



1. Key indicators

Table 1. Key economic and labour market indicators

Indicator	2014				2015
	Q1	Q2	Q3	Q4	Q1
1. GDP growth rate (y-o-y, %)	5.1	5.3	6.1	7.0	6.0
2. Export turnover growth rate (y-o-y, %)	14.1	14.9	12.3	13.5	4.2
3. Total capital investment (% GDP)	28.4	30.1	31.2	31.0	30.4
4. Consumer price index (%)	5.5	4.8	3.6	1.8	0.7
5. Labor force (million people)	53.58	53.71	54.31	54.43	53.64
6. Labor force participation rate (%)	77.5	77.5	77.9	77.7	77.4
7. Share of skilled labor with certificates/degrees (%)	18.55	18.31	18.42	18.45	22.04*
8. Employment (million people)	52.53	52.83	53.26	53.44	52.43
9. Share of wage workers in total employment (%)	34.9	35.2	35.2	36.4	37.8
10. Share of agricultural, forestry and aquacultural workers in total employment (%)	47.53	47.07	46.56	45.25	45.00
11. Unemployment (thousand people)	1,045.5	871.8	1,036.0	975.2	1,159.8
12. Unemployment rate in the working age (%)	2.21	1.84	2.17	2.05	2.43
Of which:					
12.1. Urban unemployment rate (%)	3.72	3.26	3.27	3.21	3.43
12.2. Youth unemployment rate (15-24 years old) (%)	6.66	5.09	7.02	6.17	6.60

Source: GSO Monthly statistics data and Quarterly labor and employment survey data (2014,2015).

*Since 2015, workers with occupational certificates for less than 3 months training course has been added in the group of trained workers with degrees/certificates

Economy continued to show positive trend in the first quarter (Q1) of 2015, Gross Domestic Product (GDP at constant price) in Q1 of 2015 increased by 6.03% compared with Q1/2014. It was the highest increase level of Q1 over the past 5 years (because of growth in domestic industrial and construction sectors).

Labor force in Q1 of 2015 slightly increased in comparison with the same quarter last year (an increase of 63 thousand people). However, number of

employed workers slightly dropped (99 thousand people in comparison with the same period of 2014); general unemployment rate raised 0.22 percentage point due to an increase of rural area (0.42 percentage point) while it declined in urban area (0.29 percentage point); youth unemployment rate slightly dropped by 0.06 percentage point. Share of wage workers in total employments increased by 2.9 percentage point. Share of agricultural, forestry and aquacultural workers in total employment sharply declined, by 2.53 percentage point.

2. Population aged from 15+ and labor force (LF)

The population aged from 15+ reached 69.75 million people in Q1/2015, an increase of 571 thousand people (0.83%) compared with Q1/2014, in which, women raised 185 thousand people (0.52%), accounted for 51.36%; urban population rapidly increased with nearly 1.15 million people (5.06%).

The size of labor force in Q1/2015 reached 53.64 million people, an increase of 63 thousand people (0.12%) compared with the same period of 2014, in which, women labour force reduced 245 thousand people (-0.94%); and urban LF sharply rose 913 thousand people (5.7%) due to migration of workers from rural to urban area in the context of economic recovery.

Table 2. The size and participation rate of 15+ labor force

	2014				2015
	Q1	Q2	Q3	Q4	Q1
1. LF size (Mil. people)	53.58	53.71	54.31	54.43	53.64
+ Male	27.51	27.58	28.04	27.97	27.82
+ Female	26.07	26.13	26.26	26.46	25.82
+ Urban	16.03	16.03	16.30	16.36	16.94
+ Rural	37.55	37.68	38.01	38.07	36.70
2. LF participation rate (%)	77.45	77.50	77.93	77.69	74.40

Source: GSO Quarterly labor and employment survey data (2014, 2015).

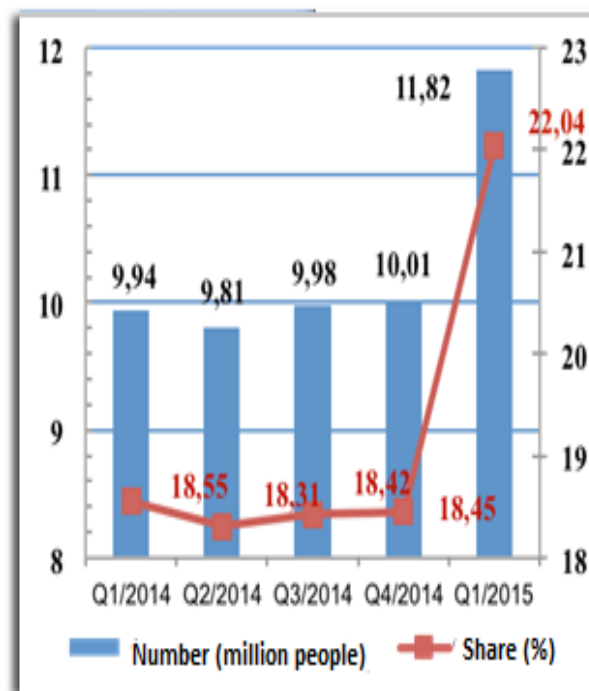
LF participation rate remains unchanged compared with Q1/2014, was 77.4% vs. 77.5% of Q1/2014.

Size of skilled labor force with certificates/degrees quickly expanded (included also workers with certificates for less than 3 months training course), reached 11.82 million people in Q1/2015, accounted for 22.04% of total labor force, an increase of 1.81 million people (18.07%) compared with Q4/2014 and 1.89 million people compared with Q1/2014. Notably, labor force with college, university level and higher promptly increased, an increase of

871 thousand people, accounted for 46.2% of total increase level.

Share of workers having certificates/degrees reached 22.4%. Trained labor force with certificates/degrees in Q1/2015 accounted for 22.04% of total Labor force, increased by 3.49 percentage point compared to Q1/2014.

Chart 1. Number and share of trained LF with certificates/degrees



Source: GSO Quarterly labor and employment survey data (2014, 2015)

In Q1/2015, among 11.82 million labor with certificates/degrees, there were 4.3 million people graduated from university accounted for the highest proportion in total workers with certificates/degrees (36.39%); followed by workers with professional highschool/ secondary vocational degree level (nearly 3.06 million people, accounted for 25.84%); primary vocational level (about 1.99 million people, accounted for 16.79%); college/vocational college level (1.7 million people, accounted for 14.39%); trained workers with vocational certificate less than 3 months was 416 thousand people, accounted for 3.52%; and the lowest share was in group of labor at postgraduate level (362 thousand people, accounted for 3.06%).

Table 3. Number and share of skilled LF with certificates/degrees by the highest level in Q1/2015

	Number (Thousand people)	Structure (%)	Share in LF (%)
General	11,821	100.00	22.04
Vocational certificate less than 3 months	416	3.52	0.78
Primary vocational level	1,985	16.79	3.70
Professional highschool/Secondary vocational level	3,055	25.84	5.70
College/Vocational College	1,701	14.39	3.17
University	4,302	36.39	8.02
Postgraduate	362	3.06	0.68

Source: GSO Quarterly labor and employment survey data (Q1/2015)

Notably, considering the highest share of labor with certificates/degrees among labor force, the share of labor with vocational college, university degree and above was 11.41%, approximately two times higher than trained labor with certificates/degrees (6%) reflecting the imbalance in training structure compared with demand on human resource of developing country.

3. Vocational training

The Vocational Education Law passed by the National Assembly (took effective from 1st July 2015) has resulted to new guidelines for comprehensive advancements in general and vocational education in particular, it has created new platform for vocational education system of Vietnam.

Box 1: Highlights in “Vocational Education Law 2014”

The breakthrough points showing preferential and attractive policy for trainees in the Vocational Education Law 2014 are as following:

(i) In terms of recognition of graduation, issuance of degrees, diplomas and certificates; added a form of moduls and credits accumulation without taking the final examination;

(ii) College graduates are certified as practical engineer or practical bachelor based on trained occupations;

(iii) Exempting 100% tuition fees for social policy beneficiaries, student graduating from secondary school when they study at secondary vocational schools or study majors that are difficult to recruit but society needs and particular occupations;

(iv) Expanding number of targets benefited from policy for boarding students who are ethnic minorities in household under the poor, near poor category, people with disability; Kinh people in household under the poor, near poor category, people with disability, people having permanent residence in ethnic minority areas, border area, island and so on

By the end of 2014, there were 171 Vocational Colleges, 301 Vocational Secondary Schools, 991 Vocational Training Centres and more than 1000 vocational training facilities nationwide.

In 2014, new vocational training enrolments reached 2,023 thousand people, grew by 16.8% compared with 2013. This result was mainly due to increase of primary vocational level and vocational training for less than 3 months (rose 18.9% accounted for 53% in total new enrolments).

Table 4. New enrolments in 2014

Qualification	Number (People)	Share (%)	Growth rate (%) compared with 2013
Total	2,023,285	100.00	16.8
Vocational College	87,988	4.3	0.1
Secondary Vocational level	132,605	6.6	3.4
Primary Vocational level	816,911	40.4	
Vocational Training for less than 3 months	985,781	48.7	18.9

Source: General Bureau of Vocational Training, 2015

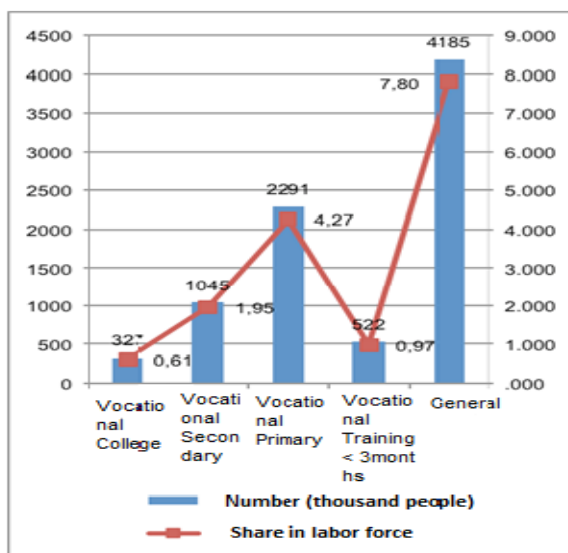
Some occupations had a high number of new enrolments such as: Industrial

Electricity, Automotive Technology, Network Administrator, Refrigerators and Air conditioners Technology, Garment, Enterprises Accounting, Cooking, Industrial Electronics, Information Technology (Software Application), Hotel Management and so on. However, number of new enrolments for heavy, hazardous or dangerous occupations was quite small or even without new enrolment such as: Drill and Blasting, Plating, Forging, Stamping out technology, Mine Construction technique, industrial waste water treatment, etc.

Q1/2015, there was 4.2 million people with certificates/degrees nationwide, accounted for 7.86% in total LF, including vocational colleges (327 thousand people), vocational secondary schools (nearly 1.045 million people), vocational primary schools (2.291 million people) and vocational training certificates for less than 3 months (522 thousand people). Remarkably, there were approximately 998 thousand people with both vocational training certificate/degree and professional education certificate.

Chart 2. Number and share of skilled labor with certificates/degrees

Unit: %



Source: GSO Quarterly labor and employment survey data, Q1/2015

4. Employment

In Q1/2015, there were 52.43 million employed people in the whole country, dropped 1.013 thousand people (1.93%) compared with Q4/2014 and dropped 99 thousand people (0.19%) compared with the same period last year.

In Q1/2015, there were 16.39 million employed workers in urban area, an increase of 908 thousand people comparing with Q1/2014. In rural area, there were 36.04 million employed workers, a decrease of 1.007 thousand people.

Employment structure positively changed over the last 12 months, employment in urban area climbed from 29.5% to 31.3% of total employment.

Table 5. Number of employed people by gender, urban-rural area

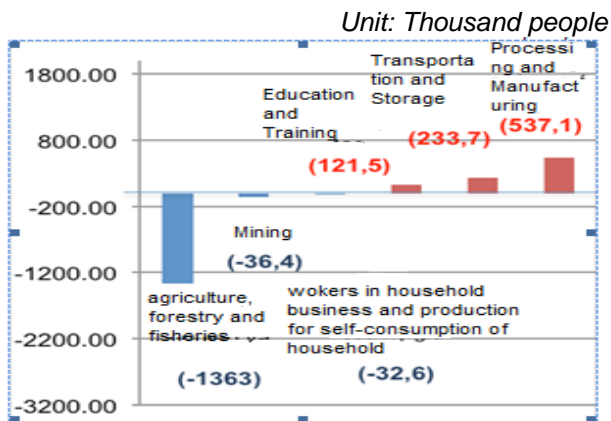
Unit: million people

	2014				2015
	Q1	Q2	Q3	Q4	Q1
Total	52.53	52.83	53.26	53.44	52.43
Male	26.96	27.10	27.46	27.46	27.17
Female	25.57	25.73	25.79	25.98	25.25
Urban	15.48	15.55	15.81	15.88	16.39
Rural	37.05	37.29	37.45	37.56	36.04

Source: GSO (2014, 2015), Quarterly labor and employment survey data

In comparison to Q1/2014, in Q1/2015, the impressive recovery of “processing and manufacturing industry” continued to be shown with the highest increase level (573.1 thousand people) compared with Q1/2014, followed by “transportation and storage” sector (233.7 thousand people); the third was “education – training” sector (121.5 thousand people); in contrast, employment in agriculture, forestry and fisheries sharply declined (1.36 million people) in the same period.

Chart 3. Employment changes in Q1/2015 by sector compared to Q1/2014



Source: GSO (2014, 2015), Quarterly labor and employment survey data.

Employment structure positively changed, the share of employment in industry and construction sector increased from 20.52% to 21.50% within the last 12 months, service sector grew from 31.99% to 33.50% whereas it was 45.00% in agriculture, forestry and fisheries sector, a robust decrease compared with Q1/2014 (47.53%).

The share of wage workers in total employment quickly increased in Q1/2015, reached 37.79%, an increase of 2.88 percentage point compared to Q1/2014.

Table 6. Employment structure by industry and position

Unit: %

	2014				2015
	Q1	Q2	Q3	Q4	Q1
Total	100.0	100.0	100.0	100.0	100.0
By 3 groups of industries					
Agriculture, forestry and fisheries	47,53	47,07	46,56	45,25	45,00
Industry - Construction	20,52	21,01	21,74	22,35	21,50
Service	31,99	31,87	31,70	32,40	33,50
By employment position					
Employer	2,22	2,12	1,95	2,01	2,98
Self-employed	40,96	41,23	41,28	40,42	42,12
Member of household business	21,87	21,43	21,60	21,11	17,06
Wage worker	34,91	35,18	35,14	36,42	37,79
Member of collective group and unidentifiable	0,04	0,05	0,03	0,04	0,04

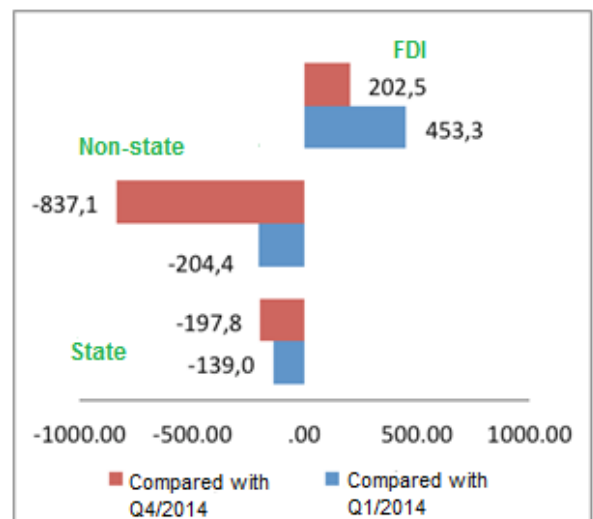
Source: GSO (2014, 2015), Quarterly labor and employment survey data

In terms of ownership mode, FDI sectors was the only sector in which the number of employment increased within the last 12 months, reached 5.94 million employments in Q1/2015, an increase of 203 thousand people compared to Q4/2014 and 453 thousand people compared with the same period last year. As a result, this sector accounted for 4.5% of total employments.

In Q1/2015, number of employments in the state-owned sector dropped 139 thousand people compared with Q1/2014 and 198 thousand people compared with the last quarter. In non state owned sector, this number also declined 204 thousand people compared with the same period last year and 837 thousand people compared with the last quarter.

Chart 4. Employment change by ownership compared with Q4/2014 and Q1/2014

Unit: Thousand people



Nguồn: TCTK (2014, 2015), Điều tra LĐ-VL hàng quý.

Labor working overseas under fixed term contracts:

Up to 31/12/2014, there were 207 enterprises licensed by Ministry of Labor, Invalids and Social Affairs to send Vietnamese workers to work overseas under fixed term contracts (of which, 25 enterprises were first time licensed and 26 enterprises were renewed).

In Q1/2015, nearly 26 thousand people were sent to work abroad under contract, accounted for 28.6% of 2015's plan, 2.3 thousand people higher than Q4/2014.

5. Income of wage labor

In Q1/2015, the average monthly income (including wage/salary and other benefits) from main job of wage workers was 4.9 million dong, increased 0.5 million dong (12.3%) compared with Q4/2014 and 0.1 million dong (1.5%) compared with the same period last year. The increase of income was because workers had incentives, bonus for Tet holiday and due to impacts of regional minimum wage adjustment.

Box 2: Negotiation to identify regional minimum wage of National Wages Council (NWC)

After one working year, NWC operated quite effective. As the role of being representative With representative role in conferences of Council on negotiating regional minimum wage in 2015, stakeholders offered recommendation levels for regional minimum wage adjustment based on appropriate grounds: employee representatives based on subsistence needs of employees and their family; employer representatives took into account enterprises' capacity, economic growth and labor productivity; representatives of state management bodies based on overall indicators such as levels of impacts on employment, economic growth. However, disparities among proposed levels of stakeholders were quite high, the negotiation was run quite loudly. National Wage Council had recommended an unified plan and it had been regulated in the Decree No. 103/2014 on regulating regional minimum wage by Government. The Decree took effect on 01/01/2015 applying for workers working in enterprises, collective groups, farms, households,

individuals and organizations with specific levels as following: Region I, 3.1 million VND/month; Region II, 2.75 million VND/month; Region III, 2.4 million VND/month and Region IV, 2.15 million VND/month.

In the first quarter of 2015, the monthly average income of female workers was lower than that of male workers, but the gap was not much (94% compared to 92% of the first quarter in 2014); while the monthly average income of workers in rural areas was lower than that in urban areas, but the gap of income was larger (73% compared to 78% of the first quarter in 2014).

Table 7. The average income and income gap among groups by gender and urban-rural areas

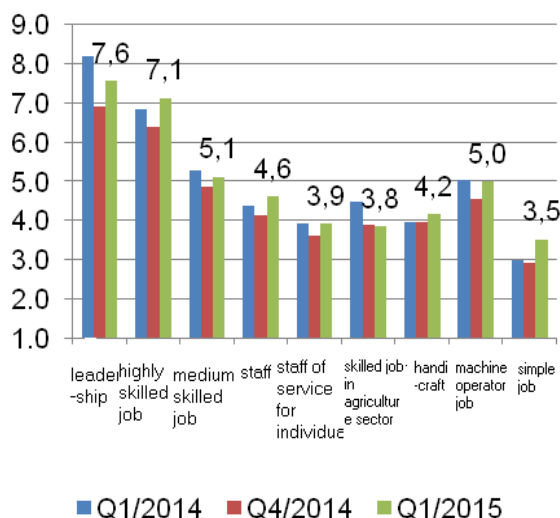
	2014				2015
	Q1	Q2	Q3	Q4	Q1
Monthly average income (million dong)					
General	4.8	4.6	4.4	4.4	4.9
Male	5.0	4.8	4.6	4.5	5.0
Female	4.6	4.4	4.1	4.1	4.7
Urban	5.3	5.0	5.1	5.1	5.7
Rural	4.1	4.0	3.8	3.8	4.2
Income gap (%)					
Female/Male	92.0	91.9	89.9	90.3	93.6
Rural/Urban	78.3	79.0	73.8	73.7	73.2

Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

Pertaining to type of job, the monthly average income of the first quarter in 2015 of all types of job was almost increased compared to the fourth quarter of 2014 and slightly increased compared to that in the same period of 2014. The group of "leadership position" job still held the highest wage level, but it was decreased 0.6 million dong compared to the same period of 2014. The group of "simple job" earned the lowest wage (3.5 million dong) but it had the highest increase of income. Consequently, income gap among groups was narrowed.

Chart 5. The average income of wage earners by type of job

Unit: million dong

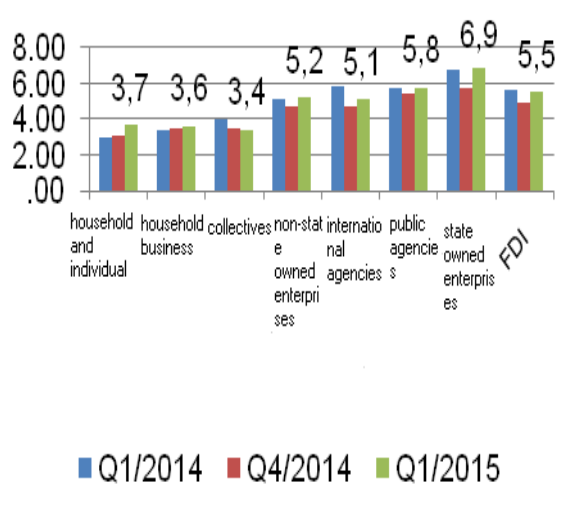


Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

Regarding type of enterprises, workers who work in state-owned enterprises, earned the highest monthly average wage (6.9 million dong). It was increased of 0.9 million dongs compared to the fourth quarter of 2014 (13.3%) and climbed up 0.1 million dong compared to the same period of 2014 (1.5%).

Chart 6. The average income of wage earners by type of enterprises

Unit: million dong



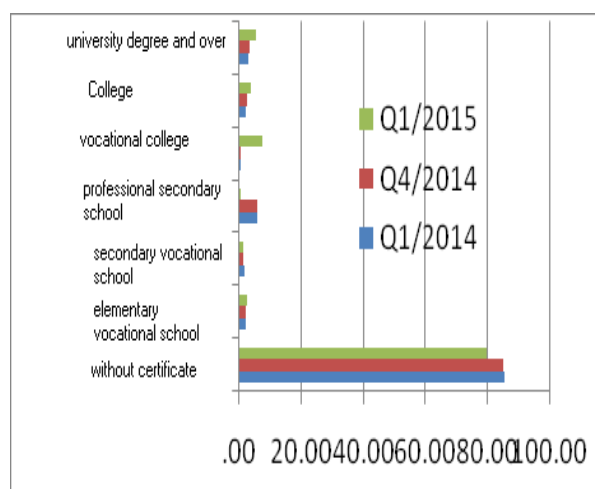
Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

In the first quarter of 2015, the percentage of wage labor¹ in low income group was 15.7% (under 2.7 million dong/month), decreased 2.9 percentage point compared to the fourth quarter of 2014 which indicated the impacts of minimum wage adjustment and economic growth.

The unskilled workers group still made up the largest percentage (79.4%) in low income group ranking.

Chart 7. The rate of low income workers by qualification and type of job, the first quarter of 2015

Unit: %



Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

6. Unemployment and underemployment

a. The state of unemployment

Quantity of unemployed workers:

In the first quarter of 2015, 1,159.8 thousand people at working age were unemployed (an increase of 114.2 thousand workers compared to the same period of 2014), of which, female workers was 537.1 thousand people (accounting for 46.3%), in urban areas it was 534.1 thousand people (making up 46.1%), unqualified workers were 726.1 thousand people (making up 62.6%), youth group (15-24 years old) was 586.2 thousand people (accounting for 50.5% of total unemployed workers).

¹ Is the under 2/3 of median income level

Table 8. The quantity of unemployed workers in the statutory working age by sex, areas, qualification and age groups

Unit: thousand people

	2014				2015
	Q1	Q2	Q3	Q4	Q1
General	1,045.5	871.8	1,036.3	975.2	1,159.8
1. By sex					
Male	552.6	478.8	572.7	502.2	622.7
Female	493.0	393.0	463.6	473.0	537.1
2. By areas					
Urban	546.7	479.3	486.0	477.0	534.1
Rural	498.9	392.5	550.3	498.2	625.6
3. By qualification					
Without degree/certificate	629.8	521.4	606.6	600.5	726.1
Primary vocational training	38.5	25.1	29.7	25.7	38.3
Secondary vocational training	36.9	33.5	30.8	20.9	26.1
Professional secondary vocational training	81.0	72.6	87.5	73.4	75.0
Vocational college	17.9	10.1	17.4	14.4	16.0
College	79.1	62.0	90.1	74.7	100.6
University/Postgraduate	162.4	147.0	174.1	165.6	177.7
4. By age group					
Adolescent (15-24)	504.7	384.7	543.8	448.4	586.2
Adult (>25)	366.1	312.2	318.8	369.7	410.3

Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

Unemployment rate:

In the first quarter of 2015, the unemployment rate of workers in the statutory working age was 2.43%, drastically increased in comparison to the fourth quarter of 2014 (2.05%) and at the same period of 2014 (2.21%). The unemployment rate of female workers was 2.45%; the unemployment rate in urban areas was 3.43% which was 1.8 times higher than that in rural areas (1.95%).

In terms of qualification and skills, the highest unemployment rate were in groups holding vocational college and college degree (respectively 7.2% and 6.69%). The unqualified group accounted for the lowest unemployment rate (1.97%).

The state of unemployment of youth group was not much improved (aged from 15-24). In Q1/2015, the unemployment rate of youth was 6.6%, lightly risen in comparison to that in the fourth quarter of 2014 (6.17%) and equivalent to the unemployment rate in the same period of 2014. Regarding unemployment duration, 75.8% of unemployment under 12 months and 24.2% of unemployment over 12 months.

Table 9. The unemployment in the statutory working age by sex, areas, qualification and age groups

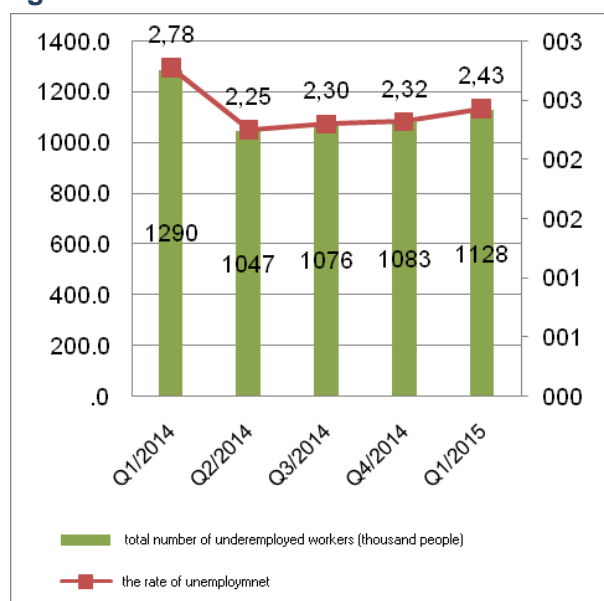
	Unit: %				
	2014				2015
	Q1	Q2	Q3	Q4	Q1
General	2.21	1.84	2.17	2.05	2.43
1. By sex					
Male	2.17	1.88	2.22	1.96	2.42
Female	2.25	1.79	2.11	2.15	2.45
2. By areas					
Urban	3.72	3.26	3.27	3.21	3.43
Rural	1.53	1.2	1.67	1.52	1.95
3. By qualification					
Without degree/certificate	1.66	1.37	1.58	1.57	1.97
Elementary vocational training	2.61	1.73	2.05	1.75	2.05
Secondary vocational training	4.42	4.34	3.93	2.60	3.10
Professional secondary vocational training	4.53	4.08	4.78	4.13	3.91
Vocational college	8.56	5.26	6.46	5.41	6.69
College	6.81	5.59	8.21	6.62	7.20
University/Postgraduate	4.14	3.67	4.33	4.17	3.92
4. By age group					
Adolescent (15-24)	6.66	5.09	7.02	6.17	6.60
Adult (>25)	1.27	1.22	1.23	1.30	1.40

Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

b. Underemployment

In the first quarter of 2015, there were 1.13 million people underemployed² nationwide, account for 2.43% of total employments for workers in the legal working age which was a positive recovery compared to the first quarter of 2014 (2.78%), but was still higher than that of the fourth quarter in 2014 (2.32%).

Chart 8. Quantity and share of underemployment in the statutory working age



Source: GSO (2014, 2015), Quarterly Labour – Employment Survey.

The total number of working hours in real of “underemployed workers” group was 24.46 hours, equivalent to 50% of total average working hours in fact of labor nationwide (46.1 working hours/week), increased 2.2 working hours compared to the first quarter of 2014.

In the first quarter of 2015, the underemployment rate of labour in rural areas was 3.04%, higher 1.15% than that in urban areas; this rate of agriculture-forestry and fisheries was 4.77%, the rate of household worker group was 5.08% and self-employed group was 3.42%.

² Labor that falls under the underemployment classification, have working hours less than 35 hours in the surveyed week but wish to and be willing to be employed in job with more working hours.

7. Social insurance and unemployment insurance

a. Social insurance

The social insurance Law which was amended in 2014 (took effect from 1/1/2016), supplemented some new regulations towards ensuring better right to participation and benefit from social insurance schemes for workers.

Box 3: Some changes in Social Insurance Law in 2014

- The targeted group of compulsory social insurance system has been expanded to 3 groups including “workers with labour contract duration from 01 to 03 months”; “non-specialized workers” and “foreigners working legally in Vietnam”.
- The maternity leave benefit has been expanded to male workers whose wives give birth, female workers who are pregnant, female workers who are surrogate mothers and intended mothers.
- The regulations and participation procedure of voluntary social insurance are more flexible: remove the regulation of stipulated maximum age of participating voluntary social insurance, change contribution mode of voluntary social insurance towards more flexible such as contribution of once a year, lump sum contribution for the past time or in the future;
- The Government issues the incentive policy on supporting contribution rate for people participating voluntary social insurance;
- Empowering inspection duty of social insurance contribution for social insurance agency; raising interest rate for cases of late contribution which is two times higher than interest rate of social insurance fund’s investment.
- Workers can keep their own social insurance book; workers are benefited from health insurance during maternity leave or sickness leave; also workers are paid health checking fee if it satisfies the qualifying conditions to benefit social insurance, etc.

Up to the first quarter of 2015, there were 11,968 thousand participants in social insurance system, increased 2.75% compared to the fourth quarter of 2014 and grew 8.53% compared to the first quarter of 2014. The participation rate over labour force continued to increase and reached 22.31%.

Table 10. Result of social insurance implementation

Indicators	2014		2015
	Q1	Q4	Q1
Participants (thousand people)	11,027	11,648	11,968
- Compulsory	10,849	11,452	11,495
- Voluntary	178	196	203
The rate compared to labour force (%)	20.58	21.40	22.31
Social insurance contribution debt (billion dong)	11,188	5,578	12,305
The ratio of contribution debt (%)	6.28	4.93	6.43

Source: Vietnamese social security

By the end of the first quarter of 2015, total revenue of social insurance was 30,543.6 billion dong, increased 14.02% compared to the same period of 2014, reached 22.51% of the planned figure; of which, compulsory social insurance revenue was 30,332 billion dong, making up 99.3% of total social insurance fund.

Dealing with cases of social insurance contribution debt has not been improved, so far. The insurance contribution debt was 12,035 billion dong at 31/3/2015, made up 6.43% of the total planned revenue, climbed up 1.5 percentage point compared to that at the end of 2014.

By the end of March, 2015, there were 1.558 million participants benefited from social insurance schemes, increased 8.1% compared to the same period of 2014, of which: 32,800 participants received monthly social insurance allowance (26,510 participants benefited from pension scheme, 4,360 participants benefited from survival scheme, 570 participants benefited from occupational accidents and diseases

insurance; and 1,360 participants received other benefits of social insurance); 107,163 times benefited one-time social assistance from pension fund and survival benefit; 128,860 participants benefited from unemployment insurance scheme, 1,189 thousand participants benefited from sickness, maternity leave, rehabilitation regime.

Up to Q1/2015, there were 2.125,3 thousand participants getting monthly pension allowance, making up 11% of total people aged 60 and over.

b. Unemployment insurance

Vietnamese Employment Law (took effect from 01/01/2015) had added regulations on unemployment benefit as one chapter in the law, replacing for the regulations of this benefit in Social Insurance Law.

Box 4: New regulations on unemployment insurance

According to Employment Law, the target group of unemployment insurance had been expanded to workers being employed under the seasonal employment contract for full 3 months and above and it did not depend on size of enterprises; the calculation of duration for getting unemployment benefit was modified; training and improving vocational skill benefits were added to assist labour in seeking and maintaining jobs; conditions for benefiting vocational training assistance were expanded.

Up to the first quarter of 2015, the number of unemployed workers benefited from unemployment insurance fund was 84,988 people, increased 12.8% compared to the same period of 2014; number of unemployed workers being consulted, introduced jobs was 73,274 people (equivalent to 83.3% of total unemployment insurance beneficiaries); number of unemployed workers getting vocational training assistance was 4,959 people (equivalent to 5.8% of total unemployment insurance beneficiaries), increased 112.6%

(2,626 people) compared to the same period of 2014.

Table 11. Result of unemployment insurance implementation

Indicators	<i>Unit: thousand people</i>				
	2014				2015
	Q1	Q2	Q3	Q4	Q1
The quantity of submitted applications for unemployment benefit	83.0	162.5	149.7	121.7	84.8
The quantity of monthly unemployment beneficiaries	75.3	144.6	167.5	127.5	85.0
The quantity of one-time unemployment beneficiaries	5.6	7.3	11.6	10.4	5.9
The quantity of transferred application for unemployment benefit	0.5	0.9	1.1	1.2	0.6
The quantity of beneficiaries getting job consultation and introduction	75.0	135.6	138.2	108.5	73.3
<i>Of which: beneficiaries getting job introduction</i>	15.7	40.0	41.8	28.3	17.4
The quantity of beneficiaries getting vocational training assistance	2.3	4.7	6.6	6.3	5.0

Source: Employment Department, 2015

8. Demand – Supply matching

By the end of Q1/2015, number of enterprises operating in employment service field rapidly escalated by 146 enterprises, increased 42 enterprises compared to the same period of 2014.

In the first quarter of 2015, 64 Employment service Centers under the administration of Ministry of Labour – Invalids and Social Affairs organized 260 job transaction sessions, reduced 55 sessions compared to the fourth quarter of 2014 and increased 20 sessions compared

to the same period of 2014. There were more than 410 thousands of labour participated in job consultation and introduction program, of which 172 thousand labour were employed, accounted for 42%. In comparison to the same period of 2014, there was an increase of 30 thousand people who were introduced jobs, but the rate of employed workers was slightly decreased.

Table 12. The state of demand – supply connection

Indicators	2014				2015
	Q1	Q2	Q3	Q4	Q1
The quantity of employment service centers	130	130	130	130	130
The quantity of employment service enterprises	104	104	135	144	146
The quantity of job transaction sessions	240	300	310	315	260
The quantity of labour getting job consultation (thousand people)	380	460	480	485	410
The quantity of labour employed through employment service centers (thousand people)	164	186	240	247	172

Source: Employment Department, 2015

In the first quarter of 2015, some of 335 thousand new job was created nationwide, of which the quantity of jobs created through Project on loans for job creation under National Fund for Job Creation was 17.3 thousand.

9. Labour market prospects and demand for labour in 2015

In 2015, the economy continues to recover, especially in processing, manufacturing industry sector. According to General Statistics Office³, business activities of processing and manufacturing industry in the quarter 2 of 2015 and in the next 6 months of 2015 will be in stability and dramatical growth compared to the first quarter of 2015. The industries that are

³ GSO (2015), The final report on business trend of processing and manufacturing industry in the quarter II of 2015

forecasted to get positive result in its own business activities including: manufacture of electronics, computer and optical devices; production of tobacco, garments; drug and pharmacy; etc.

The demand for labour in manufacturing and processing industry will be accelerated towards the trend of the first quarter of 2015. Indeed, 86.4% of enterprises in this sector affirmed that they planned to not only keep the stability but also expand labour size in the next quarters of 2015. The demand for labour will rapidly increase in foreign direct investment sector in the second quarter of 2015 and the next 6 months of 2015 (equivalent to 26% and 35.3% of enterprises will expand their labour size; 62% and 58.5% of enterprises will keep stability of demand for labour respectively). The industries shall sharply increase demand for labour in the second quarter of 2015 and the next 6 months of 2015 are: garments, beverage industry, manufacture of electronics, computer and optical products and industry of repairing, maintaining and assembling machines and equipments, etc.

The newly passed Vocational Education Law will accelerate the share of labour force with certificates/degrees. However, it also put the Government in general and the vocational education sector in particular in challenges of making better and more appropriate incentive policies for learners and vocational training centers.

The Employment Law along with comprehensive and breakthrough reform of Vocational Education Law will set up legal framework which facilitates our labour market to advance a step toward the integration into the regional and international economy. Establishment of ASEAN Economic Community by the end of 2015 will create more employment opportunities (according to calculation of ILO, Vietnam will raise 6 million jobs among the total of 60 million jobs by 2025). Regarding vocational training sector, with agreement of equivalent skills recognition, workers are allowed to freely move within ASEAN countries to work for 8 occupations (including: Accountant, architecture, dentist, doctor, engineer, nurse, transporter and tourist guide). Apart from that, qualified workforces (experts, skilled workers) who are proficient in foreign languages, especially English, will have chance to move more freely. However, it also creates more challenges in terms of competitiveness for Vietnamese labour market itself because of migrant labour from other countries in the region.

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