



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

29 July 2020

LABOUR MARKET ADVANCE RELEASE SECOND QUARTER 2020

Overview

1. Preliminary estimates released by the Manpower Research and Statistics Department, Ministry of Manpower (MOM) confirmed earlier warnings that the impact of COVID-19 on the labour market would be more extensive in 2Q 2020 compared to 1Q 2020. Total employment (excluding foreign domestic workers or FDWs) contracted more sharply and retrenchments doubled. As expected, unemployment has risen but remains below the peaks seen in previous downturns.

Main Findings¹

Total employment contracted further and far more acutely in 2Q 2020

2. In 2Q 2020, total employment (excl FDWs) contracted by 121,800, more than four-folds of that in 1Q 2020. This brought the total employment decline since the start of 2020 to 147,500.

3. All three broad sectors (*Manufacturing, Services and Construction*) saw sharper employment contraction. Within *Services*, the contraction was sharpest in *food & beverage services, retail trade, arts, entertainment & recreation and education*, *Construction* also saw a steep decline in employment. Employment contraction in *Manufacturing* was more modest in comparison.

Unemployment rates rose in June 2020

4. Unemployment rates rose in June 2020 (overall: from 2.4% in March 2020 to 2.9% in June 2020; resident: from 3.3% to 3.9%; citizen: from 3.5% to 4.0%).

¹ 2Q 2020 data are preliminary.

However, unemployment rates remained lower than previous recessionary peaks during the Global Financial Crisis² and SARS³. There were 90,500 unemployed residents in June 2020, of whom 79,600 were citizens.

Retrenchments doubled in 2Q 2020

5. Retrenchments were much higher in 2Q 2020 (6,700), compared to a quarter ago (3,220). While retrenchments have now surpassed the high during SARS (2Q 2003: 5,510), it remained below the peak observed in the Global Financial Crisis (1Q 2009: 12,760).

6. All three broad sectors saw a rise in retrenchments over the quarter. In particular, retrenchments rose significantly in *wholesale trade* and *transport equipment*, reflecting a reduced demand in retail and air travel respectively.

Conclusion

7. The external economic environment remains weak and some countries are experiencing a second wave of infections. Conditions for travel-related sectors remain very challenging. COVID-safe management measures will also moderate the pace of recovery in other sectors. Hence, softness in the labour market is likely to persist with continued weakness in hiring and pressure on companies to retrench.

8. Since the start of the COVID-19 outbreak, we have been ramping up job support measures. These efforts are now coordinated through the National Jobs Council. Besides the Jobs Support Scheme, government hiring is being brought forward and more resources have been made available to implement career conversion programmes. For jobseekers who are unable to secure a job due to the weak labour market, attachments and training opportunities will be provided for them to gain industry-relevant skills to help them do so once the market recovers.

9. The response from companies to provide traineeship positions for new and recent graduates under the SGUnited Traineeships Programme has been very strong. In view of the strong support, these positions will be extended to mid-career individuals as attachments under the SGUnited Mid-Career Pathways Programme. From 1 August, mid-career individuals can start applying for the 13,000 available attachments, with more opportunities coming online.

² In September 2009, unemployment rates were 3.3%, 4.9% and 4.9% for overall, resident and citizen respectively.

³ In September 2003, unemployment rates were 4.8%, 6.2% and 6.4% for overall, resident and citizen respectively.

[STRICTLY EMBARGOED UNTIL 29 JULY 2020, 10.30AM]

10. To help jobseekers better access the opportunities under the SGUnited Jobs and Skills Package, Workforce Singapore (WSG) is progressively setting up SGUnited Jobs and Skills satellite career centres in all Housing Board towns (eight centres have been set up so far, and eight more will be ready on 1 August 2020) and organising physical and virtual career fairs. Jobseekers who need assistance can visit <https://www.wsg.gov.sg/squjscentre.html> to locate the nearest satellite career centre, as well as WSG's Careers Connect and NTUC's Employment and Employability Institute career centres.

For More Information

11. The report is available online on the Ministry of Manpower's Research and Statistics Department website at <http://stats.mom.gov.sg/Pages/Home.aspx>.

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