

The labour market's health slipping

The big picture was one of a healthy labour market in full employment. Yet its underlying fragility became more apparent with each passing quarter as the economy grew weaker. **BY CHUANG PECK MING**

Unemployment - Still in full employment



The jobless rate remained low, even though the economy has been slipping at a worrying pace. The unemployment rate stood at 2.1 per cent in September 2016 (latest data available), unchanged from June and up a bit from 1.9 per cent in March. These are numbers defined as full-employment.

Total employment contracts in Q3



GDP growth, on the hand, fell from 2.1 per cent year-on-year in the first quarter to 1.1 per cent in the third quarter. Still, the labour market has been weakening. Total employment, which increased by 13,000 in the first quarter, rose only 4,200 in the following quarter. It tumbled by 2,700 in the third quarter – the first drop since the first quarter of 2015.

Redundancy rising to about 2015 levels



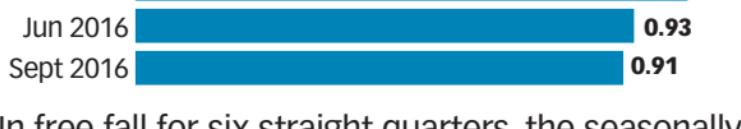
Layoffs over the three quarters increased from 4,710 to 4,800 quarterly but slipped to 4,220 in the third quarter. Even then, the redundancies in the third quarter remained higher than a year ago. And Manpower Minister Lim Swee Say reported in Parliament that layoffs in 2016 will be more than in 2015.

Rate of re-entry into employment edges up



The consolation is more of those – 49 per cent – made redundant in the second quarter found a job by September than those – 45 per cent – in the first quarter by June.

Job seekers outnumber job openings



In free fall for six straight quarters, the seasonally adjusted number of job openings also picked up from 49,900 in June to 50,800 in September. However, the figure remained lower than over a year ago, when job vacancies numbered 56,500.

Job seekers, who outnumbered job openings for the first time in four years in the second quarter, continued to do so in the third quarter. The seasonally adjusted ratio of job vacancies to jobless workers edged down to 91 openings per 100 job seekers in September, from 93 in June.