

### 3 ECONOMIC CHARACTERISTICS

#### The Labour Force

##### Faster Growth of Female Labour Force

Singapore's total labour force numbered 2.37 million in June 2005 (Table 1). Compared with 2000, the total economically active population increased by 1.5 per cent per annum.

The resident labour force (comprising economically active Singapore citizens and permanent residents) expanded at a quicker pace of 2.0 per cent per annum in the last five years. The growth rate was higher for females than males.

**Table 1 Persons Aged 15 years and Over by Sex and Activity Status**

|                       | Total         |         |                       | Residents     |         |                       |
|-----------------------|---------------|---------|-----------------------|---------------|---------|-----------------------|
|                       | 2000          | 2005    | Average Annual Growth | 2000          | 2005    | Average Annual Growth |
|                       | Number ('000) |         | (%)                   | Number ('000) |         | (%)                   |
| Total                 | 3,197.3       | 3,509.9 | 1.9                   | 2,494.6       | 2,770.3 | 2.1                   |
| Economically Active   | 2,192.3       | 2,367.3 | 1.5                   | 1,576.6       | 1,744.8 | 2.0                   |
| Economically Inactive | 1,005.0       | 1,142.6 | 2.6                   | 918.0         | 1,025.5 | 2.2                   |
| Males                 | 1,633.1       | 1,759.3 | 1.5                   | 1,229.8       | 1,357.4 | 2.0                   |
| Economically Active   | 1,324.3       | 1,376.5 | 0.8                   | 941.8         | 1,009.9 | 1.4                   |
| Economically Inactive | 308.8         | 382.8   | 4.4                   | 288.0         | 347.5   | 3.8                   |
| Females               | 1,564.2       | 1,750.6 | 2.3                   | 1,264.9       | 1,412.9 | 2.2                   |
| Economically Active   | 868.0         | 990.7   | 2.7                   | 634.8         | 734.9   | 3.0                   |
| Economically Inactive | 696.2         | 759.9   | 1.8                   | 630.1         | 678.0   | 1.5                   |

Increase in Female Labour Force Participation Rate

Singapore's overall labour force participation rate declined between 2000 and 2005 (Table 2). The labour force participation rate for males declined, whereas that for females increased.

**Table 2 Labour Force Participation Rate**

Per Cent

|         | Total |      | Residents |      |
|---------|-------|------|-----------|------|
|         | 2000  | 2005 | 2000      | 2005 |
| Total   | 68.6  | 67.4 | 63.2      | 63.0 |
| Males   | 81.1  | 78.2 | 76.6      | 74.4 |
| Females | 55.5  | 56.6 | 50.2      | 52.0 |

The decline in the resident male labour force participation rate was partly due to changes in the age structure between 2000 and 2005 (Table 3). Compared with 2000, a higher proportion of resident males in 2005 were aged 55 years or older. The older males tend to have lower participation rates than the younger ones.

The ageing of the female resident population also had a dampening effect on the resident female labour force participation rate. However, as there was a strong increase in the age-specific labour force participation rates, the net effect was an overall increase in the female labour force participation rate between 2000 and 2005.

**Table 3 Contribution to Change in Resident Labour Force Participation Rate**

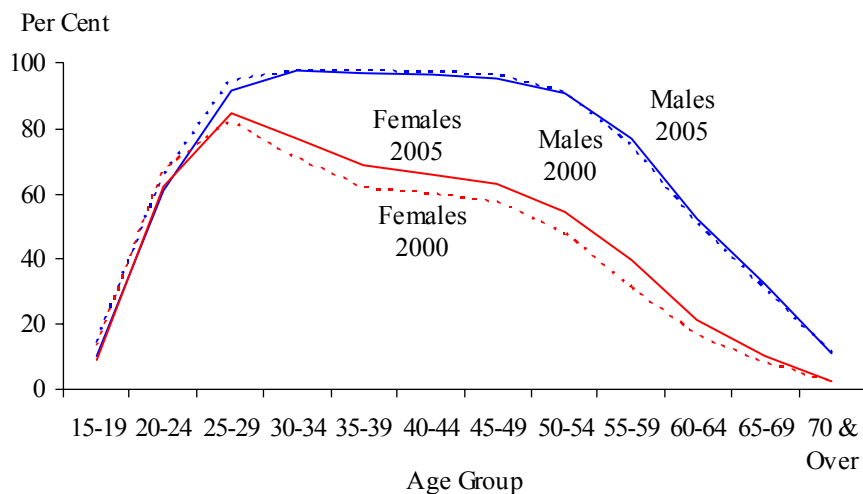
Percentage Points

|         | Change in Overall Participation Rate | Change Due to Variations in |                                  |
|---------|--------------------------------------|-----------------------------|----------------------------------|
|         |                                      | Age Structure               | Age-Specific Participation Rates |
| Males   | -2.2                                 | -1.3                        | -0.9                             |
| Females | 1.8                                  | -1.9                        | 3.7                              |

### More Economically Active Females in Prime Working Ages

The increase in female participation rates occurred in all age groups except 15-24 years (Chart 1). The strong increase in the female participation rates was largely due to the increased tendency of married females to re-enter the labour market. With the increased propensity of young adults to continue full-time studies, the labour force participation rate of both males and females in the age group 15 – 24 years declined in the last five years.

**Chart 1 Age-Sex Specific Labour Force Participation Rates of Resident Population**



### **Employment**

In 2005, there was a total of 1.65 million resident working persons (Table 4). Compared with 2000, the number of resident working persons expanded by 2.1 per cent per annum. This was faster than the increase of 0.2 per cent per annum for non-resident working persons. Consequently, the share of residents among total working persons increased from 71 per cent in 2000 to 73 per cent in 2005.

**Table 4 Working Persons Aged 15 Years and Over by Residential Status**

|                     | Number ('000) |         | Per Cent |       | Average Annual Growth (%) |
|---------------------|---------------|---------|----------|-------|---------------------------|
|                     | 2000          | 2005    | 2000     | 2005  |                           |
| Total               | 2,094.8       | 2,266.7 | 100.0    | 100.0 | 1.6                       |
| Singapore Residents | 1,482.6       | 1,647.3 | 70.8     | 72.7  | 2.1                       |
| Non-Residents       | 612.2         | 619.5   | 29.2     | 27.3  | 0.2                       |

### Increased Employment Share of Services Industries

The services sector has grown in importance as provider of jobs for Singapore residents. Between 2000 and 2005, there was an expansion in the employment shares of the wholesale and retail trade, business services, and community, social and personal services industries (Chart 2).

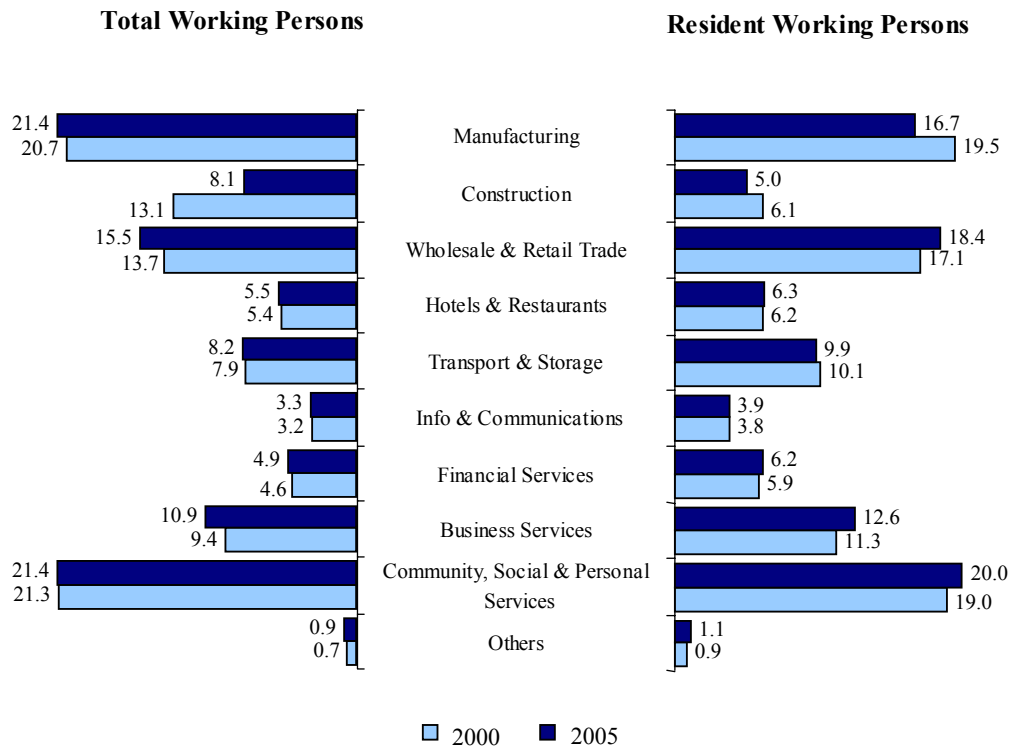
Community, social and personal services, and wholesale and retail trade overtook manufacturing as the largest employers of resident working persons, increasing their employment shares to 20 per cent and 18 per cent respectively in 2005. The employment share of manufacturing among working residents declined to 17 per cent in 2005 from 20 per cent in 2000.

Among total working persons in 2005, the largest employers were manufacturing (21 per cent) and community, social and personal services (21 per cent). Compared with 2000, there was an increased concentration of non-resident workers in manufacturing.

The proportion of total working persons in construction declined from 13 per cent in 2000 to 8.1 per cent in 2005. This reflects the downturn in the construction sector in recent years.

**Chart 2 Working Persons Aged 15 Years and Over by Industry**

Per Cent



Proportionately More Young Residents in Information and Communications, and Financial Services

In 2005, 16 per cent of resident working persons aged 25-34 years were in the information and communications, and financial services (Table 5). In comparison, 6.8 per cent of residents aged 45-54 years and 4.3 per cent of those aged 55 years and over were in these industries.

There were proportionately more older residents employed in the hotels and restaurants industries as well as the transport and storage industries. In 2005, the proportion in these industries was 11 per cent among residents aged 25-34 years and more than 20 per cent among those aged 45 years and over.

**Table 5 Resident Working Persons by Industry and Age Group, 2005**

|   | Per Cent       |                |                |                      |
|---|----------------|----------------|----------------|----------------------|
|   | 25-34<br>years | 35-44<br>years | 45-54<br>years | 55 years<br>and Over |
| Total                                   | 100.0          | 100.0          | 100.0          | 100.0                |
| Manufacturing                           | 17.4           | 19.8           | 16.9           | 12.6                 |
| Construction                            | 3.5            | 6.3            | 6.3            | 4.8                  |
| Wholesale & Retail Trade                | 17.9           | 19.7           | 18.4           | 18.8                 |
| Hotels & Restaurants                    | 3.5            | 5.2            | 8.2            | 11.7                 |
| Transport & Storage                     | 7.3            | 9.1            | 13.6           | 13.5                 |
| Information & Communications            | 6.8            | 3.9            | 2.1            | 1.0                  |
| Financial Services                      | 8.7            | 6.5            | 4.7            | 3.3                  |
| Business Services                       | 13.5           | 12.3           | 11.7           | 14.8                 |
| Community, Social and Personal Services | 20.5           | 16.3           | 16.8           | 17.6                 |
| Others                                  | 0.8            | 1.0            | 1.4            | 1.9                  |

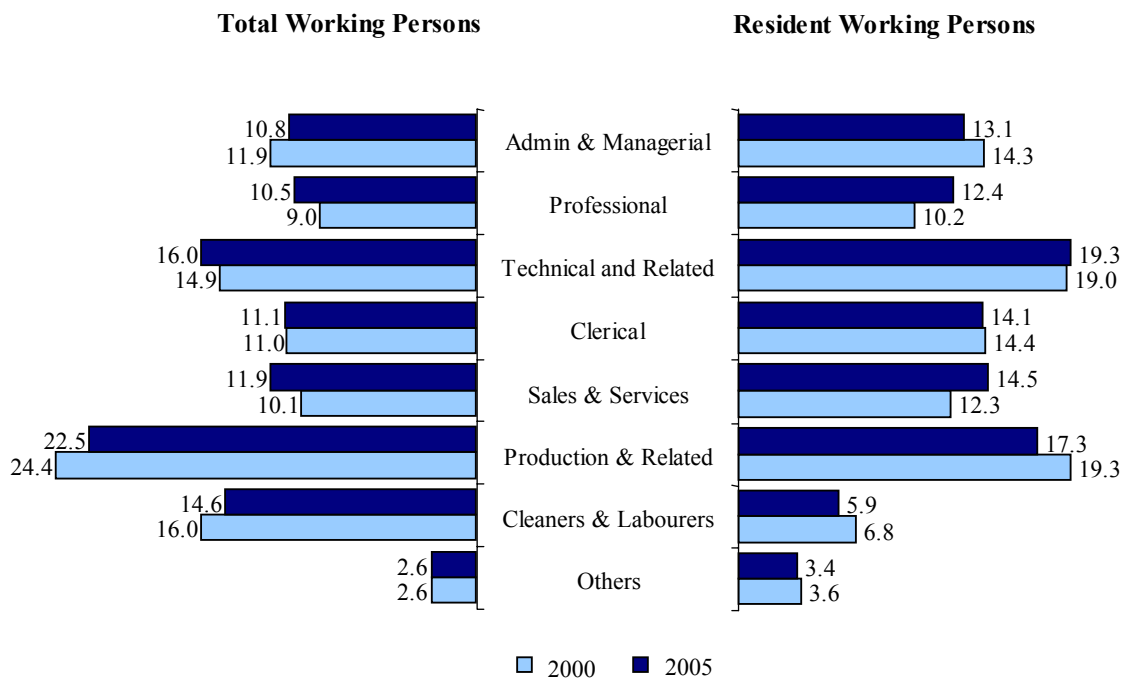
### Increased Proportion in Higher-Skilled Jobs

With economic restructuring and the improvement in educational attainment of the population, there were proportionately more Singapore residents in higher skilled occupational groups. In 2005, professionals and technical workers comprised 32 per cent of the resident workforce, up from 29 per cent in 2000 (Chart 3).

Reflecting the concentration of non-resident workers in lower-skilled jobs, 37 per cent of the total workforce were either employed in production or related jobs or working as cleaners or labourers. In contrast, only 23 per cent of the resident working persons were in these jobs.

**Chart 3 Working Persons Aged 15 Years and Over by Occupation**

Per Cent

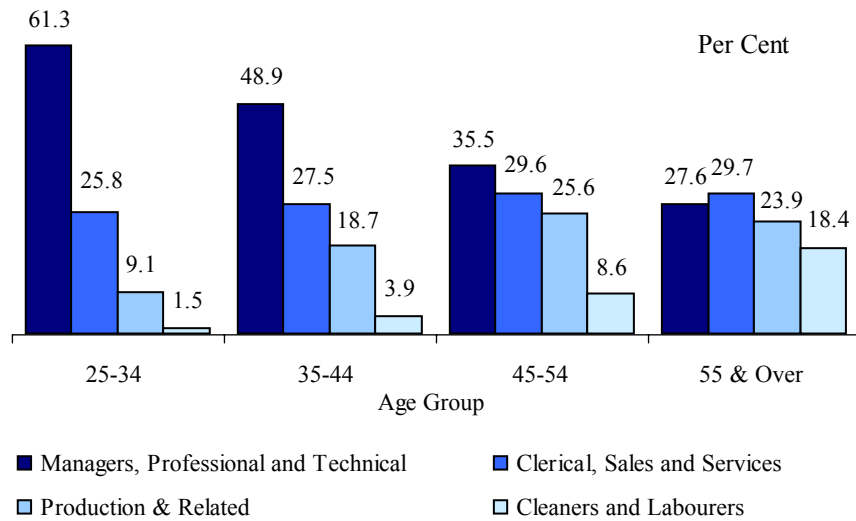


### Proportionately More Young Residents in Higher-Skilled Jobs

As younger residents tend to be better educated, they are more likely to be employed in higher skilled jobs than older residents. In 2005, 61 per cent of resident working persons aged 25-34 years were in managerial, professional and technical jobs (Chart 4). The proportions in such jobs were 36 per cent among those aged 45-54 years and 28 per cent among those aged 55 years and over.

Correspondingly, the proportion of Singapore residents either employed in production or related jobs or working as cleaners or labourers was lower for the younger age groups. Among resident working persons aged 25-34 years in 2005, 9.1 per cent were employed in production or related jobs and only 1.5 per cent were working as cleaners or labourers. The proportions were higher among the older age groups.

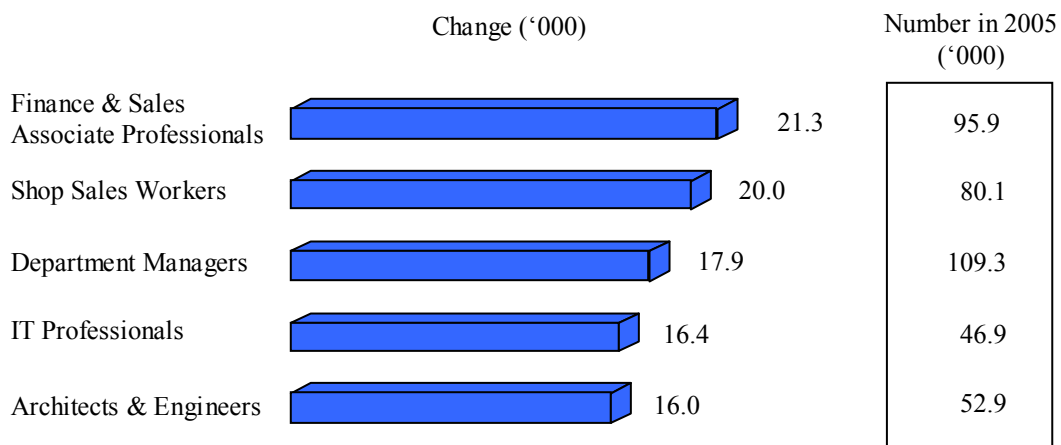
**Chart 4 Resident Working Persons by Age Group and Occupation, 2005**



Occupations with Largest Employment Gains

Of the top five occupational groups that had the largest employment gains among Singapore residents between 2000 and 2005, four were from the higher skilled managerial, professional and technical occupational groups (Chart 5). These include the finance and sales associate professionals, department managers, information technology (IT) professionals, and architects and engineers.

**Chart 5 Occupations with Largest Increase in Number of Resident Working Persons Between 2000 and 2005**



## Longer Work Hours

Singapore residents worked longer hours in 2005 than five years ago. The proportion of resident working persons who worked 60 hours or more per week increased from 17 per cent in 2000 to 19 per cent in 2005 (Table 6).

Males tend to work longer hours than females. While 24 per cent of males worked 60 or more hours per week in 2005, a lower 12 per cent of females did so.

**Table 6 Resident Working Persons Aged 15 Years and Over  
by Weekly Number of Hours Worked and Sex**

| Hours Worked Per Week                          | Per Cent    |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Total       |             | Males       |             | Females     |             |
|  | 2000        | 2005        | 2000        | 2005        | 2000        | 2005        |
| Total  | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |
| Below 30                                       | 4.4         | 4.7         | 3.1         | 3.3         | 6.2         | 6.6         |
| 30-39  | 4.0         | 4.3         | 3.2         | 3.3         | 5.2         | 5.7         |
| 40-49  | 59.5        | 55.1        | 54.4        | 50.7        | 66.8        | 61.1        |
| 50-59  | 15.6        | 17.0        | 17.6        | 18.5        | 12.7        | 14.9        |
| 60 & Over                                      | 16.5        | 18.9        | 21.7        | 24.2        | 9.1         | 11.8        |
| <b>Average Number of Hours Worked Per Week</b> | <b>47.9</b> | <b>48.4</b> | <b>50.0</b> | <b>50.6</b> | <b>44.9</b> | <b>45.5</b> |

Note: Exclude national servicemen.

## Prevalence of Long Work Hours among Sales and Services Workers

Long hours were more common among sales and services workers, with 31 per cent clocking 60 hours or more per week in 2005 (Table 7). Managers also had the tendency to work long hours, with 29 per cent putting in 60 hours or more per week. The proportion working 60 hours or more per week was also relatively high among those in production and related jobs (24 per cent).

Long work week was common among residents working in hotels and restaurants, with 33 per cent working 60 hours or more per week in 2005. Workers in the transport and storage industry as well as the construction industry also tended to have long hours of work.

Singapore residents who operate their own business are more likely to work longer hours than salaried workers. In 2005, 40 per cent of employers and 38 per cent of own account workers (i.e. persons who operated their own business without employing any paid workers) worked 60 hours or more per week. Among employees, the corresponding proportion was a lower 16 per cent.

**Table 7 Proportion of Resident Working Persons Aged 15 Years and Over  
Working 60 Hours or More Per Week, 2005**

| Occupation           | Per Cent | Industry                                | Per Cent | Occupational Status         | Per Cent |
|----------------------|----------|---|----------|-----------------------------|----------|
| Admin & Managerial   | 28.8     | Manufacturing                           | 15.0     | Employees                   | 15.6     |
| Professional         | 16.4     | Construction                            | 24.3     | Employers                   | 40.4     |
| Technical & Related  | 11.1     | Wholesale & Retail Trade                | 19.5     | Own Account Workers         | 37.6     |
| Clerical             | 6.4      | Hotels & Restaurants                    | 32.6     | Contributing Family Workers | 31.8     |
| Sales & Services     | 31.4     | Transport & Storage                     | 27.3     |                             |          |
| Production & Related | 24.3     | Info & Communications                   | 12.3     |                             |          |
| Cleaners & Labourers | 10.5     | Financial Services                      | 13.9     |                             |          |
|                      |          | Business Services                       | 19.4     |                             |          |
|                      |          | Community, Social and Personal Services | 14.1     |                             |          |
|                      |          | Others                                  | 12.7     |                             |          |

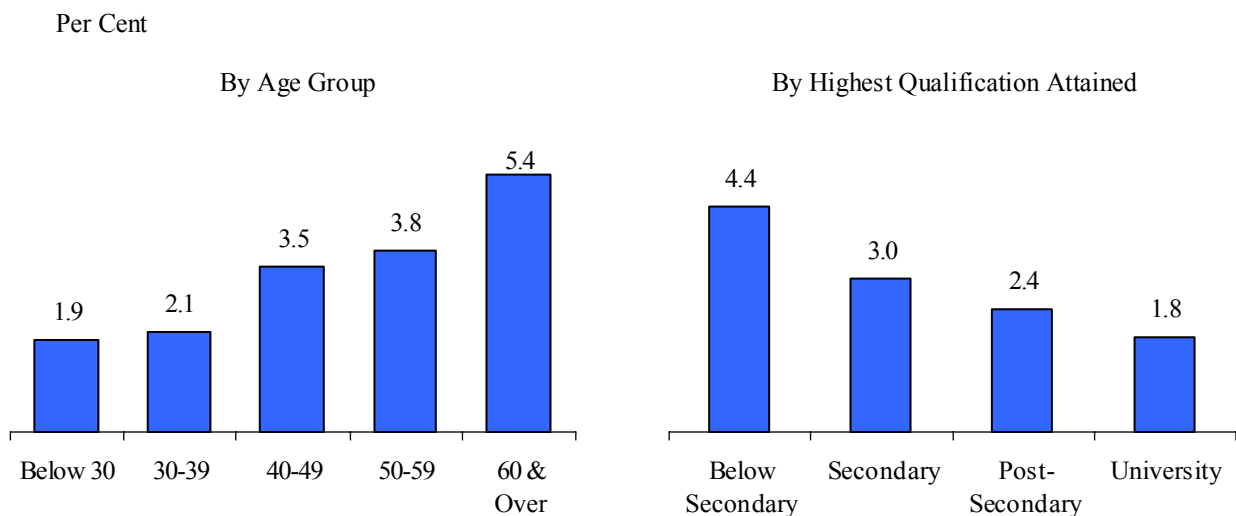
Note: Exclude national servicemen.

### Small Proportion of Workers with Short Work Hours

The proportion of resident working persons who worked less than 30 hours a week was 4.7 per cent in 2005. This was relatively unchanged from 2000.

Of those who worked less than 30 hours a week, 63 per cent were willing and available to work longer hours. This group of resident working persons with short work hours but willing and available to work longer hours comprised 2.9 per cent of resident working persons. Resident working persons who were older and less educated had the highest proportion on short work-week and who were willing and able to extend their working hours (Chart 6).

**Chart 6 Proportion of Resident Working Persons Who Worked Less Than 30 Hours A Week and Willing and Available to Work Longer Hours, 2005**



Note: Exclude national servicemen.

## Unemployment

### Decline in Unemployment Rate

The unemployment situation eased in 2005 with the improvement of the Singapore economy. The unemployment rate among Singapore residents was 5.6 per cent in the reference month of June 2005, down from the corresponding 5.8 per cent in 2004 and 6.0 per cent in 2000 (Table 8). The number of unemployed Singapore residents also declined - from 101,000 in 2004 to 98,000 in 2005.

**Table 8 Unemployment Trends**

|                            | 2000 | 2001 | 2002 | 2003  | 2004  | 2005  |
|----------------------------|------|------|------|-------|-------|-------|
| <b>Total Population</b>    |      |      |      |       |       |       |
| Unemployment Rate (%)      | 4.4  | 2.7  | 4.2  | 4.5   | 4.4   | 4.2   |
| Number Unemployed ('000)   | 97.5 | 63.2 | 97.4 | 104.2 | 103.8 | 100.5 |
| <b>Resident Population</b> |      |      |      |       |       |       |
| Unemployment Rate (%)      | 6.0  | 3.8  | 5.6  | 5.9   | 5.8   | 5.6   |
| Number Unemployed ('000)   | 94.0 | 61.9 | 94.2 | 101.0 | 101.3 | 97.5  |

Note: Data in Tables 8 – 13 and Chart 7 refer to non-seasonally adjusted data for the reference month June.

### Decline in Unemployment Rate among Better-Educated

Education plays an important role in ensuring greater employability. Unemployment rates for those with polytechnic or university qualifications declined in 2005 compared with 2004 (Table 9). However, less-educated residents appeared to have increasingly more difficulties in securing employment. The unemployment rate of residents with below secondary qualification increased to reach 7.7 per cent in 2005.

**Table 9 Resident Unemployment Rate by Highest Qualification Attained**

|                 | Per Cent |      |      |      |
|-----------------|----------|------|------|------|
|                 | 2000     | 2003 | 2004 | 2005 |
| Below Secondary | 8.7      | 7.0  | 6.6  | 7.7  |
| Secondary       | 5.7      | 5.8  | 6.0  | 6.0  |
| Upper Secondary | 4.2      | 4.8  | 5.3  | 5.0  |
| Polytechnic     | 4.0      | 5.4  | 5.6  | 4.2  |
| University      | 4.0      | 5.5  | 5.0  | 3.8  |

### .... and Younger Residents

The unemployment situation for younger residents eased in 2005, with lower rates than 2004 (Table 10). However, for older residents aged 55 and over, the unemployment rate continued to rise.

The unemployment rates for the younger age groups were higher than the older age groups in 2005. This was mainly because many of the younger persons were new entrants to the labour market. Moreover, as they were just starting out in their careers, they would tend to have greater job mobility.

**Table 10 Resident Unemployment Rate by Age Group**

| Age Group (Years) | Per Cent |      |      |      |
|-------------------|----------|------|------|------|
|                   | 2000     | 2003 | 2004 | 2005 |
| 15-24             | 8.8      | 10.2 | 10.8 | 9.9  |
| 25-34             | 5.5      | 6.1  | 5.5  | 5.0  |
| 35-44             | 5.5      | 5.3  | 5.0  | 4.7  |
| 45-54             | 6.2      | 5.5  | 5.7  | 5.6  |
| 55 & Over         | 5.0      | 4.2  | 4.8  | 6.1  |

### Reduced Incidence of Long-Term Unemployment

In 2005, half of the unemployed residents were out of job for 12 weeks (Table 11). The median duration of unemployment was unchanged from previous years. With the improved employment situation, the long-term unemployment rate declined from 1.7 per cent in 2004 to 1.5 per cent in 2005.

**Table 11 Resident Unemployed Persons by Duration of Unemployment and Long-Term Unemployment Rate**

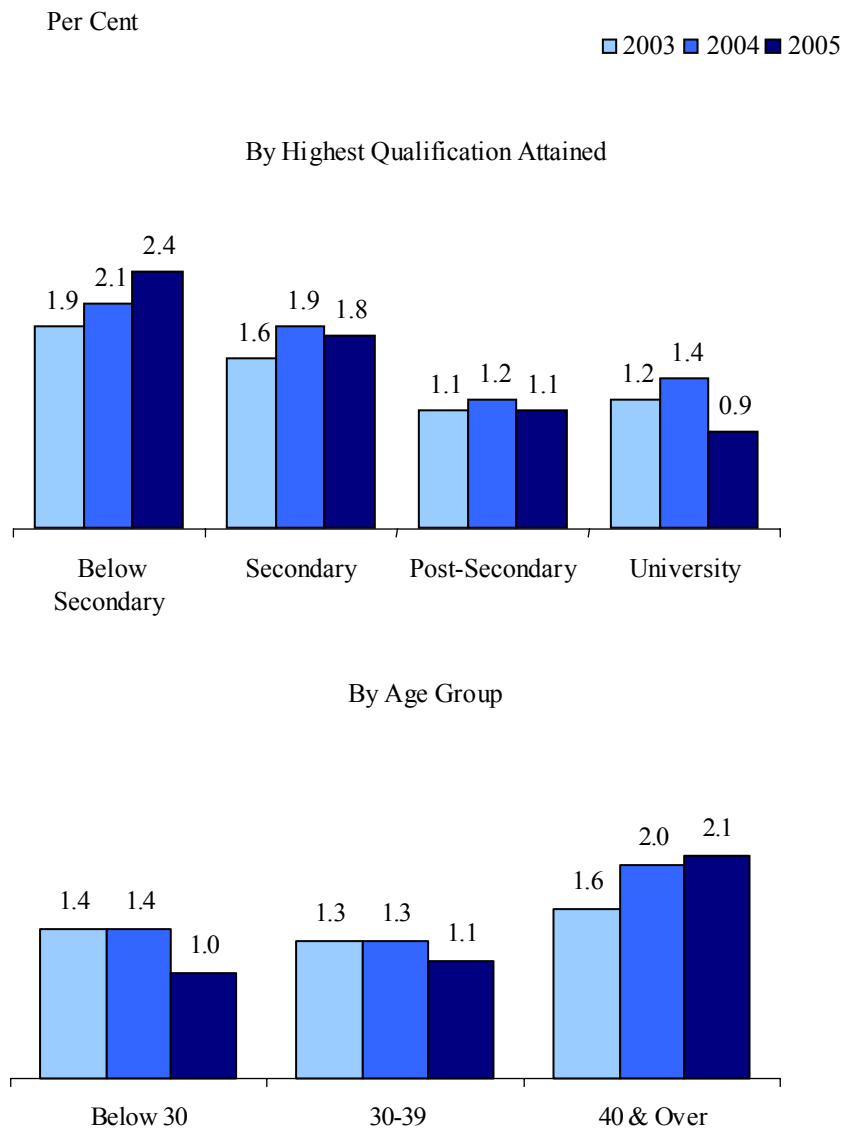
| Duration of Unemployment                           | Per Cent   |            |            |
|--|------------|------------|------------|
|  | 2003       | 2004       | 2005       |
| Total  | 100.0      | 100.0      | 100.0      |
| Less than 15 weeks                                 | 58.6       | 57.3       | 50.5       |
| 15 – 24 weeks                                      | 16.3       | 13.7       | 21.8       |
| 25 weeks or more                                   | 25.2       | 29.0       | 27.7       |
| <b>Median Duration of unemployment (weeks)</b>     | <b>12</b>  | <b>12</b>  | <b>12</b>  |
| <b>Long Term Unemployment Rate (%)<sup>1</sup></b> | <b>1.5</b> | <b>1.7</b> | <b>1.5</b> |

<sup>1</sup> Refers to unemployment for 25 weeks or more.

Fewer Better-Educated and Younger Persons Unemployed for Long Periods

Compared with 2004, the long-term unemployment rate in 2005 declined for residents with secondary or higher qualifications and those below 40 years old (Chart 7). For residents with below secondary qualifications and the older ones aged 40 and over, the rate increased.

**Chart 7 Resident Long Term Unemployment Rate**



### Unemployed by Previous Occupation

In 2005, 27 per cent of unemployed residents who had work experience previously held managerial, professional and technical jobs (Table 12). This was disproportionately low compared with the 45 per cent of resident working persons in such jobs.

There was a disproportionately large share of clerical workers, sales and services workers, production workers and cleaners and labourers among the unemployed residents with work experience, as compared to the proportion of resident working persons who were in such occupations in 2005.

**Table 12 Occupational Profile, 2005**

| Previous Occupation  | Resident<br>Unemployed<br>Persons* | Current Occupation   | Per Cent                       |
|----------------------|------------------------------------|----------------------|--------------------------------|
|                      |                                    |                      | Resident<br>Working<br>Persons |
| Total                | 100.0                              | Total                | 100.0                          |
| Admin & Managerial   | 6.7                                | Admin & Managerial   | 13.1                           |
| Professional         | 5.9                                | Professional         | 12.4                           |
| Technical & Related  | 14.7                               | Technical & Related  | 19.3                           |
| Clerical             | 20.0                               | Clerical             | 14.1                           |
| Sales & Services     | 20.0                               | Sales & Services     | 14.5                           |
| Production & Related | 20.9                               | Production & Related | 17.3                           |
| Cleaners & Labourers | 10.2                               | Cleaners & Labourers | 5.9                            |
| Others               | 1.5                                | Others               | 3.4                            |

\*Refer to those with working experience only.

## Unemployed by Previous Industry

Certain industries accounted for a disproportionately large share of unemployed residents who had work experience. In 2005, persons previously working in wholesale and retail trade, hotels and restaurants, manufacturing and construction sectors accounted for a larger share of unemployed residents in 2005 than the corresponding shares among resident working persons (Table 13).

**Table 13 Industry Profile, 2005**

| Previous Industry                          | Resident<br>Unemployed<br>Persons* | Current Industry                           | Per Cent                       |
|--|------------------------------------|--|--------------------------------|
|  |                                    |  | Resident<br>Working<br>Persons |
| Total                                      | 100.0                              | Total                                      | 100.0                          |
| Manufacturing                              | 18.0                               | Manufacturing                              | 16.7                           |
| Construction                               | 6.0                                | Construction                               | 5.0                            |
| Wholesale & Retail Trade                   | 20.1                               | Wholesale & Retail Trade                   | 18.4                           |
| Hotels & Restaurants                       | 10.5                               | Hotels & Restaurants                       | 6.3                            |
| Transport & Storage                        | 8.1                                | Transport & Storage                        | 9.9                            |
| Info & Communications                      | 3.5                                | Info & Communications                      | 3.9                            |
| Financial Services                         | 5.4                                | Financial Services                         | 6.2                            |
| Business Services                          | 12.7                               | Business Services                          | 12.6                           |
| Community, Social and<br>Personal Services | 13.9                               | Community, Social and<br>Personal Services | 20.0                           |
| Others                                     | 1.9                                | Others                                     | 1.1                            |

\*Refer to those with working experience only.

## **Economically Inactive Persons**

As at June 2005, there were 1.03 million economically inactive residents aged 15 years and over. They formed 37 per cent of the Singapore resident population aged 15 years and over. Compared with 2000, the number of economically inactive residents increased by 2.2 per cent per annum.

The growth in the economically inactive resident population was due largely to the increasing number of students. Between 2000 and 2005, the proportion economically inactive rose for the age group 15 -24 years (Table 14).

**Table 14 Proportion Economically Inactive Among Resident Population Aged 15 Years and Over by Age Group and Sex, 2005**

Per Cent

| Age Group (Years) | Total |      | Males |      | Females |      |
|-------------------|-------|------|-------|------|---------|------|
|                   | 2000  | 2005 | 2000  | 2005 | 2000    | 2005 |
| Total             | 36.8  | 37.0 | 23.4  | 25.6 | 49.8    | 48.0 |
| 15-24             | 60.7  | 65.9 | 61.3  | 65.7 | 60.0    | 66.0 |
| 25-54             | 20.3  | 18.4 | 4.1   | 5.1  | 36.2    | 31.3 |
| 55-64             | 56.8  | 50.1 | 36.9  | 32.4 | 76.0    | 67.4 |
| 65 & Over         | 89.2  | 88.6 | 81.1  | 80.7 | 95.7    | 94.7 |

#### Higher Proportion Economically Inactive Among Less-Educated

The less educated tend to have higher proportion economically inactive. In 2005, 32 per cent of resident non-students aged 25-54 years with below secondary qualifications were economically inactive (Table 15). In comparison, only 8 - 10 per cent of their counterparts with post-secondary or higher qualifications were economically inactive. The better educated residents aged 55-64 were also less likely to be economically inactive than the less educated.

**Table 15 Proportion Economically Inactive Among Resident Non-Student Population by Highest Qualification Attained, Selected Age Group and Sex, 2005**

Per Cent

|                 | 25-54 years |       |         | 55-64 years |       |         |
|-----------------|-------------|-------|---------|-------------|-------|---------|
|                 | Total       | Males | Females | Total       | Males | Females |
| Below Secondary | 32.1        | 9.1   | 51.6    | 56.6        | 35.3  | 73.5    |
| Secondary       | 18.6        | 4.0   | 30.9    | 40.9        | 28.3  | 54.8    |
| Post-Secondary  | 10.2        | 2.4   | 18.3    | 37.6        | 29.6  | 50.1    |
| University      | 7.6         | 1.4   | 14.9    | 31.5        | 25.7  | 46.1    |