

Unemployment and underemployment statistics for January – March 2020

According to the latest labour force statistics (i.e. provisional figures for January – March 2020) released today (April 20) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate increased from 3.7% in December 2019 – February 2020 to 4.2% in January – March 2020. The underemployment rate also increased from 1.5% in December 2019 – February 2020 to 2.1% in January – March 2020.

Comparing January – March 2020 with December 2019 – February 2020, the unemployment rate (not seasonally adjusted) and underemployment rate increased across almost all the major economic sectors, with more distinct increases observed in the construction sector; education sector; transportation sector; and retail, accommodation and food services sector.

Total employment decreased by around 48 800 from 3 768 800 in December 2019 – February 2020 to 3 720 000 in January – March 2020. Over the same period, the labour force also decreased by around 20 800 from 3 903 000 to 3 882 200.

The number of unemployed persons (not seasonally adjusted) increased by around 28 100 from 134 100 in December 2019 – February 2020 to 162 200 in January – March 2020. Over the same period, the number of underemployed persons also increased by around 23 700 from 59 100 to 82 800.

Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong said, "The labour market showed further sharp deterioration as the COVID-19 pandemic severely disrupted a wide range of economic activities. The seasonally adjusted unemployment rate soared by 0.5 percentage point to 4.2% in January – March 2020, the highest in more than nine years. The underemployment rate likewise surged by 0.6 percentage point to 2.1%, the highest in nearly a decade. The year-on-year declines in total employment and labour force widened further to 3.6% and 2.2% respectively, both the largest on record.

"The unemployment rate of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors) combined soared to 6.8%, the highest since August – October 2009 in the aftermath of the global financial crisis; and the underemployment rate rose to 3.9%, the highest since June – August 2003 following the onslaught of SARS. In particular, the situation in food and beverage service activities was extremely severe, with the unemployment and underemployment rates surging to 8.6% and 5.4% respectively. Meanwhile, the unemployment and underemployment rates of the construction sector went up drastically to 8.5% and 7.1% respectively amid visible slowdown in construction activities. The unemployment and

underemployment situation also worsened visibly in the transportation and education sectors. The labour market conditions in most other sectors also saw deterioration of various degrees."

Looking ahead, Dr Law said, "The labour market will continue to face significant pressure from the economic fallout arising from the pandemic in the near term. The Government has rolled out relief measures of unprecedented scale, including the one-off measures in the 2020-21 Budget and the two rounds of measures under the Anti-epidemic Fund totalling \$287.5 billion (around 10% of GDP), with a view to preserving the vitality of the economy and relieving people's financial burdens. Some specific measures, in particular the Employment Support Scheme and various types of support for specific sectors, should help keep workers in employment. The Government will closely monitor the developments, including the progress and effectiveness of the various relief measures."

He noted that in light of the deteriorating employment situation, the Labour Department (LD) will raise the ceiling of on-the-job training (OJT) allowance payable to employers under the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme and the Work Orientation and Placement Scheme in the second half of 2020, with a view to further encouraging employers to hire elderly persons aged 60 or above, young people and persons with disabilities and provide them with OJT. The LD also plans to launch a pilot scheme in the second half of 2020 to encourage eligible elderly persons, young people and persons with disabilities to undergo and complete OJT under the above employment programmes through the provision of a retention allowance, thereby stabilising employment.

Meanwhile, the LD continues to receive and release information on vacancies from various industries for job-seekers with different educational background and working experience. Job-seekers may make use of the LD's online platforms such as the Interactive Employment Service website for obtaining employment information.

Further information

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

The survey for January – March 2020 covered a sample of some 26 000 households or 75 000 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.

Statistical tables on the latest labour force statistics can be

downloaded free of charge at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=D5250021). More detailed analysis of the 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 October – December 2019 while the next issue covering the quarter January – March 2020 will be available by end May 2020. Users can also download this publication free of charge at the website of the C&SD (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).