Report on Wage Practices 2025

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REPORT ON WAGE PRACTICES 2025

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Abbreviations

AVC	:	Annual Variable Component
AWC	:	Annual Wage Changes
AWS	:	Annual Wage Supplement
CPF	:	Central Provident Fund
CPI	:	Consumer Price Index
Excl.	:	Excluding
FWS	:	Flexible Wage System
Incl.	:	Including
MOM	:	Ministry of Manpower
MVC	:	Monthly Variable Component
NWC	:	National Wages Council
NRAF	:	Non Rank-and-File
PWM	:	Progressive Wage Model
RAF	:	Rank-and-File
VB	:	Variable Bonus

Highlights

Reflecting favourable business conditions amid continued economic growth[1], a higher proportion of establishments reported they were profitable in 2025 (83.1%), compared to 2024 (80.8%). Firms nevertheless appeared more measured in their wage adjustments in 2025, with fewer establishments raising wages and more keeping wages unchanged.

- By profit status, 64.1% of firms reported stable or improved profitability at levels similar to the previous year (62.7%), suggesting a growing share of financially stable firms. At the same time, the proportion with declining profitability rose slightly (18.2% to 19.0%), and fewer reported they incurred losses (19.2% to 16.9%). Smaller firms[2], which run on a smaller scale and produce less, were more likely to report losses compared to larger firms[3].

- Nominal total wages[4] continued to grow (4.9%) but at a moderated pace from 2024 (5.6%), in line with easing inflation,[5] which may have reduced pressure on firms to raise nominal wages. After accounting for inflation, real wages grew by 4.0% in 2025, higher than in 2024 (3.2%), indicating improved purchasing power for workers. Over the medium term, real wage growth continues to be supported by real productivity growth.[6]

- While a majority of establishments continued to provide wage increases, the proportion declined from 78.3% in 2024 to 72.4% in 2025, with more establishments keeping wages unchanged (from 18.5% to 24.5%). Among establishments that provided wage increases, employee retention remained the most commonly cited reason.

- Rank-and-File (RAF), Junior Management and Senior Management employees all experienced positive but moderated wage growth (4.8%, 5.1% and 4.9% respectively). Notably, differences in wage growth across employee groups narrowed in 2025, suggesting more broad-based wage gains.

- Wage growth remained positive across all industries in 2025, though most sectors saw moderated growth compared to 2024[7]. *Administrative & Support Services* recorded the highest wage growth at 7.5%, although this was below the 8.7% growth in 2024, with lower-wage workers in the sector supported by the wage ladders under the Progressive Wage Model (PWM)[8] and the Local Qualifying Salary (LQS) requirements. *Financial Services* (5.9%) and *Insurance Services* (6.6%) also registered relatively strong wage growth, amid continued demand for professionals, managers and executives.

[1] For the whole of 2025, the Singapore economy expanded by 5.0%, down slightly from the 5.3% growth recorded in 2024. Source: Department of Statistics, Ministry of Trade and Industry.
[2] Firms with 10-199 employees.
[3] Firms with 200 & more employees.
[4] Total wage includes components such as the basic wage and annual variable component.
[5] Headline inflation eased to 0.9% in 2025, from 2.4% in 2024. Source: Department of Statistics.
[6] From 2016 to 2025, labour productivity, as measured by real value-added per worker, grew by 2.2% per annum.
[7] Insurance Services and Wholesale Trade were the only sectors that saw stronger wage growth in 2025.
[8] Administrative & Support Services includes PWM-covered sectors such as cleaning, security, and landscape services.

- While 74.2% of establishments implemented at least one Flexible Wage System (FWS)[9] component in 2025, the overall adoption rate continued its gradual decline. Variable wages comprised only 13.0% of total wages in the private sector, remaining consistent with the previous year (13.2%).

Across past economic episodes, real wage growth in Singapore has generally remained resilient. Singapore's emphasis on aligning wage growth with productivity gains has helped sustainable wage increases, while limiting wage-price pressures and preserving employment. Looking ahead to 2026, real wage growth is expected to remain positive, although firms are expected to be measured in their wage increases amid geopolitical and inflation uncertainties.

[9] The Flexible Wage System (FWS) comprises a Monthly Variable Component (MVC) and an Annual Variable Component (AVC).

Report on Wage Practices 2025

1 Introduction

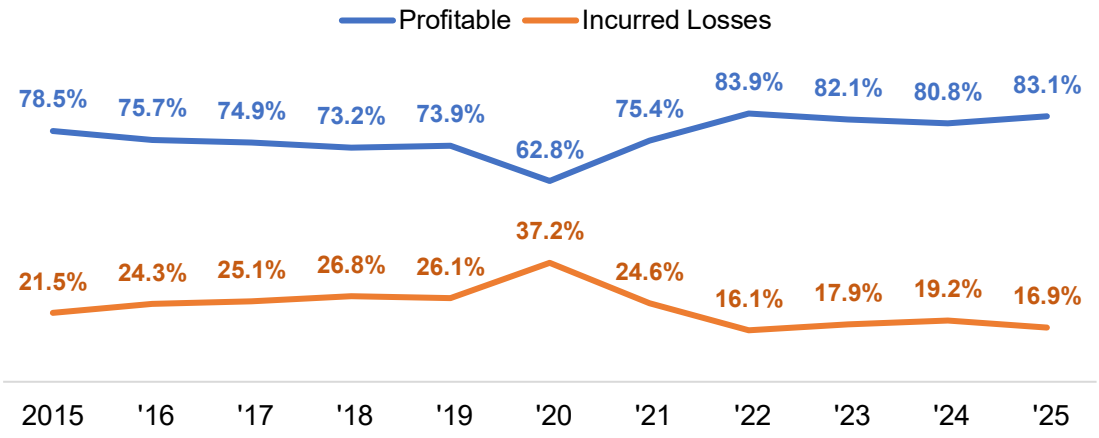
1.1 The Report on Wage Practices is an annual report that examines employees' wage changes and establishments' wage practices. The data in this report is from MOM's Survey on Annual Wage Changes conducted on private sector establishments, and intended to capture employers' wage practices for full-time resident employees with the same employer for at least a year[10]. The wage changes presented therefore do not reflect wage movements arising from job changes and new entrants into the labour market or compositional changes to the workforce over the year. The survey coverage and methodology are explained in Annex 2.

2 Key Findings

Profitability Status

2.1 In 2025, 83.1% of establishments reported being profitable, up from 80.8% in 2024, reflecting favourable business conditions amid Singapore's continued economic growth[11] (**Chart 1**).

Chart 1: Proportion of Establishments by Profitability Status, 2015-2025



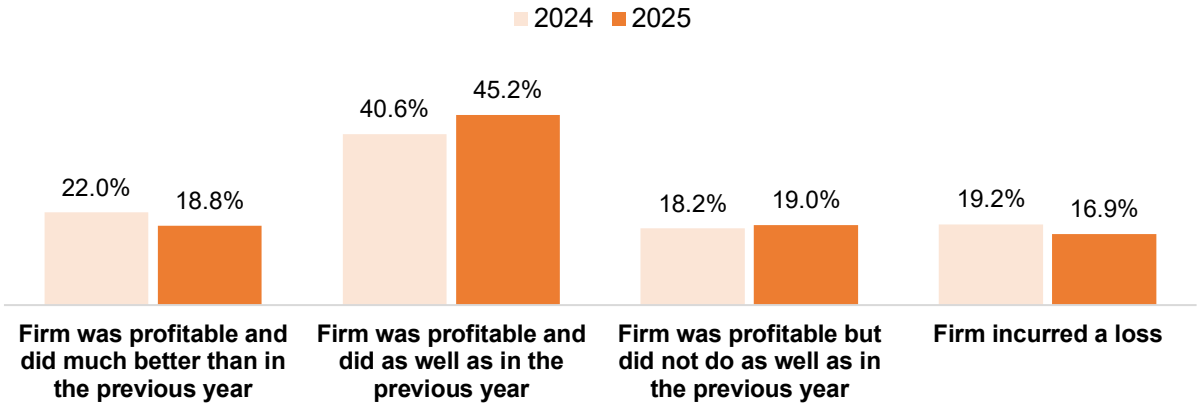
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: Based on private sector establishments that disclosed their profit status.

[10] 87.6% of resident employees were in their jobs for at least one year. Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.
[11] For the whole of 2025, the Singapore economy expanded by 5.0%, following the 5.3% growth in 2024. Source: Department of Statistics, Ministry of Trade and Industry.

2.2 64.1% of firms reported stable or improved profitability at levels similar to the previous year (62.7%), suggesting a growing share of financially stable firms. At the same time, the proportion with declining profitability rose slightly (18.2% to 19.0%), and fewer reported they incurred losses (19.2% to 16.9%) (**Chart 2**).

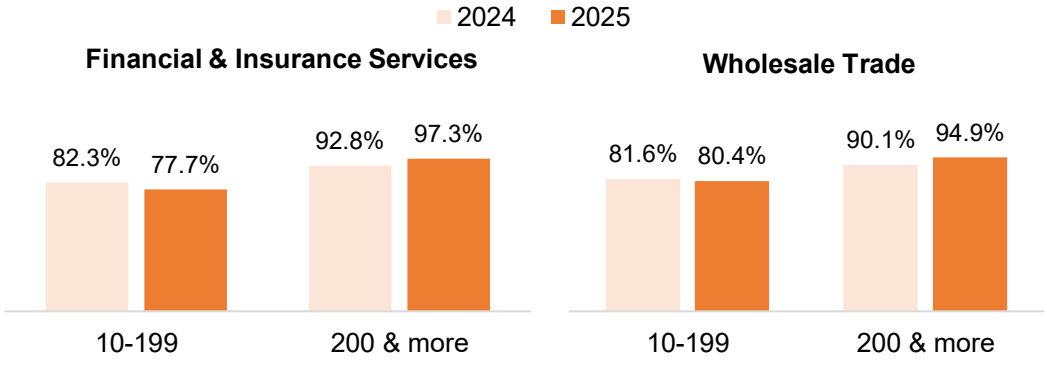
Chart 2: Distribution by Detailed Profit Status among Establishments



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

2.3 Profitability trends were more mixed across sectors and firm sizes. In particular, the profitability gap by firm size was more pronounced in *Financial & Insurance Services* and *Wholesale Trade,* where smaller firms[12] saw a decline in proportion of profitable firms while larger firms[13] registered an increase (**Chart 3**). This suggests that even though these sectors were primary drivers of economic growth[14], smaller firms likely faced greater cost pressures that eroded their profit margins, whilst larger firms were better positioned to drive financial performance.

Chart 3: Proportion of Profitable Firms in Selected Industries by Firm Size

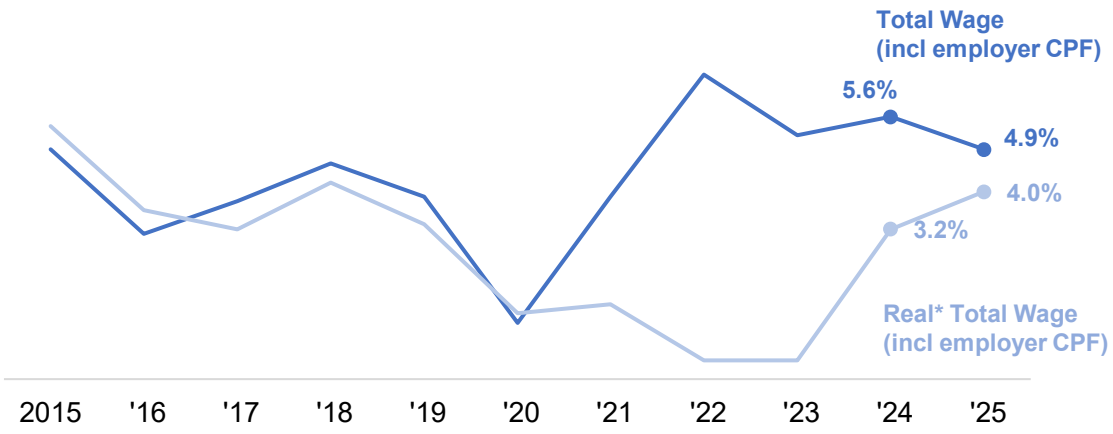


[12] Firms with 10-199 employees.
[13] Firms with 200 & more employees.
[14] Growth for 2025 was primarily driven by Manufacturing, Wholesale Trade and Finance & Insurance. Source: Department of Statistics, Ministry of Trade and Industry.

Wage Trends

2.4 Nominal wage growth for full-time resident employees moderated from 5.6% in 2024 to 4.9% in 2025 (**Chart 4**), in line with easing inflation,[15] which may have reduced pressure on firms to raise nominal wages. Real wage growth increased to 4.0% in 2025, from 3.2% in the previous year, reflecting an improvement in workers' purchasing power. The narrower gap between nominal and real wage growth rates indicates that lower inflation has helped support workers' living standards.

Chart 4: Total Wage Change (Incl. Employer CPF), 2015-2025

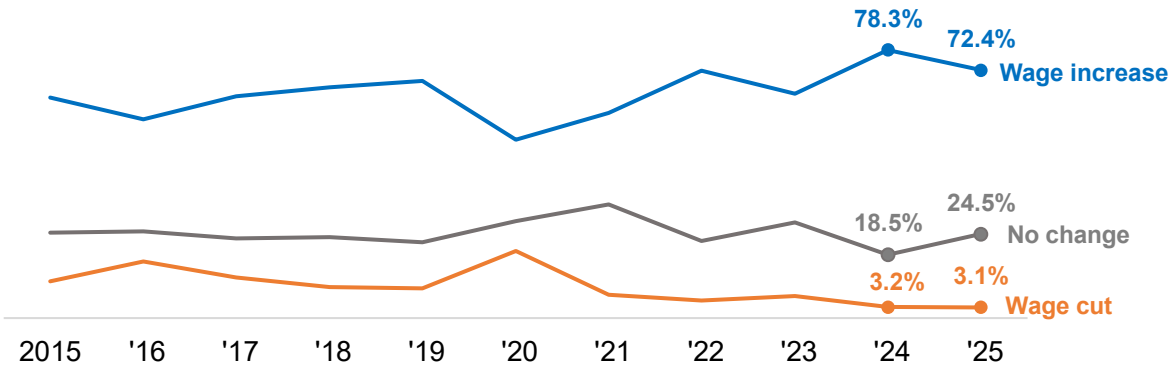


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: * - Deflated by Consumer Price Index (CPI) for all items at 2024 prices (2024 =100)

2.5 The proportion of establishments providing wage increases declined from 78.3% in 2024 to 72.4% in 2025, with more keeping wages steady (from 18.5% to 24.5%). Those with wage cuts made up a small and stable proportion (from 3.2% to 3.1%) (**Chart 5**). Of those that provided wage increases, majority cited employee retention as the primary motivation.

Chart 5: Proportion of Establishments by Total Wage Change

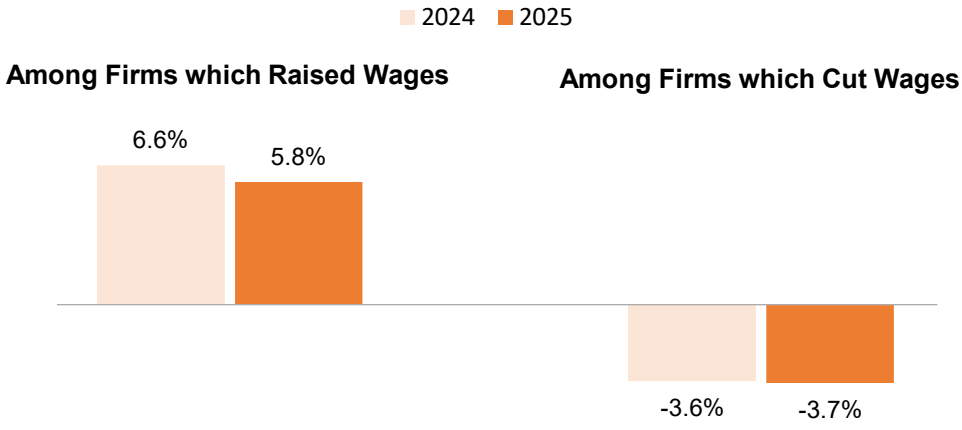


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

[15] Inflation eased to 0.9% in 2025, from 2.4% in 2024. Source: Department of Statistics.

2.6 Consistent with easing inflation, the average nominal wage increment among establishments that raised wages moderated from 6.6% in 2024 to 5.8% in 2025 (**Chart 6**). Only a small percentage of firms reduced wages (3.1%), with an average wage reduction of 3.7% in 2025. These firms generally experienced weaker business performance than in the previous year, leading some to implement wage reductions.

Chart 6: Magnitude of Total Wage Change among Establishments

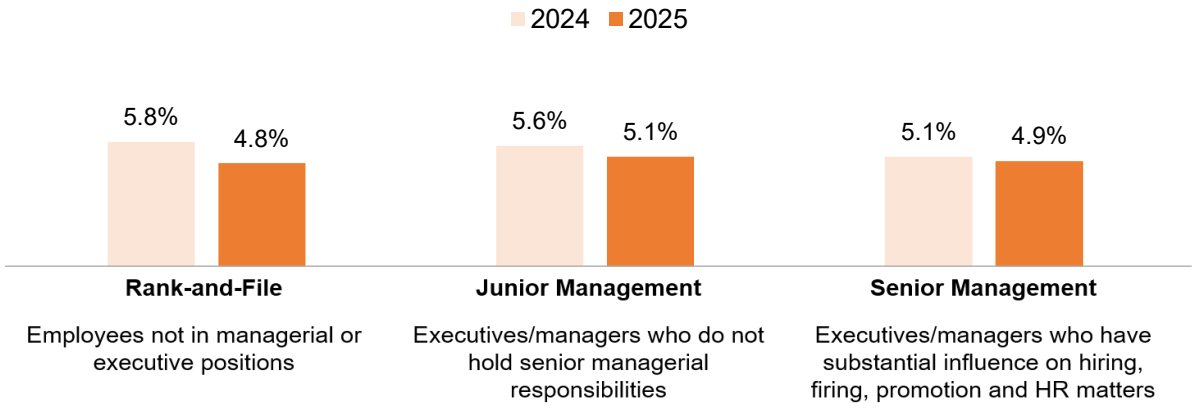


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Wage Change by Employee Type

2.7 Wage growth remained positive across rank-and-file (4.8%), junior management (5.1%), and senior management (4.9%) employees, though the pace moderated compared to the previous year. Notably, total wage changes have now become similar across all employee groups.

Chart 7: Total Wage Change by Employee Type



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Wage Change by Industry

2.8 Wage growth remained positive across all sectors in 2025, although most sectors recorded slower wage growth compared to 2024[16], signalling that wage momentum had eased amid a more cautious business environment (**Chart 8**).

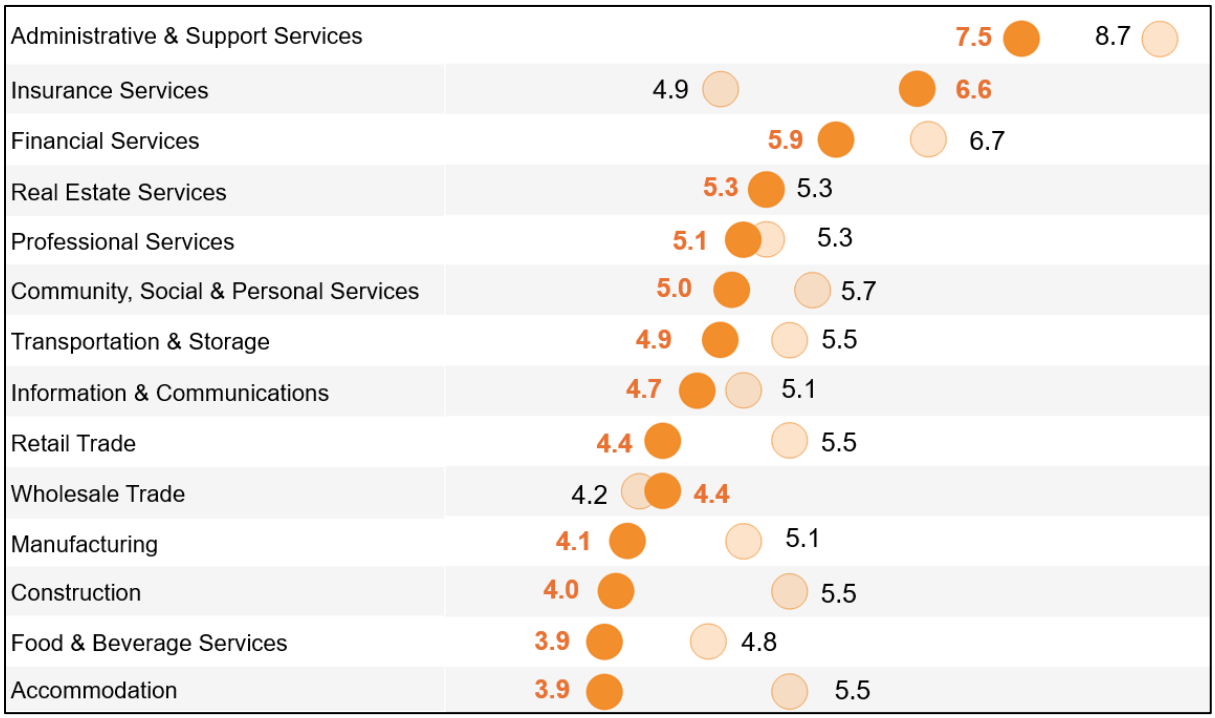
2.9 Across sectors, *Financial Services* (5.9%) and *Insurance Services* (6.6%) as well as business services related sectors including *Administrative & Support Services* (7.5%), *Real Estate Services* (5.3%) and *Professional Services* (5.1%) saw highest wage growth.

2.10 *Financial and Insurance Services* saw strong wage growth in part reflecting resilient demand for skilled workers.[17] *Administrative & Support Services* also recorded high wage growth, supported by the wage ladders under the Progressive Wage Model (PWM)[18] and the Local Qualifying Salary (LQS) requirements. Observably, increases have become more gradual and sustainable, maintaining growth momentum whilst ensuring long-term viability. Similar trends emerged across most PWM sectors[19], including *Retail Trade* and *Food & Beverage Services*.

2.11 Sectors with relatively lower wage growth in 2025 included *Accommodation* (3.9%), *Food & Beverage Services* (3.9%), *Construction* (4.0%), and *Manufacturing* (4.1%). For *Accommodation*, the moderation brings wage growth more in line with its historical pace, following the hiring surge during the post-pandemic recovery period from 2022 and 2023, when tourist influx drove up labour demand[20].

[16] Insurance Services and Wholesale Trade were the only sectors that saw stronger wage growth in 2025.
[17] Some of the top jobs in demand in the sector are financial/investment adviser, financial analyst, financial risk manager. Source: Job Vacancy Survey, Manpower Research and Statistics Department, MOM
[18] This refers to the Security, Cleaning and Landscape sectors.
[19] Most other PWM sectors similarly saw lower wage growth in 2025 compared to 2024, following earlier significant wage adjustments. This includes sectors such as Cleaning, Landscape, Retail and Food Services.
[20] Accommodation sector experienced a robust post-pandemic recovery with international visitor arrivals seeing a year-on-year increase of 1,810% in 2022, followed by a further 116% increase in 2023. Source: Singapore Tourism Board.

Chart 8: Total Wage Change by Industry (%)



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

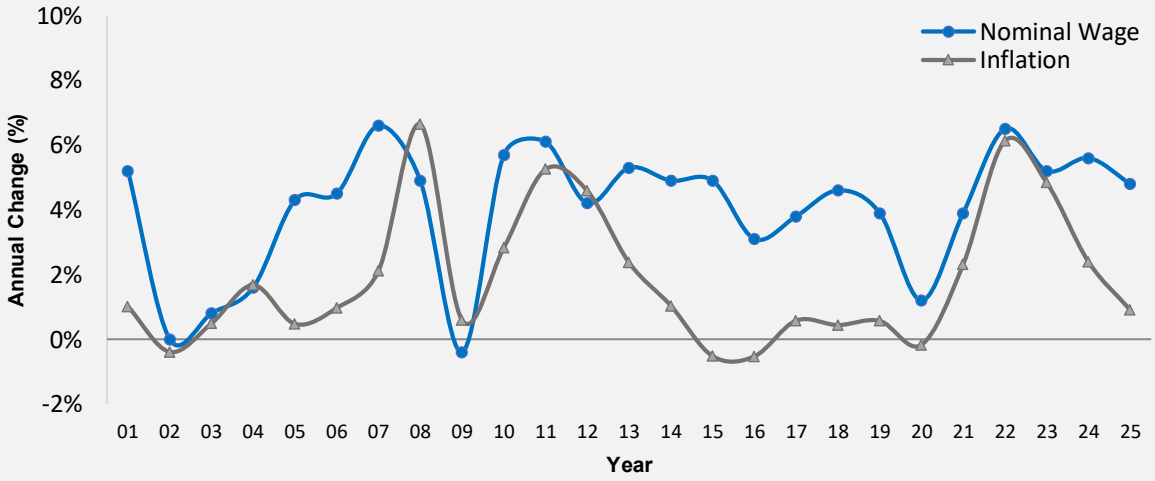
Box Article: Wage Changes During Economic Episodes

Nominal wage growth in Singapore has generally strengthened during periods of stronger economic growth and moderated during downturns such as the 2002-2003 Dot-Com Bust and SARS outbreak, the 2008/09 Global Financial Crisis, and the COVID-19 recession in 2020. Across these episodes, wage growth typically moderated temporarily before recovering alongside economic activity.

Economic expansion tends to increase demand for both labour and goods and services, which can place upward pressure on wages and prices. Over the longer term, productivity improvements help support sustainable wage growth and real wage gains.

The chart below shows that nominal wage growth exceeded inflation in most years. Following the pandemic, strong reopening demand contributed to faster nominal wage growth, even as inflation rose amid global supply disruptions and stronger economic activity. Over the longer term, real wage gains were also supported by improvements in labour productivity.

Annual Total Wage Change and Inflation (CPI-All Items)



Lessons From Wage Changes Across Episodes

The wage patterns observed across economic episodes suggest that Singapore's wage adjustment process has generally remained responsive to changing economic conditions. Wage growth has moderated during downturns while remaining supported over the longer term by productivity improvements and labour market recovery.

Institutional frameworks such as the Progressive Wage Model (PWM) and National Wages Council (NWC) guidelines have also supported wage adjustments that remain responsive to economic conditions. PWM has contributed to sustained wage increases for lower-wage workers through wage ladders linked to skills upgrading and productivity improvements, while NWC guidelines provide employers and workers with a framework for wage adjustments across different economic conditions.

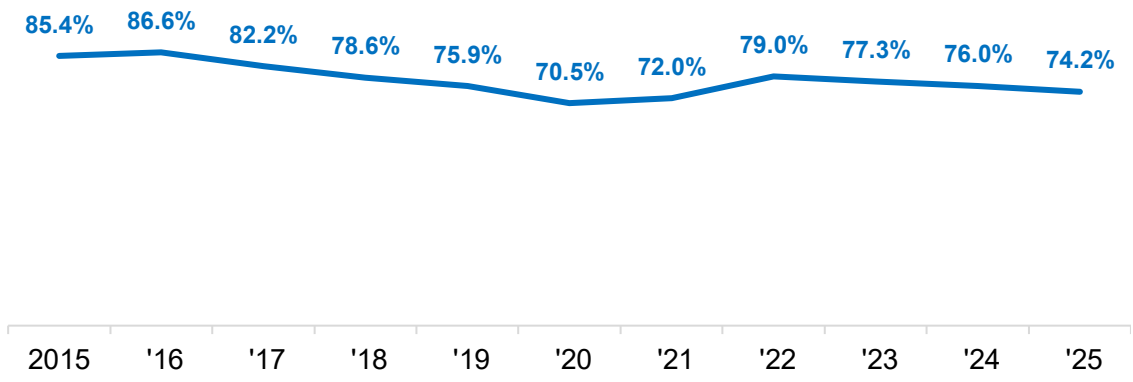
These frameworks have helped support relatively broad-based wage growth across the workforce. Looking ahead, continued emphasis on workforce upgrading and productivity improvements will remain important in sustaining real wage growth over the longer term.

Wage growth is expected to remain positive in 2026, although firms are likely to be measured in their wage increases amid geopolitical and inflation uncertainties. MAS currently forecasts headline inflation to average between 1.5% and 2.5% in 2026, which remains broadly consistent with medium-term price stability.

Flexible Wage System

2.12 The Flexible Wage System (FWS)[21] enables employers to maintain wage flexibility during adverse business conditions, allowing them to reduce costs rather than resort to job cuts. It includes the Monthly Variable Component (MVC) and the Annual Variable Component (AVC). Although the vast majority of establishments (74.2%) have implemented at least one FWS component in 2025 (**Chart 9**), the overall adoption rate continued to decline over the years.

Chart 9: Proportion of Establishments which Implemented Some Form of Flexible Wage System, 2015-2025



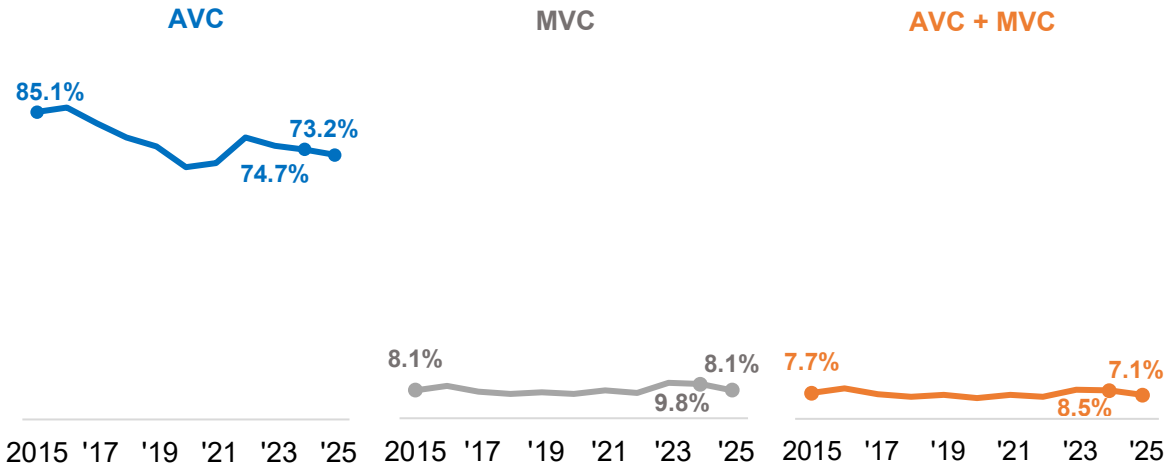
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

[21] National Wages Council (NWC) encouraged establishments to adopt a Flexible Wage System (FWS), comprising a Monthly Variable Component (MVC) and an Annual Variable Component (AVC).

2.13 Adoption of the Annual Variable Component (AVC) was comparatively higher at 73.2%, though slightly lower than the 2024 level (74.7%), while adoption of Monthly Variable Component (MVC) remained low at 8.1% (**Chart 10**). This was primarily due to establishments following industry norms where such practices are uncommon[22].

2.14 Variable wages comprised only 13.0% of total wages in the private sector[23], remaining consistent with the past year (13.2%). Notably, establishments with some FWS components saw higher wage increases (5.4%)[24] than non-adopters (3.6%).

Chart 10: Proportion Of Establishments by Presence of Variable Components, 2015-2025



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

[22] In 2025, among those who are aware of MVC, establishments' top reasons for not introducing MVC in their wage structure were the absence of such practice among organisations in their industry, not having considered it, and misalignment with headquarters' wage structure.
[23] Across employee types, the variable component was higher among employees in management roles (Junior Management: 15.0%, Senior Management: 15.1%) compared to Rank-and-File (10.7%).
[24] Based on a simple average of data over the past five years (i.e. 2021 to 2025).

3 Conclusion

3.1 Singapore's labour market continued to support positive wage growth in 2025 amid favourable business conditions and easing inflation. Although nominal wage growth moderated from the stronger pace seen in 2024, real wages improved, supporting workers' purchasing power.

3.2 Wage outcomes remained differentiated across sectors depending on business conditions, labour demand, and sector-specific adjustments such as PWM implementation. At the same time, wage growth became more evenly distributed across employee groups.

3.3 Looking ahead, wage growth is expected to remain positive but moderated amid a more uncertain global environment and inflation risks. Firms are likely to be measured in their wage increases.

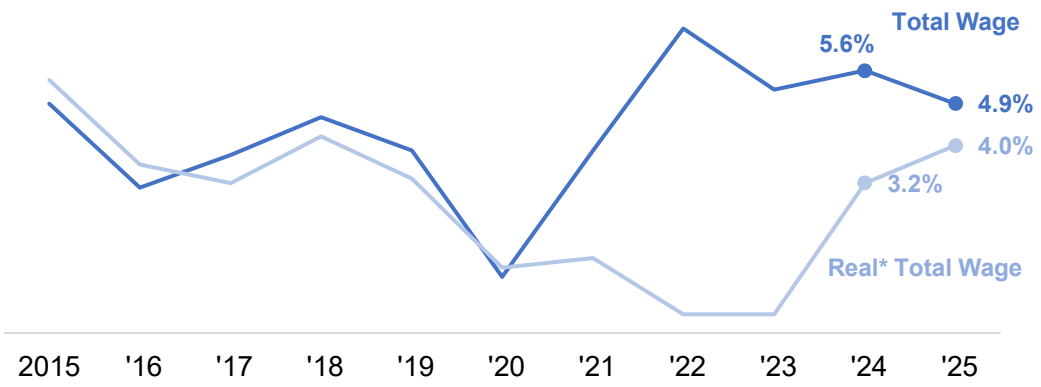
3.4 Over the longer term, sustaining real wage growth will continue to depend on productivity improvements, workforce upgrading, and wage-setting practices that remain responsive to changing economic conditions.

Annex 1

Chart A1: Total Wage Changes, 2015-2025

Total Wage Change (Incl. Employer CPF)

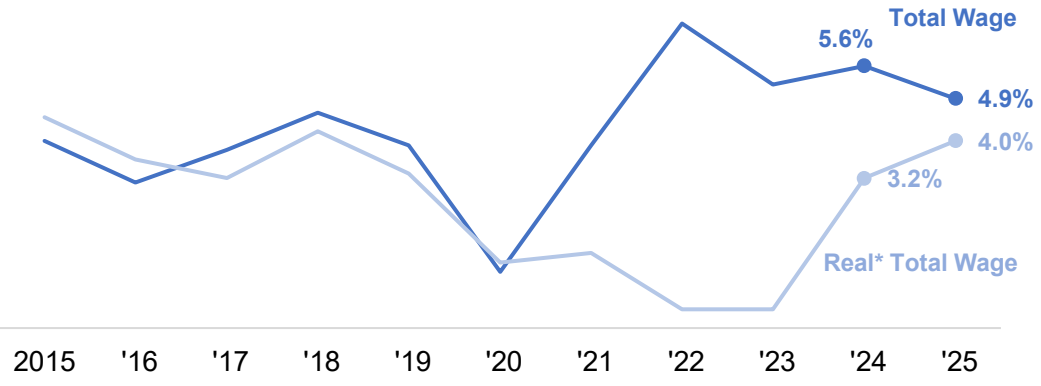
Per Cent



Total Wage	4.9	3.1	3.8	4.6	3.9	1.2	3.9	6.5	5.2	5.6	4.9
Real* Total Wage	5.4	3.6	3.2	4.2	3.3	1.4	1.6	0.4	0.4	3.2	4.0

Total Wage Change (Excl. Employer CPF)

Per Cent

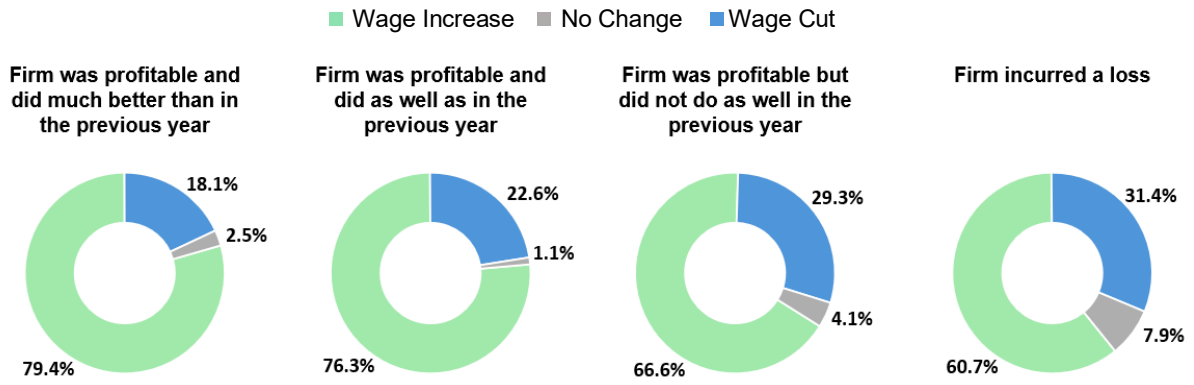


Total Wage	4.0	3.1	3.8	4.6	3.9	1.2	3.9	6.5	5.2	5.6	4.9
Real* Total Wage	4.5	3.6	3.2	4.2	3.3	1.4	1.6	0.4	0.4	3.2	4.0

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: * - Deflated by Consumer Price Index (CPI) for all items at 2024 prices (2024 =100)

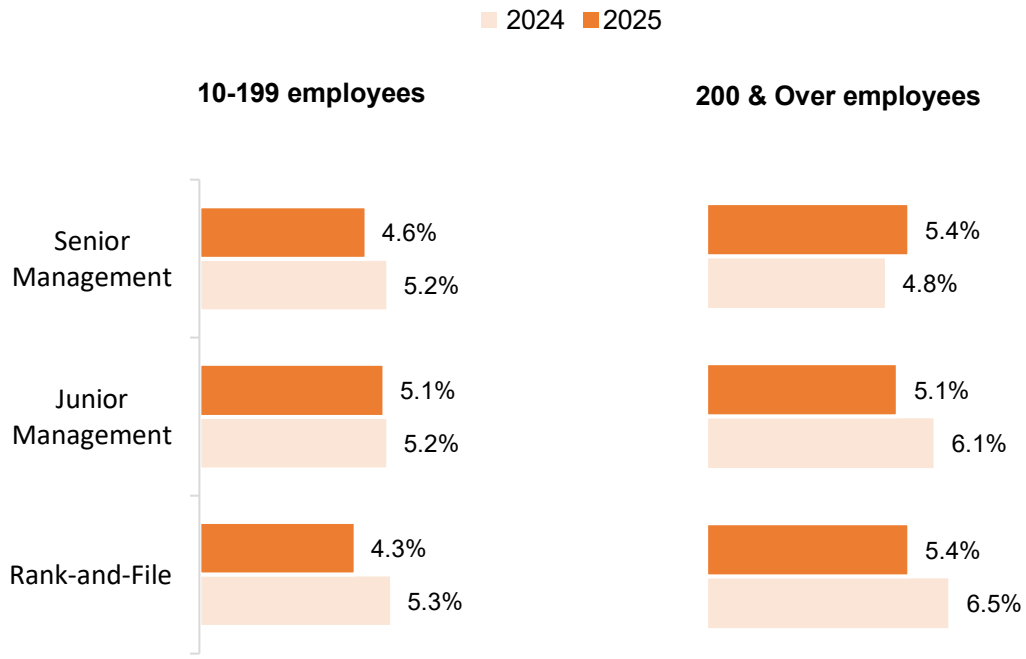
Chart A2: Distribution of Establishment by Total Wage Change and Detailed Profit Status, 2025



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Figure may not sum up to 100% due to rounding.
(2) Based on private establishments that disclosed their profit status.

Chart A3: Total Wage Change by Employee Type & Firm Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Table A1: Total Wage Change by Profit Status

Profit Status	Type	Total Wage Change (%)	
		2024	2025
Profitable and did much better than previous years	Total	6.6	5.7
	RAF	6.4	5.0
	NRAF	6.8	6.1
Profitable and did as well as previous year	Total	5.5	4.7
	RAF	5.9	4.8
	NRAF	5.0	4.7
Profitable but did not do as well as previous year	Total	4.8	4.4
	RAF	5.2	4.5
	NRAF	4.4	4.4
Incurred a loss	Total	4.5	4.2
	RAF	5.0	4.3
	NRAF	4.0	4.0

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Based on private establishments that disclosed their profit status.
(2) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A2: Total Wage Change by Industry

Per cent

Industry (SSIC 2020)	Type	Total Wage Change	
		2024	2025
Total	Total	5.6	4.9
	RAF	5.8	4.8
	NRAF	5.4	5.0
Manufacturing	Total	5.1	4.1
	RAF	5.6	3.8
	NRAF	4.6	4.4
Construction	Total	5.5	4.0
	RAF	5.5	4.2
	NRAF	5.5	3.8
Services	Total	5.6	5.2
	RAF	5.8	5.1
	NRAF	5.5	5.2
Wholesale Trade	Total	4.2	4.4
	RAF	4.1	4.1
	NRAF	4.3	4.5
Retail Trade	Total	5.5	4.4
	RAF	5.4	4.3
	NRAF	5.6	4.6
Transportation & Storage	Total	5.5	4.9
	RAF	5.3	3.9
	NRAF	5.7	6.1
Accommodation	Total	5.5	3.9
	RAF	6.2	4.4
	NRAF	4.9	3.4
Food & Beverage Services	Total	4.8	3.9
	RAF	5.1	4.2
	NRAF	4.1	3.3
Information & Communications	Total	5.1	4.7
	RAF	4.5	4.9
	NRAF	5.5	4.6
Financial Services	Total	6.7	5.9
	RAF	7.7	6.0
	NRAF	6.6	5.9
Insurance Services	Total	4.9	6.6
	RAF	5.8	6.5
	NRAF	4.7	6.7
Real Estate Services	Total	5.3	5.3
	RAF	5.4	5.1
	NRAF	5.2	5.4
Professional Services	Total	5.3	5.1
	RAF	5.5	4.5
	NRAF	5.3	5.3
Administrative & Support Services	Total	8.7	7.5
	RAF	10.0	8.3
	NRAF	5.2	5.8
Community, Social & Personal Services	Total	5.7	5.0
	RAF	5.3	5.1
	NRAF	6.1	4.9

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A3: Annual Variable Component by Industry

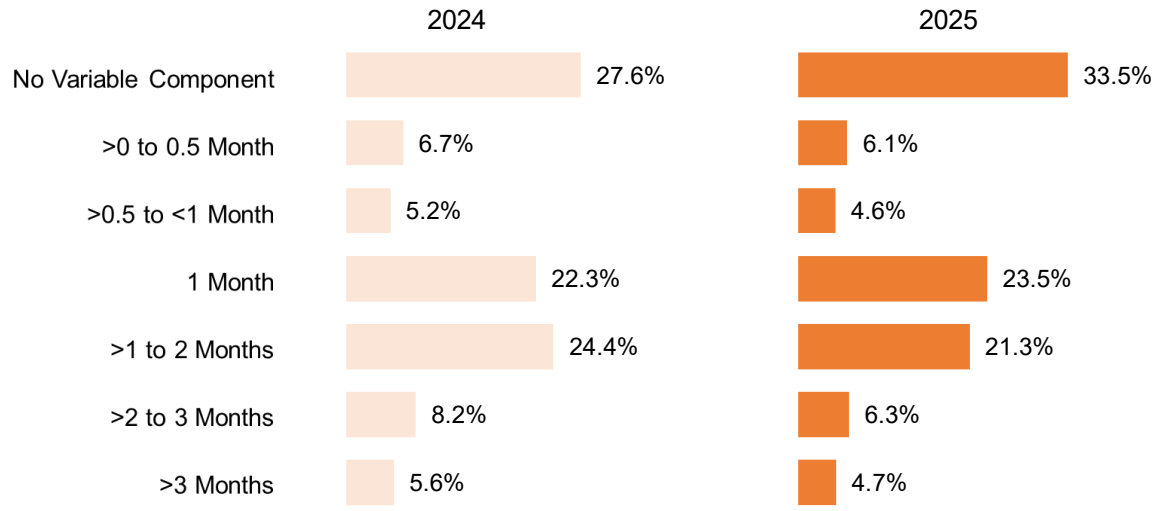
Months of Basic Wage

Industry (SSIC 2020)	Type	Annual Variable Component	
		2024	2025
Total	Total	1.83	1.80
	RAF	1.52	1.44
	NRAF	2.11	2.12
Manufacturing	Total	1.87	1.78
	RAF	1.69	1.59
	NRAF	2.05	1.98
Construction	Total	1.22	1.13
	RAF	1.11	1.05
	NRAF	1.33	1.22
Services	Total	1.89	1.88
	RAF	1.53	1.45
	NRAF	2.21	2.24
Wholesale Trade	Total	1.97	1.81
	RAF	1.69	1.53
	NRAF	2.21	2.03
Retail Trade	Total	1.21	1.21
	RAF	1.21	1.19
	NRAF	1.23	1.26
Transportation & Storage	Total	2.74	2.92
	RAF	2.58	2.55
	NRAF	2.98	3.33
Accommodation	Total	2.09	1.96
	RAF	1.90	1.89
	NRAF	2.25	2.02
Food & Beverage Services	Total	0.62	0.59
	RAF	0.59	0.59
	NRAF	0.67	0.60
Information & Communications	Total	1.39	1.63
	RAF	1.18	1.53
	NRAF	1.52	1.68
Financial Services	Total	3.19	3.11
	RAF	2.69	2.74
	NRAF	3.28	3.17
Insurance Services	Total	2.05	2.28
	RAF	2.03	1.91
	NRAF	2.05	2.35
Real Estate Services	Total	1.98	2.02
	RAF	1.61	1.77
	NRAF	2.43	2.27
Professional Services	Total	1.65	1.53
	RAF	1.38	1.43
	NRAF	1.77	1.58
Administrative & Support Services	Total	1.20	0.88
	RAF	1.11	0.66
	NRAF	1.42	1.40
Community, Social & Personal Services	Total	2.00	2.03
	RAF	1.72	1.57
	NRAF	2.27	2.49

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. This table is based on annual variable component collected in the reference year.

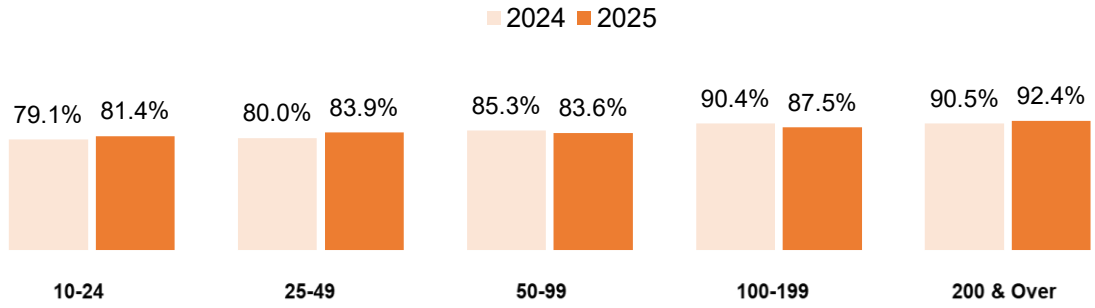
Chart A4: Distribution of Establishments by Quantum of Annual Variable Component



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Figures may not sum up to 100% due to rounding.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

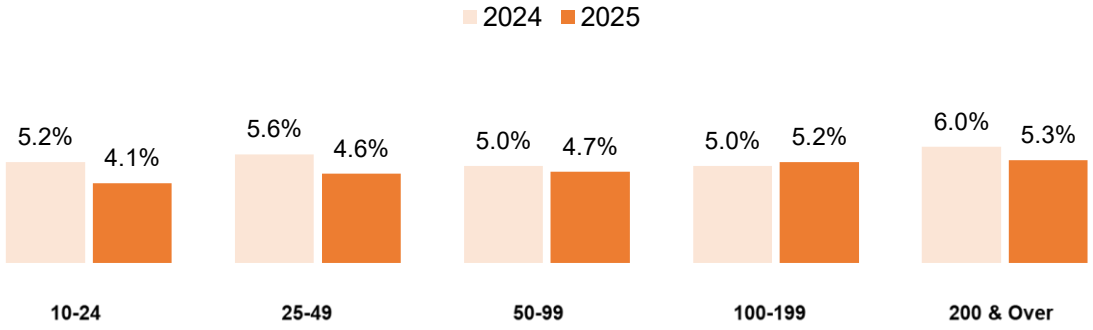
Chart A5: Proportion of Profitable Establishments by Establishment Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: Based on private sector establishments that disclosed their profit status

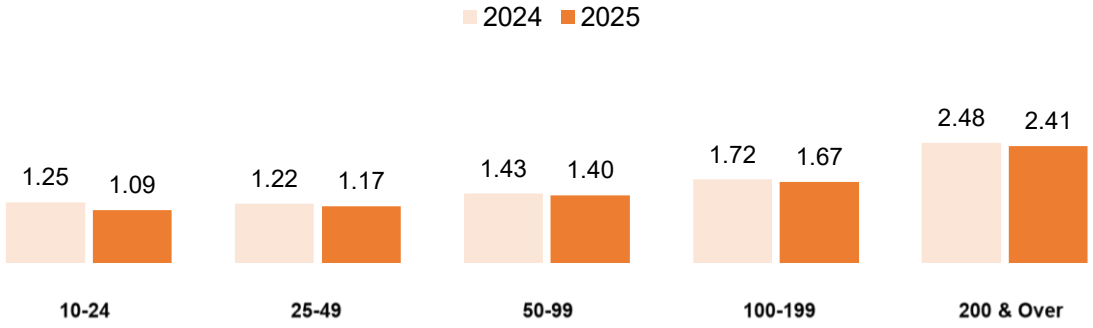
Chart A6: Total Wage Change by Establishment Size



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A7: Annual Variable Component by Establishment Size

Months of Basic Wage

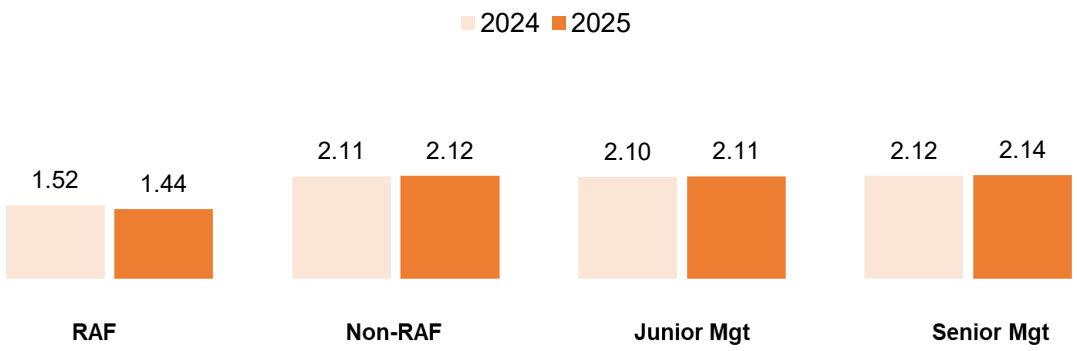


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

Chart A8: Annual Variable Component by Employee Type

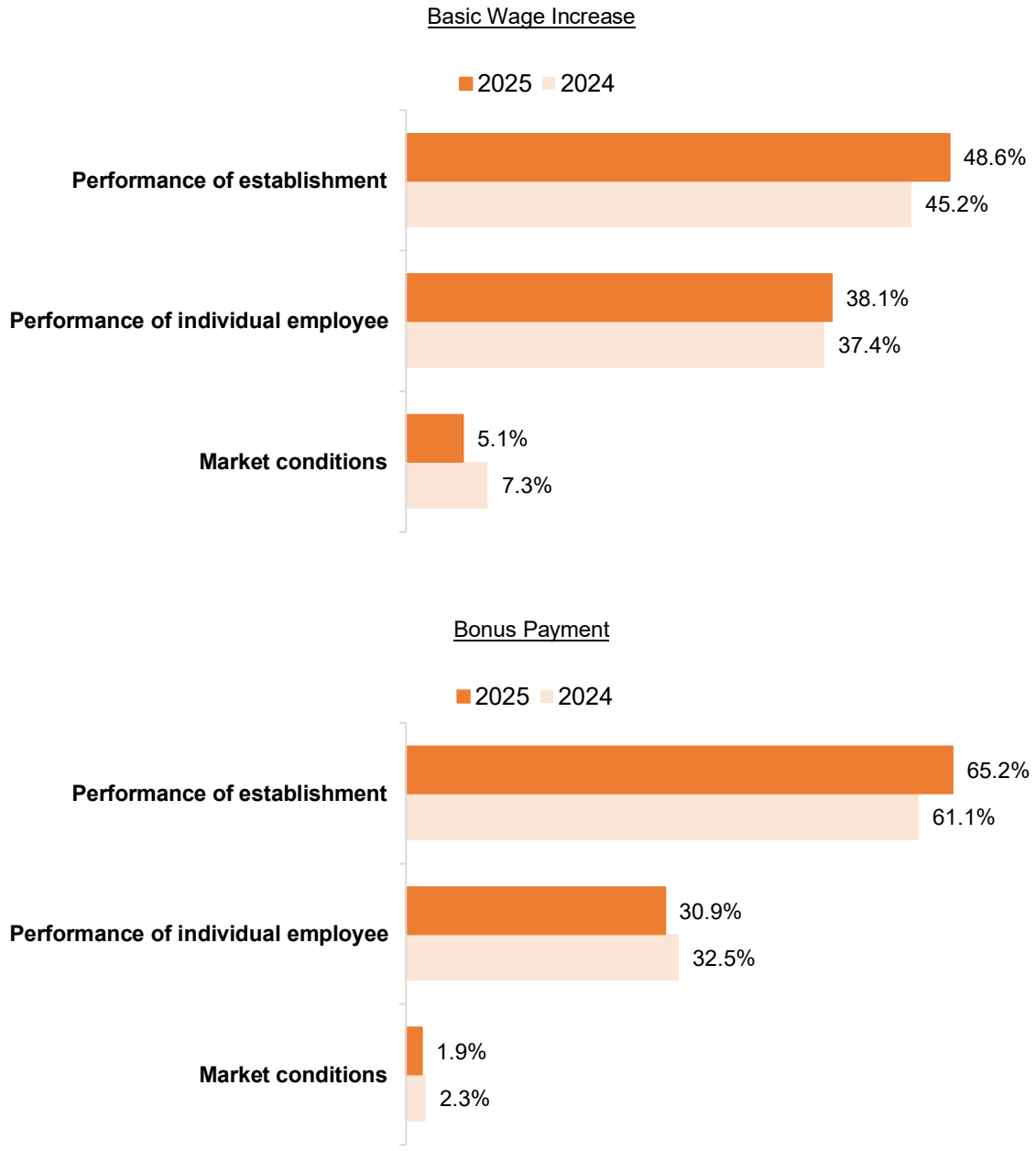
Months of Basic Wage



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) RAF refers to rank-and-file. Non-RAF comprise junior and senior management employees.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

Chart A9: Proportion of Establishments by Main Factors Considered when Determining Basic Wage Increases and Bonus Payment



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes: (1) Based on private establishments that had basic wage increase and/or bonus payment in their wage structure respectively.
(2) Figures may not sum up to 100% as only top three factors are shown.

Annex 2

SURVEY COVERAGE AND METHODOLOGY

SURVEY ON ANNUAL WAGE CHANGES, 2025

Introduction

The *Survey on Annual Wage Changes, 2025* was conducted by the Manpower Research and Statistics Department of the Ministry of Manpower under the Statistics Act 1973 (2020 Revised Edition). The survey fieldwork was conducted from 17 November 2025 to 30 March 2026.

Objective

The survey was conducted to obtain information on the extent of wage changes in 2025.

Coverage

The survey covered private sector establishments with at least 10 employees. Some 6,236 private establishments responded to the survey. These establishments employed 1,111,700 employees which included 572,300 resident full-time employees on the Central Provident Fund (CPF) scheme with at least 1 year in service (comprising 251,200 rank-and-file employees, 216,400 junior and 104,700 senior management staff) and 299,400 non-resident employees. Resident full-time employees with less than a year of service, or on part-time formed the remaining 240,000. The survey response rate was 86.6%.

The results were weighted to reflect the population of private sector establishments with at least 10 employees by using expansion factors based on sampling fraction.

Methodology

The survey was conducted using online questionnaires. Respondents could submit their returns online, with clarifications made over the phone.

Reference Period

The reference period for the survey was November 2024 to November 2025.

Data Collected

The establishments were asked to provide information on the average basic wage change, Annual Wage Supplement (AWS) and Variable Bonus (VB) to employees in 2025. The information collected pertains to full-time employees on the CPF scheme who had been with the establishment for at least one year as of 30 November 2025.

Analysis

Findings on the extent of wage changes in private sector in 2025 is based on private establishments with at least 10 employees. Unless otherwise stated, all data on annual variable component are based on data collected in the reference year.

Classification

The industries of the surveyed establishments were classified according to the Singapore Standard Industrial Classification (SSIC) 2020.

Reliability of Data

In a sample survey, inferences about the target population are drawn from the data collected from the sample. Errors due to extension of the conclusions based on one sample to the entire population are known as sampling errors. The sampling error of an estimate is the extent of variation between the estimated value obtained from a sample and the true value from the population. Factors influencing the sampling error include the sample size, the sample design, method of estimation, the variability of the population and the characteristics studied.

A common measure of the sampling error of an estimate is its standard error, which is a measure of the variation among the estimates derived from all possible samples. An alternative measure is the relative standard error of an estimate which indicates the standard error relative to the magnitude of the estimate. A sample estimate and an estimate of its standard error can be used to construct an interval that will, at specified levels of confidence, include the true value. By statistical convention, the confidence level has been set at 95 per cent.

Estimates of the sampling variability of selected indicators are as follows:

	Estimate	Standard Error	Relative Standard Error (%)	95% Confidence Interval	
				Lower	Upper
Total Wage Change (Incl. Employer CPF)^	4.9%	0.08%-pt	1.5%	4.7%	5.0%
Total Wage Change (Excl. Employer CPF)^	4.9%	0.08%-pt	1.5%	4.7%	5.0%
Basic Wage Change^	4.2%	0.06%-pt	1.3%	4.1%	4.4%
Variable Component^ (months of basic wage)	1.80	0.02	1.09%	1.76	1.84
Proportion of establishments which adopted some form of Flexible Wage System (FWS)#	74.2%	1.2%-pt	1.6%	71.8%	76.5%

Notes:
(1) ^ Wage growth pertains to wage increases granted by private sector establishments (with at least 10 employees) to full-time employees on CPF Scheme who were in continuous employment for at least a year.
(2) # This refers to those who had adopted either the monthly variable component (MVC) or annual variable component (AVC).

Concepts and Definitions

Local employees:	This refers to Singapore Citizens and Permanent Residents.
Rank-and-File Employees:	This includes employees who are in technical, clerical, sales, service, production, transport, cleaning and related positions. They are not employees in managerial or executive positions.
Junior Management Staff:	This refers to executives and managers who do not hold senior managerial responsibilities. They do not have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Senior Management Staff:	This refers to executives and managers who have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Basic Wage:	This refers to the total basic pay before deduction of the employees' CPF contributions and personal income tax. It excludes employers' CPF contributions, bonuses, overtime payments, commissions, allowances (e.g. shift, food, housing and transport), other monetary payments and payments-in-kind.
Annual Wage Supplement (AWS):	This refers to the annual payment usually made at year-end and is commonly known as the 13th month allowance.
Variable Bonus (VB):	This refers to the payment given in addition to the AWS. It includes incentive payments and 'ang pows' but excludes AWS. The variable bonus is usually linked to establishment and/or individual performance and may vary from year to year. It may be paid in a lump sum or divided into several payments over the year; in which case the several payments should be added together.

Annual Variable Component (AVC):	This usually consists of 2 components i.e. AWS, and VB. Generally, the annual variable component is linked to establishment's profitability.
Monthly Variable Component (MVC):	This refers to the component of monthly basic wage that can be adjusted easily and quickly to meet changing business conditions. It should attract CPF, overtime pay, allowances, etc. The MVC can be built-up through wage increase or 'hived-off' from basic wage. Establishments can also implement a cut in basic wage by reducing MVC.
Market Conditions:	This can refer to a country's economic performance, industry's and/or transnational organisation's performance (in the case of multi-national corporation).

Formulae

- Basic Wage Change in 2025

$$= \frac{\text{End 2025 Basic Wage} - \text{End 2024 Basic Wage}}{\text{End 2024 Basic Wage}} \times 100\%$$

- Total Wage Change in 2025

$$= \frac{\text{2025 Total Wage} - \text{2024 Total Wage}}{\text{2024 Total Wage}} \times 100\%$$

Where:

Total Wage = Annual Basic Wage + Annual Variable Component (i.e. Annual Wage Supplement and Variable Bonus)

FEEDBACK FORM

Report Title: Report on Wage Practices 2025

1. How would you rate this report in terms of:

	Excellent	Good	Average	Poor
a) Relevance to your work	☐	☐	☐	☐
b) Providing useful insights on prevailing labour market trends/development	☐	☐	☐	☐
c) Ease of understanding	☐	☐	☐	☐

2. Which area(s) of the report do you find most useful? Please provide reasons.

_____

_____

3. How do you find the length of the report?

☐ Too detailed ☐ Just right ☐ Too brief

	Excellent	Good	Average	Poor
4. Overall, how would you rate this report?	☐	☐	☐	☐

5. What additional information (if any) would you like us to include in our future issues?

_____

_____

6. Any other comments or suggestions you wish to bring to our attention?

_____

_____

Thank you for your valuable feedback

Name of Officer: _____ Designation: _____

Department: _____

Please return the above to:
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