

EMPLOYMENT SITUATION IN FIRST QUARTER 2009

Employment

1 Preliminary estimates show that total employment declined marginally by 1,000 in the first quarter of 2009, as the economy continued to worsen.

2 Falling external demand has severely affected the manufacturing sector where employment declined by 19,900, deeper than the 7,000 loss in the earlier quarter. Supported by a strong pipeline of building projects, construction employment grew by 8,500 in the first quarter of 2009, but lower than the gains in the earlier quarters. Services added 10,300 workers, substantially lower than before.

Table 1: Employment

(In Thousands)

	Employment Change					Employment Level as at Mar 2009 ^P
	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09 ^P	
Total*	73.2	71.4	55.7	21.3	-1.0	2,951.4
Manufacturing	11.8	10.1	4.6	-7.0	-19.9	566.4
Construction	14.5	22.4	16.5	10.7	8.5	368.4
Services	46.5	38.3	34.3	17.3	10.3	1,996.4

^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 The number of workers retrenched rose to 10,800 in the first quarter of 2009 from 7,500 in the previous quarter. Together with 1,800 workers whose contracts were terminated prematurely in the first quarter of 2009, total redundancy increased to 12,600, higher than the 9,410 in the previous quarter.

Table 2.1: Total Redundancy

	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09 ^P
Total Redundancy	2,420	1,880	3,180	9,410	12,600
Retrenchment	2,270	1,800	2,350	7,500	10,800
Early Release of Contract Workers	140	90	830	1,910	1,800

^P: Preliminary estimates

Data may not add up due to rounding

4 Most of the workers affected by redundancy in the first quarter of 2009 came from manufacturing which laid off 9,000 workers, mainly from the electronics industry. Another 2,900 workers were laid off from services and 700 from construction.

Table 2.2: Total Redundancy by Sector

	1Q 08	2Q 08	3Q 08	4Q 08	1Q 09 ^P
Total *	2,420	1,880	3,180	9,410	12,600
Manufacturing	1,810	1,250	2,260	5,170	9,000
Construction	-	20	130	390	700
Services	590	620	790	3,810	2,900

^P: Preliminary estimates

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

Data may not add up due to rounding

⊔: nil or negligible

Unemployment

5 Reflecting the sharp deterioration in economic conditions, the overall unemployment rate rose from 2.5% in December 2008 to 3.2% in March 2009. Among the resident labour force, the unemployment rate increased from 3.6% in December 2008 to a five-year high of 4.8% in March 2009.

Table 3: Unemployment Rate

	Mar 08	Jun 08	Sep 08	Dec 08	Mar 09 ^P
<u>Seasonally Adjusted</u>					
Overall (%)	1.9	2.2	2.3	2.5	3.2
Resident (%)	2.8	3.1	3.4	3.6	4.8
<u>Non-Seasonally Adjusted</u>					
Overall (%)	1.8	2.8	1.9	2.4	2.9
Resident (%)	2.6	4.0	2.8	3.5	4.4

^P: Preliminary estimates

Notes:

The seasonally adjusted unemployment rates time series has been revised using the latest seasonal factors updated in line with standard seasonal adjustment procedure. The revision is done once a year, taking account observations for the latest available year.

6 On a non-seasonally adjusted basis, the overall unemployment rate rose from 2.4% in December 2008 to 2.9% in March 2009 even though students who looked for work during the year-end school vacation had returned to school. Among the resident labour force, the non-adjusted unemployment rate was 4.4% in March 2009, which was also higher than the 3.5% in the previous quarter. An estimated 87,800 residents were unemployed in March 2009. The seasonally adjusted figure was 95,600, a substantial increase from 71,800 in December 2008.

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 2009*.

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 report on the *Labour Market, First Quarter 2009* on 15 June 2009.

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 economic cyclical and structural changes 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 fluctuations in the business cycle.

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.

Redundancies refer to employees made redundant due to retrenchments or early release of contracts.

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. Similarly, the pool of unemployed persons comes not only from workers made redundant, but also from new entrants to the labour force such as school leavers and the economically inactive who decide to re-join the workforce.