



VIETNAM'S LABOUR MARKET UPDATE NEWSLETTER

Volume 26, quarter 2, 2020



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

General Statistics Office

A. OVERVIEW

1. Key indicators

Table 1. Key economic and labour market indicators

Indicator	2019			2020	
	Q2	Q3	Q4	Q1	Q2
1. Gross domestic product growth rate (%)	6.73	7.48	6.97	3.82	0.36
2. Export turnover growth rate (% compare to the same period last year)	9.3	10.0	7.2	0.5	- 9.0
3. Total capital investment per GDP (%)	33.1**	34.3***	33.9*	31.0	33.0**
4. Consumer Price index (% compare to the same period last year)	2.7	2.2	3.66	5.56	2.83
5. Labour force aged from 15 and older (million people)	55.51	55.71	55.51	55.33	53.15
6. Labour force participation rate (%)	76.46	76.45	76.46	75.39	72.31
7. Rate of labourers aged from 15 and older with certificate (%)	22.37	22.89	23.45	23.74	23.97
8. Labour force at working age (million people)	48.98	49.19	49.27	48.92	46.79
9. Number of labourers (million people)	54.41	54.61	54.90	54.21	51.81
10. Rate of salaried workers in total number of labourers (%)	47.69	48.06	48.95	48.15	48.11
11. Rate of employment in agriculture, forestry and fishery industry (AFF) in total employment (%)	34.39	33.60	33.05	33.51	32.90
12. Monthly average income of salaried workers (million dong)	6.46	6.58	6.71	7.34	6.42
13 Number of unemployed people at working age (thousand people)	1057,9	1067,7	1060,0	1086,0	1278,9
14. Unemployment rate at working age (%)	2.20	2.17	2.15	2.22	2.73
15. Unemployment rate in urban area (%)	3.10	3.11	3.10	3.18	4.46
16. Youth unemployment rate (%)	6.69	6.73	6.50	7.01	6.98

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.

Due to the serious impact of the Covid-19 pandemic, the total GDP in quarter 2/2020 only increased by 0.36% compare to the same period last year, which was the lowest increase in the second quarter of each year in the period of 2011-2020, of which the service sector decreased by 1.76%. The labour market is also affected: the labour force participation rate decreased; the number of employed persons decreased; the rate of salaried workers decreased; the unemployment and underemployment rate increased; the monthly average income decreased. However, the labour structure still shifted in a positive direction compared to quarter 2/2020.

2. The population aged from 15 and labour force

Table 2. The size and participation rate in labour force

	2019			2020	
	Q2	Q3	Q4	Q1	Q2
1. Population aged from 15 and older (Million ppl)	73.18	73.43	73.66	74.06	74.12
2. Labour force aged from 15 and older (Million ppl)	55.51	55.71	56.00	55.33	53.15
Male	29.17	29.52	29.46	29.25	28.22
Female	26.34	26.19	26.54	26.08	24.93
Urban	18.07	18.12	18.25	18.17	17.81
Rural	37.44	37.59	37.75	37.16	35.34
3. Labour force participation rate ** (%)	76.46	76.45	76.65	75.39	72.31
Male	81.83	81.59	81.78	81.19	78.29
Female	71.27	71.37	71.66	69.79	66.55
Urban	69.50	69.80	69.43	68.56	65.56
Rural	80.33	80.12	80.70	79.25	76.27

** Only currently working in Vietnam.

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

In quarter 2/2020, although the size of the population aged 15 and older increased slightly compared to quarter 1/2020 and quarter 2/2019, the labour force decreased significantly, declining by 2.2 million people (3.9%) compared to the previous quarter and 2.4 million people (4.3%) compared to the same period last year. The labour force participation rate decreased in all age groups, especially the group of 55 years and older in urban areas (declining by 10.3%).

Professional and technical qualifications: Trained labour force aged 15 years and older with certificate (from elementary level) in Q2/2020 was 12.74 million people, increased by 211 thousand people compared to Q2/2019 but decreased by 393 thousand people compared to Q1/2020. However, the rate of labour force with certificate still remained increasing.

Figure 1. The rate of labour force having diploma/certificate

Q2/2019, Q1/2020 and Q2/2020 (%)

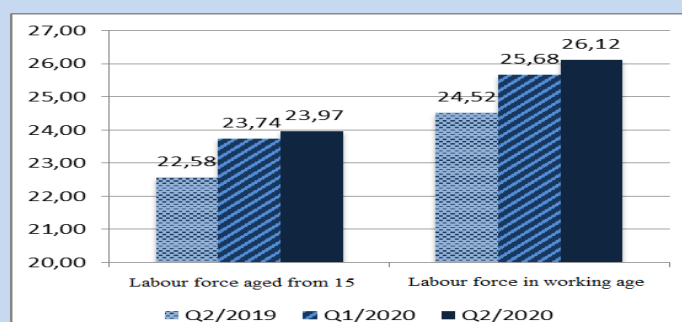
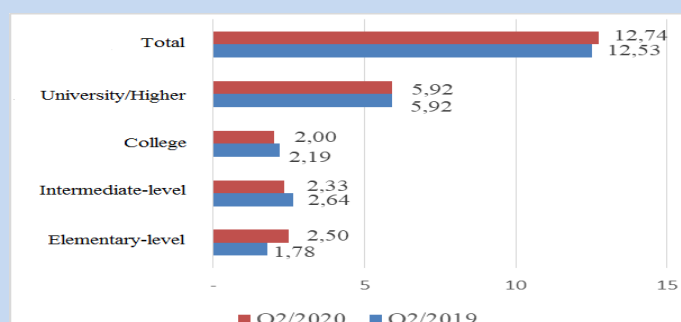


Figure 2. The number of labour force aged from 15 and older having diploma/certificate

Q2/2019 and Q2/2020 (million people)



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

3. Employment

Table 3. The quantity and structure of employed people

	2019				2020
	Q2	Q3	Q4	Q1	Q2
1. Quantity (million people)					
	54,41	54,61	54,90	54,21	51,81
2. Structure (%)	100.00	100.00	100.00	100.00	100.00
a. Gender					
Male	52.57	53.04	52.58	52.97	53.14
Female	47.43	46.96	47.42	47.03	46.86
b. Urban/Rural					
Urban	32.24	32.21	32.27	32.54	32.89
Rural	67.76	67.79	67.73	67.46	67.11
c. Economic sector					
AFF	34.39	33.60	33.05	33.51	32.90
Industry-Construction	29.99	30.81	30.60	30.49	30.94
Service	35.62	35.59	36.36	36.00	36.16
d. Job position					
Owner	2.68	2.61	2.63	2.92	2.85
Self-employed	35.62	35.78	35.21	35.15	35.98
Family worker	14.00	13.54	13.2	13.77	13.05
Salaried worker	47.69	48.06	48.95	48.15	48.11
Cooperative members & unclassifiable	0.01	0.01	0.01	0.01	0.01

The number of workers aged from 15 and older in quarter 2/2020 were 51.81 million people, decreasing by 2.4 million people (-4.42%) compared to quarter 1/2020 and 2.6 million people (-4.76%) compared to the same period in 2019.

Compared to quarter 1/2020, the labour structure shift remained decreasing jobs in AFF sector, increasing in industry-construction and services. However, employment in some industries decreased seriously due to the impact of the economic downturn caused by the Covid-19 pandemic.

All occupational groups reduced jobs excepting for the group of "skilled workers in AFF sector", especially the group of "simple workers" with a high reduction rate and quantity.

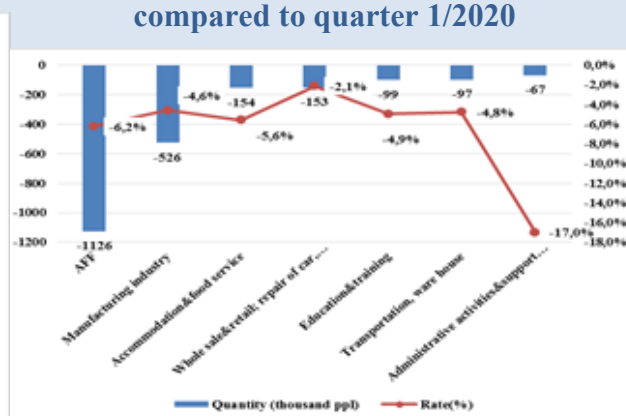
Source: GSO (2019, 2020), Quarterly statistics and labour force survey data

Figure 3. Employment fluctuation by occupation in quarter 2/2020 compared to quarter 1/2020



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

Figure 4. The industries with employment dropped the most in quarter 2/2020 compared to quarter 1/2020



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

4. Income of salaried workers

In quarter 2/2020, the monthly average income of salaried workers from main jobs reached VND 6.36 million, decreasing by VND 980,000 (-13.35%) compared to quarter 1/2020 and a decrease of VND 100,000 (-1.55 %) compared to the same period in 2019.

Table 4. Average monthly income of salaried workers from main jobs (VND million)

	2019			2020	
	Q2	Q3	Q4	Q1	Q2
Aggregate	6.46	6.58	6.71	7.34	6.36
Male	6.60	6.75	7.07	7.68	6.68
Female	5.80	5.91	6.25	6.90	5.93
Urban	6.89	7.05	7.83	8.67	7.28
Rural	5.59	5.68	5.87	6.38	5.68
No skill occupational qualifications	5.33	5.42	5.74	6.20	5.37
Elementary-level	7.28	7.10	7.74	8.64	7.20
Intermediate-level	6.46	6.61	6.90	7.68	6.60
College	6.67	6.75	7.24	8.00	6.81
University & higher	8.32	8.50	9.28	10.41	9.04
Household/ individual	5.06	5.16	5.41	5.56	5.02
Cooperative	5.15	5.69	5.25	5.97	4.89
100% State capital	8.13	8.51	9.07	10.42	8.42
State-owned	8.3	8.34	8.73	10.03	8.17
Non-State	6.90	7.04	7.52	8.34	7.02
FDI	6.93	6.96	7.38	8.40	6.90

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

In quarter 2/2020, the monthly average income from all jobs of salaried workers reached VND 6.45 million, decreasing by VND 950,000 compared to quarter 1/2020 (-12.84%).

5. Unemployment and underemployment

a. Unemployment

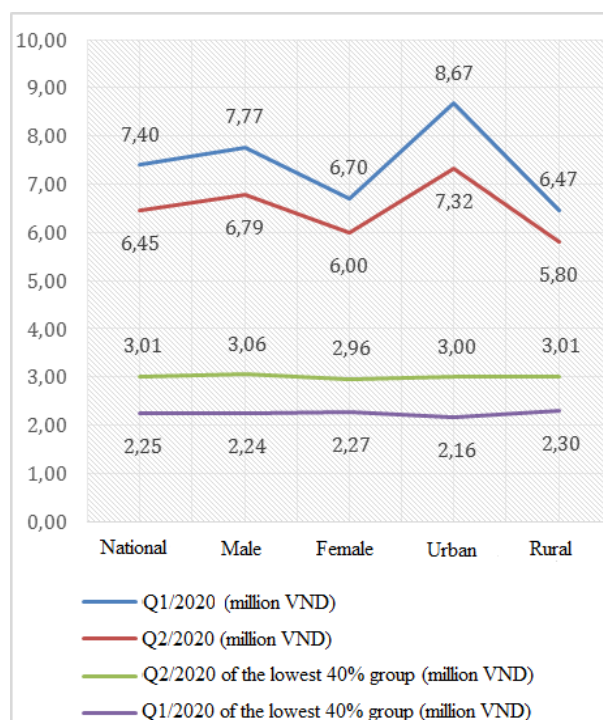
In quarter 2/2020, Vietnam had 1,278 thousand unemployed people, increasing by nearly 193 thousand people compared to the previous quarter and increasing by 221.1 thousand people compared to the same period last year. The national unemployment rate was 2.73%, going up by 0.51% over the previous quarter and 0.53% compared to the same period last year. The urban area had 731.8 thousand unemployed people with the unemployment rate of 4.46%, which is the highest rate in the past 10 years. In total unemployed, youth accounted for 32.08%. The size and unemployment rate increased highly in the group with "elementary-level" qualifications, increasing by 46.3 thousand people compared to quarter 1/2020 and 65.65 thousand people compared to quarter 2/2019.

b. Underemployment

In quarter 2/2020, Vietnam had 946.5 thousand underemployed people in working age¹, decreasing by 25.3 thousand people compared to quarter 1/2020 but increasing by 309.2 thousand people compared to same period last year. The underemployment rate of workers in working age in quarter was 2.08%, increasing by 0.05% compared to quarter 1/2020 and 0.75% compared to the same period last year. The underemployment rate was 2.49% in rural area, and 1.31% in urban area. In the total of underemployed people, there was 78.41% of them were rural workers; 62.66% working in AFF sector. The average number of working hours per week of underemployed workers was 27.56 hours, decreasing by 7.62 hours compared to the previous quarter and 8.83 hours compared to the same period last year; equivalent to 60% of the total average working hours of workers in Vietnam (45.93 hours/week).

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

Figure 5. Total average monthly income of salaried workers from all jobs in quarter 2/2020 compared to Q1/2020



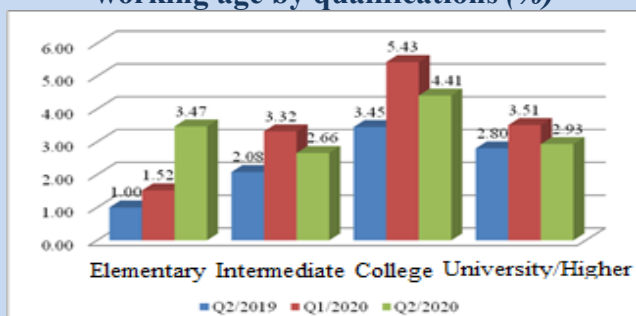
Source: GSO (2020), Quarterly statistics and labour force survey data

Table 5. The unemployment number and rate of people in working age by gender, rural/urban area and age groups

	2019			2020	
	Q2	Q3	Q4	Q1	Q2
I. The number (thousand ppl)					
National	1057,9	1067,7	1060,0	1086,0	1278,9
Male	551,1	546,2	588,2	527,5	669,1
Female	506,7	521,5	471,8	558,5	609,9
Urban	507,3	511,3	512,9	523,6	731,8
Rural	550,6	556,4	547,1	562,5	547,1
Youth (15-24)	488,5	490,9	459,1	492,9	410,3
Adult (≥25)	569,3	576,9	600,9	593,1	868,6
II. Rate (%)					
National	2.2	2.17	2.15	2.22	2.73
Male	2.05	2.01	2.17	1.96	2.59
Female	2.30	2.37	2.13	2.54	2.91
Urban	3.0	3.11	3.10	3.18	4.46
Rural	1.69	1.70	1.67	1.73	1.80
Youth (15-24)	6.69	6.73	6.50	7.01	6.98
Adult (≥25)	1.37	1.38	1.47	1.42	2.12

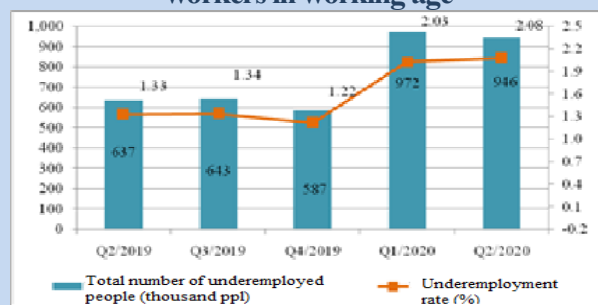
Source: GSO (2019, 2020), Quarterly statistics and labour force survey data

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



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

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



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

B. THE TREND OF RECRUITMENT AND JOB SEEKING

1. The trend of recruitment

According to mywork.com portal, the recruitment need of enterprises in quarter 2/2020 was mainly in the position of staff and specialists (accounting for 87.6% of total recruitment need). In the management positions at all levels (team leader, head of division, senior managers), recruitment need increased by 9.2% compared to quarter 1.

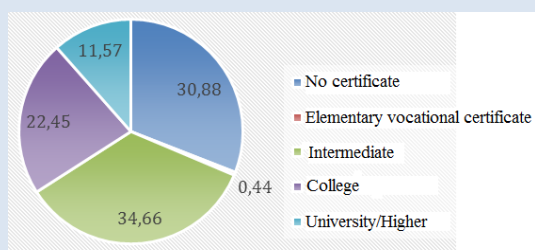
Enterprises mainly recruited workers with technical qualifications (intermediate-level accounted for 34.6%, college level accounted for 22.4% and university and higher level accounted for 11.5%) to work full time (the need to recruit full-time workers accounted for 89.19 %; part-time workers accounted for 8.5%).

Table 6. Recruitment need by job types (%)

Job type	Q1/2020	Q2/2020
Part-time	4.9	8.50
Full-time	94.44	89.19
Contract / consultation	0.44	0.68
Internship	0.03	0.56
Other	0.19	1.06
Total	100.00	100.00

Source: Calculated from mywork.com

Figure 8. Recruitment need by qualifications. Q2 (%)



Source: Calculated from mywork.com

2. The trend of job seeking

Information from 10,400 job seekers on mywork showed that:

- By gender: 51.4% of job seekers were female; the average age was 27 years old, in which was 28 years old for men and 26 years old for women.

- By qualifications: the majority of workers looking for jobs had university or higher degree (accounting for 65.16%), followed by college degree (accounting for 21.17%). The rate of unskilled workers looking for work decreased slightly.

- By type of job: In quarter 2, people mainly looked for full-time jobs, accounting for 91.64% (slightly lower than Q1).

Table 7. Structure of job seekers by types of job (%)

Type of job	Q1	Q2
Part-time	4.06	3.88
Full-time	92.32	91.64
Contract / consultation	2.45	2.98
Internship	0.84	1.51

Source: mywork.com

Table 8. Structure of job seekers by desired position (%)

Position	Q1	Q2
Management leaders at all levels	16.98	14.06
Staff, specialists	77.43	78.55
Probationers	3.35	4.23
Other	2.24	3.16
Total	100.00	100.00

Table 9. Occupations with the most need (%)

Occupation group	Q2
Administration - Office	1
Accounting - Auditing	2
Business	3
Sale	4
Electrical - Electronics - Refrigeration	5
Marketing - PR	6
Construction	7
Mechanics - manufacture	8
Personnel	9

Source: mywork.com

- By job positions: Staff, specialists accounted for 78.55% of job need, increasing slightly compared to Q1. The number of people looking for jobs in management leaders at all levels (team leader, head of division, senior managers) decreased by nearly 3% compared to Q1 (14.06% compared to 16.98%); the rest was in other positions.

- By occupations with the most need: 9 following occupation groups account for 59% of job seekers and mainly in the administrative - office group (14.4%); accounting and auditing (10.77%); sales staff (8.15%); sales (6.67%).

C. UNEMPLOYMENT INSURANCE

1. Unemployment registration and benefits, policies

In quarter 2/2020, the number of applicants and beneficiaries of unemployment benefits increased highly compared to Q1/2020 and the same period last year.

Table 10. The implementation of unemployment insurance (turn of people)

Criteria	2019			2020		Compared to Q1/2020 (%)	Compared to Q2/2019 (%)
	Q2	Q3	Q4	Q1	Q2		
Number of unemployed people applying for unemployment benefits	287.314	243.058	177.895	170.373	399.556	134.5	39.1
Number of unemployed people having decisions to enjoy unemployment benefits	264.389	255.780	195.087	132.320	375.805	184.0	42.1
Number of beneficiaries of unemployment benefits	1.368	1.752	1.250	1.260	1.434	13.8	4.8
Number of people receiving counseling, job reduction	472.229	498.366	407.936	346.726	604.127	74.2	27.9
<i>In which: Number of people with job reduction</i>	57.266	57.987	40.957	25.544	54.840	114.7	-4.2
Number of unemployed people receiving vocational training support	11.374	12.874	9.860	6.299	6.875	9.1	-39.6

Source: Department of Employment, MOLISA (2019, 2020)

2. Characteristics of the unemployed

Table 11. Unemployment applicants by professional and technical qualifications (%)

Professional and technical qualifications	Q1	Q2
No certificate	64.24	70.66
Certified, elementary vocational certificate	4.10	4.00
Intermediated-level	7.46	6.10
College	6.88	6.13
University and higher	17.32	13.12

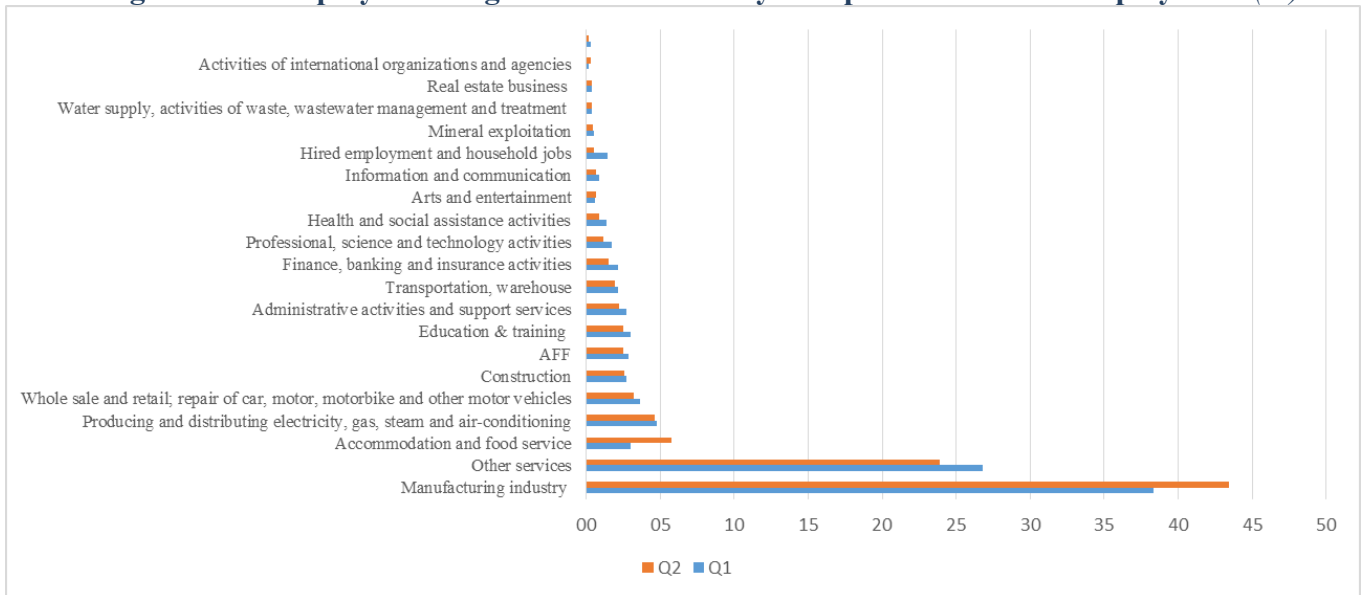
Source: Department of Employment, MOLISA (2020)

Synthesized results from unemployment registration records in Q1/2020 and Q2/2020 showed that the unemployed people had the following main characteristics:

Professional and technical qualifications of the unemployed was mainly without certificate; For the unemployed with professional and technical qualifications was mainly people with university and higher.

Working industry before unemployment was mainly in processing and manufacturing industries, accommodation and catering services, and other service activities (hotels, restaurants ...).

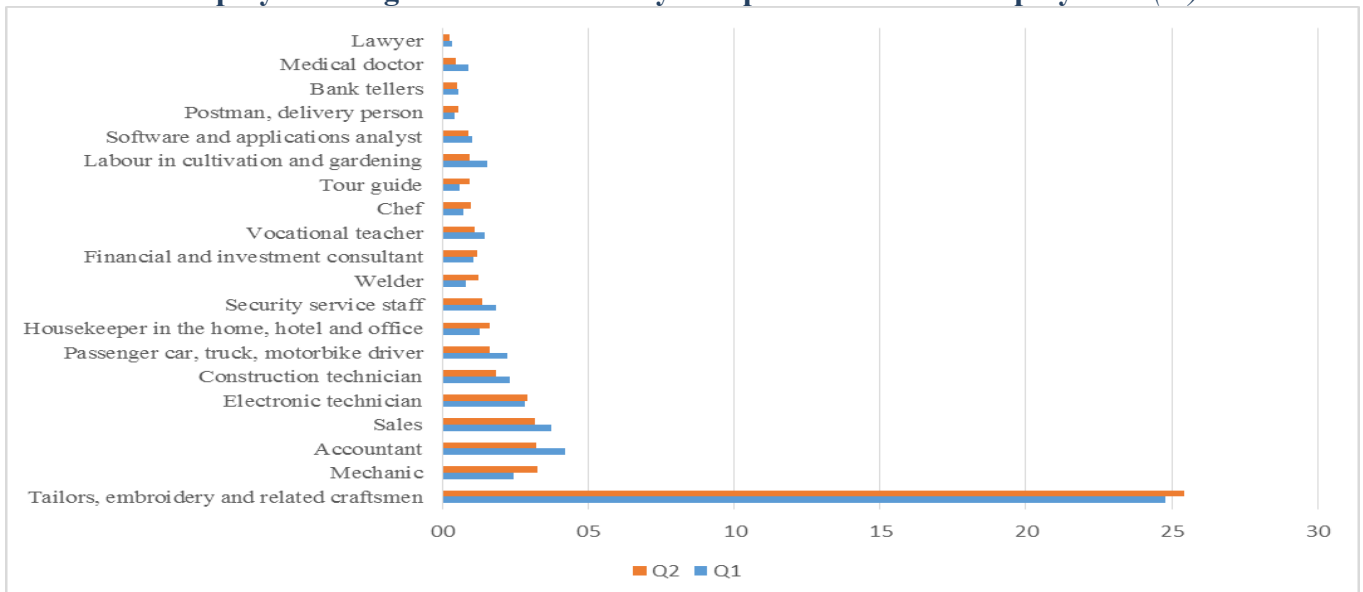
Figure 9. Unemployment registrant structure by occupation before unemployment (%)



Source: Department of Employment, MOLISA (2020)

Pre-unemployment jobs were mainly in garment, assembling, accounting, sales staff, electronic technician, construction, driver.

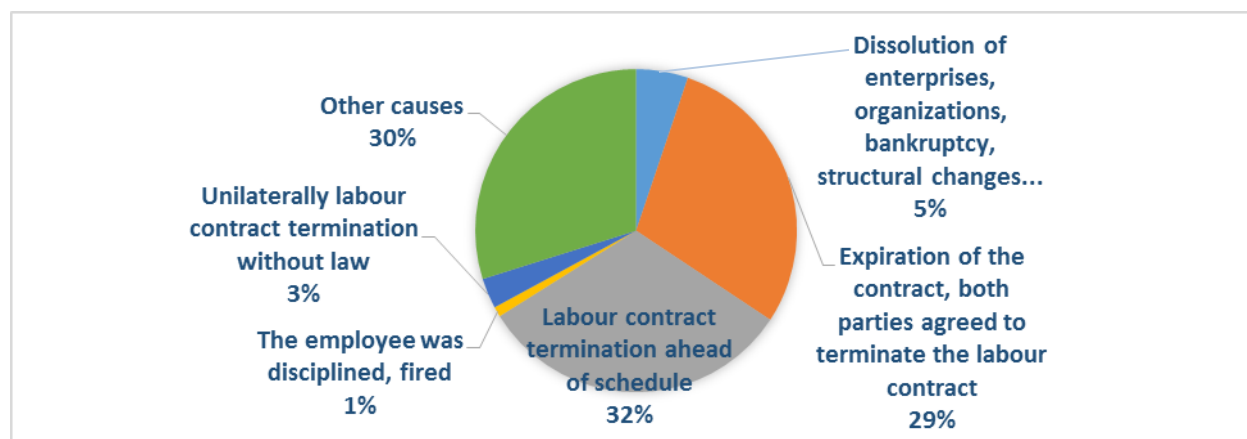
Hình 10. Unemployment registrant structure by occupation before unemployment (%)



Source: Department of Employment, MOLISA (2020).

3. Causes of unemployment

Figure 11. Unemployment registrant structure by causes of unemployment (%)



Source: Department of Employment, MOLISA (2020)

D. LABOUR MARKET POLICIES

Vocational education: Admission and training in vocational education institutions was also affected by the impact of the Covid-19 pandemic. In the first 6 months of the year, the whole country recruited only 776,200 people (equal to 34% of the plan in 2020 and equal to 72% compared to the same period in 2019). In which, intermediate-level and college level accounted for 3.4% and other training levels accounted for 96.6%. The Directorate of Vocational Education and Training focused on timely directing and supporting vocational education institutions to strengthen the work of information, propaganda, counselling and receiving applications through online channels; applying information technology, taking advantages of communication tools and social networks.

Sending workers to work abroad for a definite term under contracts: The total number of workers working abroad in quarter 2/2020 was 2,125 (41.6% were female), including the markets: Japan: 1,191 people (accounting for 56% of the total). Taiwan: 637 people (accounting for 30% of the total). The rest was other markets. The number of enterprises licensed to send workers abroad to the end of quarter 2/2020 was 457 (of which: 15 state-owned enterprises; the rest are joint stock companies and limited liability companies).

Social insurance:

Participation status: In quarter 2/2020, the total number of people participating in social insurance nationwide was about 15,170 thousand people (decreasing by 2.3% compared to Q1/2020). In which: the number of people participating in compulsory social insurance was 14,534 thousand people, decreasing by 216 thousand people compared to the period last year (1.46%); the number of people participating in voluntary social insurance was 636 thousand people, an increased of 261 thousand people compared to the period in 2019 (69.6%).

The social insurance participation rate to labour force in working age was 32.46%

The settlement of social insurance benefits: In the first 6 months of 2020, over 5,18 million turns of people nationwide were entitled to social insurance benefits, of which 58,763 turns of people were entitled to pensions and monthly social insurance allowances; 438,235 turns of people enjoyed lump-sum allowance and 4,697,719 times of people enjoyed the benefits for sickness, maternity and health rehabilitation.

In the first 6 months of 2020, the estimated social insurance expenditure is VND 112,221 billion, of which: from the budget was VND 22,784 billion and from social insurance fund was VND 89,437 billion.

Table 12. The implementation of social insurance

Criteria	Unit	Q2/2019	Q 4/2019	Q1/2020	Q2/2020
Total number of participants	Thousand ppl	15,125	15,736	15,523	15,170
Participation rate to labour force	%	30.87	31.87	31.73	32.46
<i>Structure by:</i>					
Compulsory	Thousand ppl	14,750	15,185	15,025	14,534
Participation rate to labour force	Thousand ppl	375	551	508	636

Source: VSS (2019, 2020).

E. LABOUR MARKET POTENTIAL

In the context of complicated trend of Covid-19 pandemic, Vietnam's economy in the last 6 months of 2020 will recover better but still face many difficulties. It is forecasted that, GDP growth will be at about 4.15% in quarter 3 of 2020 and 4.86% in quarter 4 of 2020.

The number of employed workers is forecasted at 51,2 million people for the last 6 months of the year, decreasing by about 1.77 million people compared to the first 6 months or decreasing by about 3.4%. The decrease compared to the first 6 months of the year mainly focuses on some industries such as: agriculture (a decrease of 6.2%); accommodation and catering services (49 thousand people, a decrease of 14.2%); administrative activities and support services which were mainly in the field of tourism (68 thousand people, a decrease of 19.1%), entertainment (37 thousand people, a decrease of 13.8%); education and training (84 thousand people, a decrease of 4.3%). Industrial production continues to face many challenges, employment decreases in some industries such as: industry (-2%); beverage production (-20%); textile (-4.7%); clothing production (-9.6%); manufacturing motor vehicles (-28%).

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.

For more information, please contact:

EDITORIAL BOARD OF LABOUR MARKET UPDATE NEWSLETTER

MINISTRY OF LABOUR – INVALIDS AND SOCIAL AFFAIRS

Tel: 024.39361807

Email: bantinttd@molisa.gov.vn

Website: <http://www.molisa.gov.vn>