

## Transcript of remarks by SLW on unemployment statistics and Employment Support Scheme

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, on the latest unemployment statistics and the Employment Support Scheme before attending the Legislative Council Panel on Manpower meeting this evening (June 16):

Reporter: Can you talk about your analysis? How concerned are you with the new unemployment figure? You mentioned that we shouldn't be too pessimistic, why? I hope we have bottomed out already. Second question is that given that the high unemployment rate, is the Government looking into other further immediate measures to help the unemployed, including a subsidy for them?

Secretary for Labour and Welfare: If you look at the just published figures related to the moving average for March to May – the three month's average, it rises from 5.2 per cent for February to April to 5.9 per cent for March to May. This increase is 0.7 per cent point, which is lower than the increase in the previous announcement. That is, when comparing (the unemployment rate of) January to March with that of February to April, the increase was 1 per cent point. For the last three months (March to May), the increase went down to 0.7 per cent point, which is basically telling us that the unemployment situation has decelerated, basically reduced in its deterioration. In fact, although the increase in unemployment rate looks a little bit grim, when you look at the rate of increase or the reduction of that rate of increase, then the situation is not that pessimistic.

The other set of figures is also very indicative. This is related to the unemployment cases in the Comprehensive Social Security Assistance (CSSA) system. For the last month, when we reported the figures, the increase in April – the number is very surprising because in April the total number of CSSA unemployment cases actually in a month had increased by 24 per cent. But the figure we just released today the increase for unemployment cases for May as compared with April was just 1.4 per cent, which again is telling us that the rate of increase has substantially slowed down.

In fact the more indicative number is the number of new applications for unemployment cases in the CSSA system, the drop in May as compared with April was very substantial – it was 43.5 per cent drop in the number of total applications for unemployment cases in the CSSA system. So the sign is – well, the number is still increasing – but the rate of increase has substantially reduced.

If we look at the Employment Support Scheme (ESS) that we have just launched, the first batch of subsidies given out since the end of last week, we expect most of the subsidies will be delivered within this month. The

figures we just announced about May, actually they are indicative that the Employment Support Scheme may have what we call an expectation effect. Because employers are expecting the Employment Support Scheme is coming, and they start reviewing the employment situation, because the condition of the Employment Support Scheme is that the employers, if they apply for this Scheme, have to keep the number of paid staff in June, July and August not less than the number of employees in March. In fact I heard from a number of employers directly that they had planned to recruit starting in May, just to meet that criteria so that they can apply for the ESS.

(Please also refer to the Chinese portion of the transcript.)