



REFILE-UPDATE 1-Singapore employment growth slows in Q3

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(Deletes erroneous word in lead)

SINGAPORE, Oct 31 (Reuters) - Employment growth in Singapore slowed in the third quarter, with the job market expected to deteriorate further as the global financial crisis takes its toll on an economy already in recession.

Singapore added 57,800 jobs in the third quarter, lower than the 71,400 created in the April-June period, preliminary data from the manpower ministry showed on Friday.

The unemployment rate held steady at 2.2 percent in the September quarter after seasonal adjustments, but analysts warned of tough times ahead.

"It's still early days yet. The worse of the financial crisis only began at the tail end of the third quarter," said Song Seng Wun, an economist at CIMB.

"While (jobless rate) is encouraging, the outlook is far less clear and people are going to have difficulties finding jobs," he said, adding the unemployment rate was expected to rise to 2.6 percent in the fourth quarter.

Singapore is heavily dependent on trade, making the Southeast Asian country a good gauge of the impact of the crisis on the rest of Asia.

In a sign the rout in financial markets has spread into the real economy, Singapore fell into its first recession in six years in the third quarter as the crisis, the worse since the Great Depression, cut demand for exports and factory output.

Preliminary estimates showed the number of retrenchments rose to 2,000 in the third quarter, compared to 1,798 in the previous quarter, the manpower ministry said.

The electronics industry, which has struggled with weak export demand for months, accounted for 75 percent of the retrenchments. Singapore's contract chip maker Chartered Semiconductor Manufacturing said on Friday it was cutting back on the amount of overtime work to match the fall in its factory usage rates.

The extra hours clocked by its production staff in the last few months translated into a headcount of about 1000 or 15 percent of its workforce, Chartered said.

Of the new jobs created in the third quarter, the services industry accounted for 63 percent of the hiring. The construction sector added 16,400 workers, or 28 percent of total new jobs created, while the manufacturing industry added 4,900 workers.

Recruitment firm **Robert Walters** said on Thursday job advertisements in Asia's financial centres Singapore and Hong Kong fell in the third quarter as the financial crisis spurred companies to cut costs.

Singapore's Trade Minister Lim Hng Kiang said earlier this month the Southeast Asian country's jobless rate in 2008 will be higher than last year's 2.1 percent.

Singapore reports unemployment on a quarterly basis. Please double-click on the newslinks: [SG-MCE-LEN] for news on Singapore's economy <ECONSG> for live updates on Singapore's economic data (Additional reporting by Jennifer Tan) (Reporting by Koh Gui Qing; Editing by Kazunori Takada)

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