



Ministry of Labour,
Invalids and Social Affairs

NEWSLETTER VIETNAM'S LABOUR MARKET

Volume 10, quarter 2 of 2016



General statistic office

SECTION 1. LABOUR MARKET INDICATORS

1. Key indicators

Table 1. Key economic and labour market indicators

Indicators	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1. Gross domestic product growth rate (GDP) (%)	6.5	6.9	7.0	5.5	5.6
2. Export turnover growth rate(% compare to previous period)	11.7	9.6	10.4	4.1	5.9*
3. Total capital investment per GDP (%)	31.1	31.9	32.6	32.2	32.9*
4. Consumer Price index (% compare to the previous period)	0.86	0.74	0.60	1.25	1.72*
5. Labour force(million people)	53.71	54.32	54.59	54.40	54.36
6. Labour force participation rate (%)	76.2	76.4	78.8	77.5	77.2
7. Rate of skilled labour force with certificate (%)	20.06	20.22	20.20	20.71	20.62
8. Employment(million people)	52.53	53.17	53.50	53.29	53.24
9. Rate of paid worker in total employment (%)	38.80	40.42	40.98	41.40	41.26
10. Rate of employment in agriculture, forestry and fisheries sector in total employment (%)	44.70	42.54	42.30	42.30	42.02
11. Monthly income of paid workers (million dong)	4.46	4.61	4.66	5.08	4.85
11. Unemployment at working age (thousand people)	1,144.6	1,128.7	1,051.6	1,072.3	1,088.7
13. Unemployment rate at working age (%)	2.42	2.35	2.18	2.25	2.29
Of which:					
13.1. Urban unemployment rate (%)	3.53	3,38	3,15	3,08	3,11
13.2. Youth unemployment rate (aged 15 - 24) (%)	6.68	7,30	7,21	6,63	7,10

* The first 6 months of 2016 volume

Source: GSO Quarterly statistic and labour – employment survey data, (2015, 2016)

GSO (2016), Report on social-economics status in the first 6 months of 2016

2. The population aged 15 and over and labour force

The population aged over 15 years old and labour force in urban areas tend to increase quickly.

Quarter 2/2016, the number of population aged 15 years old and over reached 70.85

million people, decreasing 0.01 % compared to quarter 2/2015; of which the number of male population decreased 0.08% and urban population increased 6.27%.

The labour force aged 15 years old and over reached 54.36 million people, increasing 1.22% compared to quarter 2/2015; of which

female labour force rose 0.87% and urban work force increased 7.49%.

Table 2. The scale and labour force participation rate of population aged from 15 years old and over

	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1. Population aged from 15 and over (million people)					
Total	70.86	71.52	69.57	70.66	70.85
Male	34.15	34.62	33.79	34.39	34.46
Female	36.71	36.90	35.78	36.26	36.39
Urban	23.59	24.16	24.05	24.59	25.07
Rural	47.27	47.36	45.52	46.07	45.78
2. Labour force (million people)					
Total	53.71	54.32	54.59	54.40	54.36
Male	27.66	28.07	28.11	28.21	28.09
Female	26.05	26.25	26.48	26.19	26.28
Urban	16.26	16.75	17.45	17.38	17.48
Rural	37.45	37.57	37.14	37.02	36.88
3. 3. Labour force participation rate (%)*					
	76.20	76.38	78.84	77.53	77.23

Source: GSO (2015, 2016), quarterly Labour and Employment survey data,

*Only current citizens living in Vietnam counted

The scale of labour force aged from 15 in quarter 2/2016 was 77.23 million people, increasing 1.03 percentage point with comparison to quarter 2/2015 and stayed higher than international level (according to the report of ILO, this rate in the majority of nations of the world was under 70% and tended to decrease); especially, in rural areas (81.2%).

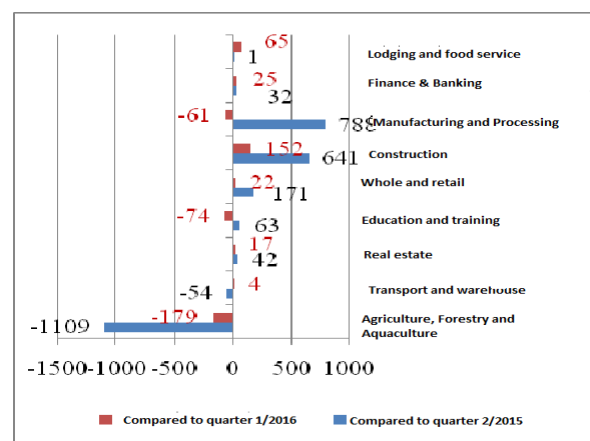
The quality of labour supply in term of proportion of trained labour was improved slowly, that proportion accounted for 20.56% of labour force, increasing 0.56 percentage point compared to quarter 2/2015. There was the significant increase among the group of university degree and higher and Vocational College

In quarter 2/2016, the number of skilled worker aged 15 and over (includes people with vocational certificate/degree for duration of 3 months above) was 11.21 million people, increasing 441 thousand people (4.09 %)

against to quarter 2/2015. The rate of skilled workers with university degree and higher increased 10.51%; that with vocational college degree rose 10.27%, and that with professional college degree increased 3.51% and primary vocational degree went up by 0.35%. By contrast, the group of secondary vocational degree and professional secondary school saw a decrease of 7.26% and 2.24%, respectively. The rate of these skilled workers in urban area was 2.8 times higher than that in rural area (36.88% versus 13.13%); this rate of female was lower than male's rate (18.30% compares to 22.96%).

Table 3. Quantity and rate of skilled workers, quarter 2/2015 and quarter 2/2016

Unit: Million people



Source: GSO (2015, 2016), quarterly Labour - Employment survey

3. Employment

In quarter 2/2016, there were total 53.24 million employed people, decreasing by 50 thousand people (-0.09%) compared to quarter 1/2016 but increasing by 709 thousand people compared to quarter 2/2015.

The proportion of workers in rural areas and agriculture, forestry and fishery industry reached 68.12% and 42.02%, respectively in quarter 2/2016, being lower than that in the same period in 2015. However, the increasing speed was slow down, that was 1.95 percentage point and 2.68 percentage point, respectively.

Table 3. The quantity and employment structure

	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1 Number (million people)	52.53	53.17	53.50	53.29	53.24
2 Percentage (%)	100,00	100,00	100,00	100,00	100,00
a Sex					
Male	51.42	51.61	51.40	51.70	51.64
Female	48.58	48.39	48.60	48.30	48.36
b Urban/Rural					
Urban	29.94	30.51	31.65	31.68	31.88
Rural	70.07	69.49	68.35	68.32	68.12
c Industry					
Agriculture, Forestry and Fishery	44.70	42.54	42.30	42.31	42.02
Industry and Construction	22.13	24.46	24.30	24.45	24.53
Service	33.17	33.00	33.40	33.24	33.45
d By job position					
Owner	2.84	2.75	2.87	2.81	2.81
Self-employed family labour	40.04	39.39	40.01	39.48	39.68
Paid worker	18.28	17.42	16.11	16.30	16.24
Cooperative members and unclassifiable	38.81	40.42	40.98	41.40	41.26
	0.03	0.02	0.03	0.01	0.02

Source: GSO (2015, 2016), quarterly Labour and Employment survey data.

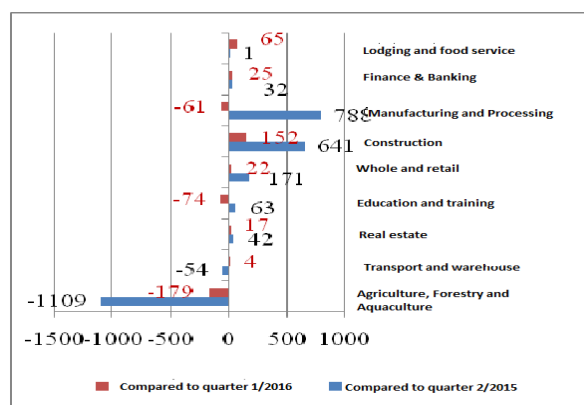
In quarter 2/2016, the transition of paid workers kept stabilization, the number of paid workers in manufacturing and processing industry was noticeable

The number of paid workers decreased from 41.4% in quarter 1/2016 to 41.26% in quarter 2/2016. There was a decline of 93.6 thousand paid workers in quarter 2/2016 compared to quarter 1/2016, of which 46.5 thousand people working in manufacturing and processing industry (accounting for 49.7%)

Quarter 2/2016 saw the number of working labors in construction industry went up significantly (152 thousand people compared to quarter 1/2016 and 641 thousand people compared to quarter 2/2015). The number of people working in

manufacturing and processing industry decreased 61 thousand people compared to quarter 1/2016, however, increased 788 thousand people compared to quarter 2/2015.

Figure 2. Fluctuation of employment in quarter 2/2016 compared to quarter 1/2016 and quarter 2/2015



Unit: thousand people

Source: GSO (2015, 2016), quarterly Labour-Employment survey

4. Monthly income of paid workers²

Monthly income of employed workers decreased compared to quarter 1/2016, however, increased quickly compared to the same period last year.

The monthly income of employed workers in quarter 2/2016 was 4.85 million dong, decreasing by 228 thousand dong (-5.1%) compared to quarter 1/2016, increasing by 393 thousand dong (8.8%) compared to the same period last year.

Table 4. Monthly income of paid workers

Unit: million dong

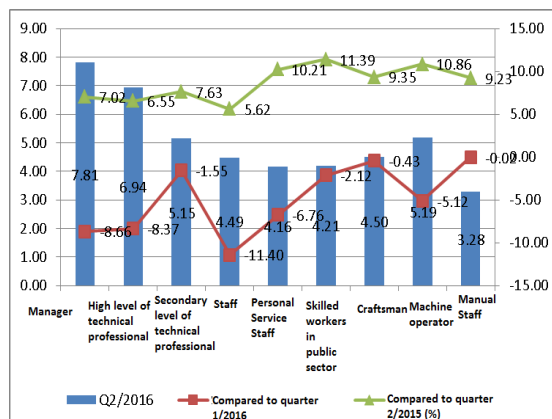
	2015			2016	
	Q2	Q3	Q4	Q1	Q2
Total	4.46	4.61	4.66	5.08	4.85
Male	4.70	4.83	4.89	5.29	5.10
Female	4.13	4.30	4.35	4.79	4.51
Urban	5.26	5.38	5.45	6.16	5.68
Total	3.84	4.00	4.03	4.20	4.16

Source: GSO (2015, 2016), quarterly Labour and Employment survey data

² Only income from main occupation was counted

Income of all occupations was lower than that of quarter 1/2016, but higher than quarter 2/2015. The group of manager and professional workers gained the highest monthly income meanwhile the monthly income of manual workers group increased quicker and narrowed down the gap among the rest groups.

Figure 2. Monthly average income of paid workers by occupation



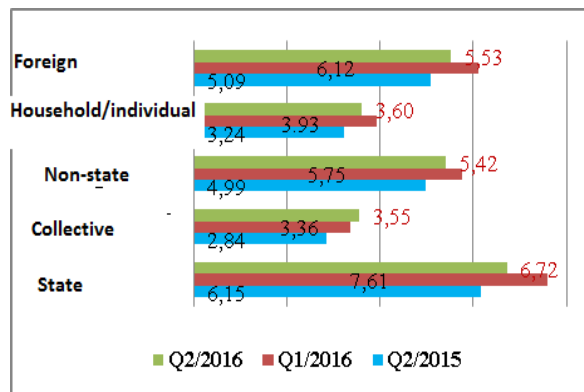
Source: GSO (2015, 2016), Labour-Employment survey

Finance, banking and insurance were groups with the highest income which was 2.42 time higher than that of group with lowest income (Agriculture, Forestry and Aquaculture) in quarter 1/2016, and 2.56 time higher in quarter 2/2015.

The income of workers in state enterprises was the highest. The income gap among groups decreased. The income of collective group was the lowest, but this group was the only one increasing the income compared to quarter 1/2016 and rising the most compared to quarter 2/2015.

Figure 4. Monthly average income of paid workers by business ownership

Unit: million dong



Source: GSO (201, 2016), quarterly Labour – Employment survey.

Quarter 2/2016, there were 15.95% paid workers belonged to the low income group³ (under 2.93 million dong per month), decreasing 1.56 percentage point compared to quarter 1/2016.

5. Unemployment and underemployment

a. Unemployment

Compared to quarter 1/2016, the number of unemployed people and unemployment rate increased. The highest unemployment rate belonged to group of people with certificate of professional college and university and higher

Quarter 2/2016, 1,008.7 thousand people at working age of the country were unemployed, increasing 16.4 thousand people compared to quarter 1/2016 and decreasing 55.9 thousand people compared to quarter 2/2015.

³ Income level is under 2/3 of the median wage

Table 5. The number of unemployed people in working age by gender, area and age group

Unit: thousand people

	2015			2016	
	Q2	Q3	Q4	Q1	Q2
General	1,144.6	1,128.7	1,051.6	1,072.3	1,088.7
Male	631.3	625.3	590.3	647.9	574.4
Female	513.3	503.4	461.2	424.4	514.4
Urban	525.7	521.3	502.9	488.0	495.2
Rural	618.9	607.4	548.7	584.3	593.5
Youth (15-24)	592.6	666.5	559.4	540.7	567.7
Adults (>25)	552.0	462.2	463.2	531.6	521.1

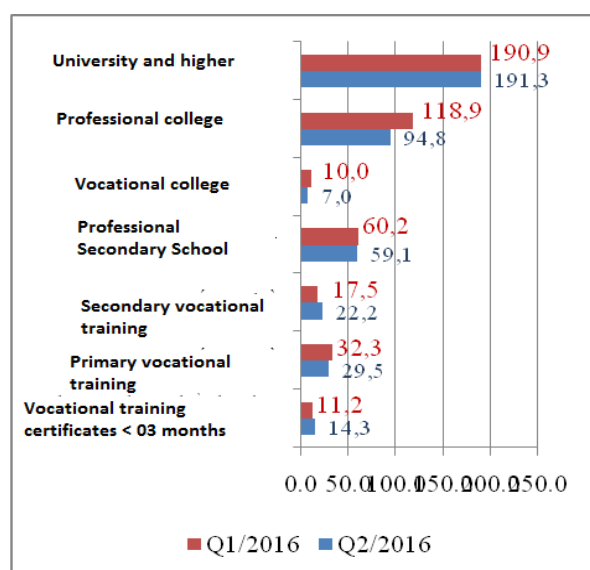
Source: GSO (2015, 2016), quarterly Labour – Employment survey.

Noted: Numbers are rounded up, therefore the sum will not equal to the total of numbers

Among unemployed people, there were 418.2 thousand skilled people. Groups with highest number of unemployed people were “university and higher” (191.3 thousand people), “professional college” (94.8 thousand people) and “professional secondary school” (59.1 thousand people).

Figure 5. The number of unemployed people in working age by qualification, quarter 1/2016 and quarter 2/2016

Unit: thousand people



Source: GSO (2015, 2016), quarterly Labour – Employment survey 4/2015 and 1/2016.

The highest unemployment rate belonged to group of “professional college” (6.6%), followed by group of “university and higher” (4%) and “vocational college” (3.66%). The unemployment rate of youth was 7.1%, higher than that in quarter 1/2016 and in the same period last year. The unemployment rate of the youth in urban areas was 11.3%, 5 times higher than the general one.

The number of long-term unemployed people (more than 12 months) accounted for 22.6% of the total the unemployed.

Table 6. The unemployment rate of people in working age

Unit: %

	2015			2016	
	Q2	Q3	Q4	Q1	Q2
General	2.42	2.35	2.18	2.25	2.29
Male	2.48	2.41	2.28	2.50	2.23
Female	2.35	2.27	2.07	1.95	2.36
Urban	3.53	3.38	3.15	3.08	3.11
Rural	1.91	1.86	1.70	1.83	1.88
Secondary vocational training	3.90	3.45	2.25	2.38	3.33
Prof-Secondary school	4.70	3.13	3.32	3.30	3.17
Vocational college	4.76	7.95	3.44	4.87	3.66
Professional college	6.79	7.93	8.16	8.07	6.60
University and higher	4.60	4.88	3.30	3.93	4.00
Youth (15-24)	6.68	7.30	7.21	6.63	7.10
Long-term unemployed	22.7	25.0	23.1	24.7	22.6

Source: GSO (2015, 2016), quarterly Labour – Employment survey

b. Underemployment

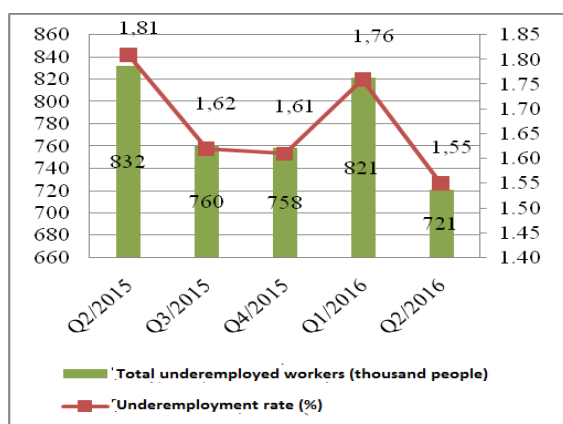
The underemployment decreased considerably in quantity and percentage.

In quarter 2/2016, a total 1.41 million workers had time of working less than 35 hours/week. The number of underemployed people in

working age was 721 thousand people⁴, decreasing by 100 thousand people compared to quarter 1/2016 and 111 thousand people compared to the same period last year. The underemployment rate in working age in quarter 2/2016 was 1.55%, declining 0.21 percentage point compared to quarter 1/2016.

The average working hours of underemployed workers was 26.46 hours, decreasing by 1.58 hours compared to that in quarter 1/2016, only being equal to 55.5% total average working hours of one employee of the country (47.69 hours/week)

Figure 6. Number and rate of underemployment of labour force in working age



Source: GSO (2015, 2016), quarterly Labour – Employment survey.

6. Labour supply and demand

There are many information channels to provide information about the demand for recruitment and for jobs. However, the following information is only synthesized from the portal on employment of MOLISA in quarter 2/2016.

- Regarding to the demand for recruitment:

The total demand for recruitment was 265.2 thousand people, an increase of 40.8 thousand people (18.2%) compared to quarter 1/2016

⁴ Underemployed workers are people who have working time under 35 hours in the survey week, desire and are willing to work more.

and increased by 9.0% compared to quarter 2/2015.

By types of enterprises: the liability limited company and private enterprise accounted for 49.8%, joint stock company accounted for 31.1%, enterprise with foreign capital accounted for 10.6%, state-owned enterprise accounted for 7.2%, other types accounted for 1.3%.

Compared to quarter 1/2016, the demand for recruitment of liability limited company and private enterprise increased by 12.9%, joint stock company increased by 24.2%, enterprise with foreign capital increased by 30.6%, state-owned enterprise increased by 15.0% and other types increased by 20.2%.

Table 7. The demand for recruitment by types of enterprises on the portal

Unit: thousand people

	2015			2016	
	Q2	Q3	Q4	Q1	Q2
State-owned	27.3	22.0	19.5	16.5	19.0
Ltd, private	118.6	88.9	100.0	117.1	132.1
Joint stock	79.9	60.4	60.9	66.5	82.6
Enterprise with foreign investment	15.3	14.2	18.1	21.5	28.1
Other types	2.0	1.3	1.9	2.8	3.4
Total	243.3	186.9	200.5	224.4	265.2

Source: Calculated from the portal of MOLISA

In quarter 2/2016, some occupations had high demand for labour were: unskilled workers 46.2 thousand people (an increase of 16.8 thousand people compared to quarter 1/2016); textiles, garment and garment technology 15.2 thousand people (a decrease of 5.4 thousand people compared to quarter 1/2016); livestock and veterinary 4.9 thousand people (an increase of 1.4 thousand people compared to quarter 1/2016); sales and business staff 2.6 thousand people (a decrease of 0.7 thousand people compared to quarter 1/2016); electric and electronic 3.1 thousand people (a decrease of

0.6 thousand people compared to quarter 1/2016) and mechanic and machine manufacturing 3.1 thousand people (an increase of 1 thousand people compared to quarter 1/2016).

By wage level: around 50.8% of the demand for labour was with negotiable wage; 6.7% with wage less than 4 million/month; 29.3% with wage from 4 to 6 million/month; 8.8% with wage from 6-10 million/month and 4.5% with wage more than 10 million/month.

- Regarding to the demand for jobs

The number of people having demand for jobs was 56.8 thousand people, an increase of 12.2% compared to quarter 1/2016. In which,

female accounted for 47.7%, an increase of 1.7 percent points compared to quarter 1/2016.

People with secondary vocational certificate had the highest demand for jobs, accounted for 30.9%, followed by college degree (19.2%) and university degree and higher (16.8), an increase of 4.4 and 3.2 thousand people compared to quarter 1/2016 respectively.

By occupations, “accounting-auditing” had the highest number of people seeking for jobs (accounted for 16.9%); followed by “business management” (10.4%) and “human resources” (10.0%). Some occupations that had decreased number of people seeking for jobs were “finance and banking” and “driving”.

SECTION 2. IMPLEMENTING SOME LABOUR MARKET POLICIES

Job recommendation through employment service centers of labour-invalids and social affairs sector.

In quarter 2/2016, 64 employment service centers managed by labour-invalids and social affairs sector held 288 job trading session with 728 thousand people were consulted, introduced jobs, in which, 232 thousand people found jobs through employment service centers.

Sending employees to work overseas for a definite time

By the end of quarter 2/2016, 273 enterprises were licensed for labour export operation (increased by 9 enterprises compared to quarter 1/2016), in which, there were 58 state-owned enterprises, 180 joint stock companies, 34 enterprises in other types.

In quarter 2/2016, there were 30,917 people working overseas under contracts (an increase of 7,703 people compared to quarter 1/2016), in which 10,232 female workers (accounted for 33.1%). Taiwan was the biggest market with 16,196 people (accounted for 52.4%), the second largest was Japan with 8,552 people (30.5%); followed by Korea with 3,765 people (12.18%).

In quarter 2/2016, the Department of Overseas Labour collaborated with GIZ and other relevant agencies recruit and train German language for 125 qualified candidates to send to study and work in hospitals in Germany in 2017.

Box 1. The Memorandum of Understanding for further sending and receiving Vietnamese labour to work in South Korea under the EPS program

In 17/5/2016 in Ha Noi, MOLISA and the Ministry of Labour and Employment of South Korea signed a MOU for further sending and receiving Vietnamese labour to work in Korea under the EPS program, marking the normalization of labour cooperative relations between two countries. The MOU specifies the basic principles for sending and receiving Vietnamese labour to work in South Korea under the EPS program, including: rule on agency in charge of sending receiving; fees for sending; process on sending and receiving. A new point of this MOU is the annually Vietnamese labour quota will be allocated by South Korea based on the results of reducing illegal labour of Vietnam in South Korea.

Source: Department of Overseas Labour.

Vocational training

Hộp 2. National Skills Competition

The ninth National Skills Competition placed from 23-30/5/2016 in Ha Noi in 25 professions, 5 councils, had attracted 498 contestants from 58 delegations of 06 ministries/industries, 03 Groups and 49 provinces and municipalities. 25 professions were common, had large human resources and able to meet the requirements of industrialization-modernization and international integration, and in line with the development trend of modern science and technology such as: Mechantronics, Industrial Automation, Information Technology Software, Information Technology Network System Administration, Welding, Electrical Installation, Electronics, CDA design, website design, etc.

Source: General Directorate of Vocational Training

By the end of 6/2016, there were 733,775 students enrolled, including: vocational college 19,074 students; secondary vocational training 30,600 students; elementary vocational training and vocational training less than 3 months 684,101 students (reached approximately 36% of the plan), in which nearly 120,000 rural workers were supported in vocational training under the Scheme 1956 (reached 27% of the plan). Recognizing and certificating of national vocational skills for 1,345 workers qualified in 2015, and 136 workers qualified in April and May 2016.

Unemployment Insurance

By the end of quarter 2/2016, there were 10,504.7 thousand participants of

unemployment insurance (UI), accounted for 19.9% the labour force of whole country, an increase of 176 thousand people compared to quarter 1/2016.

In quarter 2/2016, there were 188.4 thousand people applied for unemployment allowance, went up by 97.3% compared to quarter 1/2016 and by 17.4% compared to the same period in 2015; 173.3 thousand people had decision to enjoy monthly unemployment allowance, 0.6 thousand people transferred unemployment allowance, 260.8 unemployed people got consultation and job introduction; in which, 43.1 thousand people found jobs, 6.7 thousand people received vocational training support.

Social Insurance

By the end of quarter 2/2016, the number of participants of compulsory social insurance was 12,338 thousand people, increased by 2.03% compared to quarter 1/2016 and 5.48% compared to the same period in 2015. However, the number of participants of voluntary social insurance continued to decline slightly compared to quarter 1/2016.

The percentage of participant of social insurance in labour force was 23.5%, an increase of 0.46 percentage point compared to quarter 1/2016.

The social insurance liability at the end of quarter 2/2016 was 9,242 trillion, declined by 3.09% compared to the previous period, but still very high and 15.5% higher than the same period in 2015.

Table 8. The participation of social insurance

Criteria	Unit	2015			2016	
		Q2	Q3	Q4	Q1	Q2
Total participants	Thousand people	11,879	12,075	12,290	12,287	12,530
Participation rate in labour force	%	22.12	22.23	22.51	22.59	23.05

By types:						
Compulsory	<i>Thousand people</i>	11,666	11,851	12,065	12,093	12,338
Voluntary		213	223	225	195	192
Compulsory social insurance liability	<i>Billion Dong</i>	7,872	8,001	5,692	9,537	9,242

Source: Vietnam Social Security (2015, 2016)

SECTION 3. LABOUR MARKET OUTLOOK

Continuing to implement the Scheme of Economic Restructuring Associated with the Transformation of the Growth Model towards Improving the Efficiency and Competitiveness in period 2013-2020; improving the business environment; promoting start up; supporting and developing private enterprises, opening to international economic integration, especially approving Free Trade Agreements (Trans-Pacific Partnership, EVFTA), participating in the ASEAN ECONOMIC COMMUNITY are essential factors that attract direct and indirect investment from domestic and foreign to promote employment growth.

Together with the determination to achieve the goal of economic growth in the end of this year, the forecast of employment in some sectors are as follows: “construction” increases by 4.2%; “information and communication” increases by 2.7%; “finance, banking and insurance” increases by 6.6%; “property business” increases by 9.5%. However, drought, salt water intrusion and environmental incidents continue to adversely affect to agriculture that decrease the agro-forestry and fishing production by 0.2% and labour in agriculture continues to fall by 0.8%.

The unemployment rate in the working age can be reduced by around 2% in the last quarters of 2016.

The newsletter is made with the cooperation of the General Statistics Office and the participation of some agencies in the Ministry of Labour-Invalids and Social Affairs: Institute of Labour Science and Social Affairs, Department of Social Insurance, Department of Employment, Department of Overseas Labour, General Directorate of Vocational Training, Labour and Social Affairs Information Centre.

Responsible Publisher:

THE MINISTRY OF LABOUR – INVALIDS AND SOCIAL AFFAIRS

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