HIGHLIGHTS

The resident labour market saw continued improvements in 2022, with most indicators returning to or performing better than pre-COVID levels.

The employment rate rose for the second consecutive year to 67.5%, higher than the pre-COVID rate of 65.2% in 2019. The rise in the recent year reflected the increase in employment rates of men and women aged 25 to 64. Among employed residents, the share in PMET roles continued to increase to 64%, reflecting the highly educated workforce and sustained employment growth in sectors such as *Information & Communications*, *Financial & Insurance Services* and *Professional Services*.

Resident unemployment improved across occupational groups to around pre-COVID levels. Declines were observed in both the unemployment rate (PMET: -0.8%-points, non-PMET: -0.7%-points) and long-term unemployment rate (PMET: -0.3%-points, non-PMET: -0.2%-points), as residents' job search outcomes improved with the continued economic recovery.

Other indicators related to labour-underutilisation also recovered. The time-related under-employment rate eased to 3.0%, back to pre-COVID levels. Fewer residents were discouraged from seeking work in 2022 (from 0.5% to 0.4%). For both indicators, declines were broad-based, including improvements among older workers who were more affected during the height of the pandemic. Additionally, among employees, the share in non-permanent jobs also fell to levels seen before the pandemic (11%), with the scale-back of COVID-related temporary jobs alongside the relaxation of pandemic-related restrictions and the tight labour market.

Nominal income at the median (P50) and 20th percentile (P20) continued to rise and outstripped higher inflation. Real median income rose 2.0% over the year, though it was lower than the annualised rate in the pre-COVID years (2014-2019: 3.8% p.a.). Lower-wage workers saw stronger income growth, supported by tripartite initiatives such as the Progressive Wage Model. At the 20th percentile, real income grew by 4.7% in 2022, faster than the previous year (4.4%) as well as pre-COVID years (2014-2019: 4.4% p.a.). With this, the P20 to P50 income ratio rose from 0.53 in 2021 to 0.55 in 2022, the highest since 2004.