



VIETNAM'S LABOUR MARKET UPDATE NEWSLETTER

Volume 25, quarter 1, 2020



**Ministry of Labour - Invalids
and Social Affairs**

General Statistics Office

PART 1. SOME INDICATORS OF LABOUR MARKET

1. Key indicators

Table 1. Key economic and labour market indicators

Indicator	2019				2020
	Q1	Q2	Q3	Q4	Q1
1. Gross domestic product growth rate (GDP) (%)	6.82	6.73	7.48	6.97	3.82
2. Export turnover growth rate (% compare to the same period last year)	4.7	9.3	10.0	7.2	0.5
3. Total capital investment per GDP (%)	32.2	33.1**	34.3***	33.9*	31.0
4. Consumer Price index (% compare to the same period last year)	2.63	2.7	2.2	3.66	5.56
5. Labour force (million people)	55.48	55.51	55.71	55.51	55.33
6. Labour force participation rate (%)	76.74	76.46	76.45	76.46	75.39
7. Rate of trained labourers with certificate (%)	22.32	22.37	22.89	23.45	23.74
8. Number of labourers (million people)	54.37	54.41	54.61	54.90	54.21
9. Rate of salaried workers in total number of labourers (%)	46.60	47.69	48.06	48.95	48.15
10. Rate of employment in agriculture, forestry and fishery industry (AFF) in total employment (%)	35.12	34.39	33.60	33.05	33.51
11. Monthly average income of salaried workers (million dong)	6.83	6.46	6.58	6.71	7.34
12. Number of unemployed people at working age (thousand people)	1059.3	1057.9	1067.7	1060.0	1086.0
13. Unemployment rate at working age (%)	2.17	2.20	2.17	2.15	2.22
14. Unemployment rate in urban area (%)	3.10	3.10	3.11	3.10	3.18
15. Youth unemployment rate (%)	6.44	6.69	6.73	6.50	7.01

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019. () data of the whole year; (**) date of the first 6 months; (***) data of the first 9 months*

Source: GSO (2019, 2020), Quarterly statistics and labour force survey data.

The total GDP in quarter 1/2020 increased by 3.82%, which was lower than quarter 4/2019 and quarter 1/2019 due to the impact of drought and saltwater intrusion in the Mekong Delta, and the coronavirus pandemic (Covid-19). In the first months of 2020, the Covid-19 pandemic has negatively affected the commerce, service and import-export activities.

Some labour market indicators continued to be improved such as the rate of trained workers and monthly average income of salaried workers. However, the number labourers decreased; the rate of employment in AFF, the rate of salaried workers decreased, the unemployment and underemployment rate increased.

2. The population aged from 15 and labour force

In quarter 1/2020, the population aged from 15 and older was 74.06 million people, going up by 1.68% compared to quarter 1/2019; the number of male increased by 1.28% which was lower than the increase rate of female (2.07%); population in urban area increased by 3.35%

The labour force aged from 15 and older in quarter 1/2020 was 55.33 million, declining by 673.1 thousand people (1.2%) compared to quarter 4/2019 and 144.2 thousand people (0.26%) compared to quarter 1/2019.

The labour force in working age in quarter 1/2020 was 48.9 million, declining by 351.2 thousand people (0.71%) compared to quarter 4/2019 (4,000 people). In which, there were 16.5 million people in urban area (accounting for 33.7%); the number of female was 22 million, accounting for 45% of the labour force in working age of the country.

Table 2. The size and participation rate in labour force of population aged from 15 and older

	2019				2020
	Q1	Q2	Q3	Q4	Q1
1. Population aged from 15 and older (Million ppl)					
Aggregate	72.84	73.18	73.43	73.66	74.06
Male	35.98	36.03	36.55	36.40	36.44
Female	36.86	37.15	36.88	37.26	37.62
Urban	25.78	26.01	26.07	26.40	26.64
Rural	47.06	47.07	47.36	47.26	47.42
2. Labour force aged from 15 and older (Million ppl)					
Aggregate	55.48	55.51	55.71	56.00	55.33
Male	29.26	29.17	29.52	29.46	29.25
Female	26.22	26.34	26.19	26.54	26.08
Urban	18.06	18.07	18.12	18.25	18.17
Rural	37.42	37.44	37.59	37.75	37.16
3. Labour force participation rate* (%)					
	76.74	76.46	76.45	76.65	75.39
Male	82.12	81.83	81.59	81.78	81.19
Female	71.51	71.27	71.37	71.66	69.79
Urban	70.37	69.50	69.80	69.43	68.56
Rural	80.24	80.33	80.12	80.70	79.25
4. Labour force in working age (million ppl)					
	48.91	48.98	49.19	49.27	48.92

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019. * Only those who are currently working in Vietnam

Source: GSO (2019, 2020), Quarterly labour force survey.

The labour force participation rate in quarter 1/2020 was 75.39%, decreasing by 1.26% compared to previous quarter and 1.35%

compared to quarter 1/2019/ This rate of female was 69.79%, which was 11.4% lower than male (81.19%). The participation rate of people in urban and rural areas had significant difference at 10.69% (urban: 68.56%; rural: 79.25%).

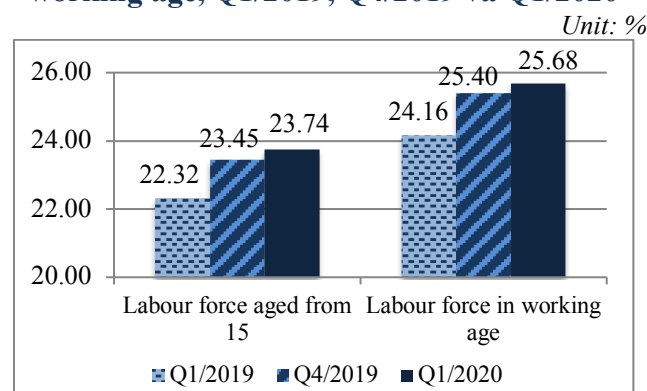
The labour force participation rate in urban area was lower than that of rural area in all age groups, in which, the biggest difference was in the age group of 15-24 (urban: 43.0%; rural: 65/1%) and the group of 55 years old and older (urban: 36.5%; rural: 52.4%).

Regarding occupational and technical qualifications

The labour force aged from 15 and older having diploma/certificate (from elementary-level vocational training) in quarter 1/2020 was 13.14 million people, that did not change much compared to quarter 4/2019 and increased by 753.7 thousand people compared to quarter 1/2019.

In quarter 1/2020, the rate of trained workers having diploma/certificate was 23.74% of the labour force aged from 15 and older, increasing by 0.29% compared to quarter 4/2019. In which, university degree holders accounted for nearly 11%, college: 3.87%; intermediate-level vocational training: 4.37% and elementary-level vocational training: 4.54% in total labour force aged from 15 and older. The rate of trained workers in urban area was 39.39%, which was 2.5 times higher than that in rural area (15.9%).

Figure 1. The rate of trained workers having diploma/certificate in labour force aged from 15 and older and the labour force in working age, Q1/2019, Q4/2019 và Q1/2020



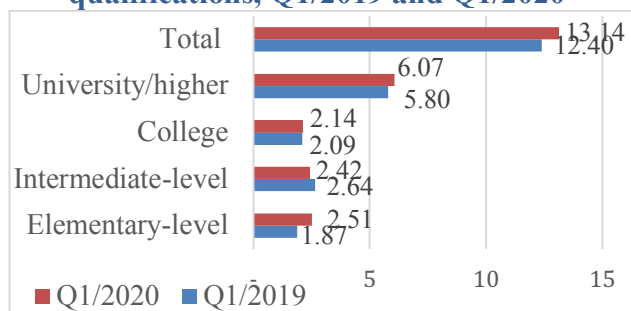
Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey

The trained labour force in working age having diploma/certificate with term from 3 months or higher of quarter 1/2020 was 12.56 million people, going up by over 740 thousand

people compared to quarter 1/2019 (6.28%) but going down by 47 thousand people compared to quarter 4/2019 (0.04%). The rate of trained workers having diploma/certificate of labour force in working age was 25.68%, increasing by 1.52% compared to quarter 1/2019 and almost unchanged compared to quarter 4/2019.

Figure 2. The labour force aged from 15 and older by occupational and technical qualifications, Q1/2019 and Q1/2020



Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey

3. Employment

The number of workers aged from 15 and older in quarter 4/2019 were 54.21 million people, decreasing by 682,370 people (-1.25%) compared to quarter 4/2019 and 154,590 people (-0.28%) compared to quarter 1/2019.

Table 3. The quantity and structure of employed people

	2019				2020
	Q1	Q2	Q3	Q4	Q1
1 Quantity (million people)	54.37	54.41	54.61	54.90	54.21
2. Structure (%)	100.00	100.00	100.00	100.00	100.00
a. Gender					
Male	52.68	52.57	53.04	52.58	52.97
Female	47.32	47.43	46.96	47.42	47.03
b. Urban/Rural					
Urban	32.23	32.24	32.21	32.27	32.54
Rural	67.77	67.76	67.79	67.73	67.46
c. Economic sector					
AFF	35.12	34.39	33.60	33.05	33.51
Industry-Construction	29.20	29.99	30.81	30.60	30.49
Service	35.68	35.62	35.59	36.36	36.00
d. Job position					
Owner	3.08	2.68	2.61	2.63	2.92
Self-employed	35.46	35.62	35.78	35.21	35.15
Family worker	14.84	14.00	13.54	13.2	13.77
Salaried worker	46.6	47.69	48.06	48.95	48.15
Cooperative members & unclassifiable	0.02	0.01	0.01	0.01	0.01

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey.

The rate of employed female accounted for 47.03%, declining by 0.39% compared to quarter 4/2019; the urban area accounted for 32.54% of total working people, decreasing by 0.27% compared to quarter 4/2019. The rate of salaried workers accounted for 48.15% of total working people, decreasing by 0.8% compared to quarter 4/2019.

In quarter 1/2020, there were 19.51 million people working in service sector (36.00%), 18.17 million people working in the AFF sector (33.51%) and 16.53% million people working in the industry-construction (30.49%).

The industries with reduced number of workers compared to the previous quarter and quarter 1/2019 were “Other services”, “activities of the Communist Party, socio-political organizations; State management, security and defense; compulsory social security”; “Education and training”.

The industries with the number of workers reduced compared to the previous quarter but still increased compared to the quarter 1/2019 were: “Construction”; “Wholesale and retail; repair of car, motor, motorbike and other motor vehicles” and “Transportation, warehouse”.

Table 4. Labour fluctuation in some industries in quarter 1/2020 compared to quarter 4/2019 and quarter 1/2019

Industry	Compared to Q4/2019	Compared to Q1/2019
Construction	-372	232
Whole sale and retail; repair of car, motor, motorbike and other motor vehicles	-138	114
Transportation, warehouse	-93	20
Other services	-87	-97
activities of the Communist Party, socio-political organizations; State management, security and defense; compulsory social security	-83	-104
Education & training	-77	-11
Professional, science and technology activities	25	-27
AFF	30	-927
Administrative activities and support services	35	25
Manufacturing industry	157	461
Real estate business	10	54
Accommodation and food service	17	53

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

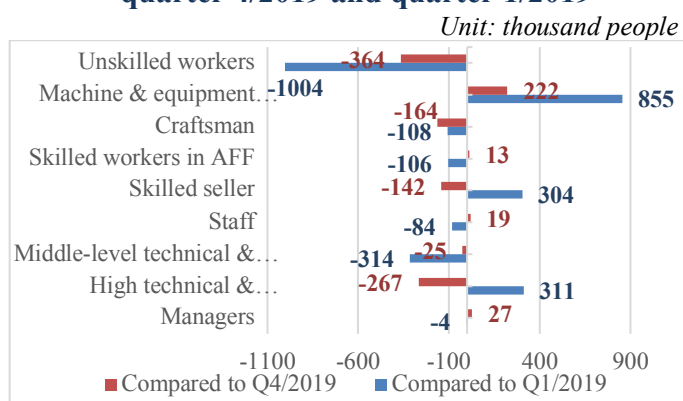
Source: GSO (2019, 2020), Quarterly labour force survey.

Industries with the number of workers increased compared to two comparative periods: “Manufacturing industry”, “Administrative activities and support service”, “Real estate business” and “Accommodation and food service”

In industries with the number of workers increased compared to quarter 4/2019 but decreased compared to quarter 1/2019 were: “Professional, science and technology activities” and “AFF”

In quarter 1/2020, the number of “unskilled workers” of Vietnam was 18.22 million (accounted for 33.6% of total working people), declining by 1 million people (equivalent to -5.2%); 1.76 million “middle-skilled workers” (3.25%), decreasing by 320 thousand people (equivalent to -15.4%) compared to quarter 1/2019.

Figure 3. Employment fluctuation by occupation in quarter 1/2020 compared to quarter 4/2019 and quarter 1/2019



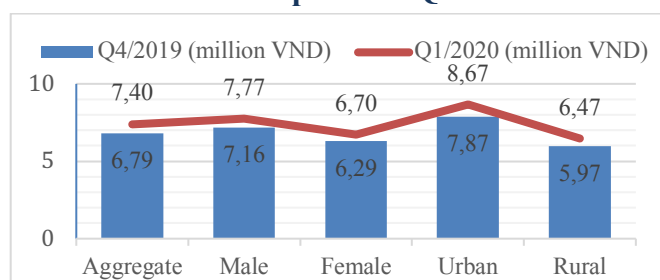
Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey.

4. Income of salaried workers

In quarter 1/2020, the monthly average income from all jobs of salaried workers reached VND 7.4 million, increasing by VND 480,000 compared to quarter 4/2019 (6.93%).

Figure 4. Total average monthly income of salaried workers from all jobs in quarter 1/2020 compared to Q4/2019



Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey

In quarter 1/2020, income of salaried workers from main jobs was VND 7.34 million/month on average, rising by VND 630,000 (9.39%) compared to quarter 4/2019 and going up by VND 510,000 (7.47%) compared to quarter 1/2019.

In comparison to the previous quarter and quarter 1/2019, the average income from main jobs of salaried workers increased in all worker groups by gender, qualifications and ownership types, showing that income of workers was not much affected by the Covid-19 pandemic.

Table 5. Average monthly income of salaried workers from main jobs

	2019				2020
	Q1	Q2	Q3	Q4	Q1
Aggregate	6.83	6.46	6.58	6.71	7.34
Male	7.15	6.81	6.95	7.08	7.68
Female	6.41	6.00	6.09	6.21	6.90
Urban	8.05	7.42	7.60	7.80	8.67
Rural	5.96	5.77	5.85	5.95	6.38
No skill occupational qualifications	5.83	5.59	5.69	5.92	6.20
Elementary-level	8.05	7.63	7.38	6.88	8.64
Intermediate-level	7.26	6.70	6.90	7.24	7.68
College	7.18	6.84	6.96	8.97	8.00
University & high	9.55	8.83	9.02	11.76	10.41
Household/individual	5.12	5.22	5.33	5.44	5.56
Cooperative	4.85	5.17	5.86	5.24	5.97
100% State capital	9.11	8.06	8.41	9.03	10.42
State-owned	9.18	8.19	8.28	8.67	10.03
Non-State	7.80	7.24	7.40	7.50	8.34
FDI	8.17	7.11	7.17	7.34	8.40

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey

In quarter 1/2020, the monthly average income from all jobs of salaried workers reached VND 7.4 million, increasing by VND 480,000 compared to quarter 4/2019 (6.93%).

5. Unemployment and underemployment

a. Unemployment

Although the Covid-19 pandemic has occurred from the beginning of 2020, the total number of unemployed people in working age in quarter 1/2020 was only nearly 1.1 million people, a slight increase compared to quarter 4/2019 and quarter 1/2019 (26.2 thousand and 26.7 thousand people). The unemployment rate was 2.22% (this rate of previous quarter and quarter 1/2020 was

2.15% and 2.17%).

In the urban area, there were 523.6 thousand unemployed people and the unemployment rate was 3.18%, an increase of 0.08% compared to quarter 4/2019 and quarter 1/2019. The rural area had 562.5 thousand unemployed people with the unemployment rate at 1.73%, increasing by 0.06% compared to the previous quarter and 0.03% compared to quarter 1/2019.

Table 6. The unemployment number and rate of people in working age by gender, rural/urban area and age groups

	2019				2020
	Q1	Q2	Q3	Q4	Q1
I. The number (thousand ppl)					
National	1059.3	1057.9	1067.7	1060.0	1086.0
Male	596.7	551.1	546.2	588.2	527.5
Female	462.6	506.7	521.5	471.8	558.5
Urban	506.5	507.3	511.3	512.9	523.6
Rural	552.8	550.6	556.4	547.1	562.5
Youth (15-24)	453.3	488.5	490.9	459.1	492.9
Adult (≥25)	606.0	569.3	576.9	600.9	593.1
II. Unemployment rate of people in working age (%)					
National	2.17	2.20	2.17	2.15	2.22
Male	2.22	2.05	2.01	2.17	1.96
Female	2.10	2.30	2.37	2.13	2.54
Urban	3.10	3.10	3.11	3.10	3.18
Rural	1.70	1.69	1.70	1.67	1.73
Youth (15-24)	6.44	6.69	6.73	6.50	7.01
Adult (≥25)	1.45	1.37	1.38	1.47	1.42

Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey.

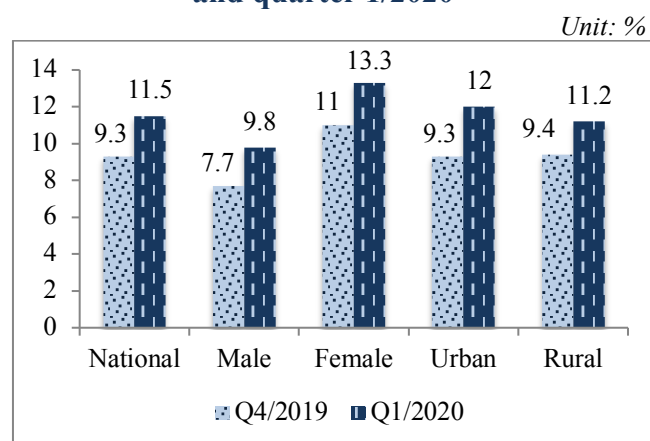
In quarter 1/2020, the number of unemployed youth aged 15-24 was 492.9 thousand people, accounting for 45.4 of total number of unemployed, increasing by 33.86 thousand people compared to quarter 4/2019 and 39.62 thousand people compared to quarter 1/2019. The unemployment rate of this group was 7.01%, an increase of 0.51% compared to the previous quarter and 10.57% compared to quarter 1/2019.

The youth unemployment rate was 3.16 times higher than the unemployment rate of labour force in working age. The youth unemployment rate in urban area was 9.91%, an increase of 0.99% compared to the previous quarter.

The number of youth not in employment, education or training (NEET) in quarter 1/2020 was 1.47 million people (accounting for 11.5% in total number of youth). The NEET rate in urban

area was 0.8% higher than the rural area, male youth was 3.5% higher than that of male.

Figure 5. The NEET rate in quarter 4/2019 and quarter 1/2020

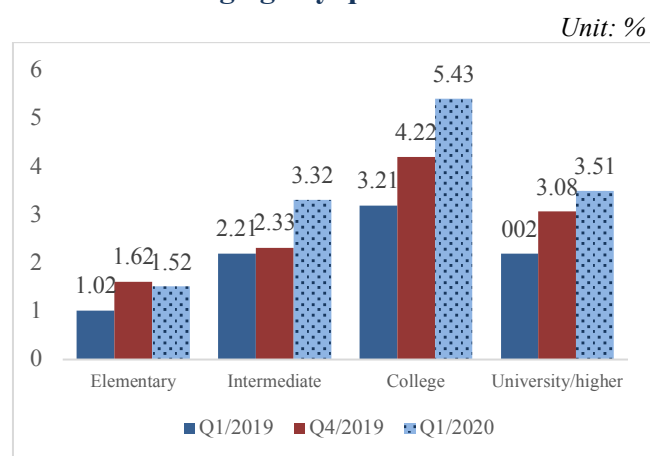


Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey.

By professional and technical qualifications, in quarter 1/2020, the number of unemployed people qualified college level was 112.5 thousand people (an increase of 24.36 thousand people compared to quarter 4/2019 and 47.63 thousand people compared to quarter 1/2019); the group of people qualified university level or higher was 208.5 thousand people (rising by 19.07 thousand people compared to the previous quarter and nearly 84.5 thousand people compared to quarter 1/2019). The unemployment rate of group of people qualified college was 5.43%, and university or higher was 3.51%, that all increased compared to the previous quarter and quarter 1/2019, and higher than the group of people qualified elementary- and intermediate-level vocational training.

Figure 6. The unemployment rate of people in working age by qualifications



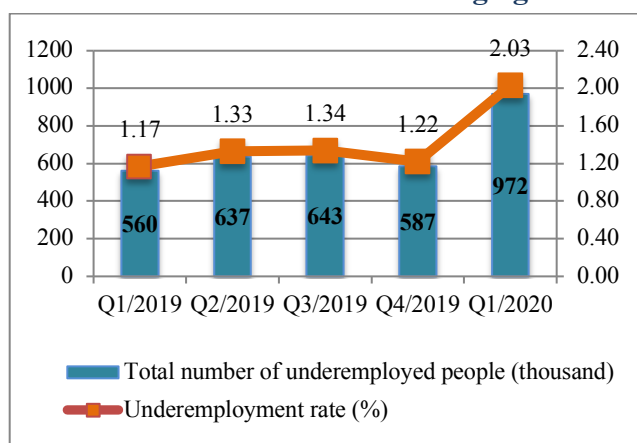
Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey.

b. Underemployment

In quarter 1/2020, Vietnam had 971.7 thousand underemployed people in working age¹, an increase of 385.11 thousand people (nearly 1.7 times) compared to quarter 4/2019 and 411.76 thousand people (over 1.7 times) compared to quarter 1/2019/ The underemployment rate of workers in working age in quarter 1/2020 was 2.03%, increasing by 0.81% compared to the previous quarter and 0.86% compared to quarter 1/2019. The underemployment rate of workers in working age in rural area was 2.56% which was 2.6 times higher than the urban area (0.98%). Underemployed people were mainly in rural area and worked in AFF sector.

Figure 7. The underemployment number and rate of workers in working age



Note: The quarterly data of 2019 has been adjusted in accordance with the Population and Housing Census 2019.

Source: GSO (2019, 2020), Quarterly labour force survey

The average working hours of underemployed workers in quarter 1/2020 were 19.94 hours, decreasing by 1.67 hours compared to quarter 1/2019 equivalent to nearly 47% of total average working hours of workers nationwide (42.49 hours).

6. The trend of recruitment and job seeking

- Recruitment trend:

The information on recruitment need from the employment web portal of MOLISA showed that in quarter 1/2020, the need of recruiting female workers accounted for 60.0%; this rate of non-state companies accounted for 71.1%.

According to the mywork.com, the recruitment need of enterprises in quarter 1/2020 was as follows:

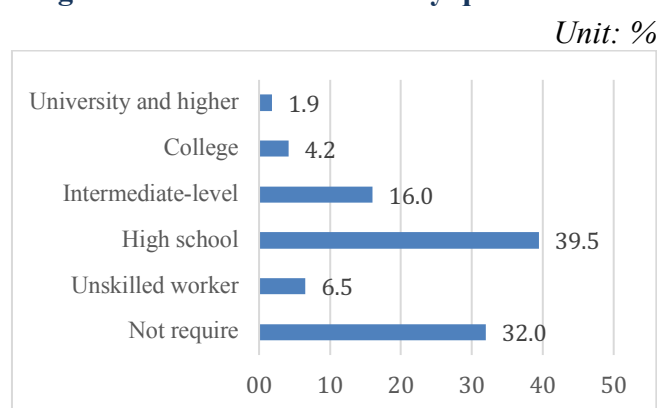
- By job position: the need for staff was the majority (accounting for 89.9% of total

recruitment need); the need for management positions at all levels (team leader, head of division, senior managers) accounted for small portion (about 1.66%); the rest was other positions.

- By form of work: enterprises recruited workers to work “full-time” which accounted for 79.77%, the group of workers working under “consultation contract” was 16.79%.

- By professional and technical qualifications: the recruitment need of enterprises for group of workers qualified intermediate-level and higher only accounted for 22%, in which, intermediate-level was 16%, college was 4.2%, and university and higher was 1.9%.

Figure 8. Recruitment need by qualifications



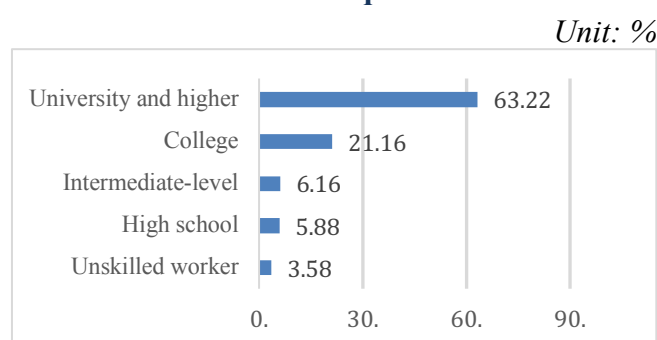
Source: mywork.com

- By occupation: mainly in sale (accounted for 38.83% of total recruitment need), customer care (8.98%), administration-office work (4.28%).

- Job seeking trend:

According to information on job need from the employment web portal of MOLISA: in quarter 1/2020, female workers who were in need to find jobs accounted for 43.0%; people with intermediate-level certificate accounted for 28.3%; college degree holders accounted for 26.8%; university holders or higher accounted for 17.4% and people without certificate/diploma accounted for 17.4% of total number of job seekers.

Figure 9. Structure of job seekers by professional and technical qualifications



Source: mywork.com

¹ Underemployed people are those who have working time fewer than 35 hours in the surveyed week with desire and readiness to work

According to mywork.com portal, in quarter 1/2020, there were 9,435 people seeking jobs online, in which:

- By form of work: workers mainly looked for full-time job (accounted for 92.32%); the part-time job accounted for small portion (4.06%).

- By job position: staff accounted for 77.43% of job need; manager at all levels (team leaders,

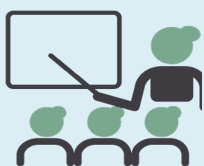
head of division, senior managers) accounted for 16.98%; the remaining was in other positions.

- By professional and technical qualification of job seekers: the majority of job seekers were qualified university level or higher (accounted for 63.22%), followed by college level (21.16%).

- By occupation: the most common occupation was administration-office (14.7%); audit, accounting; sale (21.8%).

PART 2. RESULTS OF IMPLEMENTING SOME LABOUR MARKET POLICIES

Vocational education



In response to the complicated situation of the Covid-19 pandemic in the first quarter of 2020, the Directorate of Vocational Education issued documents to guide vocational schools: Official Dispatch No. 214/TCGDNN-ĐTCQ dated 07/02/2020; Official Dispatch No. 345/TCGDNN-ĐTCQ dated 21/02/2020 on promoting the application of information technology in enrollment and training in the context of COVID-19; Official Dispatch No. 587/TCGDNN-ĐTCQ, dated 17 March 2020 providing guidelines for intermediate-level vocational schools and colleges in applying IT in training in the context of COVID-19.

Encourage schools to invest and build a professional online training system for both immediate and long-term training goals. While there is no professional online training system, the schools must quickly to build and organize online training for the general contents and subjects, theoretical subjects by deploying and thoroughly applying the programs and applications available on the Internet.

Unemployment insurance



In the quarter 1/2020, there were 167,099 people applying for unemployment benefits (unemployment allowance), a decrease of 10,796 people (6.07%) compared to Quarter IV/2019, but an increase of 25,665 people (18.15%) over the same period in 2019.

Causes of unemployment: 29.1% due to the expiry of labour contracts, working contracts or bilateral termination of labour contracts, labor contracts; 28.1% due to termination of labour contracts, working contracts before the expiry; 7.2% workers unilaterally terminated labour contracts, working contracts illegally; 3.7% due to dissolution, bankruptcy of enterprises, organizations, restructuring; 1.1% of workers were disciplined, fired and 30.8% due to other causes.

In quarter 1/2020, the number of people who had decision to receive unemployment allowance was 132,840 people, a decrease of 62,247 people (31.91%) compared to the fourth quarter of 2019 and an increase of 12,174 people (10.09%) compared to the same period in 2019. The proportion of female workers receiving monthly unemployment allowance decisions made up 56.89%. The proportion of employees who had decision to enjoy unemployment allowance in the age group from 25-40 years old still maintained at a high level (male 65.41%; female 70.01%).

In quarter 1/2020, it is estimated that the number of people who receive job recommendation and consultation 332,091 people; in which, the number of people recommended to jobs is 26,387 people (accounting for 15.79% of people applying for unemployment benefits), a decrease of 5,199 people (16.46%) compared to the same period in 2019. The number of unemployed people receiving decision on vocational training support is 6,296 people (accounting for 4.74% of people receiving decision on unemployment benefits), a decrease of 1,502 people (19.26%) compared to the same period in 2019.

Table 12. The implementation of unemployment insurance

Unit: people

Criteria	2019				2020
	Q1	Q2	Q3	Q4	Q1
Number of applicants for unemployment benefits	141,432	287,314	243,058	177,895	167,099
Number of people having decision to receive monthly unemployment allowance	120,666	264,389	255,780	195,087	132,840
Number of people transferring to receive unemployment allowance	1,105	1,368	1,752	1,250	886
Number of unemployed people receiving job consultation, recommendation	279,784	472,229	498,366	407,396	332,091
<i>In which: number of people receiving job recommendation</i>	<i>32,425</i>	<i>57,284</i>	<i>57,987</i>	<i>40,957</i>	<i>26,387</i>
Number of unemployed people supported for vocational training	7,798	11,388	12,861	9,911	6,296

Source: Department of Employment (2019, 2020)

Social Insurance

Participation status: In the first quarter of 2020, due to the severe impact of Covid - 19 on the production and business and the life of the people, the total number of people participating in social insurance nationwide is about 15,523 thousand people, declining by 213 thousand people (corresponding to a decrease of 1.35% compared to the fourth quarter of 2019), but this number is still higher than the same period in 2019 of 828 thousand people (an increase of 5.6%). In which: The number of people participating in compulsory social insurance is 15,025 thousand people, declining by 1.05% compared to Quarter 4, 2019 but going up by 3.62% compared to quarter 1, 2019; The number of people participating in voluntary social insurance is 508 thousand people, a decrease of 7.8% compared to quarter 4, 2019 but growing by 72.2% over the same period in 2019.

The SI participation rate to labour force in working age was 31,73%.

The settlement of SI benefits: In quarter 1 of 2020, over 2.97 million people nationwide were entitled to social insurance benefits (of which 30,285 turns of people were entitled to pensions and monthly social insurance allowances; 157,210 turns of people enjoyed lump-sum allowance and 2,784,096 times of people enjoyed the benefits for sickness, maternity and health rehabilitation).

In quarter 1/2020, the estimated social insurance expenditure is VND 38,419 billion, of which: from the budget was VND 7,883 billion and from social insurance fund was VND 30,536 billion.

Table 13. Status of participation in SI

Criteria	Unit	Q1/2019	Q4/2019	Q1/2020
Total number of participants	Thousand ppl	14,795	15,736	15,523
Participation rate to labour force	%	30.28	31.87	31.73
<i>Structure by:</i>				
Compulsory	Thousand ppl	14,500	15,185	15,025
Participation rate to labour force	Thousand ppl	295	551	508

Source: VSS (2019, 2020).

PART 3. LABOUR MARKET POTENTIAL

The impact of the Covid-19 pandemic will continue to negatively affect Vietnam's economic growth both in terms of imported raw materials, exporting orders and domestic consumer demand. It is forecasted that, in quarter 2 of 2020, GDP growth will be low at about 2-3.5%. The most affected sector is the service sector, including transportation and warehouse, accommodation and food services, entertainment; agriculture, forestry and fishery, and mining may have a negative growth; Import-export turnover will decrease compared to the same period last year. As a result, labour in these

areas continues to face difficulties, unable to create jobs and job loss may occur.

Job loss is forecasted in some sectors such as: manufacturing industry (86 thousand employees); transportation and warehouse (142 thousand); education and training (22 thousand); wholesale and retail (9 thousand).

Employment will increase in some sectors, such as: health (an increase of 90 thousand employees), communication (35 thousand employees), banking, finance and insurance (an increase of 33 thousand employees). These are sectors that maintain growth due to activities related to disease prevention.

The newsletter is compiled with the cooperation of the General Statistics Office and the participation of some units of 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, Department of Labour Relations and Wage, Directorate of Vocational Education and Training, Center for Information.

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