



EMPLOYMENT GROWTH IN SINGAPORE

The Singapore Ministry of Manpower (MOM) reported that the country has posted the lowest unemployment rate in four (4) years at 2.5 per cent in December 2005. The rate reduced the annual average to 3.2 per cent compared to the 2004 average of 3.4 per cent. The MOM also revealed that a total record of 110, 800 jobs were created last year of which 32,000 were opened during the last three months of 2005, increasing the total number of people employed to 2.3 million for 2005.

The employment growth in Singapore was attained due to its sterling economic performance. The greatest gains were in the services sector which accounted for two-thirds of the total employment generated in 2005. Economists are optimistic that the employment growth will continue in 2006 and that Singapore will be able to achieve full employment level at three (3) per cent. The tightening labor market will push up wages because of the high demand for workers, thereby boosting domestic consumption.

Despite this development, job opportunities will not mean jobs for all. Low-skilled and older workers are less likely to benefit as demand for workers will not be broad based and will require high-end skills, which will most likely come from the services sector, particularly in information technology.