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Singapore

Singapore's labour market: still resilient in 4Q25 but some caution ahead?

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- Total employment rose for the 17th straight quarter by 17.7k in 4Q25, which marked a slowdown from 3Q25's 25.1k but remains higher than 1H25 (1Q: 2.3k, 2Q: 10.4k). The key drivers of resident employment were Professional Services, Financial Services and Health & Social Services, while Construction and Manufacturing contributed to non-resident employment growth.

- The overall, resident and citizen unemployment rates remained low and stable at 2.0%, 2.9% and 3.0% respectively in December 2025, versus 2.0%, 2.9% and 3.1% in September 2025. By age groups, the unemployment rate for older workers aged 60 and above fell for the third straight quarter to 1.7% in December 2025, from 2.1% in September, whereas those aged below 30 years ago rose from 5.6% to 5.8% (last seen in March 2024) over the same period.

- Retrenchments also remained low at 3,690 or 1.5 retrenched per 1,000 employees in 4Q25. Meanwhile, labour demand stayed firm as job vacancies rose from 69.6k in September to 77.7k in December 2025, which is a turnaround from June's 76.2k. More importantly, the overall job vacancy to unemployed persons ratio rose from 1.50 to 1.58 between September to December 2025.

- That said, hiring and wage intentions may have softened – the proportion of firms expecting to hire has dipped slightly to 43.3% across most sectors, while wage expectations rose to 26.4% but remain below levels seen in the past two years.

- Darkening clouds ahead? With the onset of the US-Iran war, the surge in energy prices and the disruptions to global supply chains for LNG, fertilizers and even helium etc, there are growing stagflation fears especially with each passing day that suggests a rising likelihood of a prolonged conflict.

Highlights:

- **Total employment rose for the 17th straight quarter by 17.7k in 4Q25,** which marked a slowdown from 3Q25's 25.1k but remains higher than 1H25 (1Q: 2.3k, 2Q: 10.4k). The key drivers of resident employment were Professional Services, Financial Services and Health & Social Services, while Construction and Manufacturing contributed to non-resident employment growth. There was also seasonal hiring for events and the holiday season which contributed to growth in the Administrative & Support Services (mainly benefiting outsourced and temporary workers) and Retail Trade. This brought full-year 2025 employment growth to 55.5k (of which residents contributed 21%), up from 44.5k in 2024 (20% from residents). The bulk was driven by non-resident employment growth due to Work Permit Holders in Construction.

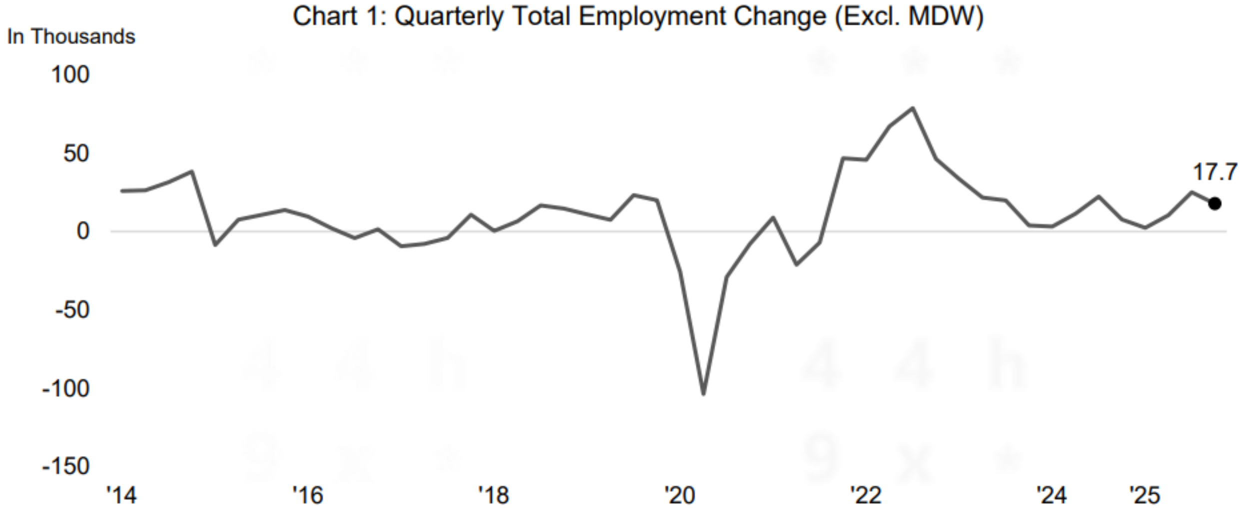
- **The overall, resident and citizen unemployment rates remained low and stable at 2.0%, 2.9% and 3.0% respectively in December 2025,** versus 2.0%, 2.9% and 3.1% in September 2025. By age groups, the unemployment rate for older workers aged 60 and above fell for the third straight quarter to 1.7% in December 2025, from 2.1% in September, whereas those aged below 30 years ago rose from 5.6% to 5.8% (last seen in March 2024) over the same period. The resident long-term unemployment rate held steady at 0.9% at December 2025, but that for younger residents aged below 30 rose slightly from 1.3% to 1.5% which could portend a longer period of time to find a suitable job match based on their skills and expectations. The number of employees placed on short work-week or temporary layoff also rose for the third consecutive quarter but remained relatively low at 960, of which non-PMETs formed about 68.5% as they tend to be hourly-rated employees.

- **Retrenchments also remained low at 3,690 or 1.5 retrenched per 1,000 employees in 4Q25.** Meanwhile, labour demand stayed firm as job vacancies rose from 69.6k in September to 77.7k in December 2025, which is a turnaround from June's 76.2k. More importantly, the overall job vacancy to unemployed persons ratio rose from 1.50 to 1.58 between September to December 2025. For the full year 2025, retrenchments totalled 14.49k, led by Financial services (2.24k) and Professional Services (1.9k) which tend to be at the forefront of any changes in the economic or business cycles. In particular, resident PMETs retrenchments rose to 10.1 retrenched per 1,000 resident employees, which has exceeded pre-recessionary norm (2015-2019 average 8.0) which reflects their greater exposure to outward-oriented sectors with intensifying restructuring. The overlap between higher retrenchments and higher PMET vacancies in these services may suggest that while some jobs are being displaced as firms restructure, hiring continues for others, so it's a mixed bag. Hence there is ongoing restructuring and skills transition rather than a demand contraction in PMET roles per se. Business reorganisation or restructuring contributed to 75% of the 4Q25 retrenchments, more than poor business/business failures (17%), concerns of high costs (8.3%) or recession/downturn in the industry (1.8%). The resident rate of re-entry into employment six months after retrenchment also rose from 55.4% in 3Q25 to 57.4% in 4Q25, and was observed across PMETs (56.4%), degree-holders (53.9%) and also secondary school holders (69.1%). Workers retrenched from Financial services, infocomms and professional services, which tend to be more prone to higher retrenchment, were also more likely to experience full wage recovery, indicating transferable skills.

- **That said, hiring and wage intentions may have softened** – the proportion of firms expecting to hire has dipped slightly to 43.3% across most sectors, while wage expectations rose to 26.4% but remain below levels seen in the past two years. Retrenchments are tipped to edge up in some outward-oriented sectors (eg. Infocomms, manufacturing wholesale trade, transportation & storage, accommodation, professional services, and financial & insurance services) but still within non-recessionary levels, whereas domestic-oriented sectors (eg. construction, retail trade, F&B services, real estate services, administrative & support services, community & social services and others) were stable. MoM noted that in the longer-term, resident employment is expected to moderate, given Singapore's already high resident labour force participation rate. A MoM study also noted signs of restructuring that warrants continued monitoring eve though there is no conclusive broad-based job displacement due to AI, even though skills mismatches are becoming more pronounced, especially for specialised vacancies requiring specific technical skills or experience like data scientists, teaching and training professionals and civil engineers.

- **Darkening clouds ahead?** With the onset of the US-Iran war, the surge in energy prices and the disruptions to global supply chains for LNG, fertilizers and even helium etc, there are growing stagflation fears especially with each passing day that suggests a rising likelihood of a prolonged conflict. Domestic businesses are already feeling the impact of rising energy cost. If the cost increase is significant and cannot be passed on to end-consumer, especially where consumer confidence and consumption has been impacted, then companies may turn more cautious and either slow down replacement hires or hold off fresh hiring and/or also turn more cautious about wage and bonus payments if the employers think the uncertainties will persist or the believe the situation may deteriorate further. The first line of defence is usually cost containment measures including slower hiring, whereas retrenchments are usually a last resort when all else fails. The sectors that may be more exposed could be those most vulnerable to the cost increases, whether energy-related or indirectly impacted, but may already facing stressed financials or compressed margins. At this juncture, the overall labour market indicators do not suggest an urgent need for a kneejerk intervention per se, but policymakers are currently watchful. MoM expects the unemployment rates to remain low and stable through 2026, even as resident employment may grow at similar or slightly slower pace than in 2025, and this is also our baseline scenario but the geopolitical situation in the Middle East remains very fluid and volatile.

Chart 1: Quarterly Total Employment Change (Excl. MDW)



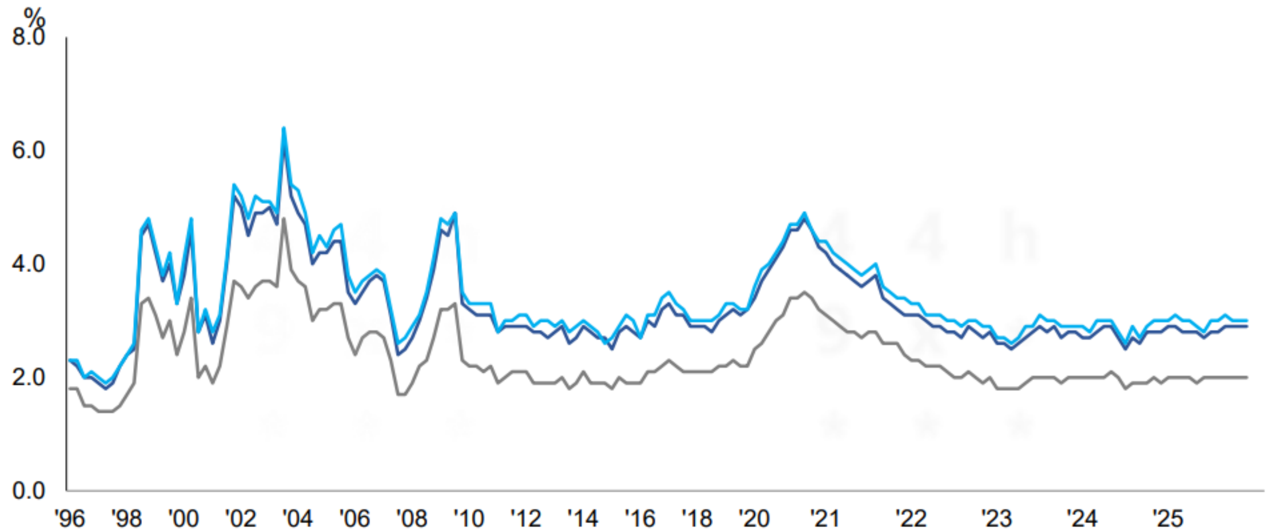
Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

Notes:
(1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
(2) Employment change is the difference in the employment level at the end of the reference period compared with the end of the preceding period.
(3) 'Excl. MDW' refers to excluding migrant domestic workers.

Chart 3: Unemployment Rate (Seasonally Adjusted)

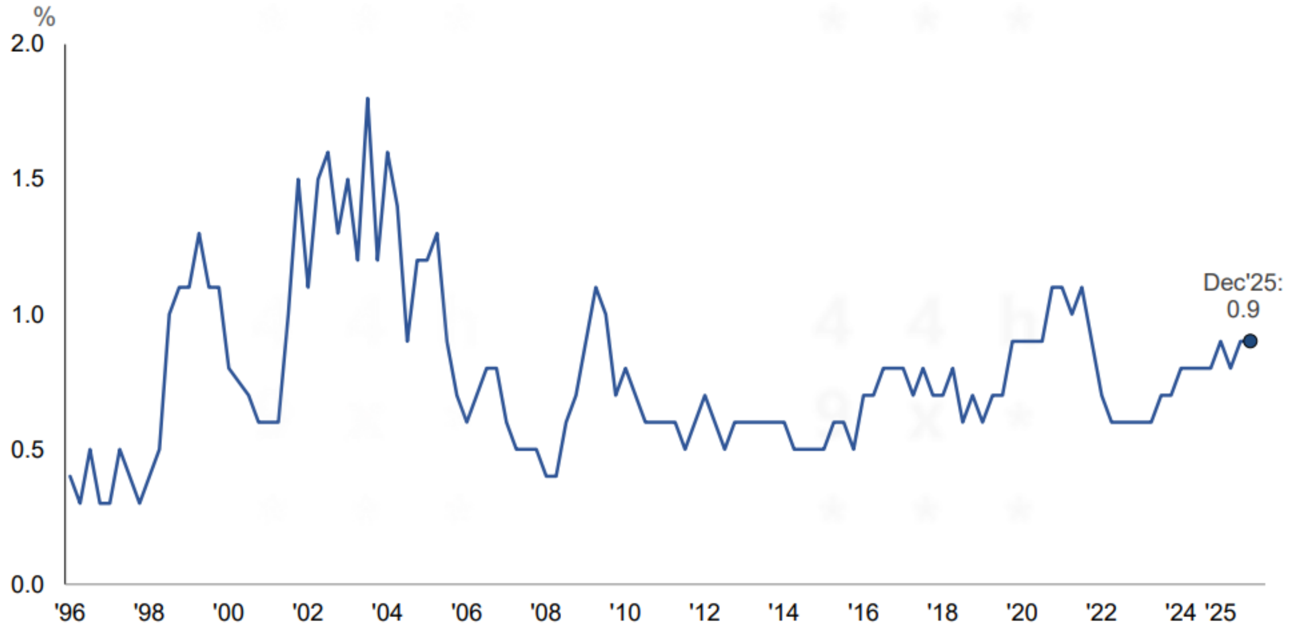
2025

	Aug	Sep	Oct	Nov	Dec
Citizen (C)	3.0%	3.1%	3.0%	3.0%	3.0%
Resident (R)	2.8%	2.9%	2.9%	2.9%	2.9%
Overall (O)	2.0%	2.0%	2.0%	2.0%	2.0%



Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

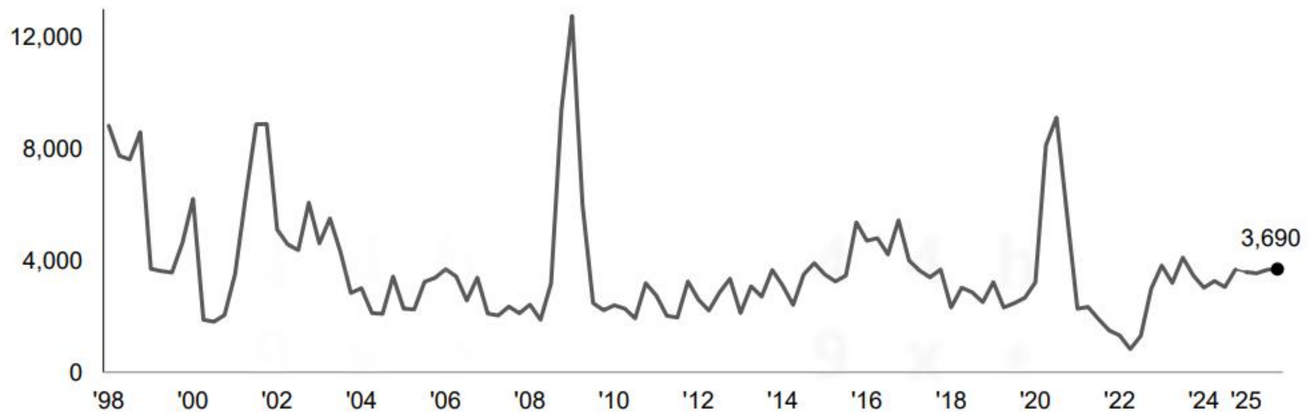
Chart 6: Resident Long-Term Unemployment Rate (Seasonally Adjusted)



Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Long-term unemployed refers to those unemployed for at least 25 weeks.

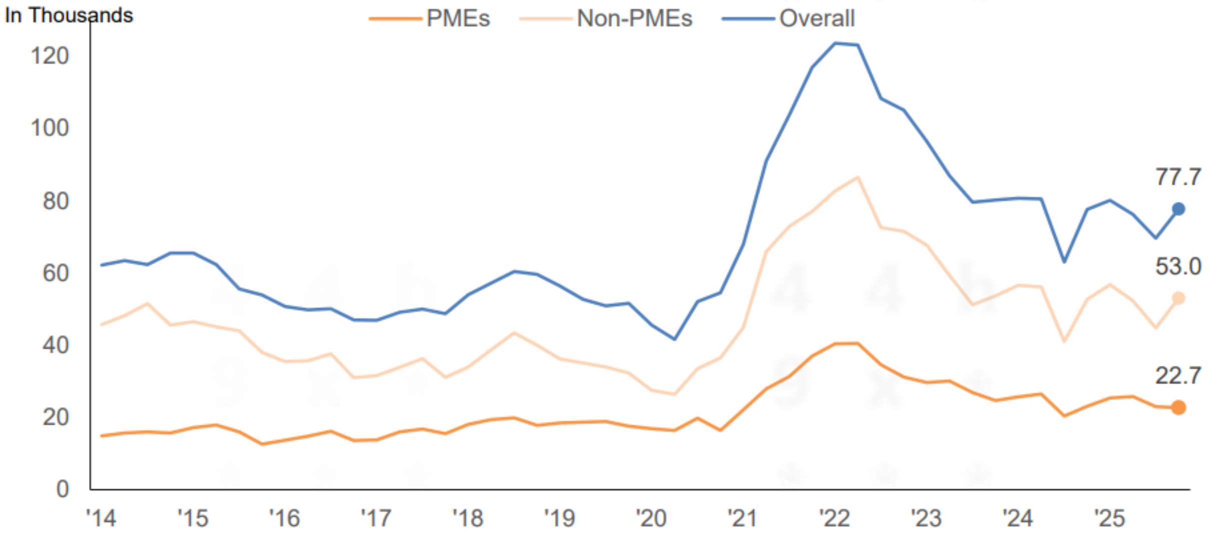
Chart 9: Retrenchments



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes:
(1) Data on the number of retrenchments are rounded to the nearest 10.
(2) Before 2006, data pertain to private sector establishments (each with at least 25 employees). From 2006 onwards, it also includes the public sector.

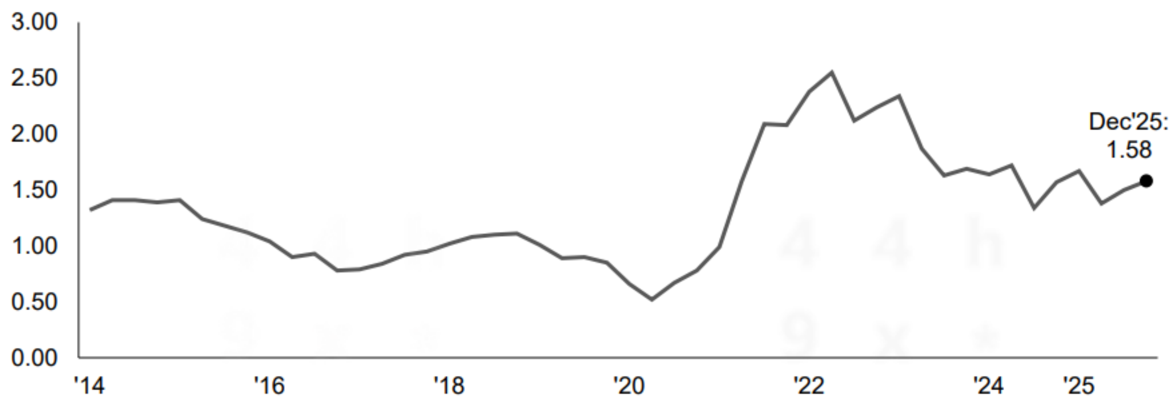
Chart 15: Job Vacancies[24], by Occupation Groups



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

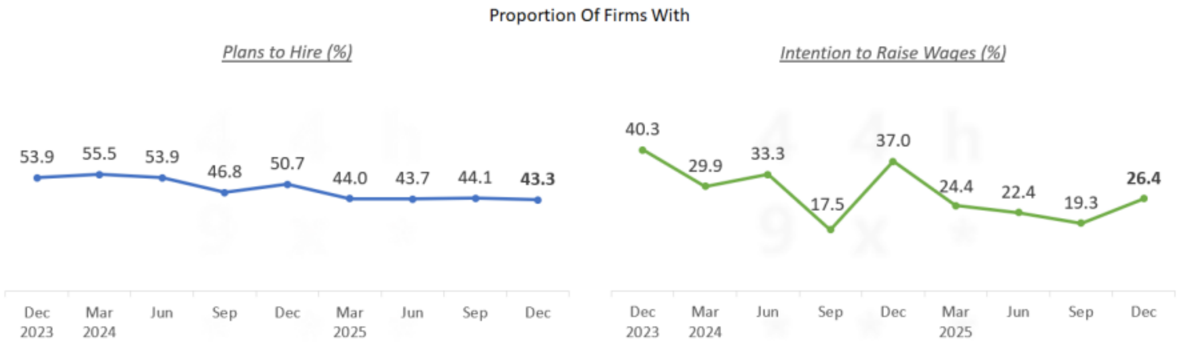
Note: Data pertain to private sector establishments (each with at least 25 employees) and the public sector.

Chart 16: Ratio of Job Vacancies to Unemployed Persons (Seasonally Adjusted)



Source: Labour Market Survey and Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Job vacancy to unemployed ratio is calculated by taking the ratio of the estimates of the total job vacancies for the whole economy to the total number of unemployed persons. The job vacancies for the whole economy are estimated assuming that private sector establishments with less than 25 employees have the same vacancy rate as those with 25 to 49 employees.



Source: Manpower Research & Statistics Department, MOM

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