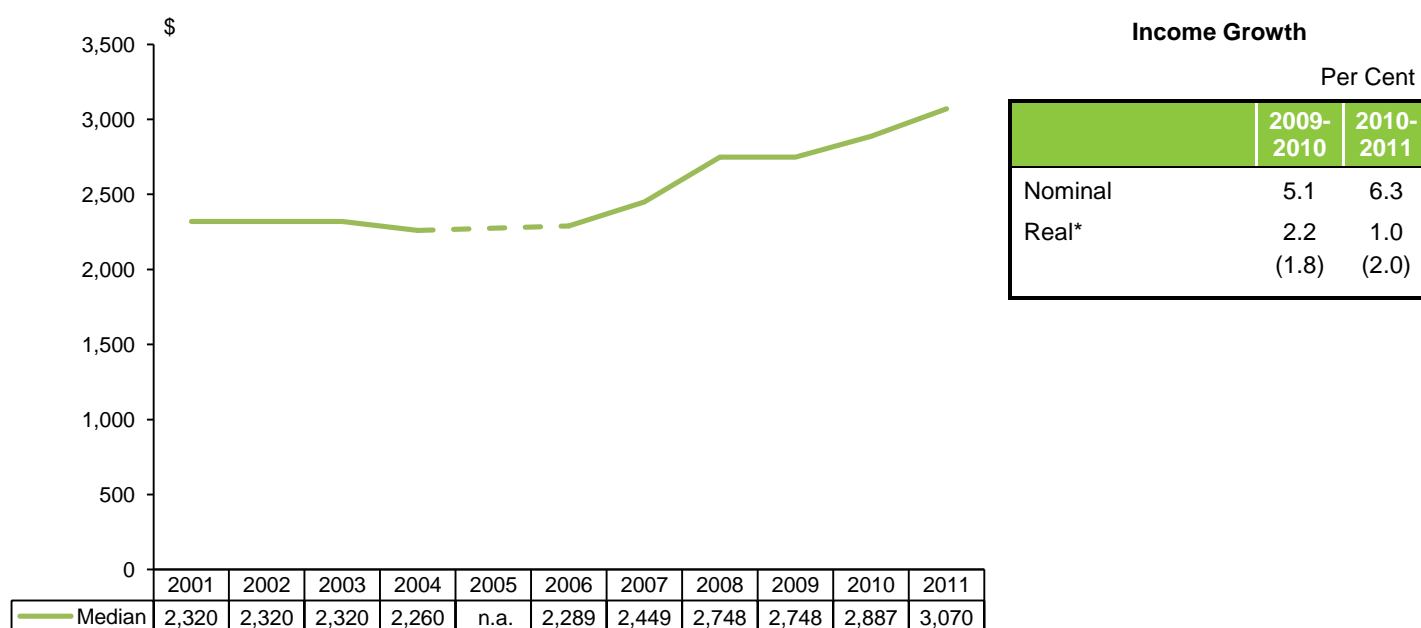
Income from Work

Median income of Singaporeans rose, amid the tight labour market

Among Singapore citizens in full-time employment, the median monthly income from work³ rose by 6.3% over the year to \$3,070 in June 2011. This came after growth of 5.1% in 2010.

After adjusting for inflation, the real income growth was 1.0% in 2011, following the 2.2% growth in 2010. The adjustment for inflation is made using the Consumer Price Index (CPI) covering all items, including imputed rentals on owner-occupied accommodation (which do not involve actual expenditures by households). Excluding these imputed rentals, the real median income of full-time employed citizens grew over the year by 2.0% in 2011.

Chart 7: Median Gross Monthly Income from Work of Full-Time Employed Singapore Citizens, 2001 to 2011 (As at June)



Source: Comprehensive Labour Force Survey, MOM

Notes:

- (1) Income from work includes employer CPF contributions for employees.
- (2) Data exclude full-time National Servicemen.
- (3) The comprehensive Labour Force Survey was not conducted in 2005 due to the conduct of the General Household Survey 2005 by the Department of Statistics, Ministry of Trade and Industry.
- (4) * – Deflated by Consumer Price Index at 2009 prices (2009 = 100). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation at 2009 prices (2009 = 100).

³ In this analysis, income from work includes employer CPF contributions for employees.

Even for low-income Singaporeans at the 20th percentile, real income has grown over the last five years

Cumulatively over the last five years, the median monthly income from work of full-time employed Singapore citizens rose by 34% or 6.0% p.a., from \$2,289 in 2006 to \$3,070 in 2011. The real increase after adjusting for inflation was 13% or 2.5% p.a. (16% or 3.0% p.a. if imputed rentals on owner-occupied accommodation were excluded from the CPI).

Income of Singapore citizens at the 20th percentile level rose by 32% or 5.7% p.a., from \$1,224 in 2006 to \$1,617 in 2011, comparable to the median income growth over the five-year period. Factoring in inflation, the real income growth at the 20th percentile level was 11% or 2.2% p.a. (14% or 2.7% p.a. if imputed rentals on owner-occupied accommodation were excluded from the CPI).

Table 1: Change in Gross Monthly Income from Work of Full-Time Employed Singapore Citizens, 2006 to 2011 (As at June)

	Nominal		Real*	
	Cumulative (%)	Annualised (% p.a.)	Cumulative (%)	Annualised (% p.a.)
Median (50th Percentile)	34.1	6.0	13.2 (16.2)	2.5 (3.0)
20th Percentile	32.1	5.7	11.5 (14.4)	2.2 (2.7)

Source: Comprehensive Labour Force Survey, MOM

Notes:

- (1) Income from work includes employer CPF contributions for employees.
- (2) Data exclude full-time National Servicemen.
- (3) * – Deflated by Consumer Price Index at 2009 prices (2009 = 100). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation at 2009 prices (2009 = 100).

The time series on gross monthly income from work of full-time employed Singapore citizens at the 50th and 20th percentile is in the Statistical Appendix.

Concluding Remarks

Supported by strong employment creation, the unemployment rate declined to a 14-year low in 2011. The median income of Singaporeans has increased, amid the tight labour market. Even for low-income Singaporeans at the 20th percentile, real income has grown over the last five years.

TABLE 1
GROSS MONTHLY INCOME FROM WORK OF FULL-TIME EMPLOYED SINGAPORE CITIZENS, 2001 - 2011
 (As At June)

Mid-Year	Including Employer CPF		Excluding Employer CPF	
	Median (50th Percentile)	20th Percentile	Median (50th Percentile)	20th Percentile
2001	2,320	1,300	2,000	1,200
2002	2,320	1,276	2,000	1,192
2003	2,320	1,276	2,000	1,192
2004	2,260	1,243	2,000	1,170
2005	n.a.	n.a.	n.a.	n.a.
2006	2,289	1,224	2,072	1,100
2007	2,449	1,300	2,167	1,200
2008	2,748	1,400	2,492	1,300
2009	2,748	1,468	2,500	1,300
2010	2,887	1,500	2,588	1,400
2011	3,070	1,617	2,708	1,500

Source : Comprehensive Labour Force Survey, MOM

Notes :

1. Data exclude full-time National Servicemen.
2. The comprehensive Labour Force Survey was not conducted in 2005 due to the conduct of the General Household Survey 2005 by the Department of Statistics, Ministry of Trade and Industry.
3. As the income data are captured from a sample survey, the income changes tend to be more volatile over shorter (e.g. year-on-year) than longer periods (e.g. 5 or 10 years) for the 20th percentile nearer the end of the income spectrum.

Explanatory Notes

Employment Situation, 2011

Employment

Source

Primarily from 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.

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.

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

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

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.

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 workforce.

Unemployment

Source

Labour Force Survey

(Except for June 2005, which use data from the General Household Survey 2005 conducted by Department of Statistics, Ministry of Trade and Industry as the Labour Force Survey was not conducted for this period.)

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) 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 are not working but are available for work and are actively looking for a job during the reference period. They include persons who are not working but are 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 economically active persons (i.e. employed and unemployed persons) aged fifteen 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 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.

Unemployment rates by specific groups, defined e.g. by age and educational attainment are useful in identifying groups of workers most vulnerable to unemployment.

Income from Work

Source

Comprehensive 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.

Concepts and Definitions

Gross monthly income from work refers to income earned from employment. For employees, it refers to the gross monthly wages or salaries before deduction of employee CPF contributions and personal income tax. It comprises basic wages, overtime pay, commissions, tips, other allowances and one-twelfth of annual bonuses. For self-employed persons, gross monthly income refers to the average monthly profits from their business, trade or profession (i.e. total receipts less business expenses incurred) before deduction of income tax.

Median (or 50th percentile) income refers to the income level at the middle of the income distribution which divides the bottom half of income earners from the upper half.

20th percentile income refers to the income level which divides the bottom 20% of income earners from the rest.

Uses and Limitations

Data on income from work are useful in understanding the living standards of workers. The data are useful in planning economic and social development.

As the comprehensive Labour Force Survey covers a representative sample of households in Singapore, the data can be used to study the income distribution as well as trends in income level and growth of the workforce covering both employees and the self-employed.

Data on the real change in income from work (i.e. adjusted for inflation) enables users to study the trends in income growth after adjusting for differences in price levels across time, which affects the purchasing power of individuals in terms of the basket of goods and services they can buy.

In the analysis of individual income growth, it would be more meaningful to study the income for full-time employed persons, as this is not complicated by compositional changes in the part-time (which involves shorter working hours and correspondingly lower salary) and full-time share of the workforce.

As the income data are captured from a sample survey, the income changes tend to be more volatile over shorter (e.g. year-on-year) than longer periods (e.g. 5 or 10 years) for the 20th percentile nearer the end of the income spectrum.

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Just Released

Employment Situation, 2011

Date of Release: 31 Jan 2012

This release provides preliminary estimates of key indicators on the manpower situation covering employment, unemployment and redundancy for the full year and includes trends on Singaporeans' monthly income from work.



Report on Labour Force in Singapore, 2011

Date of Release: 31 Jan 2012

This publication presents a comprehensive range of statistical information on the economic activities of the population, including detailed analysis and data on employment, unemployment, characteristics of the labour force and economically inactive persons. It also examines a wide range of topics including training, income, term contract employment, hours worked and modes of job search. The information would be useful to policy makers, researchers and the community-at-large who have an interest in the world of work and the lives of workers.



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* This paper is a collaborative effort between Manpower Research and Statistics Department and Singapore Department of Statistics

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