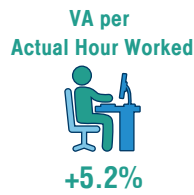


# LABOUR MARKET AND PRODUCTIVITY

## EMPLOYMENT AND PRODUCTIVITY GROWTH IN 2021



## MAIN DRIVERS OF EMPLOYMENT GROWTH IN 2021

+14,000  
employed



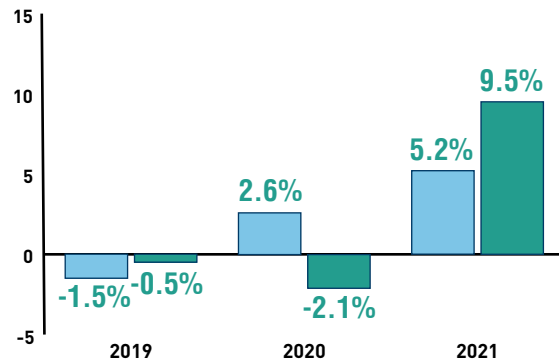
Information &  
Communications

+11,500  
employed



Other Services  
Industries

## VA PER ACTUAL HOUR WORKED AND VA PER WORKER GROWTH



VA per Actual Hour Worked  
VA per Worker

## SECTORS WITH THE HIGHEST VA PER ACTUAL HOUR WORKED GROWTH IN 2021

+16.4%



Accommodation

+14.3%



Real Estate

+12.1%



Manufacturing

## UNEMPLOYMENT RATES IN 2021

Overall  
Unemployment Rate



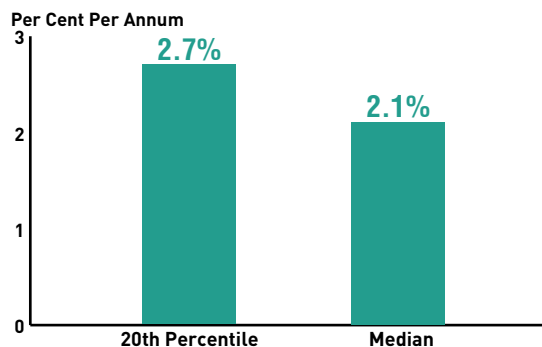
2.6%

Resident  
Unemployment Rate



3.5%

## ANNUALISED CHANGE IN REAL GROSS MONTHLY INCOME FROM WORK



Real median gross monthly income of full-time employed residents rose by **+2.1% per annum** from June 2016 to June 2021



## OVERVIEW<sup>1</sup>

Total employment expanded by 39,700 in 2021, a reversal from the decline of 181,000 in 2020. Growth in total employment occurred on the back of stronger resident employment growth and a smaller contraction in non-resident employment. By broad sectors, total employment rose in the services and construction sectors, but declined slightly in the manufacturing sector. Excluding Migrant Domestic Workers (MDWs), total employment grew by 40,800.

Unemployment rates and the number of retrenchments declined in 2021.

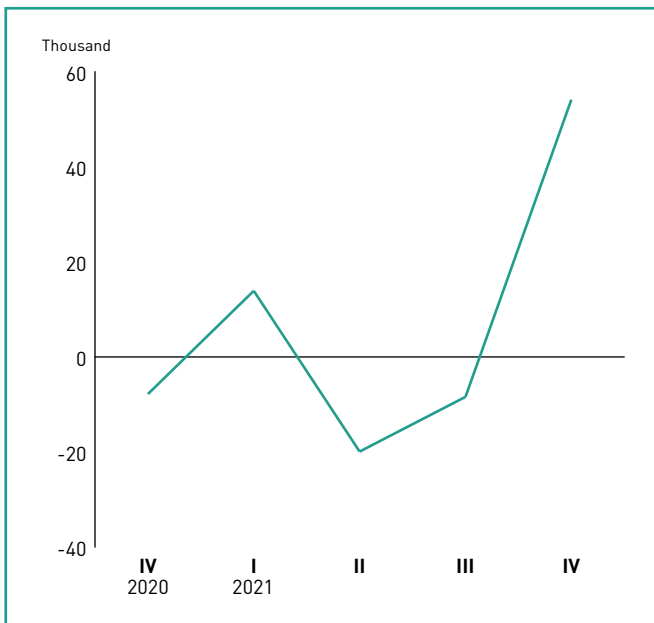
The real gross monthly income of full-time employed residents at the median and 20<sup>th</sup> percentile increased by 2.1 per cent per annum and 2.7 per cent per annum respectively between 2016 and 2021.

## EMPLOYMENT

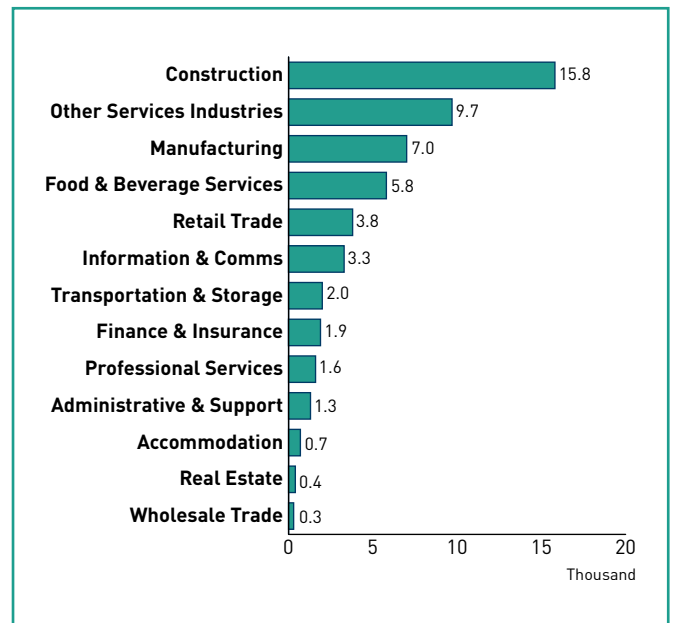
Total employment increased by 54,100 in the fourth quarter, more than offsetting the declines seen in the second (-19,900) and third (-8,400) quarters (Exhibit 2.1). A similar trend was observed for total employment excluding MDWs.

By broad sectors, employment rose in the services (+30,600), construction (+15,800) and manufacturing (+7,000) sectors in the fourth quarter. Within the services sector, employment gains were the largest in the other services industries and food & beverage services sector (Exhibit 2.2).

**Exhibit 2.1: Changes in Total Employment**



**Exhibit 2.2: Changes in Employment by Industry in 4Q 2021**



<sup>1</sup> Figures for the fourth quarter of 2021 and full year of 2021 are based on preliminary estimates.

For the whole of 2021, total employment increased by 39,700, a turnaround from the contraction of 181,000 in 2020. Total employment expanded in the services (+36,300) and construction (+4,700) sectors, but declined slightly in the manufacturing sector (-1,800).

The expansion in total employment occurred on the back of stronger resident employment growth, with most sectors recording an increase in resident employment in 2021.<sup>2</sup> At the same time, the pace of contraction in non-resident employment moderated in 2021, with most sectors registering a slower decline in non-resident employment compared to 2020. Notably, the construction sector saw a modest increase in non-resident employment in 2021, a reversal from the substantial decline posted in 2020.

## UNEMPLOYMENT

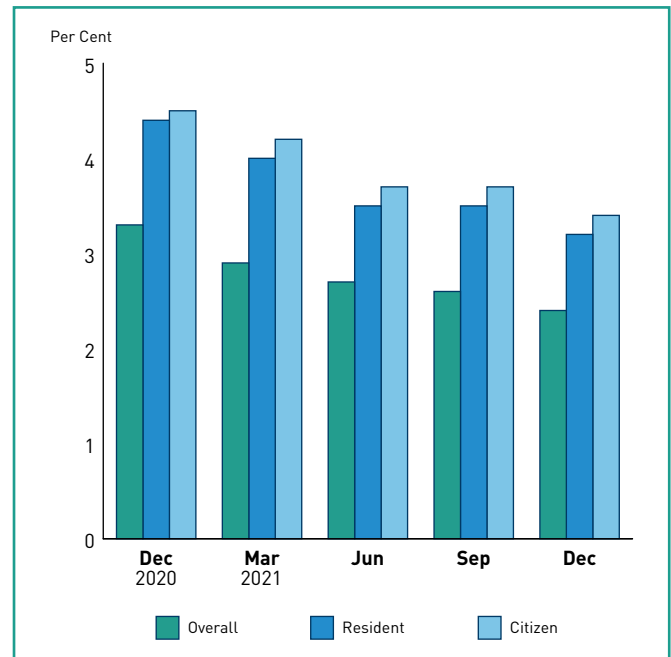
The seasonally-adjusted overall (from 2.6 per cent to 2.4 per cent), resident (from 3.5 per cent to 3.2 per cent) and citizen (from 3.7 per cent to 3.4 per cent) unemployment rates eased between September and December 2021 (Exhibit 2.3).

In December 2021, there were 75,800 unemployed residents, of whom 69,400 were Singapore citizens. These were lower than the number of unemployed residents (83,000) and citizens (75,000) in September 2021.

For the full year of 2021, the annual average unemployment rate declined at the overall level (from 3.0 per cent in 2020 to 2.6 per cent), as well as for residents (from 4.1 per cent to 3.5 per cent) and citizens (from 4.2 per cent to 3.7 per cent). However, they remained above the levels recorded in 2019.<sup>3</sup>

In 2021, 84,200 residents, of whom 75,700 were Singapore citizens, were unemployed on average. These were lower than their respective figures in 2020 (96,400 and 84,000).

Exhibit 2.3: Unemployment Rates (Seasonally-Adjusted)



## RETRENCHMENTS

The number of retrenchments declined in the fourth quarter compared to the third quarter (from 1,900 to 1,300). Over the quarter, retrenchments fell in the services (from 1,450 to 1,000), construction (from 90 to 0) and manufacturing (from 360 to 300) sectors.

For the full year of 2021, total retrenchments (7,820) moderated significantly from the level recorded in 2020 (26,110). The fall in retrenchments was registered across the services (from 19,760 to 5,860), manufacturing (from 5,320 to 1,730) and construction (from 990 to 200) sectors.

<sup>2</sup> Figures for resident and non-resident employment changes for the full year of 2021 will be released in MOM's Labour Market Report 2021 in mid-March 2022.

<sup>3</sup> In 2019, the annual average overall, resident and citizen unemployment rates were 2.3 per cent, 3.1 per cent and 3.3 per cent respectively.

# PRODUCTIVITY

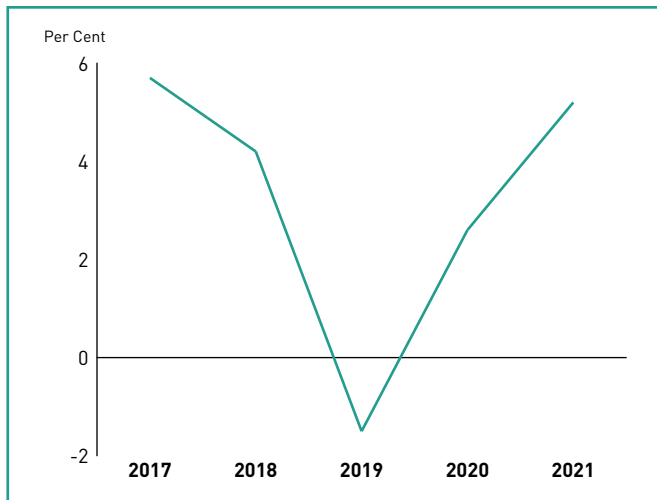
## Real Value-Added per Actual Hour Worked

Overall labour productivity, as measured by real value-added per actual hour worked, rose by 5.5 per cent in the fourth quarter, extending the 5.0 per cent growth in the previous quarter. Productivity of all sectors rose, except in the case of the food & beverage services and information & communications sectors.

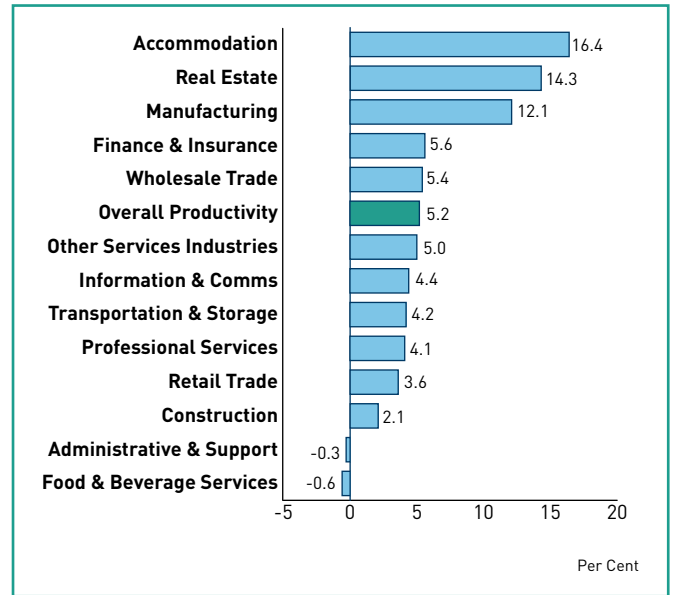
Collectively, the productivity of outward-oriented sectors increased by 7.1 per cent in the fourth quarter, while that of domestically-oriented sectors rose by 2.1 per cent over the same period.<sup>4</sup>

For the full year, real value-added per actual hour worked grew by 5.2 per cent, an improvement from the 2.6 per cent increase in 2020 (Exhibit 2.4). The accommodation, real estate and manufacturing sectors experienced the strongest growth in real value-added per actual hour worked in 2021 (Exhibit 2.5).

**Exhibit 2.4: Changes in Value-Added per Actual Hour Worked for the Overall Economy**



**Exhibit 2.5: Changes in Value-Added per Actual Hour Worked by Industry in 2020**



## Real Value-Added per Worker

Real value-added per worker rose by 5.8 per cent in the fourth quarter, moderating from the 8.7 per cent growth in the preceding quarter.

For 2021 as a whole, real value-added per worker increased by 9.5 per cent, reversing the 2.1 per cent decline in 2020.

The stronger growth in real value-added per worker compared to real value-added per actual hour worked in 2021 was because of a rebound in the average number of actual hours worked per worker during the year on the back of the resumption in economic activities.<sup>5</sup>

# INCOME FROM WORK

Reflecting the recovery of the labour market in 2021, both nominal and real gross monthly income rebounded. Specifically, nominal median gross monthly income (including employer CPF contributions) of full-time employed residents grew by 3.2 per cent to reach \$4,680 in 2021, reversing the decline of 0.6 per cent in 2020.

After adjusting for inflation<sup>6</sup>, median income increased by 0.9 per cent in 2021, a turnaround from the decline of 0.4 per cent in the previous year. Lower-income earners also saw growth in their incomes after taking inflation into account, with real income at the 20<sup>th</sup> percentile rising by 4.4 per cent in 2021, recovering to around its pre-COVID level in 2019.

4 Outward-oriented sectors refer to manufacturing, wholesale trade, transportation & storage, accommodation, information & communications, finance & insurance and professional services. Domestically-oriented sectors refer to construction, retail trade, food & beverage services, real estate, administrative & support services and other services industries.

5 This contrasted with 2020 when Circuit Breaker measures were implemented in the second quarter of the year and the economy only gradually re-opened thereafter.

6 The Consumer Price Index (CPI) for all items rose by 2.3 per cent in 2021.

Over the last five years (i.e., 2016 to 2021), real median income rose by 11.2 per cent cumulatively, or 2.1 per cent per annum (Exhibit 2.6). During this period, real income growth at the 20th percentile exhibited stronger growth (14.4 per cent cumulatively, or 2.7 per cent per annum), narrowing the income gap with the median income earner.

**Exhibit 2.6: Annualised Change in Real Gross Monthly Income from Work of Full-Time Employed Residents, 2016-2021**

