



Ministry of Labour-Invalids
and Social Affairs

NEWSLETTER FOR VIETNAM'S LABOUR MARKET UPDATE

Volume 6, Quarter 2/2015



General Statistics
Office

1. Key economic and labour market indicators

Table 1. Key indicators of the economy and labour market

Indicators	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1. GDP growth rate (%)	5.3	6.1	7.0	6.1	6.4
2. Export turnover growth rate (% compared to the previous period)	16.3	13.3	11.5	8.7	11.7
3. Total capital investment per GDP (%)	30.8	33.1	31.2	30.4	31.1
4. Consumer Price index ((% compared to the previous period)	4.72	4.29	2.56	0.74	0.86
5. Labour force (million people)	53.71	54.31	54.43	53.64	53.71
6. Labour force participation rate (%)	77.5	77.9	77.7	77.3	76.2
7. Rate of skilled worker with certificate (%)	18.31	18.42	18.45	21.24	20.06
8. Employment (million people)	52.83	53.26	53.44	52.43	52.53
9. Rate of paid workers in total employment (%)	35.2	35.2	36.4	37.8	38.8
10. Rate of employment in agriculture, forestry and fisheries sector in total employment (%)	47.07	46.56	45.25	45.00	44.69
11. Unemployment at working age (thousand people)	871.8	1,036.0	975.2	1,159.8	1,144.6
12. Unemployment rate at working age (%)	1.84	2.17	2.05	2.43	2.42
Of which:					
12.1. Urban unemployment rate (%)	3.26	3.27	3.21	3.43	3.53
12.2. Youth unemployment rate (15-24 years old) (%)	5.09	7.02	6.17	6.60	6.68

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

In quarter 2/2015, the GDP growth rate gained 6.4%, was much higher than the increase rate of 6.1% in quarter 1/2015. It indicated the further recovery of the economy.

In comparison to quarter 1/2015, labour force of quarter 2/2015 increased 73 thousand people, but the participation rate in labour market was decreased from 77.3% down to 76.2%; number of employed workers climbed up to 103 thousand people; the rate of paid

workers was much increased, achieved 38.81%; the labour force in agriculture, forestry and fisheries continuously decreased, at 44.69%.

The unemployment rate among people at working age was slightly decreased, at only 2.42% meanwhile urban and youth unemployment rate was increased 3.53% and 6.68% respectively.

2. Population aged from over 15 and labour force

In quarter 2/2015, population aged over 15 gained 70.86 million people, increased nearly 1.55 million people (2.23%) compared to quarter 2/2014; in urban areas, it increased 681 thousand people (2.97%); male workers was increased 450 thousand people (1,33%).

The size of labour force in quarter 2/2015 was 53.71 million people, equivalent to the number in quarter 2/2014; in urban areas, it increased 230 thousand people (1.45%); of which female workers was increased 73 thousand people (0.3%).

Table 2. The size and labour force participation rate of population aged over 15

	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1. Population aged over 15 (million pp.)	69.31	69.69	70.06	69.75	70.86
2. labour force (million pp.)	53.71	54.31	54.43	53.64	53.71
male workers	27.58	28.04	27.97	27.82	27.66
Female workers	26.13	26.27	26.46	25.82	26.05
urban areas	16.03	16.30	16.36	16.94	16.26
Rural areas	37.68	38.01	38.07	36.70	37.45
3. Labour force participation rate (%)	77.50	77.93	77.69	77.30	76.20

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

Labour force participation rate in quarter 2/2015 was 76.2%, lower than the rate in quarter 2/2014 (77.5%), mainly due to higher rate of school/university/college enrollment (the density of total population aged over 15 was 7.99%, while it was 6.9% in quarter 2/2014).

3. Education and training

In quarter 2/2015, the number of workers with technical skills and qualification¹ was 10.77 million people, making up 20.06% of total labour force (included 11.73% having vocational education certificate, 8.33% having university degree and above). In comparison to quarter 2/2014, it increased 960 thousand people, but decreased in comparison to quarter1/2015.

Table 3. Number of skilled workers with certificate

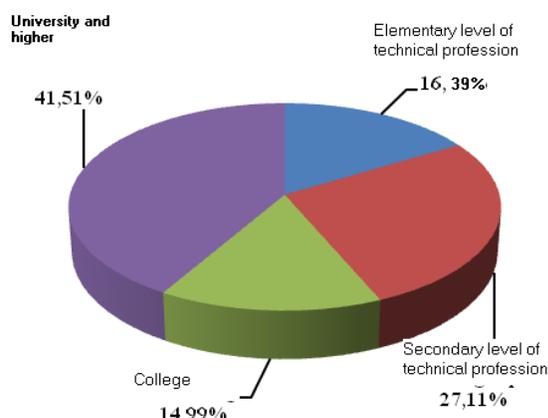
	2014			2015	
	Q2	Q3	Q4	Q1	Q2
Quantity (Million people)	9.81	9.98	10.01	11.39	10.77
rate (%)	18.31	18.42	18.45	21.24	20.06

Source: GSO(2014, 2015), quarterly labour-employment survey.

Amongst 10.77 million trained workers with certificate from elementary level of technical profession and above, workers holding university degree and above was 4.47 million people (accounting for 41.51%); college degree was 1.61million workers (14.99%); secondary level of technical profession was 2.92 million workers (27.11%); elementary level of technical profession was 1.77 million workers (16.39%). Structure of tertiary education and above/college/secondary/elementary is 1: 0,35: 0,65: 0,4 which alarmed the disproportion of trained workers structure between higher education and vocational education. It will be more serious when Vietnam becomes the member of ASEAN Economic Community.

¹ Workers with technical skills and qualification are people holding certificate/degree from elementary vocational level and higher

Chart 1. The share of trained workers with certificate/degree by professional skills, quarter 2/2015



Source: GSO(2014, 2015), quarterly labour-employment survey.

Box 1. ASEAN Economic Community (from 31/12/2015): Recognition of equivalent skills and qualification among member countries

According to agreement of ASEAN Economic Community, workers are allowed to freely move within ASEAN countries to work for 8 occupations. Thus, countries members must develop national qualification framework which is in line with standard qualification framework of ASEAN Economic Community.

Currently, Ministry of Education and Training and Ministry of Labour-Invalids and Social Affairs are in collaboration to develop Master plan and national qualification framework with 8 educational level, of which, 03 educational levels named 6,7,8 which belongs to higher education, developed by Ministry of Education-Training and 05 rest educational level, relating to vocational education, developed by Ministry of Labour-Invalids and Social Affairs. Educational levels are linked and unified in terms of outcome standards.

Decree No.31/NĐ-CP of the government stipulating on assessment, issuing national certificate of vocational skills, took effect

from 15/5/2015, thus, Ministry of Labour-Invalids and Social Affairs is in charge of managing international cooperation in performing assessment, issuing national certificate of vocational skills; negotiating and signing bilateral and multilateral agreement on recognition of equivalent vocational skills among member countries and Vietnam.

Source: General Statistics Office

4. Employment

In quarter 2/2015, there were 52.53 million employed workers in nationwide, increased 103 thousand people compared to quarter 1/2015.

Table 4. Number of employed workers by gender, urban-rural areas

Unit: million people

	2014			2015	
	Q2	Q3	Q4	Q1	Q2
Nationwide	52.83	53.26	53.44	52.43	52.53
Male	27.10	27.46	27.46	27.17	27.01
Female	25.73	25.79	25.98	25.25	25.52
Urban	15.55	15.81	15.88	16.39	15.73
Rural	37.29	37.45	37.56	36.04	36.81

Source: GSO(2014, 2015), quarterly labour-employment survey

The migration of workers from rural areas to urban areas was on the downward trend. In urban areas, there were 15.73 million workers, decreased 633 thousand people compared to quarter1/2015. As the result, the density of employed workers in urban areas was decreased from 31.26% in quarter1/2015 down to 29.94% in quarter 2/2015.

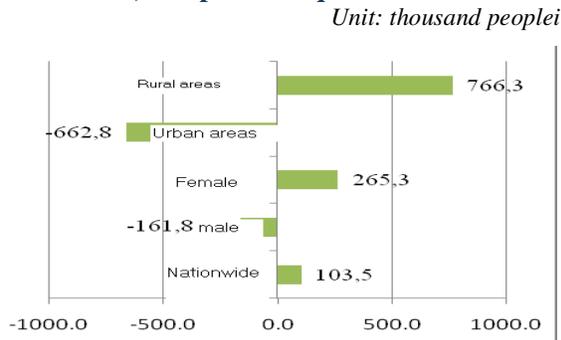
In urban areas, there were 15.73 million employed workers, decreased 663 thousand people compared to quarter 1/2015. The density of employed workers in urban areas was decreased (from 31.26% in quarter1/2015 down to 29.94% in quarter 2/2015).

In rural areas, there were 36.81 million employed workers, increased 766 thousand

people compared to quarter 1/2015, as the result, density of employment in rural areas was increased from 68.74% in quarter 1/2015 up to 70.06% in quarter 2/2015.

In quarter 2, 2015, number of female workers was 25.52 million people, increased 265 thousand people; number of male workers was 27.01 million people, decreased 161 thousand people, compared to quarter 1/2015. As the result, the employment rate of female workers was increased from 48.16% to 48.58%.

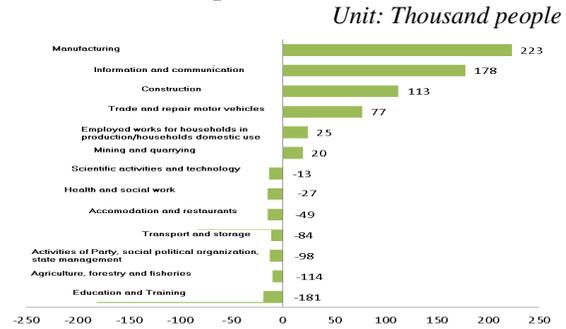
Chart 2. Fluctuation of employment in quarter 2/2015 by gender, urban –rural areas, compared to quarter 1/2015
Unit: thousand people



Source: GSO(2015), quarterly labour-employment survey

In comparison to quarter1/2015, the labour force was increased in some industries, of which the highest increase was “manufacturing and processing industry” (223 thousand worker, the following ones were “information and communication” industry (178 thousand workers), “construction industry” (113 thousand people), trade and repair of motor vehicles (77 thousand people), employed workers for households in production, business or household domestic use (25 thousand people), mining and quarrying (20 thousand people). The industries showing the downward trend of labour force participation, were “education and training” sector (181 thousand staff); “agriculture, forestry and fisheries” sector (114 thousand workers), “activities of Party, social political organization, national defense and compulsory social security (98 thousand office workers), “storage, transport (84 thousand workers).

Chart 3. The fluctuation of employment by industry/sector in quarter 2/2015 compared to quarter 1/2015
Unit: Thousand people



Source: GSO(2015), quarterly labour-employment survey

Labour structure by sector was on downward trend of transition: the density of labour in agriculture, forestry and fisheries was slightly decreased 44.69% (in quarter1/2015, it was 45%); industry and construction was slightly increased 22.13% (quarter 1/2015 was 21.5%); but, the rate in services sector was decreased 33.17% (in quarter 1/2015, it was 33.5%), mainly due to significant decrease of labour in social political organization, state management and personal services sector”.

Table 5. Labour structure by sector and job position
Unit : %

	2014		2015	
	Q2	Q3	Q4	Q2
Total	100.0	100.0	100.0	100.0
By 3 sectors				
Agriculture-forestry and fisheries	47.07	46.56	45.25	44.69
Industry-construction	21.09	21.74	22.35	22.13
Services	31.87	31.70	32.40	33.17
By job position				
Owner	2.12	1.95	2.01	2.84
Self-employed workers	41.23	41.28	40.42	40.04
Unpaid workers	21.43	21.60	21.11	18.28
Paid workers	35.18	35.14	36.42	38.81
Cooperative members and unclassifiable	0.05	0.03	0.04	0.03

Source: GSO(2014, 2015), quarterly labour-employment survey

The rate of paid workers in total employment was further increased, in quarter 2/2015, it gained 38.81%. Although, it was slightly changed in self-employed workers rate (decreased) and unpaid family workers (increased), in general the rate of vulnerable worker group accounted for large share in total active population (57.09%).

In quarter 2/2015, there were 20.1% of active population with certificate/degree; this rate was lowest in agriculture, forestry and fisheries sector (4.6%); the following group was industry-construction sector (19%); the highest rate was in services sector (41.9%), of which, there were 19.6% workers with university degree and above.

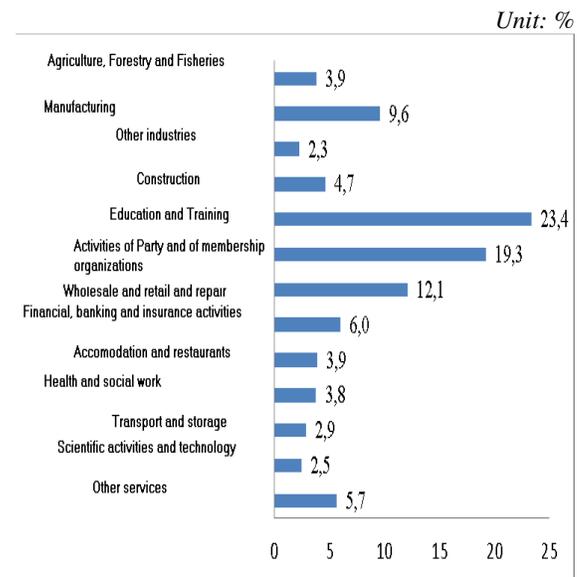
Table 6. Labour structure by professional skills and sector group in quarter 2/2015

<i>Total</i>	<i>Unit: %</i>			
	Agriculture-forestry-fisheries	Industry - construction	Services	General
	100.0	100.0	100.0	100.0
Workers without certificates/degree	95.4	81.0	58.1	79.9
Vocational certificate for under 3 months of training	0.3	0.9	0.7	0.5
Elementary vocational training	0.9	3.6	6.2	3.3
Secondary vocational	2.0	5.5	9.7	5.3
Vocational college	0.7	3.1	5.7	2.9
University degree and above	0.7	5.9	19.6	8.1

Source: GSO(2015), labour-employment survey in quarter 2/2015

In quarter 2/2015, there were 3.994 thousand holding university degree. Of which, nearly 65% of them working in 04 large sectors, including: “education and training” (23.4%); social political organization, state management, national defense and compulsory social safeguard” (19,3%); services sector “wholesale and retail ; repairing car, motorbike and other vehicles with engine” (12.1%); and manufacturing and processing”(9.6%).

Chart 4. Structure of labour holding university degree by sector, quarter 2/2015



Source: GSO(2015), labour-employment survey in quarter 2.

5. Number of workers dispatched to work abroad under term definite labour contract

In quarter 2/2015, the number of workers dispatched for overseas employments under term definite labour contract was 30.407 workers (of which there were 9.209 female workers, making up 30.29%), increased 4.641 people, compared to quarter 1/2015. The number of Vietnamese overseas workers in Taiwan was largest, nearly 20.000 people, making up 65.27%.

Box 2. Some new contents in international cooperation of sending workers for overseas employment under term definite labour contract

Since 5/2015, the Government of South Korea applied incentive policy to illegal workers to return back home country. Thus, if they returned home country right after their labour contracts were terminated, they would be not fined, detained and can come back South Korea after two years. On 07/9/2015, the Vietnamese government issued Decree No.62/NQ-CP, of which it would not apply fine to Vietnamese overseas workers who return back home country after their labour contract was terminated.

Based on the agreement drafted by Ministry of Labour-Invalids and Social Affairs and Ministry of Economy and Energy of Federal Republic of Germany, on 20/4/2015, Center for Overseas Labour and VIVANTES company signed agreement of selecting, providing training and sending Vietnamese workers to work as caregivers for elderly people in Germany. Number of selected workers was 150 applicants.

Further implementing program of dispatching Vietnamese nurses to work in Japan under Vietnam – Japan Economic partnership agreement (VJEPA), in 2015, Department of Overseas Labour performed selection applicants of batch 4. Number of selected applicants was 210 workers. Department of Overseas Labour was main implementer as assigned by the Ministry; applicants did not have to pay any fee for selection, training and other related fees
Source: Department of Overseas Labour (2015)

6. Income of paid workers

In quarter 2/2015, monthly income (including salary/wage, other allowance and benefits) paid for work done was 4.46 million dong.

The average income of male workers was 4.7 million/month; income of female workers

was lower than male workers, only 4.13 million dong/ month.

The average income of workers in urban areas was 5.25 million/month; income of workers in rural areas was much lower than that of workers in urban areas, only 3.84 million dong/month.

Table 7. The monthly average income of paid workers

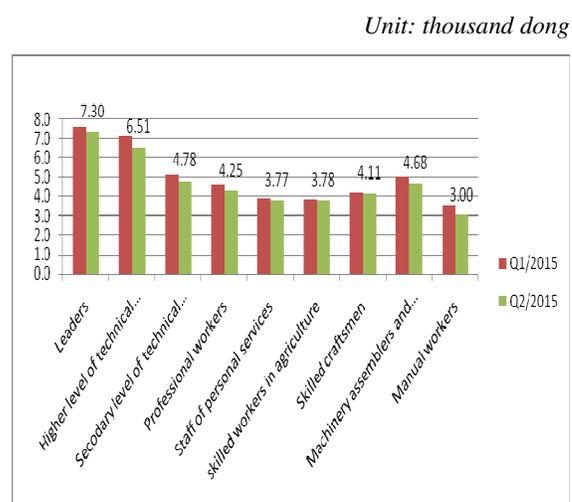
Unit: million dong

	2014			2015	
	Q2	Q3	Q4	Q1	Q2
general	4.63	4.40	4.36	4.89	4.46
Male	4.80	4.60	4.54	5.03	4.70
Female	4.41	4.13	4.10	4.71	4.13
Urban	5.04	5.15	5.11	5.72	5.26
Rural	3.98	3.80	3.76	4.19	3.84

Source: GSO(2014, 2015), quarterly labour-employment survey

Regarding occupation, monthly income of “leaders” group was highest (7.3 million dong), the following group was “higher level of technical profession” group (6.5 million dong), the lowest one was “manual workers” group (only 3 million dong).

Chart 5. Monthly average income of paid workers by occupation, quarter 2/2015 and quarter 1/2015

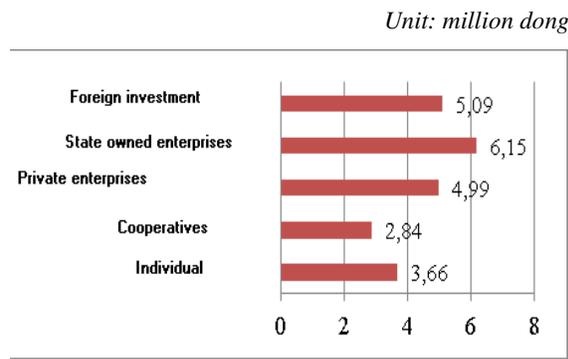


Source: GSO(2015), quarterly labour-employment survey

Regarding ownership, workers in state-owned enterprises were paid highest monthly income on average, 6.15 million dong, decreased 200 thousand dong compared to quarter 1/2015 (4%).

Workers in cooperatives sector were paid lowest income, only 2.84 million dong.

Chart 6. The monthly average income of paid workers by ownership in quarter 2/2015²



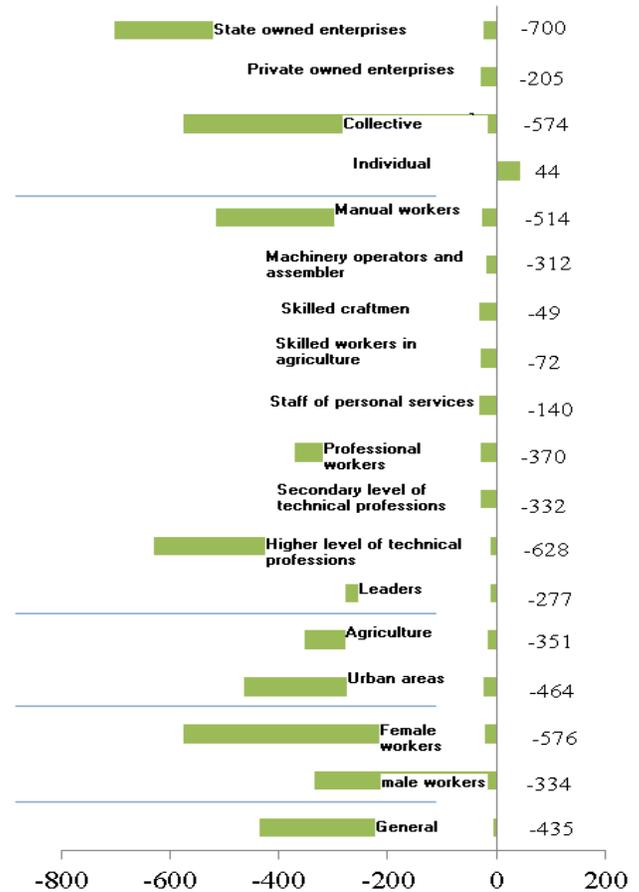
Source: GSO(2015), labour-employment survey in quarter 2/2015

In quarter 2/2015, monthly average income of paid workers was decreased 435 thousand dong (8.9%), income of female workers was much lower than that of male workers but decreased rate of income was higher than that of male workers (576 thousand dong and 334 thousand dong respectively). Income of urban workers was much decreased than rural areas (464 thousand dong and 351 thousand dong respectively). By occupation, income was in a downward trend. By ownership, income of workers in state-owned enterprises was much decreased, about 700 thousand dong (10%) compared to quarter 1/2015.

² According to Labour and Employment Survey, the foreign sector term was understood including enterprises with foreign direct investment, representative office of branding, company, foreign enterprises; international organizations/institutions.

Chart 7. Difference of monthly average income of paid workers, quarter 2/2015 compared to quarter 1/2015

Unit: thousand dong



Source: GSO(2015), labour-employment survey in quarter 2/2015

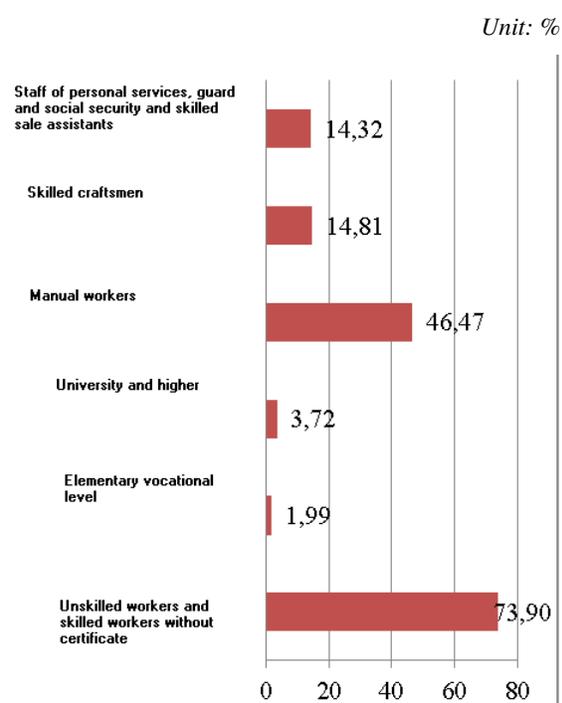
Box 3. Negotiation for determining regional minimum wage of National Wage Council

In 2015, after 3 times of organizing negotiation, the National Wage Council came to an agreement of propose the Government regional minimum wage level from 01/01/2016 as following: region I, 3.5 million dong/month; region II, 3.1 million dong/month; region III, 2.7 million dong/month and region IV, 2.4 million dong/month, the average wage increase in 4 regions was 12.4%.

Source: National Wage Council

In quarter 2/2015, there was 18.5% of paid workers in low income group³ (under 2.7 million dong/month), increased 2.8% compared to quarter 1/2015 due to average income was decreased. Almost of low income workers were unskilled workers and skilled workers without certificate/degree (73.9%) and manual workers (46.47%). However, there were a small share of workers with technical skills and qualification calculated in this group.

Chart 8. The rate of paid workers having low income, quarter 2/2015



Source: GSO(2015), labour-employment survey in quarter 2/2015

7. Unemployment and underemployment

7.1. Unemployment

a) The number of unemployed workers:

In the second quarter of 2015, there were 1,144.6 thousand people at working age were unemployed, decreased 15.2 thousand people

compared to the first quarter. In which, female workers were 512.3 thousand people (accounting for 44.8%), decreased 23.8 thousand people; male workers were 631.3 thousand people (accounting for 55.2%), increased 8.6 thousand people; there were 525.7 thousand people in urban areas (accounting for 45.9%), decreased 8.5 thousand people; this number in rural areas was 618.9 thousand people (54.1%), decreased 6.7 thousand people; youth group (15-24 years old) was 592.6 thousand people (accounting for 51.8%), increased 6.4 thousand people.

Table 8. The number of people in working age is unemployed by sex, areas and age group

Unit: thousand people

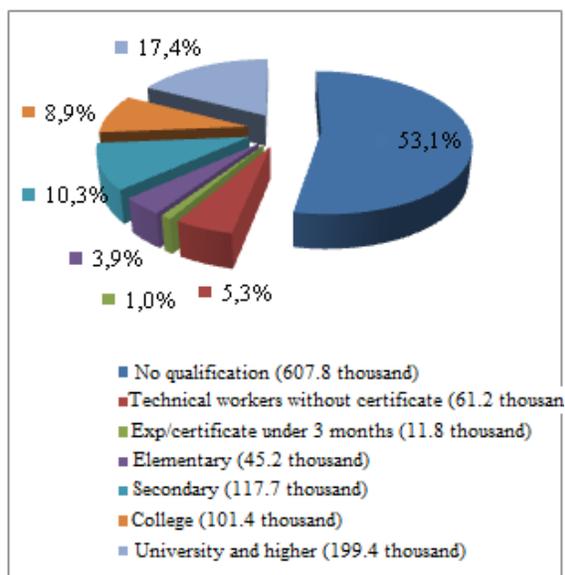
	2014			2015	
	Q2	Q3	Q4	Q1	Q2
General	871.8	1,036.3	975.2	1,159.8	1,144.6
<i>1. By gender</i>					
Male	478.8	572.7	502.2	622.7	631.3
female	393.0	463.6	473.0	537.1	513.3
<i>2. By areas</i>					
Urban	479.3	486.0	477.0	534.2	525.7
Rural	392.5	550.3	498.2	625.6	618.9
<i>3. By age group</i>					
15-24yrs	384.7	543.8	448.4	586.2	592.6
>= 25yrs	487.1	492.5	526.8	573.6	552.0

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

Of the 1,144.6 thousand of unemployed people, there was 607.8 thousand people have no qualification, technical expertise (accounting for 53.1%), increased 53.8 thousand people compared to the first quarter; there was 119 thousand people holding university degree or higher were unemployed (accounting for 17.4% of total unemployed people), an increase of 22 thousand people.

³ Low wage was understood as wage paid under 2/3 of median wage

Figure 9. The number and structure of unemployed people by qualification level.



Source: GSO (2015), Labour – Employment Survey in the quarter 2/2015

b). Unemployment rate:

The unemployment rate in working age of the quarter 2/2015 was 2.42%, slightly decreased comparing to the first quarter. This rate of female decreased (from 2.45% to 2.34%), while this rate of male increased (from 2.42% to 2.48%), the unemployment rate in urban went up (from 3.43% to 3.53%), while this rate of rural areas decreased (from 1.95% to 1.91%).

In the second quarter of 2015, except for the group with college qualification had decreased unemployment rate compared to the first the quarter 2015 (from 7.13% to 6.56%), the unemployment rate of other groups increased, in particular: the rate of group holding university degree rised from 3.92% to 4.6%; secondary vocational training level increased from 3.66% to 4.49% and elementary vocational training level went up from 2.05% to 2.71%.

The unemployment rate of youth continued to increase, in the quarter 2/2015 was 6.68% which equaled to 2.8 times general unemployment rate, increased 0.08 percentage point compared to the first quarter. The

concern is the unemployment rate of youth in urban areas was 11.84 % in the second quarter.

By time, there was 77.3% unemployed people were unemployed under 12 months and 22.7% over 12 months.

Table 9. Unemployment rate in working age by gender, areas, qualification and age group

Unit: %

	2014			2015	
	Q2	Q3	Q4	Q1	Q2
General	1.84	2.17	2.05	2.43	2.42
1. By gender					
Male	1.88	2.22	1.96	2.42	2.48
Female	1.79	2.11	2.15	2.45	2.35
2. By areas					
Urban	3.26	3.27	3.21	3.43	3.53
Rural	1.2	1.67	1.52	1.95	1.91
3. By qualification					
No qualification				2.19	1.95
Technical workers without qualification	1.37	1.58	1.57	0.94	1.19
Experience/vocational certificate under 3 months				1.31	1.45
Elementary vocational training	1.73	2.05	1.75	2.05	2.71
Secondary vocational training	4.16	4.53	3.65	3.66	4.48
College	5.54	7.86	6.39	7.13	6.56
University/Postgraduate	3.67	4.33	4.17	3.92	4.60
4. By age group					
15-24yrs old	5.09	7.02	6.17	6.60	6.68
>25yrs old	1.22	1.23	1.30	1.40	1.44

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

b. Underemployment

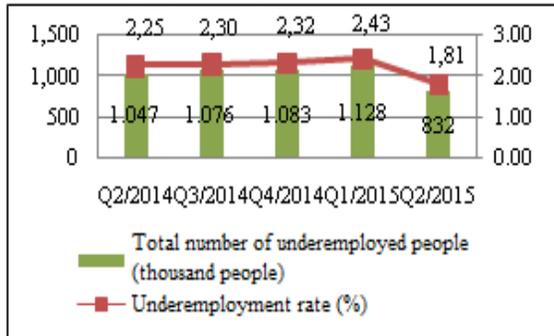
According to the definition of this survey, the underemployed people are who have working hours less than 35 hours in the surveyed week, but wish to and willing to work overtime.

The situation of underemployment was improved, in the quarter 2/2015, there were 832.3 thousand people un working age were underemployed, decreased significantly compared to the first quarter (a decrease of 296 thousand people) and compared to the quarter 2/2014 (a decrease of 215 thousand people), that led to the underemployment rate

in the second quarter of 2015 down to 1.81% - the lowest rate in the last 12 months.

In the quarter 2/2015, the underemployment rate of rural employees was 2.23%, higher than this rate of urban areas (0.9%); this rate of employees in agriculture, forestry and fishery was 3.4%; of household employees was 3.69 and 2.11% of self-employed employees.

Figure 10. The number and underemployment rate of the labour force in working age the quarter 2/2015



Source: GSO (2015), Labour – Employment Survey in the quarter 2/2015

The number of average working hours in a week of underemployed workers was 26.68 hours, only equaled to 56% of total average working hours of the country (47.67hours/week), however it increased 1.97 hours compared to the first quarter of 2015 and 3.14 hours compared to the same period in 2014.

8. Unemployment insurance

In the quarter 2/2015, there were 160.5 thousand people applied to unemployment insurance, increased 89.3% (75.73 thousand people) compared with the first the quarter 2015.

In the quarter 2/2015, there were 137.29 thousand people received unemployment benefit, an increase of 61.5% (52.3 thousand people) compared to quarter 1/2015. The proportion of employees with decision of enjoying unemployment benefit in age from 25-40 years old still remains high. (male: 66.0%; female: 64.4%)

Table 10. Results of the implementation of unemployment insurance in the quarter 2/2015

Unit: Thousand people

Indicator	2014			2015	
	Q2	Q3	Q4	Q1	Q2
The number of applications for unemployment benefit	162.4	149.7	121.7	84.3	160.5
The number of people have decision of enjoying unemployment benefit					
Monthly	144.6	167.5	127.5	85.0	137.3
One time	7.3	11.6	10.4	5.9	0.8
Transfer application for unemployment benefit	0.9	1.1	1.2	0.6	0.4
The number of unemployed people getting job consultation and introduction	135.6	138.2	108.5	73.3	130.0
Of which: the number of people are introduced jobs	40.0	41.8	28.3	17.4	33.7
The number of people get decision of vocational education support	4.7	6.6	6.3	5.0	6.3

Source: Department of Employment (2014, 2015)

In the quarter 2/2015, the number of people getting job consultation and introduction was 129.64 thousand people (accounting for 94.4% of people have decision of enjoying unemployment benefit) of which, 33.71 thousand people (24.6% of the number people have decision of enjoying unemployment benefit) were successfully introduced jobs; the number of people were supported in vocational education were 6.26

thousand people (accounting for 4.6% of people have decision of enjoying unemployment benefit).

9. Supply – Demand connection

In the quarter 2/2015, 64 employment service centers managed by labour – invalids and social affairs sector have organized 270 job transaction sessions, more than 475 thousand people were consulted, introduced jobs.

Table 11. The state of Supply – Demand connection

Indicators	2014			2015	
	Q2	Q3	Q4	Q1	Q2
The number of Employment Service Centers	130	130	130	130	130
The number of Employment Service Enterprises	104	135	144	146	146
The number of job transaction sessions	300	310	315	260	270
The number of people getting job consultation (thousand people)	460	480	485	410	475
The number of people employed through employment service centers (thousand people)	186	240	247	172	190

Source: Department of Employment (2014, 2015)

In the quarter 2/2015, there were 397 thousand people were created jobs that raised the total number of people were created job in the first 6 months of 2015 to 732 thousand people. Of which, there was 43.14 thousand jobs from the National Fund for Employment.

The labour supply – demand trend analysis from the web portal of MOLISA⁴ shows that, in the quarter 3/2015, there will be 10,338 thousand enterprises register to recruit employees with the recruitment demand of 65,222 people. By types of ownership, group

⁴ From labour market newsletters No.6, there will be an information analysis on trend of job seeking, recruitment on the labour market of ILSSA

of limited companies took the highest proportion (39.22%); followed by joint stock companies (32.3%); State owned enterprises (11.4%); private enterprises (9.94%); FDI enterprises (7.8%).

By qualification, the demand for recruitment of unskilled employees accounts for 30.6%, followed by college and university qualification 23.7%. Some sectors, occupations have high recruitment demand: textile and garment (31.09%), drivers (12.15%), import-export staff (10.85%) and banking and finance (9.95%)

In the quarter 2/2015, there were 8,811 people applying for jobs, mainly in secondary vocational training group (30%), college (18.3%), university (17.9%). Some groups of occupations that had most people search were financial accounting (22.1%), human resource management (12.8%), business administration (7.6%).

These results show that there is a gap between supply and demand by qualification, job (in secondary vocational training level, supply is lower than demand while there is a sign of oversupply in college and university level, etc.)

10. Information from big cities

Information from some big cities⁵ shows that:

Hanoi:

In the first 6 months of 2015, the employment service center of the Department of labour – invalids and social affairs has organized 73 job transaction sessions (of which, there are 03 thematic sessions and 01 online session with 09 Northern Provinces, 04 ambulatory sessions), with the participation of 2,400 enterprises with total recruitment demand is 36.42 thousand job positions. In 23.5 thousand people were interviewed, they have recruited 11.5 thousand people (account for 48.94% of total number of interviewed

⁵ Labour market newsletter No.6 has the participation of the department of labour – invalids and social affairs of Hanoi, Danang and Hochiminh city.

people and 31.58% of the recruitment demand.

Sectors/occupations that employees have difficulty in finding job are: accounting (especially, intermediate accounting), bank staff, administration – office staff and some technical sectors such as: petrochemicals, biological and chemical. Unskilled employees and unskilled employees for industrial sector are groups of employees that enterprises meet difficulty in recruitment partly because of low wage and job instability.

Sectors/occupations that are the most easy to recruit are marketing, salesperson, real estate business, e-commerce, craftsman, fashion, art design. Especially, group of sellers in supermarkets, cosmetics, fashion, etc are easily to recruit because of sufficient supply. (including young employees graduating from secondary vocational training, college or even university are willing to do this job although this job does not match with educated job.)

In the first 6 months of 2015, Hanoi has created jobs for 78 thousand people, reached 52.7% of plan of the year 2015.

Danang:

After the first 6 months of 2015, Employment service center of the department of labour – invalids and social affairs has organized 16 job transaction sessions (01 ambulatory session), with the participation of 1,282 enterprises with total recruitment demand of 25.14 thousand people. There were nearly 11 thousand participants, of which 10.62 thousand people were consulted, introduced jobs and 5.46 people were selected to interview (people from other provinces accounted for 21.01%), accounting for 21.7% demand of enterprises. In total number of interviewed people, there were 2,574 people holding university degree (47.18%); 1,448 people holding college degree (26.54%); 428 people holding secondary vocational training certificate (7.84%); 19 technical workers; 987 unskilled workers.

In the first 6 months of 2015, the City has created jobs for 18.4 thousand people, reaching 58.41% plan in 2015.

Hochiminh city:

In the first 6 months of 2015, employment service center of the department of labour – invalids and social affairs has organized 22 job transaction sessions (of which, there were 22 fixed sessions, 14 ambulatory sessions) with the participation of 1,319 enterprises with total recruitment demand of 42.72 thousand jobs (an increase of 7.4% compared to the first 6 months of 2014). In 20 thousand interviewed people, there were 8.8 thousand people were recruited (accounting for 38.88% of interviewees and 18.21% of recruitment demand). Total demand on jobs of employees also increased of 8.18% compared to the same period of 2014, partly because of about 70 thousand graduates from universities – colleges.

Regarding to demand on jobs:

The demand on jobs of people in some sectors/occupations such as: accounting – auditing (25.44%); business, sales (9.84%); administrative office (8.75%); architecture – construction engineering (5.46%); mechanical engineering – automation (4.51%), IT (3.97%), etc.

Regarding to recruitment demand:

Demand for unskilled labour still took the highest proportion (33.19%), followed by secondary vocational training level (20.12%), college (17.46%), higher education (15.96%), elementary vocational training (7.82%) and technical workers (5.44%).

In terms of sector, the recruitment demand concentrated to some sectors that required high qualification such as: IT; architecture – construction engineering; business – sales; accounting – auditing; management, etc.; in groups require lower qualification such as: textile and garment, leather footwear, electronics – mechatronics; mechanics, electricians – refrigeration – industrial electricians; transportation – warehouse – import and

export; carpentry – art – handicraft, etc.; demand on unskilled labour concentrates mainly in some sectors: tourism – restaurant – hotel; service (security, house maid, etc.); information consultant – customer care; sales, etc.

Some sectors are difficult to recruit employees due to the labour supply shortage are: IT, textile and garment – leather footwear; tourism – restaurant – hotel; business – sales.

Regarding to result of job creation

In the first 6 months of 2015, the number of people was employed were 146,827 people reaching 55.4% of target plan, of which 103,380 thousand people have stable jobs; the number of new jobs was 60,855 positions reaching 50.07% of plan.

11. Prospect for the labour market, the demand for labour in 2015

Data of GSO shows that GDP growth rate of the quarter 1,2 and 3 in 2015 reaches 6.1%, 6.4% and 6.8% relatively. With the situation of economic growth of following quarter is higher than previous quarter after the last 3 quarters, the expected GDP growth rate in quarter 4 will be 6.9% and in whole year will reach 6.5%.

Regarding to labour supply: in the quarter 3/2015, the labour force is estimated of 54.31 million people, accounting for 76.01% total population aged 15 and older. In the quarter

4/2015, the labour force is estimated to reach 54.43 million people, accounting for 76.11% total population aged 15 and older; the structure of urban labour force increases slightly, accounting for 30.5%.

Assuming there is not much variation in economic growth model from now until the end of 2015, the coefficient of employment elasticity in accordance to economic growth remains at 0.3-0.6. The labour force employed in the quarter 3 is forecasted to reach 52.9 million people (an increase of 0.81% compared to the second quarter), the fourth quarter reaches 53.1 million people (an increase of 0.34% compared to the third). The recruitment demand in 2015 of enterprises is forecasted to increase of 360 thousand people (an increase of 3.27%) compared to 2014. That raises the total employees of enterprises reaches 12.32 million people, the proportion of salaried employees in total employed people at the end of 2015 will reach 40%.

The unemployment rate in the working age continues to decline slightly to be 2.38% in quarter 4/2015.

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