

# 24,900 more reasons for confidence

The fourth consecutive quarter of jobs growth shows Singapore has shrugged off almost all of the effects of the global economic downturn. The latest statistics from the Minister of Manpower also prove the focus on training and skills during that period is paying off

**S**ingapore's economic recovery continues to gain strength. The latest labour force statistics from the Ministry of Manpower show an economy that continues to add jobs, build skills and reduce overall unemployment. That's good news for both HR and jobseekers – and both groups can be expected to take full advantage in the remaining months this year.

Total employment in Singapore rose by 24,900 full time jobs during the second quarter, the official labour market report says. That represents the fourth consecutive quarter of job gains – a far cry from the retrenchments and redundancies that were still happening over the same period in 2009. Indeed, total employment has now risen above the 2,952,400 full time jobs recorded at the end of 2008.

Certainly, recruitment experts are celebrating the good news. Karin Clarke, General Manager, Randstad Singapore, says the figures indicate a solid, but still improving, level of confidence on both sides of the

employment landscape. "Clearly, businesses are ramping up their operations and hiring again," she said. "The figures also suggest that workers are more confident about the sustainability of the economic upturn, and are therefore more willing to change jobs

Lynne Ng, Regional Director, Adecco South East Asia, agrees. "You have to look at a labour market report like this as positive news," she said. "Job vacancies increased by 73% over the year to 45,100 (by the end of) June, 2010."

## **Too many jobs, not enough candidates**

But with all of that confidence, there are some limits becoming apparent. Most importantly, the number of available jobs is quickly overtaking the number of job seekers in Singapore. Even with strong efforts to expand the labour pool – through women returning to work and more senior staff staying on – a supplementary source is becoming more and more necessary.

"With an increase in new vacancies and the total employment growth in the second quarter, Singapore needs to rely just as heavily on foreign labour," Clarke notes. "That's despite government initiatives to try and slow the reliance on the foreign market." Of course, if the end result is full employment for the local workforce, then the use of foreign labour certainly becomes less of an issue.

## **The value of skills**

The statistics also highlight the effectiveness of Singapore's training-led response to the economic downturn. As redundancies and retrenchments began to mount through the first half of last year, strategies such as the Skills Programme for Upgrading and

Retrenchments in Singapore  
**fell by 81%**  
over the year to June 30

damage. Idle labour – both employed and unemployed – took up training so at least their skills were being built upon during the tight business period.

This means that not only are jobs being added to the economy now, those taking them are bringing greater and more diverse skills to the table.

“With the job challenges that came with the financial crisis, we saw many Professionals, Managers, Executives and Technicians, and other sectors of the workforce, turn to further study or additional training over the past few years,” Ng said. “Such new skills and training can only add value to the economy”.

While that may not have produced jobs in itself, it has ensured that Singapore’s employment landscape is a higher skilled, and more productive one. Clarke says that will sit the economy well when it comes to improving productivity toward significant targets over

## Singapore’s Labour Market: April to June, 2010

Key statistic	Q2 2010	Q1 2010	% change	Q2 2009	% change
Total employment	3051.4	3026.5	0.8%	2986.1	2.18%
Job vacancies	45,100	37,300	20.9%	26,100	72.7%
Retrenchments	2010	1800	11.6%	10,900	-81%

the next ten years. “Generally, the signs indicate greater robustness in the labour market without an excessive risk of real wage growth exceeding productivity growth,” she said. “It suggests that business leaders have taken heed of Prime Minister Lee Hsien Loong’s address to businesses earlier this year to be responsible for improving productivity within their industries.”