



Ministry of Labour –
Invalids and Social Affairs

**VIETNAM'S LABOUR
MARKET UPDATE
NEWSLETTER**
Volume 29, quarter 1, 2021



General Statistics Office

A. OVERVIEW

1. Key indicators

Table 1. Key economic and labour market indicators

Indicator	Q1/2020	Q4/2020	Q1/2021
1. Gross domestic product growth rate (GDP) (%)	3.68	4.48	4.48
2. Export turnover growth rate (% compare to the same period last year)	0.5	13.3	22.0
3. Total capital investment per GDP (%)	31.0	34.4	26.5
4. Consumer Price index (% compare to the same period last year)	5.56	1.38	0.29
5. Labour force aged 15 and older (million people)	51.20	52.13	51.02
6. Labour force participation rate (%)	69.8	70.3	68.7
7. Rate of labour force aged 15 and older with certificate (%)	25.2	25.8	26.0
8. Number of people in employment (million people)	50.08	50.86	49.90
9. Number of people engaged in self-consumption work in agriculture (million people)	4.13	3.09	3.50
10. Percentage of workers with informal employment (%)	55.3	56.0	57.0
11. Rate of employment in agriculture, forestry and fishery industry (AFF) in total employment (%)	28.0	27.4	28.2
12. Average monthly income of salaried workers (million dong)	7.34	6.79	7.14
13a. Number of unemployed people (thousand people)	1,120.8	1,276.3	1,117.7
13b. Unemployment rate (%)	2.19	2.45	2.19
14a. Number of unemployed people in working age (thousand people)	1,083.4	1,220.1	1,092.9
14b. Unemployment rate in working age (%)	2.34	2.63	2.42
15a. Unemployment rate in urban area (%)	2.89	3.34	2.96
15b. Unemployment rate in working age in urban area (%)	3.09	3.70	3.19
16. Youth unemployment rate (%)	7.61	7.94	7.44
17. Underemployment rate in working age (%)	1.98	1.82	2.20

Note: Labour-employment figures are calculated according to ICLS 19¹;

Source: GSO (2020, 2021), Statistics and Data of Quarterly Labour Force Survey.

In the first quarter of 2021, the Vietnam labour market has suffered negative impacts due to the third outbreak of the Covid-19 pandemic: the number of people participating in the labour force and people in employment decreased compared to the previous quarter and the same period last year; unemployment rate and underemployment rate increased compared to the previous quarter and the same period last year.

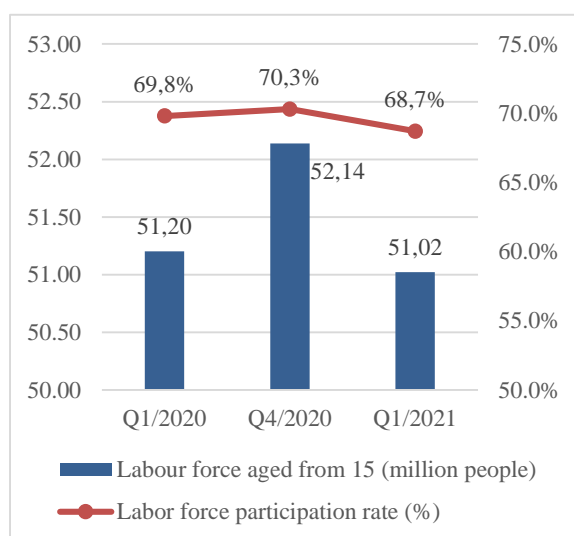
¹ In 2021, based on the recommendations of the International Labour Organization (ILO), the General Statistics Office has organized the collection and calculation of labour and employment statistics indicators applying the new conceptual framework that has been agreed by the countries. used at the 19th International Conference of Labour Statisticians held in October 2013 in Geneva, Switzerland. This conceptual framework is collectively known as the ICLS 19, which was issued to replace the ICLS 13 standard in 1982 in the context of the rapid development of science and technology. The economy of most countries in the world has strongly shifted to a modern market economy with almost negligible dependence on self-sufficient products. Under the new ICLS 19, people working for the purpose of producing self-consumption products in the agriculture, forestry and fishery sectors will not be identified as in employment as previously in ICLS 13. The ICLS standard 19 is recommended for general use around the world with the goal of ensuring comparability between market economies with different levels of development of all countries. From the first quarter of 2021, the General Statistics Office officially announced the statistical indicators on labour and employment based on ICLS 19.

2. The labour force aged 15 and older

In Q1/2021, the labour force aged 15 and older was 51.02 million people, a decrease of 1.1 million people (2.1%) compared to the previous quarter and a slight decrease compared to the same period last year (181 thousand people, 0.4%). The rate of participation in the labour force is 68.7%, down from the previous quarter and the same period last year.

The number of trained labour force aged 15 years and older with a diploma/certificate was 13.26 million people. Of which, over 6 million people had university degrees or higher (45.7%). The proportion of labour force aged 15 and older with a diploma/certificate is 26%, an increase compared to the previous quarter and the same period last year.

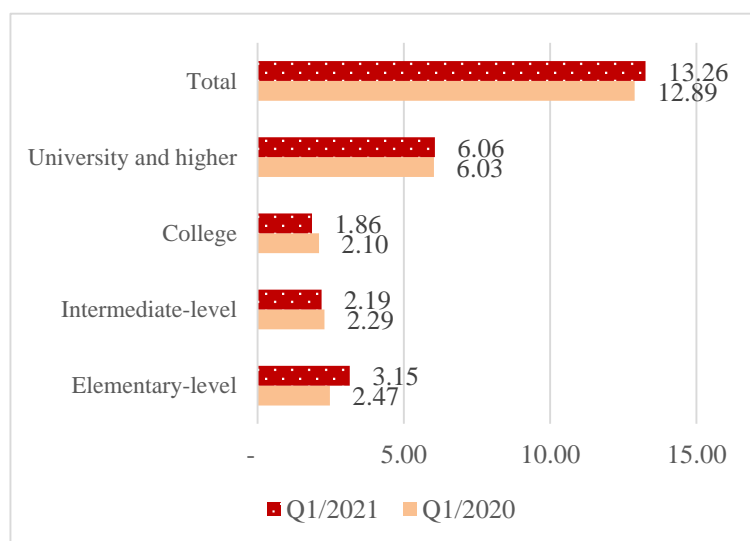
Figure 1: Size and rate of participation in the labour force



Source: Labour force only counts people who are currently in Vietnam.

Source: GSO (2020, 2021), Quarterly Labour Force Survey.

Figure 2. Labour force aged 15 and older with diploma/certificate, Q1/2020 và Q1/2021 (million people)



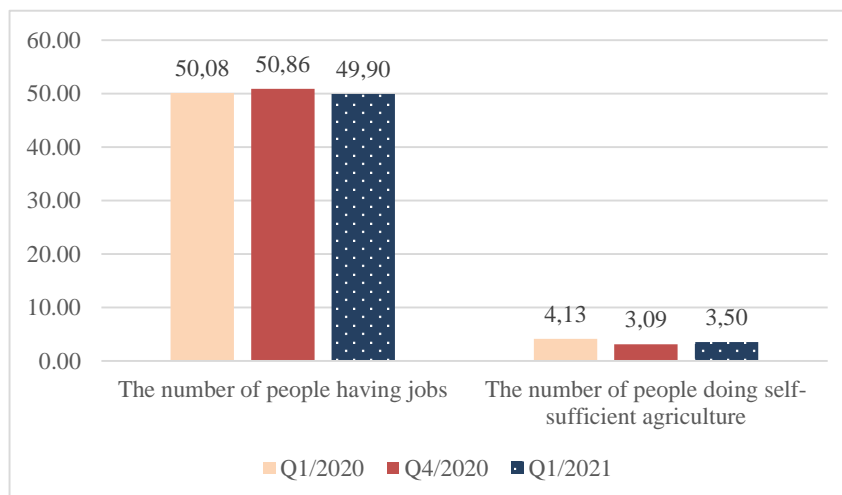
Source: GSO (2020, 2021), Quarterly Labour Force Survey

3. Employment

In the first quarter of 2021, the number of people in employment aged 15 and older was 49.9 million, a decrease of 959.6 thousand people compared to the previous quarter and a decrease of 177.8 thousand people compared to the same quarter last year.

The number of people doing self-consumption work in agriculture was 3.5 million people, an increase of 411 thousand people compared to the previous quarter but a decrease of 633 thousand people compared to the same period in 2020.

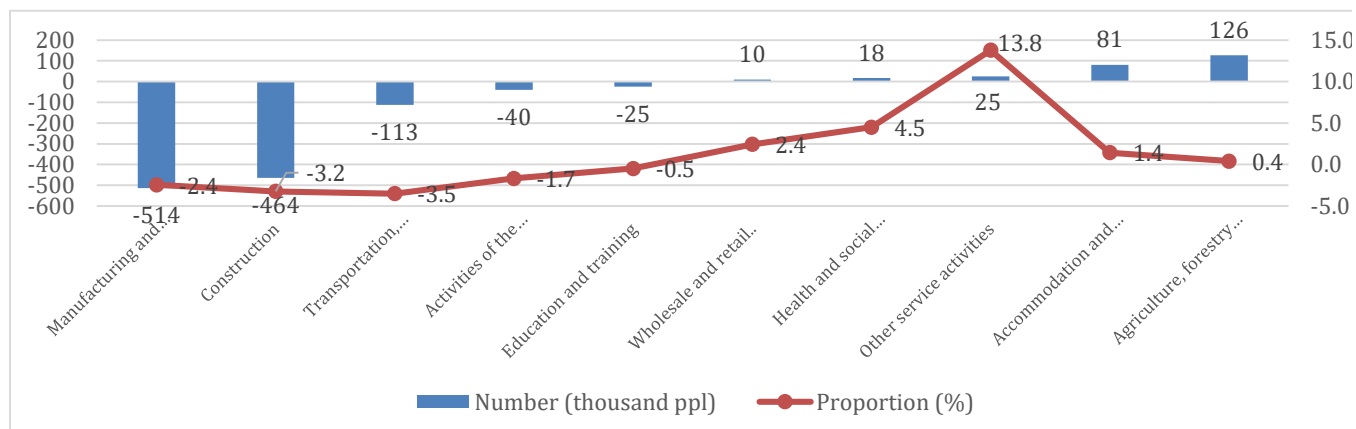
Figure 3. Number of people in employment and number of people engaged in self-consumption work in agriculture (million people)



Source: GSO (2020, 2021), Quarterly Labour Force Survey

The third outbreak of the Covid-19 pandemic has just taken place before and during the Lunar New Year holiday that reduced employment in some industries compared to the fourth quarter of 2020, the most in the manufacturing, construction and transportation industries. However, employment in some industries increased over the previous quarter, such as AFF and accommodation and catering services.

Figure 4 . Change in employment by industry in Q1/2021 compared to Q4/2020



Source: GSO (2020, 2021), Quarterly Labour Force Survey.

4. Income of salaried workers

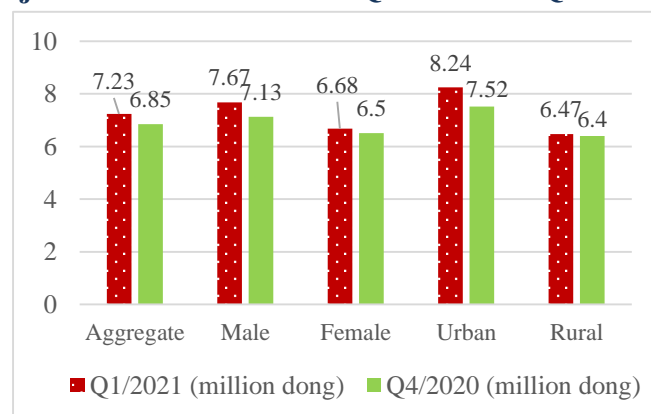
Table 2. Average monthly income of salaried workers from main job (million dong)

	Q1/2020	Q4/2020	Q1/2021
Aggregate	7.34	6.79	7.14
Male	7.68	7.05	7.56
Female	6.90	6.45	6.61
Urban	8.67	7.51	8.18
Rural	6.38	6.3	6.35
No technical qualification	6.20	6.16	6.16
Elementary level	8.64	7.67	8.05
Intermediate level	7.68	7.09	7.17
College	8.00	7.30	7.64
University and higher	10.41	8.34	9.72
Individual/household	5.56	5.67	5.76
Cooperative	5.97	5.87	5.84
Enterprise with 100% state capital	10.42	8.38	8.98
Enterprises with less than 100% state capital	10.03	8.24	9.40
Non-state enterprises	8.34	7.53	8.00
FDI	8.40	7.52	8.07
Low salary	3.67	3.80	4.00
Rate of workers with low salary (%)	9.63	17.73	14.21
Rate of male workers with low salary (%)	8.09	13.99	11.66
Rate of female workers with low salary (%)	11.66	16.99	17.45
Rate of workers with low salary in urban area (%)	5.81	13.08	9.10
Rate of workers with low salary in rural area (%)	12.41	16.83	18.10

Source: GSO (2020, 2021), Quarterly Labour Force Survey

In the first quarter of 2021, the income of salaried workers from main work reached an average of VND 7.14 million/month, an increase of VND 350,000 (5.15%) compared to the fourth quarter of 2020 and a decrease of VND 200,000 (-2.72%) over the same period of 2020. Compared to the fourth quarter of 2020, the average income from main work only decreased for the group of workers in cooperatives. The rate of salaried workers with low salary was down by 3.52% compared to the fourth quarter of 2020 and up by 4.58% over the same period last year.

Figure 5. Average monthly income from all jobs of salaried workers Q1/2021 and Q4/2020



Source: GSO (2020, 2021), Quarterly Labour Force Survey

In the first quarter of 2021, the total average monthly income from all jobs of salaried employees reached VND 7.23 million, an increase of VND 380 thousand compared to the fourth quarter of 2020 (5.55%).

5. Unemployment and underemployment

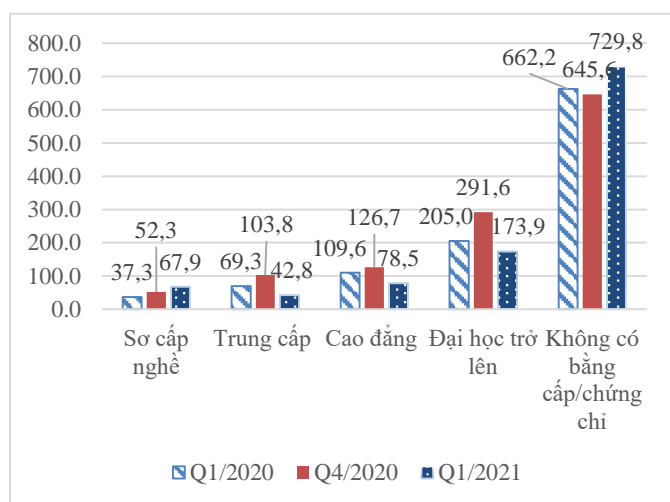
a. Unemployment

In the first quarter of 2021, there were nearly 1,093 thousand working-age people in unemployment, a decrease of 127.2 thousand people compared to the previous quarter but 9.5 thousand people higher than that of the fourth quarter of 2020. Youth accounted for 37.33% of the total unemployed.

The unemployment rate of working-age people was 2.46%, lower than the previous quarter but higher than the same period last year. The urban unemployment rate was 3.23%; youth unemployment rate was 7.44%.

The size of the unemployed increased in the group without a diploma/certificate and in the group with elementary-level; decreased in the group with intermediate-level, college and university degrees or higher.

Figure 6. Unemployment size in working age divided by technical qualification (thousand people)



Source: GSO (2020, 2021), Quarterly Labour Force Survey

b. Underemployment

In the first quarter of 2021, the whole country had 952.5 thousand underemployed workers (of which 74.96% were rural workers; 43.65% worked in AFF). The underemployment rate of working-age workers was 2.2%; The underemployment rate in rural areas was 2.61%, urban areas was 1.49%.

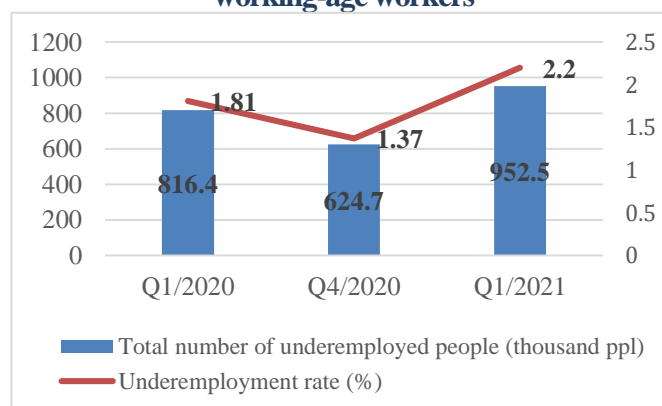
Underemployed workers had an average working hours of 24.64 hours/week, only equal to 58.61% of the total average working hours of n workers nationwide (42.04 hours/week).

Table 3. Number and rate of unemployment in working age

	2020		2021
	Q1	Q4	Q1
I. Number (thousand people)			
Aggregate	1,083.4	1,220.1	1,092.9
Male	533.1	470.8	633.0
Female	550.3	749.2	459.9
Urban	505.1	600.9	531.8
Rural	578.2	619.1	561.0
Youth (15-24)	481.9	430.5	407.9
Adult (≥25)	601.5	789.5	684.9
II. Rate (%)			
Aggregate	2.34	2.61	2.46
Male	2.07	1.83	2.58
Female	2.69	3.56	2.32
Urban	3.09	3.65	3.23
Rural	1.94	2.04	2.01
Youth (15-24)	7.61	7.89	7.44
Adult (≥25)	1.51	1.91	1.76

Source: GSO (2020, 2021), Quarterly Labour Force Survey.

Figure 7. Number and rate of underemployment of working-age workers



Source: GSO (2020, 2021), Quarterly Labour Force Survey

B. TREND OF RECRUITMENT AND ONLINE JOB SEEKING

Study from a sample of 23,928 turns of enterprises posting job vacancies via the internet with the required number of 148,354 workers and information from 63,519 workers finding jobs via internet in the first quarter of 2021

Trend of recruitment through the internet

Figure 8. Recruitment need according to the requirements of technical qualifications (%)

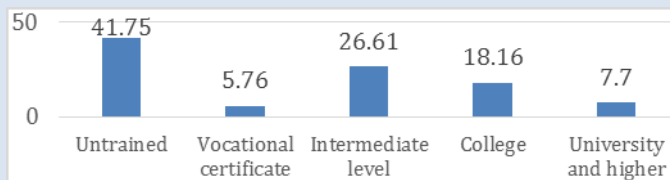


Figure 9. Recruitment need by salary (%)

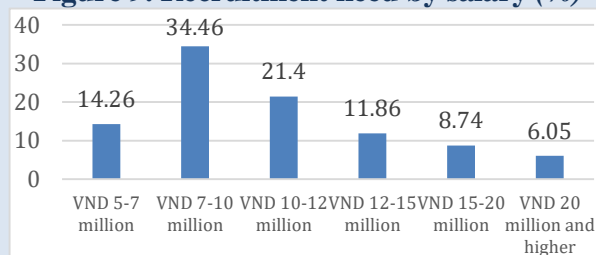


Figure 10. Recruitment need by nature of work (%)

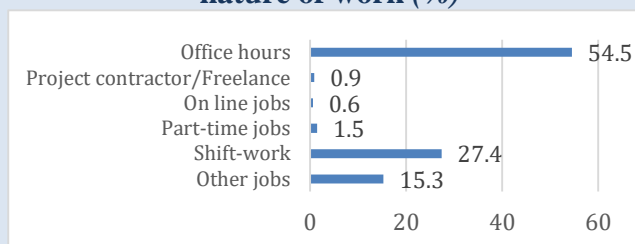
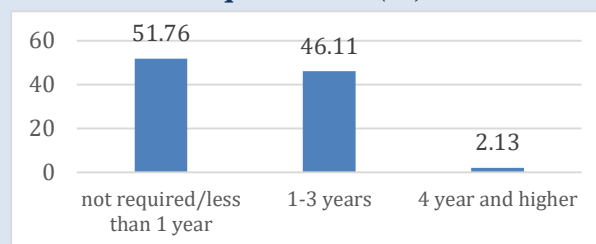


Figure 11. Recruitment need by experience requirements (%)



Some occupations/industries have the most recruitment need:

- 1- Business/sales
- 2- Marketing
- 3- Accounting/Auditing
- 4- Unskilled workers
- 5- Software design
- 6- Electrical and electronic maintenance
- 7- Construction engineer
- 8- Developing individual customers in the bank
- 9- Office/administrative staff

Characteristics of internet job seekers

Figure 12. Job seekers by technical qualification (%)

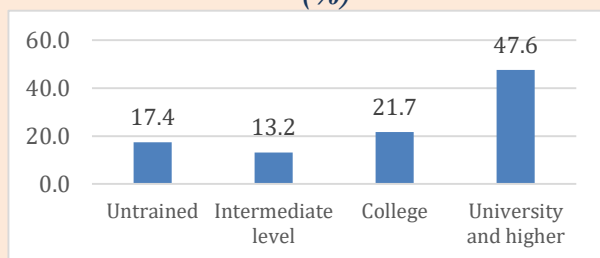


Figure 13. Job seekers by desired job position (%)

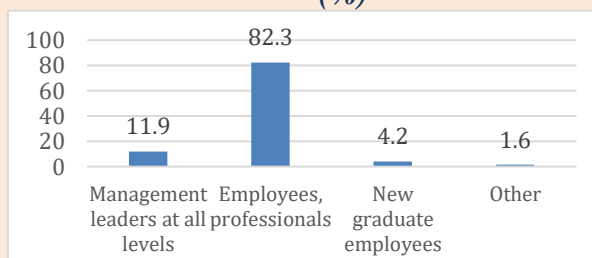


Figure 14. Job seekers by experience (%)

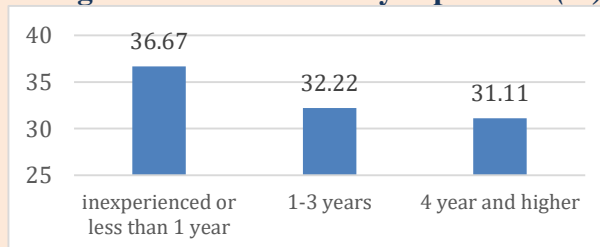
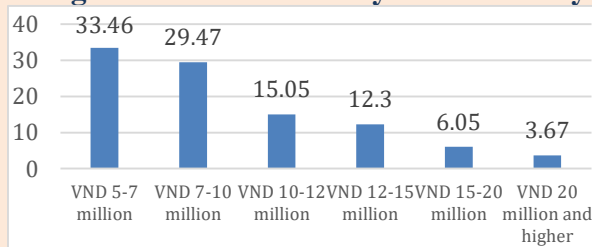


Figure 15. Job seekers by desired salary (%)



Some occupations/industries have the most job need:

- 1- HR
- 2- Retail, wholesale
- 3- Online Marketing
- 4- Shipping/forwarding
- 5 - Customer service in the bank
- 6- Consulting services for travel
- 7- Real estate consulting
- 8- Health care
- 9- Unskilled workers

C. LABOUR MARKET POLICY

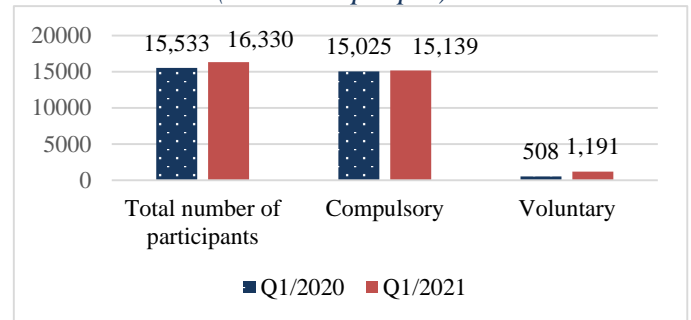
C1. Social insurance and unemployment insurance

In the first quarter of 2021, the total number of people participating in social insurance nationwide reached 16.33 million, an increase of 797 thousand people (5.13%) over the same period in 2020. Of which: the number of people participating in compulsory social insurance was 15,139 thousand people, up 0.76% over the same period in 2020; the number of people participating in voluntary social insurance was 1,191 thousand people, an increase of 683 thousand people (134.45%) compared to the same period in 2020. The proportion of people participating in social insurance compared to the labour force was 32%.

In the first quarter of 2021, the whole country had 160.36 thousand turns of people applying for unemployment benefits, a decrease of 66.4 thousand people compared to the previous quarter and 10 thousand people compared to the same period in 2020. Number of registered unemployed: 64.9% without a diploma/certificate, 16.3% with university degree or higher.

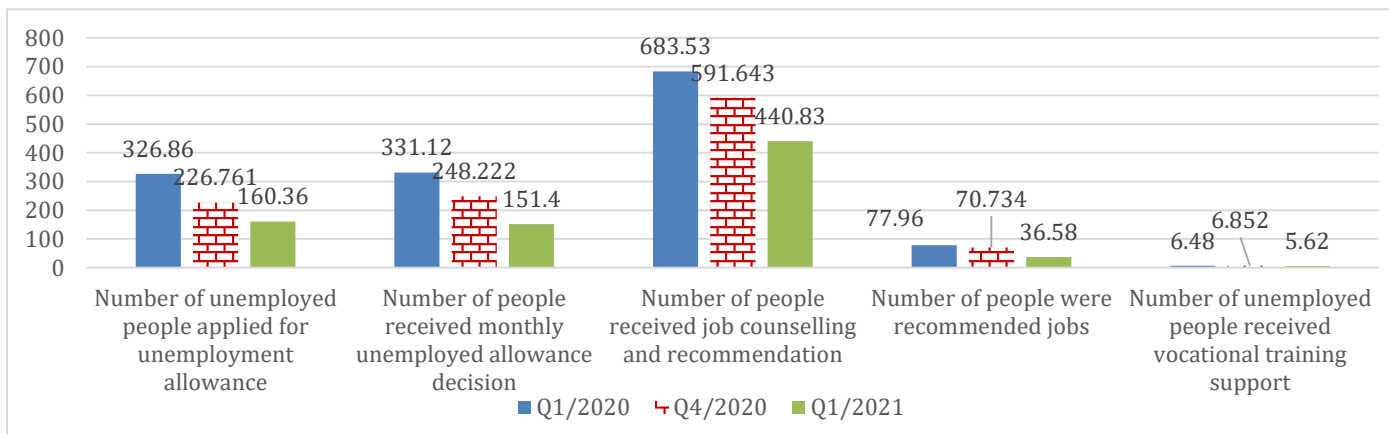
The number of people who had decision to receive unemployment allowance was 151.4 thousand turns of people; receive job counselling and recommendation was 440.8 thousand turns of people; in which, 36.58 thousand people received job counselling and recommendation; 5.62 thousand people received vocational training support.

Figure 16. Number of people participating in social insurance
(thousand people)



Source: Department of Social Insurance, MOLISA (2020,2021).

Figure 17. Unemployment insurance implementation status
(thousand people)



Source: Department of Employment, MOLISA (2020, 2021).

People who registered for unemployment in the first quarter of 2021 have the following characteristics:

Figure 18. Unemployment registrants by technical level (%)

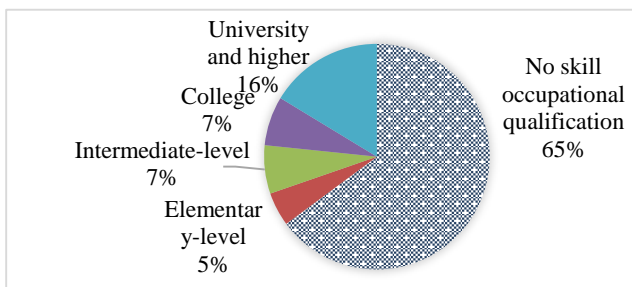


Table 4. Causes of job loss of unemployment insurance participants (%)

	Q4/2020	Q1/2021
Due to the dissolution, bankruptcy and restructuring of enterprises, organizations, etc.	6.9	6.3
Contract expiration, joint agreement to terminate the labour contract	28.0	29.3
Termination of labour contract before the expiration time	34.0	37.4
Employees are disciplined and fired	1.4	1.2
Unilaterally terminate the labour contract illegally	2.6	2.6
Other causes	27.2	23.3

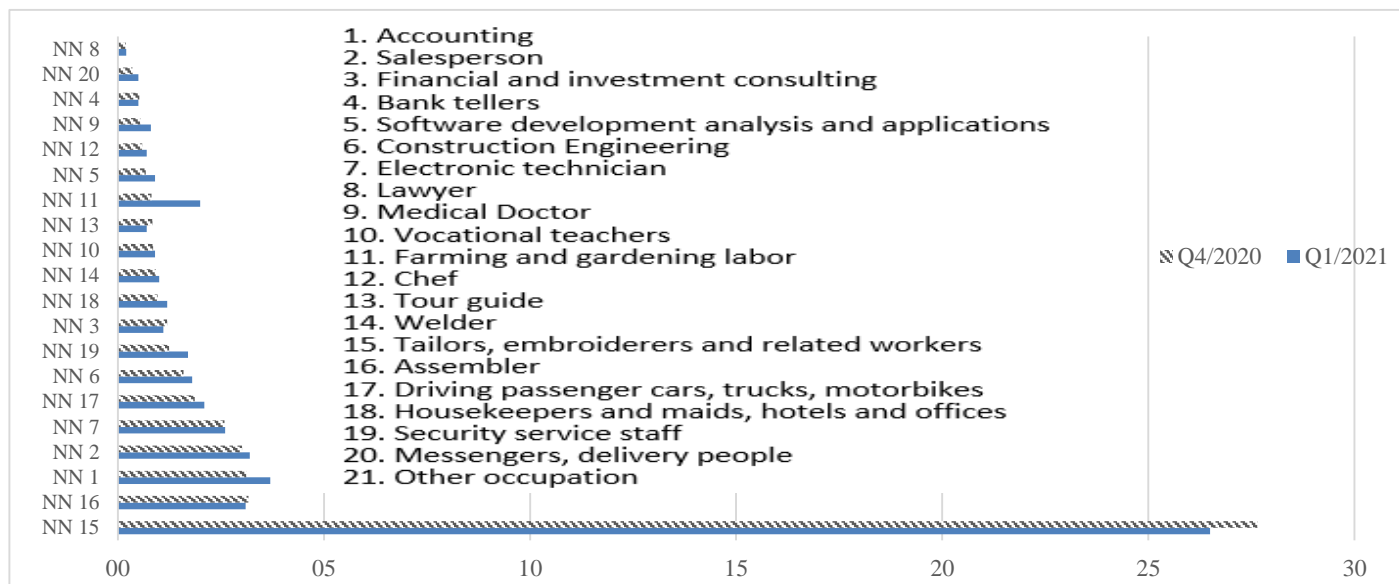
Source: Department of Employment, MOLISA (2020, 2021).

Figure 19. Unemployed registrants by industry/sector before unemployment (%)



Source: Department of Employment, MOLISA (2020, 2021).

Figure 20. Unemployed registrants by occupation before unemployment (%)



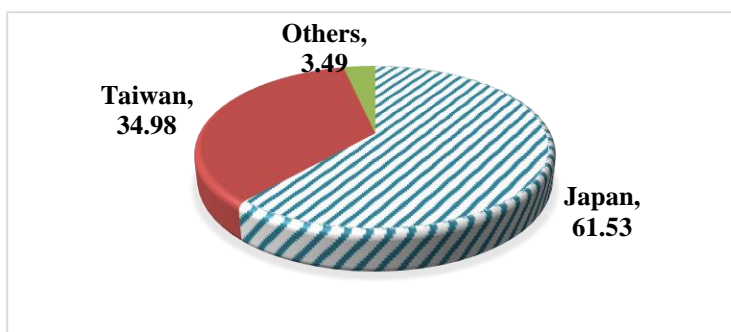
Source: Department of Employment, MOLISA (2020, 2021).

C2. Sending workers to work abroad under contract with definite term:

The number of enterprises licensed to send workers to work abroad by the end of the first quarter of 2021 was 510 enterprises (including 15 state-owned enterprises).

The total number of Vietnamese workers working abroad in the first quarter of 2021 was 29,541 workers (40.70% are female), in: Japan: 18,178 workers (61.53%), Taiwan : 10,333 workers (34.98%), the rest is in other markets.

Figure 19. Workers working abroad under contract by main market, 1st quarter of 2021 (%)



Source: Department of Overseas Labour, MOLISA.

D. LABOUR MARKET OUTLOOK

According to the Ministry of Planning and Investment, in the second quarter of 2021, the macro economy and major balances of the economy will continue to be maintained stably; GDP growth rate will reach about 5.8%, the driving force for economic growth mainly come from the manufacturing and processing industry, increasing investment and expanding trade activities. However, growth will still face risk factors and challenges; Covid-19 pandemic is still complicated.

The number of employed workers in the second quarter of 2021 is forecasted to be 49.4 million, down 0.91% compared to the first quarter of 2021. Employment will be decreased mainly in some industries/sectors such as: AFF (2.1%), mining (0.9%), beverage production (5.6%), tobacco production (1.5%), Printing, copying (0.8%), Manufacture of other non-metallic mineral products (3.5%), Repair, maintenance and installation of machinery and equipment (5.4%), Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles (3.1%), Accommodation and catering services (4.4%), Arts, entertainment and recreation activities (8.5%).

If the pandemic control measures in industrial zones are effective, employment will increase in a number of industries, including: processing and manufacturing industry (2.4%), in which Textile (4.5%); producing goods from straw and plaiting materials (5.5%); producing paper and paper products (6.4%); Producing goods from rubber and plastic (7.5%), producing electronic products, computers and optical products (6.2%),...

DIFFERENCE IN CALCULATING LABOUR - EMPLOYMENT STATISTICS BETWEEN QUARTER 1/2021 AND PREVIOUS QUARTERS

ICLS13

Are people aged 15 years and older who are in employment (not prohibited by law) to produce goods or services for the purpose of generating income for themselves and their families.

Is considered as in employment

The unemployed are those 15 years of age or older who are not in employment, currently looking for work, and available to work. In addition, the unemployed also include those who are willing to work and are not looking for work due to:

- Be sure to have a job or business activity after the reference period;
- Temporarily closed due to production facility downsizing or stop operating;
- In seasonal break;
- Unexpectedly busy family work or temporary illness or pain

DEFINITION OF PEOPLE IN EMPLOYMENT

PEOPLE PRODUCTS GOODS FOR SELF-USE AND FAMILY'USE

DEFINITION OF UNEMPLOYED PEOPLE

ICLS19

Are people aged 15 years or older who are in employment (not prohibited by law) to produce goods or services for the purpose of being paid or to earn profits.

Is not considered as in employment

The unemployed are those aged 15 years and older who are not in employment, currently looking for work and ready to work, or those who are not looking for work but are sure to have a job or a business after the reference period;

People who are not looking for work for various reasons but are willing to work are identified as underutilized workers.

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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