

# Unemployment and underemployment statistics for July – September 2018

According to the latest labour force statistics (i.e. provisional figures for July – September 2018) released today (October 19) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate stood at 2.8% in July – September 2018, same as that in June – August 2018. The underemployment rate increased from 1.1% in June – August 2018 to 1.2% in July – September 2018.

Comparing July – September 2018 with June – August 2018, movements in the unemployment rate (not seasonally adjusted) in different industry sectors varied, but were generally small in magnitude. Movements in the underemployment rate also varied, with a relatively notable increase observed in the foundation and superstructure works of the construction sector.

Total employment decreased by around 7 800 from 3 882 400 in June – August 2018 to 3 874 600 in July – September 2018. Over the same period, the labour force also decreased by around 7 400 from 3 999 800 to 3 992 400.

The number of unemployed persons (not seasonally adjusted) in July – September 2018 was 117 800, about the same as that in June – August 2018 (117 400). The number of underemployed persons increased by around 1 800 from 45 500 in June – August 2018 to 47 300 in July – September 2018.

## Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong, said, "Labour market stayed tight in July – September 2018, with the seasonally adjusted unemployment rate holding steady at 2.8%. Total employment sustained a solid growth on a year-on-year basis."

"When compared to the preceding three-month period, movements in unemployment rates varied across sectors, but were generally small in magnitude. On a year-on-year comparison to net out seasonal fluctuations, the unemployment situation improved in many major sectors, especially in the accommodation services, decoration, repair and maintenance for buildings, as well as information and communications sectors."

Looking ahead, Dr Law said, "Overall labour market conditions will likely remain favourable in the near term. Nonetheless, the Government will continue to monitor closely how the increasing external headwinds will affect the local labour market going forward."

On promoting youth employment, Dr Law noted that to encourage employers in hiring young people and to provide them with quality on-the-job training, the Labour Department (LD) expanded the scope of the Youth Employment and Training Programme on September 1 to cover part-time on-the-job training and

increased the maximum amount of monthly training allowance payable to employers who engage young people and provide them with on-the-job training from \$3,000 to \$4,000 (for a period of six to 12 months).

On large-scale job fairs, the LD will organise the New Opportunities-New Terrain Job Expo on October 25 and 26 at the Hong Kong Polytechnic University. Around 45 employers would participate, offering vacancies suitable for young people with post-secondary education. Moreover, the LD will organise the Job Fair for Middle-aged and Elderly Employment on November 15 and 16 at the Dragon Centre in Sham Shui Po. In addition, industry-based or district-based job fairs are regularly organised at the LD's industry-based recruitment centres and job centres located across the territory.

#### Further information

The unemployment and underemployment statistics were compiled from the findings of the continuous General Household Survey.

The survey for July – September 2018 covered a sample of some 25 000 households or 74 000 persons, selected in accordance with a scientifically designed sampling scheme to represent the population of Hong Kong.

Data on labour force characteristics were obtained from the survey by interviewing each member aged 15 or over in the sampled households.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organization.

Detailed analysis of labour force characteristics is given in the "Quarterly Report on General Household Survey" which is published four times a year. The latest issue of the publication contains statistics for the quarter April – June 2018 while the next issue covering the quarter July – September 2018 will be available by end-November 2018. Users can download this publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001](http://www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001)).

For enquiries about labour force statistics, please contact the Household Statistics Analysis Section of the C&SD (Tel: 2887 5508 or email: [ghs@censtatd.gov.hk](mailto:ghs@censtatd.gov.hk)).

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## **Business expectations for fourth quarter of 2018**

The Census and Statistics Department (C&SD) released today (October 19)

the results of the Quarterly Business Tendency Survey for the fourth quarter (Q4) of 2018.

### Business situation

For all surveyed sectors taken together, the proportion of respondents expecting their business situation to be better (14%) in Q4 2018 over Q3 2018 is slightly higher than that expecting it to be worse (12%).

When compared with the results of the Q3 2018 survey round, the proportion of respondents expecting a worse business situation in Q4 2018 as compared with the preceding quarter has increased to 12%, against the corresponding proportion of 8% in Q3 2018.

Analysed by sector, more respondents in the retail; accommodation and food services; information and communications; and financing and insurance sectors expect their business situation to be better in Q4 2018 as compared with Q3 2018, relative to those expecting a worse business situation. In the construction sector, however, significantly more respondents expect their business situation to be worse, as compared to those expecting a better business situation.

A Government spokesman cautioned that the results of the survey should be interpreted with care. He said, "In this type of survey on expectations, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the future accords with the underlying trends." The enumeration period for this survey round was from September 4, 2018 to October 12, 2018.

### Volume of business/output

Respondents in quite a number of the surveyed sectors expect their volume of business/output to increase on balance in Q4 2018 as compared with Q3 2018. In particular, more respondents in the retail; accommodation and food services; information and communications; transportation, storage and courier services; and financing and insurance sectors expect their volume of business/output to increase, as compared to those expecting it to decrease. On the other hand, more respondents in the manufacturing sector expect their volume of output to decrease, as compared to those expecting it to increase.

### Employment

Respondents in most of the surveyed sectors expect their employment to increase on balance in Q4 2018 as compared with Q3 2018. More respondents in the real estate; transportation, storage and courier services; information and communications; accommodation and food services; retail; manufacturing; and financing and insurance sectors expect their employment to increase in Q4 2018 over Q3 2018.

### Selling price/service charge

Respondents in most of the surveyed sectors expect their selling prices/service charges to remain broadly unchanged or to go up on balance in Q4 2018 as compared with Q3 2018. In particular, more respondents in the accommodation and food services sector and transportation, storage and courier services sector expect their selling prices/service charges to go up. On the other hand, more respondents in the construction sector expect the tender prices to go down, as compared to those expecting an increase in tender prices.

#### Further information

The survey gathers views on short-term business performance from the senior management of about 560 prominent establishments in various sectors in Hong Kong with a view to providing a quick reference, with minimum time lag, for predicting the short-term future economic performance of the local economy.

The survey covers 10 major sectors in Hong Kong, namely manufacturing; construction; import/export trade and wholesale; retail; accommodation and food services (mainly covering services rendered by hotels and restaurants); transportation, storage and courier services; information and communications; financing and insurance; real estate; and professional and business services sectors.

Views collected in the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in, and are limited to the expected direction of quarter-to-quarter change (e.g. "up", "same" or "down") but not the magnitude of change. In collecting views on the quarter-to-quarter changes, if the variable in question is subject to seasonal variations, respondents are asked to provide the expected changes after excluding the normal seasonal variations.

Survey results are generally presented as "net balance", i.e. the difference between the percentage of respondents choosing "up" and that choosing "down". The percentage distribution of respondents among various response categories (e.g. "up", "same" and "down") reflects how varied their business expectations are. The "net balance", with its appropriate sign, indicates the direction of expected change in the variable concerned. A positive sign indicates a likely upward trend while a negative sign indicates a likely downward trend. However, the magnitude of the "net balance" reflects only the prevalence of optimism or pessimism, but not the magnitude of expected change, since information relating to such magnitude is not collected in the survey.

Furthermore, owing to sample size constraint, care should be taken in interpreting survey results involving a small percentage (e.g. less than 10%) of respondents in individual sectors.

Chart 1 shows the views on expected changes in business situation for the period Q4 2017 to Q4 2018.

Table 1 shows the net balances of views on expectations in respect of different variables for Q4 2018.

The survey results are published in greater detail in the "Report on Quarterly Business Tendency Survey, Q4 2018". Users can download the publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp300.jsp?productCode=B1110008](http://www.censtatd.gov.hk/hkstat/sub/sp300.jsp?productCode=B1110008)).

Users who have enquiries about the survey results may contact the Business Expectation Statistics Section of the C&SD (Tel: 3903 7263 or email: [business-prospects@censtatd.gov.hk](mailto:business-prospects@censtatd.gov.hk)).

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## Composite interest rate: End of September 2018

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announced today (October 19) the composite interest rate at the end of September 2018.\*

The composite interest rate, which is a measure of the average cost of funds of banks, increased by 10 basis points to 0.76% at the end of September 2018, from 0.66% at the end of August 2018 (see Chart 1 in the Annex). The rise in composite interest rate reflected increases in the weighted funding costs for both deposits and interbank funds during the month (see Chart 2 in the Annex).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of September 2018 are available in the Monthly Statistical Bulletin on the HKMA website ([www.hkma.gov.hk](http://www.hkma.gov.hk)). The next data release is scheduled for November 19, 2018 and will provide the composite interest rate at the end of October 2018.

\* The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest bearing liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and Hong Kong dollar non-interest bearing demand deposits on the books of banks. Data from retail banks, which account for about 90% of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

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## **Substantive hearing of CoI into Diaphragm Wall and Platform Slab Construction Works at Hung Hom Station Extension under Shatin to Central Link Project to commence next week**

The following is issued on behalf of the Commission of Inquiry into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension under the Shatin to Central Link Project:

The Commission of Inquiry into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension under the Shatin to Central Link Project will commence its substantive hearing next Monday (October 22) at the hearing room on the first floor of the former Tsuen Wan Law Courts Building, 70 Tai Ho Road, Tsuen Wan, New Territories, Hong Kong.

The substantive hearing shall, subject to any adjournments that the Commission may consider necessary from time to time, continue until November 16 and shall, on a provisional basis, resume on November 26 until December 21.

Unless otherwise directed by the Commission, the substantive hearing will be held from 10am to 1pm and from 2.30pm to 5pm on weekdays. The Commission may consider holding the substantive hearing on Saturday mornings during the said periods if necessary.

The substantive hearing will be open to the public and live video/audio broadcast of the proceedings will be provided at the hearing transmission gallery and hall area next to the hearing room. No photography or audio/video recording is allowed at the hearing venue.

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## **2018 Edition of "Hong Kong Annual Digest of Statistics" published**

The 2018 Edition of the "Hong Kong Annual Digest of Statistics" was published by the Census and Statistics Department (C&SD) today (October 19). The Digest is available for downloading free of charge at the website of the

C&SD ([www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010003](http://www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010003)).

The Digest is a comprehensive and convenient collection of official statistics. It contains some 300 statistical tables on a wide range of topics, including:

- Population
- Labour
- External trade
- National income and Balance of Payments
- Prices
- Business performance
- Science and technology
- Energy
- Housing and property
- Government accounts, finance and insurance
- Transport, communications and tourism
- Education
- Health
- Social welfare
- Law and order
- Culture, entertainment and recreation
- Environment, climate and geography

This Digest aims to provide detailed annual statistical series on various aspects of the social and economic developments of Hong Kong. Most of the data series presented reflect the latest situation covering a time span of the recent 10 years, enabling readers to compare the developments in recent time periods. Descriptions of the scope of the statistical data and definitions of the terms used in this Digest are provided in the "Concepts and definitions" in each chapter.

Enquiries about the "Hong Kong Annual Digest of Statistics" can be directed to the Statistical Information Services Section of C&SD (Tel: 2582 4733; email: [gen-enquiry@censtatd.gov.hk](mailto:gen-enquiry@censtatd.gov.hk)).