ALTHOUGH more workers were laid off last year, the job market also grew, bringing the proportion of employees who lost their jobs to an all-time low.

Some 9,990 workers were given the pink slip, up slightly from 9,800 in 2010. But set against a labour market which grew by 117,700 workers last year, the figure translates to a "new low" of 5.5 workers let go for every 1,000, said the Manpower Ministry (MOM) yesterday.

Eight in 10 of the 806 companies that trimmed their workforce last year were small- and medium-sized types.

The main reasons were restructuring, reorganisation and downsizing to reduce both labour and non-labour costs.

The main sector hit was manufacturing, where the trend here was the least of dismissals, with 4,460 let go – or 11 for every 1,000 in the sector. Comparatively, this is well above the 3.8 workers retrenched in the services sector and 4.2 in construction.

In absolute numbers, fewer construction workers were laid off – 1,050, down from 1,350 in 2010 – because of a boost from public projects, said the MOM.

In contrast, more service sector workers lost their jobs – 4,430, up from 3,960 in 2010 – which the MOM said was linked to these employees’ growing share of the workforce. About two in three in the workforce are from the services sector.

Higher-paid staff were not spared the axe. Some 4,170 professionals, managers, executives and technicians (PMETs) lost their jobs, up from 3,450 in 2010.

The trend is a concern for MP Patrick Tay, MP for Nee Soon GRC and head of the National Trades Union Congress’ (NTUC) PME unit. He hopes the Employment Act review will give more protection to workers, especially PMETs. MOM announced that the Act would be reviewed this year but gave no details.

Associate Professor Randolph Tan of SIM University sees the overall picture as “not a bad one”.

“Increased churn is always a sign of good health in the labour market because the turnover ensures there is room for businesses to vary their headcount to meet changing needs,” he said.

While more people were laid off, they were also quick to bounce back. Seven in 10 had found jobs by year-end.

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