LABOUR TRENDS
And SKILLS NEED IN VIET NAM

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Institute of Labour Science and Social Affairs, MOLISA

Bangkok, 12, 2017
Content

• Socio-economic background
• Labour market and employment trends
• Case study of forecasting skills need in electronics and garment
• Conclusion
1. Socio-economic background

- Vietnam becomes one of the fastest-growing emerging country in the region, with an average annual growth higher than both regional and global trends.

- **Figure 2: Gross domestic product, annual average growth, 2010-2017 (%)**

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>7.9</td>
<td>7.25</td>
<td>6.17</td>
<td>5.28</td>
<td>5.98</td>
<td>3.75</td>
<td>9</td>
<td>8</td>
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<tr>
<td>India</td>
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<tr>
<td>Vietnam</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>ASEAN</td>
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<tr>
<td>Asia-Pacific</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>World</td>
<td>7.9</td>
<td>7.25</td>
<td>6.17</td>
<td>5.28</td>
<td>5.98</td>
<td>3.75</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>
1. Socio-economic background

- Vietnam productivity has increased considerably over the last years. In comparison to its neighboring ASEAN countries, it is still at a low level in absolute terms.

- Table; Output per worker (GDP constant 2005 US$)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viet Nam</td>
<td>1,716</td>
<td>1,794</td>
<td>1,893</td>
<td>1,986</td>
<td>2,088</td>
</tr>
<tr>
<td>Singapore</td>
<td>68,122</td>
<td>68,667</td>
<td>68,012</td>
<td>68,125</td>
<td>68,674</td>
</tr>
<tr>
<td>Thailand</td>
<td>6,449</td>
<td>6,479</td>
<td>6,620</td>
<td>6,804</td>
<td>7,000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>15,443</td>
<td>15,991</td>
<td>16,457</td>
<td>16,888</td>
<td>17,343</td>
</tr>
<tr>
<td>Philippines</td>
<td>3,922</td>
<td>4,065</td>
<td>4,203</td>
<td>4,363</td>
<td>4,565</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3,928</td>
<td>4,061</td>
<td>4,191</td>
<td>4,322</td>
<td>4,491</td>
</tr>
</tbody>
</table>
1. Socio-economic background

- In many respects, Vietnam is now much stronger today than it was in the past with a sound degree of macroeconomic stability and integration with the global markets.

- The economic structure of Viet Nam has been transformed accordingly, being increasingly driven by the pattern of its trade. This is reflected in the share of exports and imports in GDP which have each been accounting for more than 90 per cent in 2016 up to around 70 to 80 per cent in the 2010s.

- At sectoral level, the economic performance in various sectors of Vietnam’s economy illustrates the structural transformation that has occurred over the last decades. The economy has been fuelled by the growth in industry (particularly export-oriented manufacturing) and construction as well as services sectors where growth was the strongest.
1. Socio-economic background

- Table  Key macroeconomic indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth (%)</td>
<td>6,7</td>
<td>6,2</td>
</tr>
<tr>
<td>- Agriculture, forestry and fishery</td>
<td>2,8</td>
<td>1,4</td>
</tr>
<tr>
<td>- Industry and construction</td>
<td>7,7</td>
<td>7,6</td>
</tr>
<tr>
<td>- Services</td>
<td>7,5</td>
<td>7,0</td>
</tr>
<tr>
<td>GDP per capita, US$ (constant 2010 US$)</td>
<td>1,333,6</td>
<td>1,770,3</td>
</tr>
<tr>
<td>Inflation (annual %)</td>
<td>12,1</td>
<td>1,1</td>
</tr>
<tr>
<td>Gross capital formation (% of GDP)</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Exports of goods and services (% of GDP)</td>
<td>72,0</td>
<td>93,6</td>
</tr>
<tr>
<td>Imports of goods and services (% of GDP)</td>
<td>80,2</td>
<td>91,1</td>
</tr>
<tr>
<td>Revenue, excl. grants (% of GDP)</td>
<td>24,3</td>
<td>21,5</td>
</tr>
<tr>
<td>Government gross debt (% of GDP)</td>
<td>48,1</td>
<td>60,7</td>
</tr>
<tr>
<td>Net ODA received (% of GNI)</td>
<td>2,6</td>
<td>1,7</td>
</tr>
<tr>
<td>Merchandise trade (% of GDP)</td>
<td>135</td>
<td>173</td>
</tr>
</tbody>
</table>
The population pyramids in 2017 and 2030 confirm this trend with the middle and upper part of the pyramid gradually expanding with the bottom part shrinking.
2. Labour market and employment trends
2.1 Labour force trends

- The labour force in Viet Nam by Quarter 2 of 2017 (Q2/2017) was more than 54.524 million people, 2.172 million people higher than that in 2012.

- In this period, the LF grew up by 524,000 people (or approximately 1%) per year on average, which is much lower than the growth rate in the previous years. This reflects that the “demographic dividend“ is going down.

- The urban LF was 17.528 million people, expanded by approximately 1.6 million people, equal to the average growth rate of almost 2.5%/year, while the rural LF only increased 0.36% annually within 2012-2017

- **Table 2.2 The volume of the labour force by age group, 2012-2017**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q2/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (thousand pers)</td>
<td>52.348</td>
<td>53.246</td>
<td>53.748</td>
<td>53.984</td>
<td>54.445</td>
<td>54.524</td>
</tr>
<tr>
<td>Male</td>
<td>26.918</td>
<td>27.371</td>
<td>27.561</td>
<td>27.843</td>
<td>28.073</td>
<td>28.328</td>
</tr>
<tr>
<td>Rural</td>
<td>36.462</td>
<td>37.203</td>
<td>37.222</td>
<td>37.073</td>
<td>36.995</td>
<td>36.995</td>
</tr>
</tbody>
</table>
2. Labour market and employment trends

• The Vietnamese LF is relatively young, but the LF structure transition trends show some aging signals in the labour market.

• From 2012 to Q2/2017, the proportion of the LF under 34 experienced a declining trend, the middle-age LF proportion was quite stable, while the proportion of older LF increased.

• Table 2.2 The structure of the labour force by age group, 2012-2017

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Q2/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>15,07</td>
<td>14,81</td>
<td>14,11</td>
<td>14,84</td>
<td>13,79</td>
<td>13,75</td>
</tr>
<tr>
<td>25-34</td>
<td>24,31</td>
<td>23,88</td>
<td>23,96</td>
<td>24,50</td>
<td>24,44</td>
<td>23,82</td>
</tr>
<tr>
<td>35-54 (female)/35-59 (male)</td>
<td>50,11</td>
<td>50,02</td>
<td>50,11</td>
<td>48,59</td>
<td>49,31</td>
<td>50,27</td>
</tr>
<tr>
<td>55+ (female)/60+ (male)</td>
<td>10,51</td>
<td>11,30</td>
<td>11,82</td>
<td>12,07</td>
<td>12,45</td>
<td>12,16</td>
</tr>
</tbody>
</table>

• Source: Estimates from the Labour Force Survey, 2012- Q2/2017
2.1 Labour force trends

- The rate of LF with qualifications or certificates in Viet Nam is still low, with only 23.67% in Quarter 2 in 2017.
- Especially, more than a half of the qualifications or certificates were from college or university level or higher
- **Figure 2.1: Structure of the labour force by technical qualification in Q2/2017 (%)**
2.1 Labour force trends

• The LF participation rate in Viet Nam is in a declining trend. Is was 75.89% in Q2/2017

• Though the LF participation rate of women (71.18%) is lower than that of men, it is significantly higher than that in many developed countries as well as developing countries.

• The LF participation rate tends to slowly decline both in rural area and urban area. This rate in rural area has always been 10% higher than that in urban area.

• Table The LF participation rate by age group and sex (%)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tỷ lệ chung</td>
<td>76.76</td>
<td>77.52</td>
<td>77.51</td>
<td>77.41</td>
<td>76.75</td>
<td>75.89</td>
</tr>
<tr>
<td>male</td>
<td>81.25</td>
<td>82.07</td>
<td>82.12</td>
<td>82.44</td>
<td>81.66</td>
<td>80.84</td>
</tr>
<tr>
<td>female</td>
<td>72.53</td>
<td>73.23</td>
<td>73.19</td>
<td>72.69</td>
<td>72.13</td>
<td>71.18</td>
</tr>
<tr>
<td>Urban</td>
<td>69.98</td>
<td>70.32</td>
<td>70.17</td>
<td>70.93</td>
<td>70.29</td>
<td>69.86</td>
</tr>
<tr>
<td>Rural</td>
<td>80.15</td>
<td>81.10</td>
<td>81.28</td>
<td>80.78</td>
<td>80.23</td>
<td>79.13</td>
</tr>
</tbody>
</table>

• Source: Estimates from the Labour Force Survey, 2012- Q2/2017
2.2 Employment trend

- In Quarter 2, 2017, Viet Nam had 53.403 million employed people, with 27.675 million men (51.82%), and 25.729 million women (48.18%).

- Compared to 2012, the number of employed people increased by 1.98 million people, which implies high pressure of job creation in Viet Nam.

- Number of people working in urban area has been increasing rapidly in the past five years. The transition trend of rural-urban labour structure is mainly due to migration from rural area to urban area and the increasing urbanization process.

- Table: Number of employed people by sex and rural/urban area

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tổng số (Nghìn người)</td>
<td>51.422</td>
<td>52.208</td>
<td>52.745</td>
<td>52.840</td>
<td>53.303</td>
<td>53.403</td>
</tr>
<tr>
<td>male</td>
<td>26.499</td>
<td>26.830</td>
<td>27.026</td>
<td>27.217</td>
<td>27.443</td>
<td>27.675</td>
</tr>
</tbody>
</table>
2.2 Employment trend

- The labour structure has been changed with decreased rate of younger or young labour proportion, stable middle-age labour proportion; and older labour proportion tends to increase.

- Younger employed people accounted for 12.96%, young workers accounted for 23.79%, equal to rate of older workers (12.34%). This implies increasing important role of older workers in the context of population aging which is rushing

- **Table Structure of employed people by age group**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34</td>
<td>24.29</td>
<td>23.88</td>
<td>23.96</td>
<td>24.48</td>
<td>24.39</td>
<td>23.79</td>
</tr>
<tr>
<td>35-54 (female)/35-59 (male)</td>
<td>50.53</td>
<td>50.45</td>
<td>50.54</td>
<td>49.17</td>
<td>49.94</td>
<td>50.91</td>
</tr>
<tr>
<td>55+ (female)/60+ (male)</td>
<td>10.68</td>
<td>11.50</td>
<td>12.03</td>
<td>12.25</td>
<td>12.63</td>
<td>12.34</td>
</tr>
</tbody>
</table>

- **Source:** Estimates from the Labour Force Survey, 2012- Q2/2017
2.2 Employment trend

- In Quarter 2, 2017 the employment-to-population ratio reached 74.33%, male ratio 78.97%, higher 9% compare to female. The urban employment ratio is 67.72%, lower 10% compare to rural.

- The trends of employment-to-population ratio by sex and by rural/urban area have been similar to that of the LF participation rate – tends to decline, even slowly.

- Table Employed population ratio by sex and rural/urban area

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>The employment-to-population ratio (%)</td>
<td>75.41</td>
<td>76.01</td>
<td>76.06</td>
<td>75.77</td>
<td>75.14</td>
<td>74.33</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>79.98</td>
<td>80.44</td>
<td>80.52</td>
<td>80.58</td>
<td>79.83</td>
<td>78.97</td>
</tr>
<tr>
<td>Female</td>
<td>71.08</td>
<td>71.82</td>
<td>71.88</td>
<td>71.26</td>
<td>70.73</td>
<td>69.91</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>67.89</td>
<td>68.22</td>
<td>67.98</td>
<td>68.68</td>
<td>68.17</td>
<td>67.72</td>
</tr>
<tr>
<td>Rural</td>
<td>79.15</td>
<td>79.88</td>
<td>80.22</td>
<td>79.45</td>
<td>78.89</td>
<td>77.88</td>
</tr>
</tbody>
</table>
2.2 Employment trend

• Up to now, the Viet Nam labour market is still backward with a high rate of informal labour.

• Among 18.902 million informal workers in Quarter 2, 2017, men accounted for 56.5% and women accounted for 43.5%.

• The formal economy contains 6.728 million informal workers (working without written labour contracts), accounting for 35.6%. This fact shows that the decent work goal is still a big challenge in Viet Nam.

• Figure: Informal employment
2.2 Employment trend

- Cơ cấu việc làm chuyển dịch theo hướng tăng tỷ trọng việc làm của lao động làm công hưởng lương và giảm tỷ trọng việc làm của lao động tự làm và lao động gia đình.

- Q2/2017 LĐ làm công hưởng lương đã tăng lên 42,8% so với 34% năm 2012 còn tỷ trọng lao động tự làm và lao động gia đình đã giảm từ 62,5% xuống còn 55,1%.

- **Bảng 2.10 Vị thế việc làm**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chung (nghìn người)</td>
<td>51.422</td>
<td>52.208</td>
<td>52.745</td>
<td>52.840</td>
<td>53.303</td>
<td>53.403</td>
</tr>
<tr>
<td>Chủ DN có thuê lao động</td>
<td>1.386</td>
<td>1.305</td>
<td>1.102</td>
<td>1.533</td>
<td>1.510</td>
<td>1.128</td>
</tr>
<tr>
<td>Lao động tự làm và lao động gia đình</td>
<td>32.130</td>
<td>32.724</td>
<td>32.823</td>
<td>30.517</td>
<td>29.806</td>
<td>29.420</td>
</tr>
<tr>
<td>Những người khác</td>
<td>59</td>
<td>10</td>
<td>24</td>
<td>21</td>
<td>30</td>
<td>16</td>
</tr>
</tbody>
</table>

2.2 Employment trend

- Employment structure shifting by area has been occurring quite rapidly in the past 5 years.
- Particularly from 2014, when the number of workers working in agriculture, forestry and fishery went down rapidly, (from 47.3% in 2012 reduce to 40.4% Q2/2017).

**Figure:** Employment structure by economic sector, 2012-Q2/2017

- **Source:** Estimates from the Labour Force Survey, 2012- Q2/2017
2.2 Employment trend

- Industrialization and modernization has pushed shifting occupational structure in a progressive way, particularly in the past three years.
- Unskilled labour proportion has reduced rapidly since 2013, from 40.8% to 37.5% in Quarter 2, 2017

**Table Distribution of employment by occupation**

<table>
<thead>
<tr>
<th>Structure (%)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leaders at all levels</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
</tr>
<tr>
<td>2. Higher levels of technical professions</td>
<td>1,0</td>
<td>1,1</td>
<td>1,1</td>
<td>1,1</td>
<td>1,0</td>
<td>1,2</td>
</tr>
<tr>
<td>3. Secondary level of technical professions</td>
<td>5,5</td>
<td>5,7</td>
<td>6,1</td>
<td>6,5</td>
<td>6,9</td>
<td>7,0</td>
</tr>
<tr>
<td>4. Professional workers (including elementary technical workers and office workers)</td>
<td>3,4</td>
<td>3,3</td>
<td>3,1</td>
<td>3,2</td>
<td>3,1</td>
<td>3,3</td>
</tr>
<tr>
<td>5. Staff of personal service, guard, social security and skilled sale persons</td>
<td>16,0</td>
<td>16,3</td>
<td>16,1</td>
<td>16,5</td>
<td>16,6</td>
<td>16,8</td>
</tr>
<tr>
<td>6. Skilled workers in agriculture, forestry, and fishery</td>
<td>12,7</td>
<td>12,0</td>
<td>12,2</td>
<td>10,3</td>
<td>10,3</td>
<td>9,6</td>
</tr>
<tr>
<td>7. Skilled craftsmen</td>
<td>11,8</td>
<td>12,0</td>
<td>12,0</td>
<td>12,0</td>
<td>12,8</td>
<td>12,9</td>
</tr>
<tr>
<td>8. Machinery assemblers and operators</td>
<td>7,3</td>
<td>7,0</td>
<td>7,4</td>
<td>8,5</td>
<td>9,2</td>
<td>9,6</td>
</tr>
<tr>
<td>9. Manual workers</td>
<td>40,5</td>
<td>40,8</td>
<td>40,1</td>
<td>39,8</td>
<td>38,0</td>
<td>37,5</td>
</tr>
<tr>
<td>10. Not classifiable</td>
<td>0,2</td>
<td>0,2</td>
<td>0,2</td>
<td>0,2</td>
<td>0,2</td>
<td>0,3</td>
</tr>
</tbody>
</table>
2.2 Employment trend

- The average number of weekly working hours of Vietnamese workers is not very high, (44.8h/week currently)
- Rural workers have lower average number of weekly working hours compared to urban workers, (43 hours/week compared to 47 hours/week)
- On average, men work 46.1 hours/week; women work 42.2 hours/week.

<table>
<thead>
<tr>
<th>Year</th>
<th>Male (Chung)</th>
<th>Female (Nữ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>45.2</td>
<td>43.3</td>
</tr>
<tr>
<td>2013</td>
<td>44.3</td>
<td>43.3</td>
</tr>
<tr>
<td>2014</td>
<td>43.5</td>
<td>43.5</td>
</tr>
<tr>
<td>2015</td>
<td>42.5</td>
<td>43.6</td>
</tr>
<tr>
<td>2016</td>
<td>43.6</td>
<td>43.6</td>
</tr>
<tr>
<td>II/2017</td>
<td>43.5</td>
<td>43.6</td>
</tr>
</tbody>
</table>

*Figure Average weekly working hours per worker*
2.3 Unemployment

- In the past five years, the unemployment rate has been low and stable in Viet Nam, only increased from 1.96% in 2012 to 2.26% in Quarter 2, 2017
- In urban area, the unemployment rate is higher than the national unemployment rate, but it has been quite stable, ranging from 3.1-3.6%

Table: The unemployment rate in the working age population

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.96</td>
<td>2.18</td>
<td>2.10</td>
<td>2.33</td>
<td>2.30</td>
<td>2.26</td>
</tr>
<tr>
<td>15-24</td>
<td>5.48</td>
<td>6.19</td>
<td>6.26</td>
<td>7.03</td>
<td>7.43</td>
<td>7.67</td>
</tr>
<tr>
<td>25-34</td>
<td>1.86</td>
<td>1.92</td>
<td>1.89</td>
<td>2.22</td>
<td>2.30</td>
<td>2.19</td>
</tr>
<tr>
<td>35-54 (female)/35-59 (male)</td>
<td>0.95</td>
<td>1.11</td>
<td>1.02</td>
<td>0.94</td>
<td>0.86</td>
<td>0.81</td>
</tr>
<tr>
<td>35-54 (female)/35-59 (male)</td>
<td>1.06</td>
<td>0.85</td>
<td>0.68</td>
<td>0.83</td>
<td>0.71</td>
<td>0.62</td>
</tr>
<tr>
<td>Urban</td>
<td>3.21</td>
<td>3.59</td>
<td>3.40</td>
<td>3.37</td>
<td>3.23</td>
<td>3.19</td>
</tr>
<tr>
<td>Rural</td>
<td>1.39</td>
<td>1.54</td>
<td>1.49</td>
<td>1.82</td>
<td>1.84</td>
<td>1.79</td>
</tr>
</tbody>
</table>

*Source: Estimates from the Labour Force Survey, 2012- Q2/2017*
2.4 Underemployment

- In the past five years, the underemployment rate in Viet Nam has been very low and experienced a declining trend, from 2.74% in 2012 to 1.62% in Q2, 2017.

- The underemployment rate in urban area has been always lower than that in rural area.

- The underemployment rate among both men and women tended to decrease in the period 2012-2017 but there were changes in gender-based gaps.

- **Table Underemployment rate in the working age population**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>II/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chung</td>
<td>2.74</td>
<td>2.75</td>
<td>2.40</td>
<td>1.89</td>
<td>1.66</td>
<td>1.62</td>
</tr>
<tr>
<td>male</td>
<td>2.93</td>
<td>2.96</td>
<td>2.53</td>
<td>1.92</td>
<td>1.52</td>
<td>1.46</td>
</tr>
<tr>
<td>female</td>
<td>2.53</td>
<td>2.50</td>
<td>2.26</td>
<td>1.85</td>
<td>1.83</td>
<td>1.80</td>
</tr>
<tr>
<td>Urban</td>
<td>1.56</td>
<td>1.48</td>
<td>1.20</td>
<td>0.84</td>
<td>0.73</td>
<td>0.87</td>
</tr>
<tr>
<td>Rural</td>
<td>3.27</td>
<td>3.31</td>
<td>2.96</td>
<td>2.39</td>
<td>2.12</td>
<td>1.98</td>
</tr>
</tbody>
</table>

*Source: Estimates from the Labour Force Survey, 2012- Q2/2017*
2.5 Labour productivity and competitiveness

- Compared to other countries in Asia, Viet Nam’s labour productivity (based on the constant price in 2011 – PPP$) in period 2012-2016 had been improved significantly.

- However, the relative gaps between Viet Nam and other countries have been shortened, except for China.

**Labour productivity in different countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trung Quốc</td>
<td>25369</td>
<td>2012</td>
</tr>
<tr>
<td>Indonesia</td>
<td>23390</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>56084</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>17455</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>27101</td>
<td></td>
</tr>
<tr>
<td>Thái Lan</td>
<td>9894</td>
<td></td>
</tr>
<tr>
<td>Việt Nam</td>
<td>141227</td>
<td></td>
</tr>
</tbody>
</table>

**The growth of labour productivity in 2016 as compared to that in 2012**

<table>
<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trung Quốc</td>
<td></td>
<td>5822</td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>3010</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td>4963</td>
</tr>
<tr>
<td>Philippines</td>
<td></td>
<td>3723</td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td>2418</td>
</tr>
<tr>
<td>Thái Lan</td>
<td></td>
<td>1650</td>
</tr>
<tr>
<td>Việt Nam</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Nguồn: WB 2016, World Development Indicators*
3. Case study of forecasting skills need in electronics and garment

*Technology development trends:*

The inevitable trend: manufacturing technology develops towards semi-automation and automation

- **Period 2017-2020:** software applied in specialization, production management, etc; installing and programming electronic devices, automatical devices using in cutting, sewing; equipment for automatically testing the errors on products (detectors, tacks and metal attraction), fashion design software.
- **Period 2021-2025:** New management technology using modern equipment in production; technology for producing from raw materials into products without middleware technology process; environment friendly technology for producing garments to protect users’ health.

Many surveyed enterprises (78%) have no development strategy in long-term (2020-2025) -> lack of direction of occupations and skills demand in the long term
Many enterprises have high demand of skilled labour and language, and they state that this skills demand will be raised in the future to meet the requirement of changing technology as well as international integration.

However, there is a relatively large number of firms (47%) have not identified yet, in electronics sector (40.7%) and garment (50%) which mainly concentrate in large enterprises (71%).

Table: Forecast of demand for skills/technical workers to meet requirements to use new technology (%)

<table>
<thead>
<tr>
<th></th>
<th>Electronics</th>
<th>Garment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-State (N=11)</td>
<td>FDI (N=14)</td>
<td>Total (N=25)</td>
</tr>
<tr>
<td>1. Increase technical workers for operating machines, equipment</td>
<td>9.10</td>
<td>14.30</td>
<td>12.00</td>
</tr>
<tr>
<td>2. Increase high-qualified workers (expertise and language)</td>
<td>45.50</td>
<td>50.00</td>
<td>48.00</td>
</tr>
<tr>
<td>3. Have no plan, unidentified</td>
<td>45.50</td>
<td>35.70</td>
<td>40.00</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
## Demand on skilled labour for new technology application (%)

<table>
<thead>
<tr>
<th>General (N=45)</th>
<th>Technology application level</th>
<th>Production sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latest (N=4)</td>
<td>Modern (N=32)</td>
</tr>
<tr>
<td>1. High technical level workers</td>
<td>13.33</td>
<td>0.00</td>
</tr>
<tr>
<td>2. Workers in charge of operating automation devices</td>
<td>20.00</td>
<td>25.00</td>
</tr>
<tr>
<td>3. Technicians on electronic design, programming</td>
<td>6.67</td>
<td>0.00</td>
</tr>
<tr>
<td>4. Technicians in charge of quality checking</td>
<td>4.44</td>
<td>25.00</td>
</tr>
<tr>
<td>5. Fashion design</td>
<td>11.11</td>
<td>0.00</td>
</tr>
<tr>
<td>6. Technical workers with good language skills and working experience</td>
<td>13.33</td>
<td>25.00</td>
</tr>
<tr>
<td>7. Unidentified, upon the market</td>
<td>31.11</td>
<td>25.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
4. Conclusion

- Viet Nam is a country get abundant labour force, with high LF participation rate (nearly 76%). However, the pressure to create jobs in Vietnam is still high.
- The quality of labor force in Vietnam is still, particularly, the labour structure by training level is still unreasonable, not really relevant with the level of socio-economic development of Vietnam.
- The Vietnam's labor market is still backward and the goal of decent work remains a challenge in Vietnam.
- The youth unemployment rate increased, this fact suggests that job creation for youth need to be a priority.
- Industrialization and modernization have accelerated the shift of occupational structure to a more progressive manner, especially in the last 3 years. The trend of increasing need of the technical expertise and skilled labour shows that it is crucial to forecast of skills demand. It will be applicable solution to train relevant skills for the labour, especially for the youth.
Thanks for your attention!