



Ministry of Labor –
Invalids and Social Affairs

VIETNAM LABOR MARKET UPDATE NEWSLETTER

No 13, quarter 1, 2017



General Statistics
Office

SECTION 1. SOME INDICATORS OF THE LABOR MARKET

1. Some main indicators

Table 1. Some main indicators of the economy and labor market

Indicator	2016				2017
	Q1	Q2	Q3	Q4	Q1
1. GDP growth rate (%)	5.5	5.8	6.6	6.7	5.1
2. Export turnover growth (% compared to the same period last year)	4.1	5.9	6.7	8.6*	12.8
3. Total capital investment per GDP (%)	32,2	32.9	33.10	33.0*	33.5
4. Consumer Price index (% compared to the same period last year)	1.25	1.72	2.07	2.66*	4.96
5. Labor force (million people)	54.40	54.36	54.44	54.56	54.51
6. Labor force participant rate (%)	77.53	76.62	76.65	76.82	76.55
7. Rate of trained laborers with diplomas/certificates (%)	20.71	20.62	21.50	21.39	21.52
8. Employment (million people)	53.29	53.24	53.27	53.41	53.36
9. Rate of salaried workers in total employment(%)	41.40	41.26	41.03	41.62	42.16
10. Rate of jobs in agriculture, forestry and fisheries industry in total employment (%)	42.31	42.02	41.61	41.54	40.50
11. Average income of salaried workers (million dong)	5.08	4.85	4.93	5.08	5.40
12. Number of unemployed people at working age (thousand people)	1072.3	1088.7	1117.7	1110.0	1101.7
13. Unemployment rate at working age (%)	2.25	2.29	2.34	2.31	2.30
13.1. Urban unemployment rate (%)	3.08	3.11	3.23	3.24	3.24
13.2. Youth unemployment rate (aged15- 24) (%)	6.63	7.10	7.86	7.28	7.29

Source: GSO (2015, 2016), Quarterly Labor-Employment Survey and Statistical Data

TCTK (2017), Report on socio-economic status quarter 1, 2017

(*) all-year data

The economic growth rate in quarter 1/2017 is lower than that in the same period in the past, the Consumer Price Index (CPI) increases, however, the labor market sees positive changes: employment rate in

agriculture, forestry and fishery industry decreases more than that in the previous quarters, the rate of salaried workers further increases, the unemployment rate of people with university and higher degree.

2. Population aged 15 and over and the labor force

The labor force participation rate decreases, the proportion of trained workers continues to increase.

In quarter 1/2017, the population aged 15 and over reaches 71.71 million, up 1.49% compared with Q1 2016, the female rate rise 1.40%; urban areas rate increase 2.21%.

The scale of the labor force aged 15 and older reaches 54.51 million, increasing by 0.18% compared to Q1 2016, urban areas up 0.82%

Table 2. Size and rate of labor force participants aged 15 and over.

	2016				2017
	Q1	Q2	Q3	Q4	Q1
1. Population aged 15 and over (Million people)					
General	70.66	70.85	71.03	71.58	71.71
Male	34.392	34.46	34.58	34.81	34.94
Female	36.264	36.39	36.45	36.76	36.77
Cities	24.587	25.07	24.86	25.12	25.13
Rural areas	46.069	45.78	46.17	46.46	46.58
2. Labor force (Million people)					
General	54.4	54.36	54.43	54.56	54.51
Male	28.213	28.085	28.08	28.14	28.30
Female	26.19	26.276	26.35	26.41	26.21
Cities	17.38	17.48	17.53	17.55	17.52
Rural areas	37.02	36.882	36.90	37.01	36.98
3. Labor force participation rate * (%)					
	77.53	77.23	77.34	76.82	76.55

Source: GSO (2015, 2016), Quarterly Labor Force Survey..

* Only those who are currently working in Vietnam are taken on account of

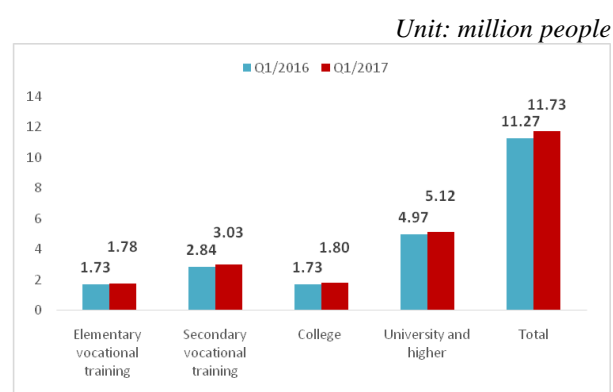
The labor force participation rate of the population aged 15 and over in the first quarter of 2017 is 76.82%, decreasing 0.17 percentage points from the fourth quarter of 2016 and 2.02 percentage points compared to the same period.

In Quarter 1/2017, the number of trained workers aged 15 and over having obtained diplomas and certificates of at least 3 months is 11.73 million, going up 460 thousand people (4.08%). In particular, a significant increase is observed in the number of people

who receive secondary vocational school (6.53%), followed by college (4.24%), elementary vocational training (3.11%), and university and postgraduate (2.98%).

Trained workers with degrees/ certificates in Q1/2017 account for 21.52% of the labor force, up 0.13 percentage points from Q4 / 2016 and 0.81 percentage points compared to the same period last year.

Figure 1. Number of skilled workers by level, quarter 1/2017 and quarter 1/2017



Source: GSO (2015, 2016), Quarterly Labor Force Survey

3. Employment

The number of employed people has increased compared with Q1/2016. The labor structured shifted quickly and the number of employed people further increases.

In Quarter 1/2017, the number of employed people is 53.36 million, 74.43 thousand people increase (0.14%) compared with quarter 1/2016; however, there is a decrease of 41.85 thousand people (0.08%) compared with quarter 4/2015 (211 thousand, 0.4%).

Table 3. Number of jobs and employment structure

	2016				2017
	Q1	Q2	Q3	Q4	Q1
1 Quantity (million people)					
	53.29	53.24	53.27	53.41	53.36
2 Structure (%)					
a Gender					
Male	51.70	51.64	51.52	51.55	51.77
Female	48.30	48.36	48.48	48.45	48.23
b Urban/Rural Areas					

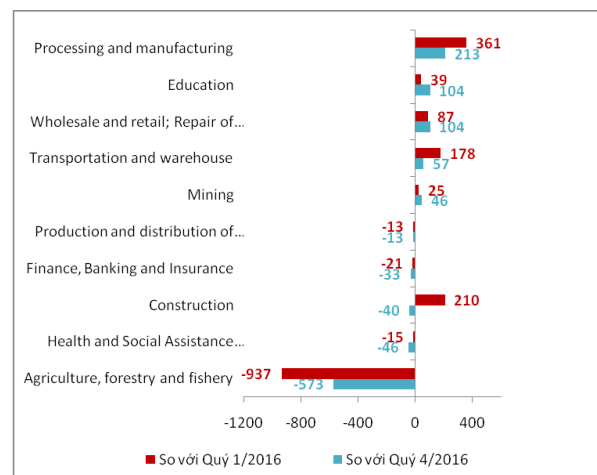
Urban areas	31.68	31.88	31.91	31.84	31.82
Rural areas	68.32	68.12	68.09	68.16	68.18
c Economic industries					
AFTS	42.31	42.02	41.61	41.54	40.50
Industry- Construction	24.45	24.53	24.93	25.05	25.49
Service	33.24	33.45	33.46	33.41	34.01
d Job status					
Owner	2.81	2.81	2.77	2.82	2.24
Self- employed	39.48	39.68	39.83	39.28	39.85
Household labor	16.30	16.24	16.28	16.20	15.72
Salaried workers	41.40	41.26	41.03	41.62	42.16
Cooperative members	0.01	0.02	0.09	0.08	0.03

Source: GSO (2015, 2016), *Quarterly Labor Force Survey*.

The business climate has been improved, the number of enterprises in 2016 increased significantly and positive signal of export, foreign tourist attraction and foreign investment in the first months of 2017 has pushing up labor structure shifting. The employment rate in agricultural, forestry and fishery (AFTS) is 40.5%, decreasing 1.04 percentage point compared to the fourth quarter of 2016 and 1.8 percentage point compared to the same period in 2016. The employment proportion of the industry-construction increased 0.44 percentage point compared to Q4/2016 and 1.04 percentage point compared to Q1/2016. The proportion of employment in the service sector increased by 0.6 percentage point compared to Q4/2016 and 0.77 percentage point compared to the same period last year.

Figure 2. Changes in employment in quarter 1/2017 by industries compared with quarter 1/2016 and quarter 4/2016

Unit: thousand people



Source: GSO (2015, 2016), *Quarterly Labor Force Survey*

Compared to Q4/2016 the number of employed people increases strongly in some sectors such as manufacturing and processing (increase of 213 thousand people), education and training, wholesale and retail, car and motorcycle repair (increase of 104 thousand people), transportation and warehouse (increase of 57 thousand people) and mining (increase of 46 thousand people). In contrast, the number of employed people decreases in some sectors such as agricultural, forestry and fishery (AFTS) (decrease of 573 thousand people), social assistance activities (decrease of 40 thousand people), construction (decrease of 40 thousand people), finance, banking and insurance (decrease of 33 thousand people).

In quarter 1/2017, along with the increase in the number of enterprises, the number of salaried workers goes up to 22.5 million people, accounting for 41.16% total employment, increasing 0.54 percentage point compared to Q4/2016 and 0.76 percentage point compared to the same period last year.

4. Income of salaried workers¹

The income of wage earners increases significantly compared to Q4/ 2016 and the corresponding period of 2016.

In quarter 1/2017, the average monthly income of salaried workers is 5.4 million, up

¹ Only main jobs are taken into account

323 thousand (6.4%) from the fourth quarter of 2016, and up 318 thousand (6.3 %) over the same period in 2016.

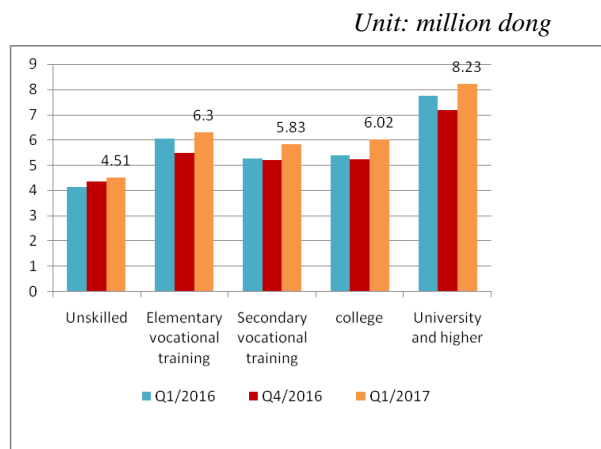
Table 4. Average income of salaried workers

Unit: million dong

	2016				2017
	Q1	Q2	Q3	Q4	Q1
General	5.08	4.85	4.93	5.08	5.40
Male	5.29	5.10	5.19	5.24	5.64
Female	4.79	4.51	4.58	4.85	5.08
Urban areas	6.16	5.68	5.76	6.03	6.11
Rural areas	4.20	4.16	4.25	4.30	4.58
Household/individual	3.93	4.03	4.10	4.16	4.16
Cooperative	3.36	3.55	3.21	3.66	3.79
Non-state enterprises	5.75	5.42	5.51	5.58	6.05
State enterprise	7.61	6.72	6.54	6.56	7.45
Non-state enterprise	6.12	5.53	5.56	6.36	6.62

Source: GSO (2016), Quarterly Labor Force Survey

Figure 3. Monthly income of wage laborers by technical profession



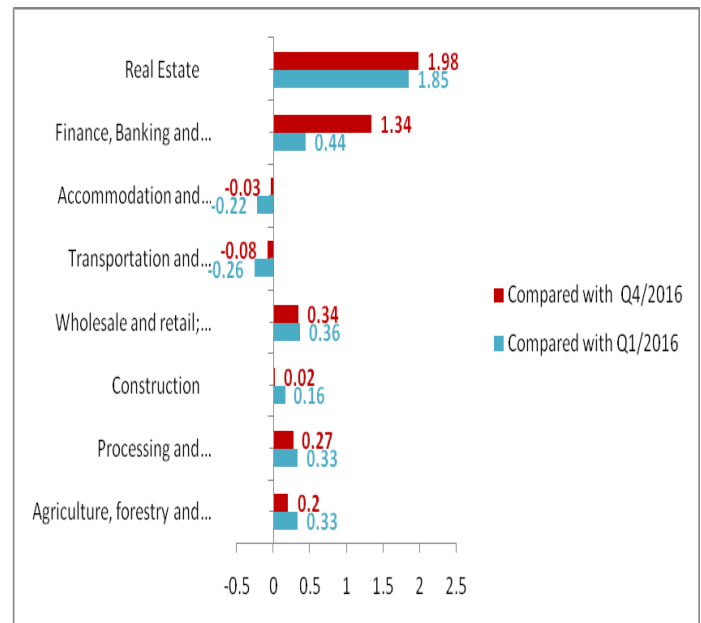
Source: GSO (2016, 2017), Quarterly Labor Force Survey.

Compared to Q4/2016, the highest income belongs to workers with university degree and higher (8.23 million dong). The noticeable point is that the income of workers at elementary level is higher than that of workers at secondary level and college.

The majority of workers have income increase compared to Q4/2016 and the same period in 2016, except transportation, warehouse, accommodation and catering service.

Figure 4. Changes in monthly income of salaried workers by sectors

Unit: million dong



Source: GSO (2016), Quarterly Labor Force Survey

Q1/2017, 21.2% salaried workers belong to group of low income (3.13 million dong/month), increasing compared to Q4/2016 (20.2%). Of which, there are 81.4% workers without technical profession.

5. Unemployment and underemployment

a. Unemployment

The unemployment rate decreases significantly in the tertiary level of education compared to Q4/2016.

In quarter 1/2017, the country has 1,101.7 thousand people unemployed at the working age, decreasing by 8.3 thousand people compared with the fourth quarter of 2016 but increasing 29.5 thousand people compared with Q1 2016. The unemployment rate declines slightly to 2.3% (2.31% in Q4/2016), however, still higher than that in the same period last year (2.25% in Q1/2016).

Table 5. Number of unemployed people by sex, urban / rural residence and age group

Unit: thousand people

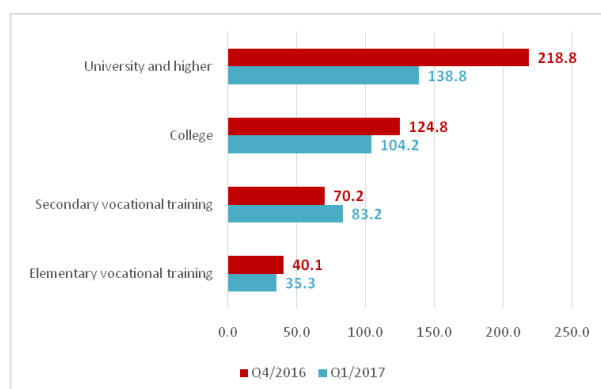
	2016				2017
	Q1	Q2	Q3	Q4	Q1
General	1,072.3	1,088.7	1,117.7	1,110.0	1,101.7
Male	647.9	574.4	619.4	598.7	654.8
Female	424.4	514.4	498.4	511.3	446.9
Urban areas	488.0	495.2	515.7	520.3	518.3
Rural areas	584.3	593.5	602.0	589.7	583.4
Young adults (15-24)	540.7	567.7	642.6	586.7	548.5
Adults (≥25)	531.5	521.1	475.1	523.3	553.3

Source: GSO (2016), Quarterly Labor Force Survey

The unemployment rate of people with tertiary education level and higher declines strongly.

Figure 5. Number of unemployed in working age by qualification

Unit: thousand people



Source: GSO (2016), Quarterly Labor Force Survey.

The number of unemployed people with university degree and higher is 138.8 thousand people, decreasing 80 thousand people compared to Q4/2016. The unemployment rate of this group is 2.79%, decreasing strongly compared to the previous quarter (4.43%). The group of unemployed people with college degree has 104.2 thousand people, decreasing 20.6 thousand people compared to Q4/2016. The unemployment of this group decreases to 6.00%, however, still stands the highest point. The group of secondary level has 83.2 unemployed people, increasing 13 thousand people, unemployment rate at 3.08%.

Compared to Q4/2016, the number of young people decreases by 38.2 thousand

people, the unemployment rate is at 7.29%, higher than that in the previous quarter and the same period last year.

Table 6. Unemployment rate of people in working age

Unit: %

	2016				2017
	Q1	Q2	Q3	Q4	Q1
General	2.25	2.29	2.34	2.31	2.30
Male	2.5	2.23	2.40	2.31	2.52
Female	1.95	2.36	2.27	2.31	2.04
Urban areas	3.08	3.11	3.23	3.24	3.24
Rural areas	1.83	1.88	1.89	1.84	1.83
Unskilled	1.75	1.86	1.84	1.78	1.77
Elementary vocational training	1.99	1.76	1.76	2.17	2.12
Secondary vocational training	3.04	3.21	3.20	2.74	3.08
College	7.69	6.25	7.50	7.38	6.00
University or higher	3.93	4.00	4.22	4.43	2.79
Youth (15-24)	6.63	7.10	7.86	7.28	7.29
Adults (≥25)	1.35	1.32	1.20	1.31	1.37

Source: GSO (201, 2017), Quarterly Labor Force Survey

b. Underemployment

The number of underemployed people at the working age increase in quantity and proportion

In Q1/2017, there are 850.3 thousand underemployed workers,² up 100.7 thousand people compared with Q4/2016 and 29 thousand people compared to Q1/2016. The underemployment rate in working age is 1.82%, increasing slightly compared to Q4/2016.

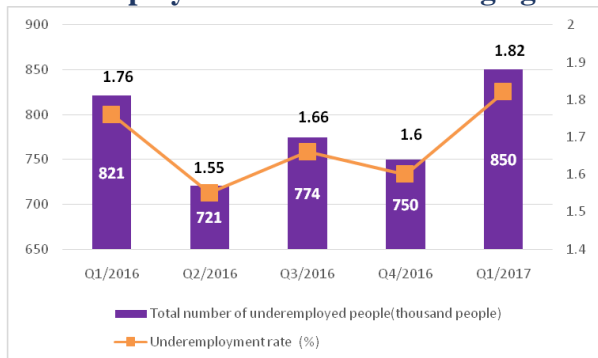
In the total of the underemployed, there are 85% people from rural areas, 77% people working in agricultural, forestry and aquaculture sector.

The average number of working hours per week for underemployed workers is 23.6

² The underemployed are people who have working time fewer than 35 hours in the surveyed week with desire and readiness to work.

hours, just as much as 53% of the country's total hours worked (45 hours per week).

Figure 6. Number and percentage of underemployed workers in working age



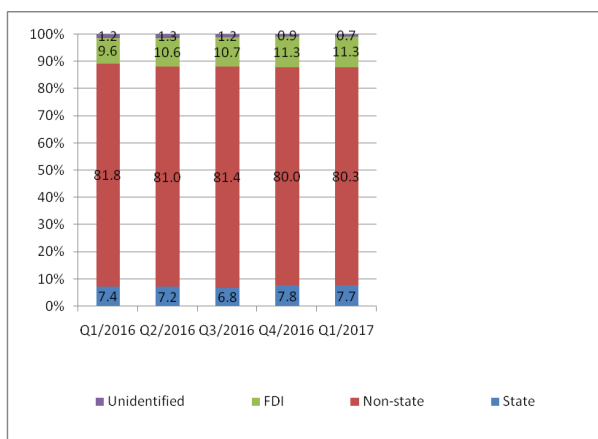
Source: GSO (2016, 2017), Quarterly Labor Force Survey.

6. Labor supply-demand connection³

- Labor demand:

Q1/2017, according to the information from MOLISA's portal, the enterprises has demand of 270.5 thousand people, increasing 46.3 thousand people (20.7%) compared to quarter 4/2016, of which non-state enterprises account for 80.3%, increasing 0.3 percentage point compared to Q4/2016.

Figure 7. The demand for labor by types of enterprises



Source: Calculation from the Ministry of Labor, Invalids and Social Affairs portal, Q1 / 2017

³ Information on demand for recruitment and employment from MOLISA's portal for Q4 2016.

The demand for recruitment of male workers accounts for 42.9%, increasing 0.1 percentage point compared to Q4/2016 (42.8%)

In Q1/2017, some jobs have high demand of recruitment are "unskilled labor" (account for 47.7%, lower than that in Q4/2016 (67.9%)), "garment and textile" accounts for 31.5% higher than that in Q4/2016 (13.3%).

- Labor Supply:

According to the information from MOLISA's portal, there are 15.6 thousand people seeking for jobs, decreasing 82.3% compared to Q4/2016, of which female people account for 7.0 thousand people (44.8%).

Among people seeking for jobs, the group of people with secondary vocational training accounts for 4.7 thousand people, accounting for 30.4%, much lower than Q4/2016 (21.6 thousand people); the group of people with college degree accounts for 21.3% and group of university degree takes up 15.9% in total job seekers that decreases by 14.6 and 13 thousand people respectively compared to Q4/2016.

In term of occupation, "accounting-auditing" job sees the highest number of job seekers (3.6 thousand people, accounting for 23.4%), decreasing 16.5 thousand people compared to Q4/2016. The following group is "human resource" (1.1 thousand people, accounting for 7.1%) decreasing 5.4 thousand people compared to quarter 4/2016, and "unskilled" (1.1 thousand people, accounting for 7%), decreasing 5.8 thousand people compared to Q4/2016.

Table 7. Structure of job seekers' demand on employment on job portals by gender and technical profession level (%)

Unit: %

	2016				2017
	Q1	Q2	Q3	Q4	Q1
Total	100.0	100.0	100.0	100.0	100.0
By gender					
Male	54.0	52.3	51.9	52.3	55.2
Female	46.0	47.7	48.1	47.7	44.8
By technical profession					
Without qualification	20.4	20.0	18.8	18.7	19.1

Elementary	13.1	13.1	12.8	13.3	13.3
Secondary	29.3	30.9	30.6	30.0	30.4
College	19.7	19.2	20.0	20.3	21.3

University and higher	17.5	16.8	17.6	17.6	15.9
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Source: ILSSA collected from MOLISA's portal

SECTION 2. RESULTS OF IMPLEMENTING SOME LABOR MARKET POLICIES

Job introduction via job center of labor, invalids and social affairs (LISA) sector

In Q1/2017, the country has 98 job introduction service centers, of which 63 centers managed by LISA sector. These centers organized 267 job transactions, increasing 2 transactions compared to the same period last year and decreasing 69 transactions compared to Q4/2016. The number of people that are advised and introduced are 720.4 thousand (increasing 1,455 people turns compared to Q1/2016 and decreasing 59,545 people turns compared to Q4/2016), of which 232.3 thousand people received jobs (increases 2,355 people turns compared to Q1/2016 and decreases 9.645 people compared to Q4/2016).

Sending laborers to work overseas for a definite contract:

By the end of Q1/2017, there were 278 enterprises licensed to export labor, including 15 state-owned enterprises, 208 joint stock companies, 55 companies liability limited

In the first quarter of 2017, 22,572 people were employed under overseas contracts, of which (36.6% were female). Oversea markets include: Taiwan market has 10,896 people (48.27%); Japanese market has 9,684 people, Korean market has 675 people (3%); Arab –

Saudi market has 594 people (2.6%), and others.

Unemployment Insurance:

Q1/2017, the country has 119,969 participants with unemployment insurance, increasing by 24,506 people (25.7%) compared with the same period last year and decreasing by 14,666 thousand people compared with Q4 / 2016.

The reason for unemployment: 39.5% due to termination of the labor contract, employment contract or agreement of two parties on terminating labor or employment contract; 35,0% due to unilateral terminating the labor contract and employment contract; 8,1% because enterprises go bankruptcy and dissolving or changing technology structures stood; 1,9% due to disciplinary actions and dismissal and 15.5% due to other causes.

In Q1/2017, there are 102,367 people benefited unemployment allowance, decreasing 45,547 people (decrease of 30,8%) compared to Q4/2016, however, increasing 18,276 people (an increase of 21,7%) compared to the same period in 2016. Of which, female people account for 55.6%; people aged from 25-40 years old still stand at high level (male 66,0%; female 68,9%).

Table 8. The status of Unemployment insurance implementation

Unit: people

Indicators	2016				2017
	Q1	Q2	Q3	Q4	Q1
Number of people registering for unemployment insurance	95,463	188,347	283,810	134,635	119,969
Number of people having decisions of enjoying unemployment allowance	84,091	173,278	257,369	147,914	102,367

Number of people transferring to enjoy unemployment allowance	490	655	1,145	759	687
Number of unemployed with advise	141,409	260,816	402,225	229,632	194,214
<i>Of which: Number of people enjoy job instruction</i>	<i>21,959</i>	<i>43,045</i>	<i>65,004</i>	<i>38,055</i>	<i>28,363</i>
Number of unemployed people having decisions of being supported for vocational training	5,263	6,723	11,986	7,437	5,954

Source: Department of Employment, 2016, 2017.

In the first quarter of 2017, according to the unemployment insurance registration channel, there are 194,214 turns of people who are recommended for employment counseling and 28,363 turns of people who are introduced job, an increase of 6,404 (+ 29.2%) over the same period of 2016.

Among people receiving monthly unemployment allowance, 5,954 people attended vocational training, an increase of 691 (+ 13.1%) over the same period in 2016. There are 47 people who are not eligible for unemployment allowance, are supported vocational training.

Table 9. Social Insurance participation

Expenditure	2016				2017
	Q1	Q2	Q3	Q4	Q1
Total number of participants (thousand people)					
Total	12,287	12,530	12,694	13,065	13,335
By types:					
Compulsory	12,093	12,338	12,500	12,862	13,100
Voluntary	195	192	194	203	235
The share of participants to labor force (%)	22.59	23.05	23.35	23.95	24.09
Compulsory social insurance debt (VND billion)	9,537	9,242	8,982	6,551	10,001
Beneficiaries (thousand)					
Monthly	35.89	-	-	42.99	33.89
Lump-sum	104.06	-	-	154.05	137.37
Sickness, maternity, convalescence	1,507.65	-	-	2,800.65	1,919.12

Source: Vietnam Social Insurance, 2016, 2017

Social insurance participation:

Till the end of Q1/2017, total number of social insurance participants of the country is 13,335 thousand people. Of which: the number of compulsory Insurance participants is 13,100 thousand people, increasing 238 thousand people equivalent to 1.85% compared with Q4/2016 and increasing 8.3%

compared with the same period in 2016; the number of voluntary participants is 235 thousand people, increasing 15.8% compared to Q4/2016 and 20.5% compared to the same period last year.

The proportion of participants to labor force is 24.09%, increasing 1.5 percentage point compared to the same period in 2016.

In Q1/2017, total revenue of social insurance is 43,932 billion dong, increasing 28.1% compared to the same period in 2016. However, the social insurance debt rise quickly. Up to 31/3/2017, the debt is 10,001 billion dong, increasing 464 billion dong (equivalent to 4.8%) compared to the same period in 2016, increasing 3,451 billion dong (equivalent to 52.7%) compared to Q4/2016.

The status of receiving social insurance benefit:

In Q1/2017, there are 2.09 million turns of people receiving social insurance schemes, increasing 442.79 turns of people (27%) compared to the same period in 2016. Of which: there are 33,890 people benefited monthly

allowance, decreasing 2 thousand turns of people (6%); 137,370 people receive lump-sum, an increase of 33.31 thousand people (24%) and 1,919,122 turns of people benefit from illness, maternity and healthcare schemes, increasing 441.47 thousand people (21%) compared with the same period last year.

In the first three months of 2017, the estimated social insurance expenditure is 45,072 billion dong, of which: SI expenditure from the State budget is 12,213 billion dong and from SI fund is 32,589.5 billion dong.

SECTION 3: LABOR MARKET POTENTIAL

The economy of Viet nam in Q2/2017 is forecasted to be recovered along with the trend of the world economy. The belief of enterprises is consolidated, 51.2% of Vietnamese enterprises believe that Q2 will have more orders than Q1⁴. The weather conditions is favorable to improve the developing of agriculture, forestry and fishery sector, and the production and public investment in key projects. The number of projects with high level of technology application will go up and the capability of production will be improved in Q2.⁵.

This developing has positive impact on the labor market, especially in salaried workers.

The labor force in Q2/2017 is forecasted to remain stability (increase 0.2% compared to Q2/2016; decrease 0.07% compared to Q1/2017), the participation of labor force is projected to decrease compared to Q2/2016 (75.8% compared with 76.2%).

It is forecasted that the number of employed people is 53.47 million people (increase 0.2% compared to Q1/2017), the rate of salaried workers will further increase (account for 42.7%)

The newsletter was conducted by the cooperation of the General Statistics Office and some functional units of the MOLISA, Institute of Science, Labor and Social Affairs, Department of Social Insurance, Department of Employment, Department of Overseas Labour, Directorate of Vocational Training, Labour and Social Affairs Information Centre

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⁴ National Center for Socio-Economic Information and Forecasting (2017), Vietnam Economic Forecast Quarter 2/2017.

⁵ UBGSTCQG (2017), Report on Economic status Q1/2017 and forecast for 2017