**CHAPTER 5 : THE LABOUR SECTOR**

### Summary

* *The unemployment and underemployment situation continued to improve in the first quarter of 2023 alongside the return of domestic economic activities to normalcy and the strong rebound in inbound tourism. The seasonally adjusted unemployment rate declined further from 3.5% in the fourth quarter of 2022 to 3.1% in the first quarter of 2023, and the underemployment rate went down from 1.5% to 1.2%.*
* *The unemployment rates of most major sectors fell in the first quarter compared with the preceding quarter, including those of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors), the arts, entertainment and recreation sector, the transportation, storage, postal and courier services sector, the manufacturing sector, and the construction sector. The unemployment rates of both lower-skilled and higher-skilled workers declined.*
* *Establishment surveys indicated that nominal wages and labour earnings saw accelerated year-on-year increases in the fourth quarter of 2022.**The average nominal wage rate rose by 2.6% year-on-year in December 2022, faster than the increase of 2.3% three months ago. Nominal payroll per person engaged increased by 2.3% year-on-year in the fourth quarter of 2022, also faster than the increase of 2.0% in the preceding quarter. More recent General Household Survey (GHS) data indicated that median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased further by 3.1% in nominal terms in the first quarter of 2023, though not as fast as the increase of 5.0% in the preceding quarter due to a higher base of comparison. Meanwhile, the median monthly household income (excluding foreign domestic helpers) increased further by 4.1% in nominal terms in the first quarter, faster than the increase of 3.3% in the preceding quarter.*

**Overall labour market situation(1)**

5.1 The unemployment and underemployment situation continued to improve in the first quarter of 2023 alongside the return of domestic economic activities to normalcy and the strong rebound in inbound tourism. The seasonally adjusted *unemployment rate*(2) declined further from 3.5% in the fourth quarter of 2022 to 3.1% in the first quarter of 2023, and the *underemployment rate*(3) went down from 1.5% to 1.2%. The unemployment rates of most major sectors fell in the first quarter compared with the preceding quarter, including those of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors), the arts, entertainment and recreation sector, the transportation, storage, postal and courier services sector, the manufacturing sector, and the construction sector. The unemployment rates of both lower-skilled and higher-skilled workers declined. Establishment surveys indicated that nominal wages and labour earnings saw accelerated year-on-year increases in the fourth quarter of 2022.More recent General Household Survey (GHS) data indicated that median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased further in the first quarter of 2023 despite a higher base of comparison. Meanwhile, the median monthly household income (excluding foreign domestic helpers) saw an accelerated increase in the first quarter.



**Table 5.1 : The unemployment rate (seasonally adjusted), underemployment rate and long-term unemployment rate**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unemployment rate\* (%) | Underemployment rate (%) | Long-term unemployment rate (%) |
|  |  |  |  |
| 2022 Annual | 4.3 | 2.3 | 1.1 |
|  |  |  |  |
| Q1 | 5.0 | 3.1 | 1.2 |
| Q2 | 4.7 | 3.0 | 1.2 |
| Q3 | 3.9 | 1.8 | 1.0 |
| Q4 | 3.5 | 1.5 | 1.1 |
|  |  |  |  |
| *Three months ending* |  |  |  |
|  |  |  |  |
| 2023 Jan | 3.4 | 1.4 | 1.0 |
| Feb | 3.3 | 1.3 | 1.0 |
| Mar | 3.1 | 1.2 | 1.0 |
|  |  |  |  |

Note : \* Seasonally adjusted (except for annual figures).

Source : General Household Survey, Census and Statistics Department.

**Labour force and total employment**

5.2 The *labour force*(4) declined by 0.6% from the preceding quarter to 3 769 200 in the first quarter, and was 0.8% lower than the level a year ago. This reflected the lower labour force participation rate, mainly as a result of the persistent drag from population ageing. The overall labour force participation rate (LFPR) declined by 0.4 percentage point from the preceding quarter to 57.9% in the first quarter, and was 0.6 percentage point lower than the level a year ago. The labour force participation rates of various age-gender groups showed mixed movements in the first quarter when compared with the preceding quarter. Separately, the working-age population (i.e. land-based non-institutional population aged 15 and above) increased by 0.2% over the preceding quarter to 6 514 000, and was 0.3% higher than a year ago.

5.3 *Total employment*(5) declined by 0.3% from the preceding quarter to 3 654 100 in the first quarter, but was 1.2% higher than a year ago. Compared with the preceding quarter, employment of different sectors showed diverse movements. Specifically, employment of the public administration sector and the human health activities sector declined, conceivably reflecting in part the reduced demand for these workers following the lifting of various COVID-related requirements. Employment of some other sectors also declined, including those of the warehousing and support activities for transportation sector, the postal and courier activities sector, the manufacturing sector, the import/export trade and wholesale sector, and the construction sector. Nevertheless, employment of many sectors increased, including those of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors), the transportation sector, the professional and business services sector, the information and communications sector, and the education sector.

**Table 5.2 : The labour force, and persons employed,**

**unemployed and underemployed**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Labour force | Persons employed | Persons  unemployed(a) | Persons underemployed |
|  |  |  |  |  |
| 2022 Annual | 3 776 300 (-2.4) | 3 613 200 (-1.6) | 163 100 | 88 100 |
|  |  |  |  |  |
| Q1 | 3 799 000 (-2.3) | 3 610 500 (-0.5) | 188 500 | 117 000 |
| Q2 | 3 750 200 (-3.5) | 3 571 600 (-2.7) | 178 600 | 111 600 |
| Q3 | 3 784 200 (-2.3) | 3 628 900 (-1.7) | 155 300 | 69 000 |
| Q4 | 3 791 300 (-1.5) | 3 665 300 (-1.1) | 126 000 | 55 300 |
|  |  |  |  |  |
| *Three months ending* |  |  |  |  |
|  |  |  |  |  |
| 2023 Jan | 3 780 600 (-1.5) | 3 662 200 (-1.0) | 118 400 | 52 100 |
| Feb | 3 766 000 (-1.6) | 3 650 200 (-0.4) | 115 700 | 47 900 |
| Mar | 3 769 200 (-0.8) | 3 654 100 (1.2) | 115 100 | 46 700 |
|  | <-0.6> | <-0.3> |  |  |

Notes : (a) These include first-time job-seekers and re-entrants into the labour force.

(  ) % change over a year earlier.

  Quarter-to-quarter % change for the first quarter of 2023.

Source : General Household Survey, Census and Statistics Department.



**Table 5.3 : Labour** **force participation rates by gender and by age group (%)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | 2020 | 2021 | 2022 | 2022 Q4 | 2023 Q1 |
| Male |  |  |  |  |  |  |
| 15-24 | 39.2 | 35.4 | 34.4 | 31.4 | 31.5 | 29.9 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.3* | *7.3* | *6.6* | *7.0* | *6.9* | *6.5* |
| *20-24* | *59.6* | *56.5* | *57.2* | *53.3* | *53.2* | *52.7* |
| 25-29 | 91.3 | 90.8 | 91.7 | 89.7 | 90.2 | 88.4 |
| 30-39 | 95.9 | 95.0 | 95.2 | 94.0 | 94.9 | 93.6 |
| 40-49 | 93.9 | 93.5 | 93.5 | 93.4 | 93.3 | 93.8 |
| 50-59 | 85.2 | 84.8 | 85.4 | 85.2 | 85.4 | 85.1 |
| ≥ 60 | 32.0 | 31.6 | 31.0 | 32.0 | 32.2 | 31.9 |
|  |  |  |  |  |  |  |
| Overall | 67.6 | 66.3 | 65.8 | 64.7 | 64.5 | 64.0 |
|  |  |  |  |  |  |  |
| Female |  |  |  |  |  |  |
| 15-24 | 40.5 | 36.6 | 35.3 | 32.5 | 33.6 | 31.6 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.6* | *7.2* | *7.8* | *7.7* | *6.9* | *7.0* |
| *20-24* | *60.1* | *57.8* | *57.5* | *54.2* | *55.4* | *54.4* |
| 25-29 | 87.5 | 87.5 | 88.2 | 86.2 | 87.3 | 86.1 |
| 30-39 | 79.3 | 79.1 | 79.3 | 78.9 | 79.4 | 79.5 |
| 40-49 | 73.7 | 73.6 | 74.3 | 74.0 | 74.8 | 74.4 |
| 50-59 | 62.3 | 62.9 | 64.0 | 64.6 | 65.0 | 65.1 |
| ≥ 60 | 15.7 | 15.6 | 16.3 | 16.5 | 17.0 | 17.1 |
|  |  |  |  |  |  |  |
| Overall | 55.1 | 54.3 | 54.2 | 52.9 | 53.2 | 52.9 |
|  |  |  |  |  |  |  |
| Both genders  combined |  |  |  |  |  |  |
| 15-24 | 39.8 | 36.0 | 34.9 | 31.9 | 32.5 | 30.8 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.5* | *7.3* | *7.2* | *7.3* | *6.9* | *6.8* |
| *20-24* | *59.9* | *57.2* | *57.4* | *53.8* | *54.3* | *53.6* |
| 25-29 | 89.2 | 89.0 | 89.8 | 87.9 | 88.6 | 87.2 |
| 30-39 | 86.0 | 85.6 | 85.9 | 85.3 | 85.9 | 85.5 |
| 40-49 | 82.0 | 81.8 | 82.1 | 81.9 | 82.3 | 82.2 |
| 50-59 | 72.7 | 72.7 | 73.4 | 73.5 | 73.8 | 73.7 |
| ≥ 60 | 23.5 | 23.2 | 23.3 | 23.9 | 24.2 | 24.1 |
|  |  |  |  |  |  |  |
| Overall | 60.7 | 59.7 | 59.4 | 58.2 | 58.3 | 57.9 |

Source : General Household Survey, Census and Statistics Department.

**Profile of unemployment**

5.4 The seasonally adjusted unemployment rate declined further from 3.5% in the preceding quarter to 3.1% in the first quarter. The number of unemployed persons (not seasonally adjusted) decreased by 8.7% (or 11 000) to 115 100.

5.5 Compared with the preceding quarter, the unemployment rates of most major sectors (not seasonally adjusted) fell in the first quarter. Specifically, the unemployment rate of the retail, accommodation and food services sectors combined fell by 0.5 percentage point to 4.2%. Among these sectors, the unemployment rate of the retail sector fell by 0.8 percentage point to 3.8%, and that of the food and beverage service activities sector edged down by 0.1 percentage point to 4.9%. Other sectors that saw notable declines in unemployment rate included the arts, entertainment and recreation sector (down 0.8 percentage point to 4.3%), the transportation, storage, postal and courier services sector (down 0.7 percentage point to 3.3%), and the manufacturing sector (down 0.7 percentage point to 4.0%). The unemployment rate of the construction sector declined by 0.3 percentage point to 4.5%. For the *low-paying sectors*(6) as a whole, the unemployment rate went down by 0.2 percentage point to 2.7%.

5.6 Analysed by skill segment, the unemployment rate of lower-skilled workers declined by 0.3 percentage point from the preceding quarter to 3.2% in the first quarter, and that of higher-skilled workers went down by 0.2 percentage point to 2.1%. The unemployment rate of lower-skilled workers remained visibly higher than that of higher-skilled workers.

5.7 Analysed by other socio-economic attributes, the unemployment rates of almost all age and educational attainment groups declined in the first quarter from the preceding quarter, notably for those aged 15-24 (down 1.2 percentage points to 7.9%), those aged 25-29 (down 0.6 percentage point to 4.5%), those aged 60 and above (down 0.6 percentage point to 2.2%), those with primary education and below (down 0.4 percentage point to 2.4%), and those with post-secondary education (down 0.4 percentage point to 2.9%).





**Table 5.4 : Unemployment rates by major economic sector**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | 2023 |
|  |  |  |  |  |  |
|  | Q1 | Q2 | Q3 | Q4 | Q1 |
|  |  |  |  |  |  |
| Import/export trade and wholesale | 3.9 | 3.4 | 3.2 | 2.9 | 2.7 |
|  |  |  |  |  |  |
| Retail, accommodation and food services | 8.9 | 7.4 | 5.8 | 4.7 | 4.2 |
| *of which:* |  |  |  |  |  |
| *Retail* | *7.7* | *6.6* | *5.7* | *4.6* | *3.8* |
|  |  |  |  |  |  |
| *Accommodation services* | *5.6* | *5.7* | *4.5* | *3.9* | *3.8* |
|  |  |  |  |  |  |
| *Food and beverage service activities* | *11.0* | *8.6* | *6.2* | *5.0* | *4.9* |
|  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 5.3 | 5.9 | 5.0 | 4.0 | 3.3 |
|  |  |  |  |  |  |
| Information and communications | 4.6 | 4.2 | 3.8 | 3.4 | 3.5 |
|  |  |  |  |  |  |
| Financing and insurance | 2.3 | 2.5 | 2.3 | 2.1 | 2.1 |
|  |  |  |  |  |  |
| Real estate | 2.4 | 3.0 | 2.7 | 2.6 | 2.6 |
|  |  |  |  |  |  |
| Professional and  business services | 3.4 | 3.3 | 2.8 | 2.5 | 2.6 |
|  |  |  |  |  |  |
| Public administration, social and personal services | 3.1 | 3.0 | 2.3 | 1.7 | 1.5 |
| *of which:* |  |  |  |  |  |
| *Arts, entertainment and recreation* | *11.3* | *8.0* | *5.7* | *5.1* | *4.3* |
|  |  |  |  |  |  |
| Manufacturing | 5.5 | 5.5 | 5.2 | 4.7 | 4.0 |
|  |  |  |  |  |  |
| Construction | 8.0 | 7.3 | 6.0 | 4.8 | 4.5 |
|  |  |  |  |  |  |
| Overall\* | 5.0 | 4.8 | 4.1 | 3.3 | 3.1 |
|  | (5.0) | (4.7) | (3.9) | (3.5) | (3.1) |

Notes : \* Including first-time job-seekers and re-entrants into the labour force.

( ) Seasonally adjusted unemployment rates.

Source : General Household Survey, Census and Statistics Department.



**Table 5.5 : Unemployment rates**\* **by skill segment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | 2023 |
|  |  |  |  |  |  |
|  | Q1 | Q2 | Q3 | Q4 | Q1 |
|  |  |  |  |  |  |
| Higher-skilled segment | 3.2 | 3.0 | 2.6 | 2.3 | 2.1 |
|  |  |  |  |  |  |
| Managers | 2.7 | 2.4 | 2.1 | 1.8 | 1.4 |
|  |  |  |  |  |  |
| Professionals | 2.0 | 2.0 | 1.9 | 1.6 | 2.0 |
|  |  |  |  |  |  |
| Associate professionals | 4.1 | 4.0 | 3.3 | 3.0 | 2.7 |
|  |  |  |  |  |  |
| Lower-skilled segment^ | 5.7 | 5.4 | 4.4 | 3.5 | 3.2 |
|  |  |  |  |  |  |
| Clerical support workers | 4.6 | 4.2 | 4.7 | 3.4 | 3.3 |
|  |  |  |  |  |  |
| Service and sales workers | 7.5 | 6.7 | 4.7 | 4.1 | 3.8 |
|  |  |  |  |  |  |
| Craft and related workers | 8.8 | 7.5 | 6.9 | 4.9 | 4.3 |
|  |  |  |  |  |  |
| Plant and machine operators and assemblers | 4.1 | 4.5 | 3.7 | 2.7 | 2.4 |
|  |  |  |  |  |  |
| Elementary occupations | 4.0 | 4.4 | 3.2 | 2.7 | 2.5 |

Notes : \* Not seasonally adjusted, and not including first-time job-seekers and re-entrants into the labour force.

^ Including other occupations.

Source : General Household Survey, Census and Statistics Department.

**Table 5.6 : Unemployment rates**\* **by age and educational attainment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | 2023 |
|  |  |  |  |  |  |
|  | Q1 | Q2 | Q3 | Q4 | Q1 |
| Age |  |  |  |  |  |
| 15-24 | 10.5 | 11.7 | 12.0 | 9.1 | 7.9 |
| *of which:* |  |  |  |  |  |
| *15-19* | *14.3* | *18.4* | *16.1* | *11.8* | *9.8* |
|  |  |  |  |  |  |
| *20-24* | *10.1* | *11.0* | *11.4* | *8.9* | *7.7* |
|  |  |  |  |  |  |
| 25-29 | 5.9 | 5.7 | 5.9 | 5.1 | 4.5 |
|  |  |  |  |  |  |
| 30-39 | 3.7 | 3.7 | 3.2 | 2.4 | 2.5 |
|  |  |  |  |  |  |
| 40-49 | 4.2 | 4.2 | 2.9 | 2.6 | 2.4 |
|  |  |  |  |  |  |
| 50-59 | 5.5 | 4.8 | 4.0 | 3.3 | 3.2 |
|  |  |  |  |  |  |
| ≥ 60 | 4.9 | 4.4 | 3.6 | 2.8 | 2.2 |
| Educational attainment |  |  |  |  |  |
| Primary education and below | 5.8 | 4.9 | 2.7 | 2.8 | 2.4 |
|  |  |  |  |  |  |
| Lower secondary education | 7.2 | 6.5 | 5.2 | 4.1 | 4.2 |
|  |  |  |  |  |  |
| Upper secondary education^ | 5.4 | 5.2 | 4.2 | 3.2 | 3.0 |
|  |  |  |  |  |  |
| Post-secondary education | 3.7 | 3.9 | 3.9 | 3.3 | 2.9 |
|  |  |  |  |  |  |

Notes : \* Not seasonally adjusted, but including first-time job-seekers and re-entrants into the labour force.

^ Including craft courses.

Source : General Household Survey, Census and Statistics Department.

5.8 Indicators for the intensity of unemployment generally improved in the first quarter. The long-term unemployment rate (i.e. the proportion of persons unemployed for six months or longer in the labour force) edged down by 0.1 percentage point from the preceding quarter to 1.0% in the first quarter, and the number of long-term unemployed persons declined by 12.6% (or 5 200) to 36 200. The share of long-term unemployed persons in total unemployment declined by 1.4 percentage points to 31.5%. The median duration of unemployment shortened by 3 days to 83 days. Yet, the proportion of dismissal or lay-offs in the total number of unemployed persons (not including first-time job-seekers and re-entrants into the labour force) went up by 0.9 percentage point to 54.8%.

**Underemployment situation**

5.9 The underemployment rate continued to decline, from 1.5% in the preceding quarter to 1.2% in the first quarter. The number of underemployed persons fell by 15.5% (or 8 600) to 46 700.

**Profile of employment in establishments**

5.10 The quarterly statistics collected from private sector establishments on employment, vacancies, wages and payroll are available up to December 2022. Attempts have been made to bring the analysis more up-to-date by drawing reference to information from supplementary sources wherever possible.

5.11 Employment situation continued to improve in the fourth quarter of 2022. Total private sector employment increased further marginally by 0.1% in December 2022 over three months ago on a seasonally adjusted basis. On a year-on-year comparison, total private sector employment (not seasonally adjusted) declined by a narrowed 0.8% to 2 702 000. Analysed by sector, employment in a majority of selected industries (not seasonally adjusted) increased over three months ago, notably for accommodation services, professional and business services (excluding cleaning and similar services), and education. On a year-on-year comparison, employment in some selected industries continued to increase, notably for wholesale, human health services, and food and beverage services. As for other selected industries, many saw narrowed declines in employment.

**Table 5.7 : Employment by major economic sector**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | | 2022 | | | | |
|  | Annual |  |  |  |  | Annual |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | average | Mar | Jun | Sep | Dec |
| Import/export trade and wholesale | 436 000  (-3.6) | 434 600  (-8.6) | 434 900  (-3.4) | 435 100  (-2.2) | 439 500  (0.1) | 434 600  (-0.3) | 438 300  (0.8) | 434 800  (§) | 432 700  (-0.6) | 432 700  (-1.5) |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Wholesale* | *50 500*  *(-3.9)* | *50 600*  *(-8.4)* | *50 900*  *(-2.9)* | *49 800*  *(-4.1)* | *50 700*  *(0.1)* | *52 600*  *(4.2)* | *52 700*  *(4.1)* | *52 200*  *(2.6)* | *52 800*  *(6.1)* | *52 700*  *(4.0)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Retail | 249 500  (-0.6) | 249 900  (-2.0) | 248 100  (-0.5) | 248 500  (-0.5) | 251 400  (0.5) | 245 400  (-1.6) | 245 200  (-1.9) | 244 800  (-1.3) | 245 200  (-1.3) | 246 400  (-2.0) |
|  |  |  |  |  |  |  |  |  |  |  |
| Accommodation services(a) | 36 000  (1.1) | 34 400  (-9.4) | 37 000  (3.1) | 36 900  (5.0) | 35 800  (7.0) | 34 400  (-4.5) | 35 400  (2.8) | 33 400  (-9.8) | 33 600  (-9.0) | 35 300  (-1.3) |
|  |  |  |  |  |  |  |  |  |  |  |
| Food and beverage services | 214 000  (1.4) | 205 500  (-7.2) | 215 000  (1.0) | 217 600  (5.2) | 217 800  (7.4) | 216 700  (1.3) | 204 700  (-0.4) | 217 200  (1.0) | 222 000  (2.0) | 223 000  (2.4) |
|  |  |  |  |  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 166 900  (-4.0) | 165 500  (-6.7) | 168 700  (-4.2) | 167 200  (-4.4) | 166 000  (-0.4) | 163 400  (-2.1) | 164 400  (-0.6) | 162 500  (-3.7) | 164 000  (-1.9) | 162 700  (-2.0) |
|  |  |  |  |  |  |  |  |  |  |  |
| Information and communications | 108 600  (-1.4) | 109 300  (-0.4) | 108 800  (-1.8) | 108 400  (-1.7) | 108 100  (-1.7) | 106 300  (-2.2) | 107 200  (-1.9) | 106 100  (-2.4) | 105 300  (-2.9) | 106 400  (-1.5) |
|  |  |  |  |  |  |  |  |  |  |  |
| Financing, insurance, real estate, professional and business services | 767 900  (0.8) | 761 600  (0.4) | 765 700  (0.8) | 772 000  (1.0) | 772 400  (1.2) | 756 600  (-1.5) | 766 600  (0.7) | 750 500  (-2.0) | 751 800  (-2.6) | 757 500  (-1.9) |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Professional and business services (excluding cleaning and similar services)* | *306 500*  *(§)* | *306 700*  *(0.3)* | *306 700*  *(0.2)* | *306 600*  *(-0.3)* | *306 200*  *(-0.1)* | *300 200*  *(-2.1)* | *302 600*  *(-1.3)* | *297 200*  *(-3.1)* | *297 600*  *(-2.9)* | *303 300*  *(-0.9)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Social and personal services | 534 500  (0.5) | 534 700  (0.5) | 532 500  (0.3) | 533 600  (0.3) | 537 300  (0.8) | 536 900  (0.4) | 532 900  (-0.3) | 533 900  (0.3) | 536 400  (0.5) | 544 300  (1.3) |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Education* | *204 200*  *(-0.1)* | *205 400*  *(0.1)* | *203 700*  *(-0.1)* | *202 300*  *(-0.8)* | *205 500*  *(0.3)* | *206 400*  *(1.1)* | *205 200*  *(-0.1)* | *205 500*  *(0.9)* | *205 600*  *(1.7)* | *209 400*  *(1.9)* |
| *Human health services* | *145 500*  *(2.9)* | *145 300*  *(4.0)* | *145 100*  *(3.3)* | *145 800*  *(2.9)* | *146 000*  *(1.6)* | *149 100*  *(2.5)* | *148 600*  *(2.3)* | *148 400*  *(2.2)* | *149 300*  *(2.4)* | *150 200*  *(2.9)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing | 78 800  (-5.5) | 81 200  (-3.6) | 79 200  (-6.0) | 78 400  (-5.9) | 76 500  (-6.7) | 74 900  (-5.0) | 75 800  (-6.7) | 74 900  (-5.3) | 74 400  (-5.1) | 74 500  (-2.6) |
|  |  |  |  |  |  |  |  |  |  |  |
| Construction sites (covering manual workers only) | 105 400  (8.5) | 102 700  (1.6) | 106 100  (8.6) | 106 300  (13.2) | 106 600  (10.9) | 104 700  (-0.7) | 98 300  (-4.3) | 103 400  (-2.5) | 109 700  (3.2) | 107 300  (0.6) |
|  |  |  |  |  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(b)** | **2 709 100**  **(-0.4)** | **2 690 700**  **(-2.7)**  **<0.7>** | **2 707 300**  **(-0.4)**  **<0.7>** | **2 715 500**  **(0.3)**  **<0.2>** | **2 722 900**  **(1.3)**  **<-0.2>** | **2 685 700**  **(-0.9)** | **2 680 500**  **(-0.4)**  **<-0.9>** | **2 673 200**  **(-1.3)**  **<-0.2>** | **2 686 900**  **(-1.1)**  **<0.3>** | **2 702 000**  **(-0.8)**  **<0.1>** |
|  |  |  |  |  |  |  |  |  |  |  |
| *Civil service(c)* | *176 900*  *(-0.2)* | *177 600*  *(-0.1)* | *176 900*  *(-0.3)* | *176 400*  *(-0.2)* | *176 600*  *(-0.2)* | *174 800*  *(-1.2)* | *176 200*  *(-0.7)* | *175 200*  *(-1.0)* | *174 000*  *(-1.3)* | *173 700*  *(-1.7)* |

Notes : Employment figures enumerated from business establishments, as obtained from the Quarterly Survey of Employment and Vacancies, are somewhat different from those enumerated from households, as obtained from the General Household Survey. This is mainly due to the difference in sectoral coverage: while the former survey covers selected major sectors, the latter survey covers all sectors in the economy.

(a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(b) The total figures on private sector employment cover also employment in mining and quarrying; and in electricity and gas supply, and waste management, besides employment in the major sectors indicated above.

(c) These figures cover only those employed on civil service terms of appointment. Judges, judicial officers, ICAC officers, locally engaged staff working in the Hong Kong Economic and Trade Offices outside Hong Kong, and other government employees such as non‑civil service contract staff are not included.

(  ) % change over a year earlier.

< > Seasonally adjusted % change compared with the level three months ago.

§ Change within ±0.05%.

Sources : Quarterly Survey of Employment and Vacancies, Census and Statistics Department.

Quarterly Employment Survey of Construction Sites, Census and Statistics Department.

**Vacancies**

5.12 Private sector vacancies increased further by 3.9% in December 2022 over three months ago on a seasonally adjusted basis. Compared with a year ago, private sector vacancies (not seasonally adjusted) increased by 20.0% to 73 150.

5.13 The number of vacancies in various selected industries showed diverse movements in December 2022 when compared to the levels three months ago, but almost all of them were higher than the levels a year earlier.

5.14 The manpower balance situation tightened further in December 2022. The ratio of job vacancies per 100 unemployed persons increased further to 58 in December from 48 three months ago. Manpower shortage situation were particularly acute in the residential care and social work services sector, the human health services sector, and the education sector, with their corresponding ratios exceeding 200.

**Table 5.8 : Vacancies by major economic sector**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | | 2022 | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | Annual |  |  |  |  | Annual |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | average | Mar | Jun | Sep | Dec |
|  |  |  |  |  |  |  |  |  |  |  |
| Import/export trade and wholesale | 3 880  (12.4) | 3 510  (-13.9) | 3 840  (4.8) | 4 070  (27.9) | 4 090  (41.9) | 3 740  (-3.7) | 2 920  (-16.9) | 3 600  (-6.3) | 4 110  (1.0) | 4 310  (5.5) |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Wholesale* | *520*  *(13.1)* | *460*  *(-7.3)* | *500*  *(4.7)* | *610*  *(38.1)* | *510*  *(20.5)* | *600*  *(16.9)* | *320*  *(-31.2)* | *600*  *(21.2)* | *740*  *(22.3)* | *760*  *(49.9)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Retail | 4 100  (33.9) | 2 970  (-2.6) | 3 450  (9.4) | 4 710  (49.8) | 5 270  (81.4) | 4 900  (19.6) | 3 710  (25.1) | 4 880  (41.3) | 5 000  (6.1) | 6 030  (14.4) |
|  |  |  |  |  |  |  |  |  |  |  |
| Accommodation services(a) | 1 200  (83.2) | 700 (-0.6) | 1 090  (53.9) | 1 380  (94.5) | 1 650  (225.5) | 1 880  (56.0) | 1 410  (100.7) | 1 790  (63.4) | 2 030  (47.9) | 2 290  (38.7) |
|  |  |  |  |  |  |  |  |  |  |  |
| Food and beverage services | 3 750  (72.3) | 2 060 (-6.7) | 3 230  (51.9) | 4 380  (77.4) | 5 310  (180.3) | 4 520  (20.6) | 2 410  (17.2) | 4 700  (45.5) | 5 540  (26.4) | 5 420  (1.9) |
|  |  |  |  |  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 2 900  (32.8) | 2 520  (-2.9) | 2 930  (28.5) | 2 580  (23.4) | 3 560  (101.9) | 5 550  (91.5) | 3 550  (41.1) | 3 740  (27.5) | 7 520  (191.6) | 7 390  (107.4) |
|  |  |  |  |  |  |  |  |  |  |  |
| Information and communications | 2 090  (9.5) | 1 670  (-24.1) | 1 930  (-5.5) | 2 290  (31.8) | 2 460  (49.6) | 2 850  (36.8) | 2 790  (67.6) | 2 780  (44.2) | 3 020  (31.9) | 2 830  (14.8) |
|  |  |  |  |  |  |  |  |  |  |  |
| Financing, insurance, real estate, professional and business services | 15 080  (15.9) | 12 980  (-11.4) | 14 000  (13.3) | 16 000  (22.5) | 17 330  (45.0) | 17 590  (16.7) | 16 580  (27.7) | 17 020  (21.6) | 18 540  (15.9) | 18 210  (5.1) |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Professional and business services (excluding cleaning and similar services)* | *5 000*  *(19.6)* | *4 470*  *(-13.3)* | *4 460*  *(10.8)* | *5 390*  *(35.6)* | *5 690*  *(59.3)* | *6 040*  *(20.8)* | *6 010*  *(34.6)* | *5 890*  *(31.8)* | *6 100*  *(13.2)* | *6 180*  *(8.6)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Social and personal services | 15 630  (38.3) | 11 970  (5.1) | 13 550  (16.3) | 17 570  (52.9) | 19 430  (82.3) | 22 500  (44.0) | 18 410  (53.8) | 21 370  (57.8) | 26 270  (49.5) | 23 950  (23.2) |
|  |  |  |  |  |  |  |  |  |  |  |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Education* | *5 340*  *(37.2)* | *4 130*  *(12.0)* | *4 930*  *(18.9)* | *5 790*  *(47.4)* | *6 510*  *(71.3)* | *7 270*  *(36.1)* | *5 980*  *(44.7)* | *7 440*  *(51.0)* | *7 910*  *(36.5)* | *7 750*  *(19.0)* |
| *Human health services* | *3 740*  *(68.4)* | *2 410*  *(3.0)* | *2 160*  *(3.6)* | *4 840*  *(113.8)* | *5 540*  *(152.9)* | *6 700*  *(79.4)* | *5 050*  *(109.8)* | *5 860*  *(171.7)* | *9 380*  *(94.1)* | *6 510*  *(17.4)* |
|  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing | 1 030  (45.4) | 690  (-9.0) | 940  (24.4) | 1 150  (50.7) | 1 350  (139.5) | 1 690  (63.8) | 1 400  (103.6) | 1 640  (74.8) | 1 830  (59.7) | 1 880  (39.4) |
|  |  |  |  |  |  |  |  |  |  |  |
| Construction sites (covering manual workers only) | 190  (-22.0) | 80  (-84.3) | 250  (2.5) | 160  (14.7) | 260  (232.1) | 520  (177.1) | 270  (244.9) | 630  (153.6) | 640  (291.5) | 540  (106.9) |
|  |  |  |  |  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(b)** | **50 080**  **(28.9)** | **39 350**  **(-6.9)**  **<13.6>** | **45 440**  **(16.2)**  **<13.8>** | **54 560**  **(40.2)**  **<14.4>** | **60 980**  **(74.0)**  **<17.9>** | **66 050**  **(31.9)** | **53 700**  **(36.5)**  **<-10.9>** | **62 500**  **(37.5)**  **<14.6>** | **74 840**  **(37.2)**  **<13.3>** | **73 150**  **(20.0)**  **<3.9>** |
|  |  |  |  |  |  |  |  |  |  |  |
| *Civil service(c)* | *15 660*  *(24.6)* | *15 140*  *(42.0)* | *15 540*  *(37.3)* | *15 960*  *(20.6)* | *15 980*  *(6.3)* | *17 800*  *(13.7)* | *16 800*  *(10.9)* | *17 490*  *(12.5)* | *18 230*  *(14.2)* | *18 690*  *(16.9)* |

Notes : (a) Accommodation services sector covers hotels, guesthouses, boarding houses and other establishments providing short-term accommodation.

(b) The total figures on private sector vacancies cover also vacancies in mining and quarrying; and in electricity and gas supply, and waste management, besides vacancies in the major sectors indicated above.

(c) These figures cover only vacancies for those staff to be employed on civil service terms of appointment.

(  ) % change over a year earlier.

< > Seasonally adjusted % change compared with the level three months ago.

Sources : Quarterly Survey of Employment and Vacancies, Census and Statistics Department.

Quarterly Employment Survey of Construction Sites, Census and Statistics Department.



5.15 As an indication on the latest developments in the labour market, the number of job vacancies in the private sector received by the Labour Department (LD) rose by 1% over the preceding quarter to a monthly average of 102 100 in the first quarter of 2023. It was 71% higher than the level a year ago.

**Wages and earnings**

5.16 In the fourth quarter of 2022, both wages and labour earnings saw accelerated year-on-year increases in nominal terms and registered real improvement. The average nominal wage rate, as measured by the nominal wage index for all selected industry sections which covers regular payment to employees at the supervisory level or below, rose by 2.6% year-on-year in December 2022, faster than the increase of 2.3% three months ago. After discounting for *inflation*(7), average wage rate increased by 0.5% in real terms in December.

5.17 The average nominal wage rates in all selected sectors and all occupations saw year-on-year increases in December 2022, notably for transportation (up 3.6%), financial and insurance activities (up 3.3%), real estate leasing and maintenance management (up 2.9%), craftsmen (up 3.2%) and clerical and secretarial workers (up 3.1%).

5.18 Nominal *labour earnings*(8), as measured by the index of nominal payroll per person engaged for all selected industry sections which covers basic wage, overtime pay, discretionary bonuses and other irregular payments, increased by 2.3% year-on-year in the fourth quarter of 2022, also faster than the increase of 2.0% in the preceding quarter. After discounting for inflation, labour earnings increased by 0.5% in real terms in the fourth quarter.

5.19 Nominal payroll per person engaged in all selected sectors recorded year-on-year increases in the fourth quarter of 2022, particularly for transportation, storage, postal and courier services (up 4.1%), accommodation and food service activities (up 3.4%), professional and business services (up 3.2%), information and communications (up 3.1%), and financial and insurance activities (up 2.9%).



Note : The year-on-year rates of change of the CPIs from the fourth quarter of 2020 onwards are computed from the new 2019/20-based series, and those before are from the old 2014/15-based series.

5.20 More recent statistics compiled from the GHS, though not strictly comparable to those from the business establishment surveys, indicated that median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased further by 3.1% in nominal terms in the first quarter of 2023, though not as fast as the increase of 5.0% in the preceding quarter due to a higher base of comparison. The pace of increase continued to be faster than the headline inflation rate (as measured by the year-on-year rate of change in the headline Composite Consumer Price Index) of 1.9%. Meanwhile, the median monthly household income (excluding foreign domestic helpers) increased further by 4.1% in nominal terms in the first quarter, faster than the increase of 3.3% in the preceding quarter.

**Highlights of labour-related measures and policy developments**

5.21 To attract more talents from the Mainland and overseas to Hong Kong, the Top Talent Pass Scheme was launched on 28 December 2022. As of 18 April 2023, 24 000 applications were received and around 15 000 applications have been approved. Moreover, to further enrich the talent pool and attract more new capital to Hong Kong, the 2023-24 Budget announced that a new Capital Investment Entrant Scheme will be introduced, with details to be announced in due course.

5.22 To address the acute shortage of care workers in residential care home sector, the Government will launch a special scheme to import care workers for residential care homes in June 2023. The quota for importation under the scheme is capped at 7 000.

5.23 To incentivise employers to continue to hire mature employees, the 2023-24 Budget proposed to increase the tax deduction for the Mandatory Provident Fund (MPF) voluntary contributions made by employers for their employees aged 65 or above, from the current level of 100% to 200%.

5.24 The Chief Executive (CE) in Council adopted the recommendation of the Minimum Wage Commission (MWC) to raise the Statutory Minimum Wage (SMW) rate from $37.5 per hour to $40 per hour, an increase of $2.5 or 6.7%. With the approval of the Legislative Council, the revised SMW rate came into force on 1 May 2023. LD is launching territory-wide publicity activities to enhance public awareness of the revised SMW rate. The CE also tasked MWC to conduct a study on how to enhance the review mechanism of SMW, and required MWC to submit a report on the study by end-October 2023. In this connection, MWC conducted the first-stage consultation to solicit views on the review mechanism of SMW from late March to late April.

**Notes :**

(1) Labour force statistics enumerated from the General Household Survey are statistics which involve the use of the population figures in the compilation process. The statistics of the three-month periods of May – July 2021 to October – December 2021 have been revised to take into account the final end-2021 population estimates.

The classification of occupation adopted by the Census and Statistics Department follows the International Standard Classification of Occupations (ISCO), which is used to classify the occupation of an employed person or the previous occupation of an unemployed person. The occupation classification adopted in the General Household Survey has been enhanced since January – March 2022 to follow the International Standard Classification of Occupations 2008 (ISCO-08) more closely. The series has been backcasted to the quarter of January – March 2016. Starting from the reference quarter of January – March 2016, all the labour force statistics by occupation, unless otherwise specified, are compiled based on the revised classification.

(2) For a person aged 15 or above to be classified as unemployed, he or she should: (a) not have a job and not be performing any work for pay or profit during the reference period (i.e. seven days before enumeration); (b) be available for work during the reference period; and (c) be seeking work during the 30 days before enumeration.

Notwithstanding the above, the following types of persons are also considered unemployed: (a) persons without a job, having sought work but not available for work because of temporary sickness; (b) persons without a job, available for work but not having sought work because they will take up new jobs or start business at a subsequent date, or expect to return to their original jobs; and (c) discouraged workers not having sought work because they believe work is not available to them.

Even at full employment, some frictional unemployment is bound to exist as workers move between jobs in order to obtain better terms of employment. The precise level of unemployment which can be described as purely frictional varies amongst economies, depending on the structure and characteristics of their labour markets.

The seasonally adjusted series is compiled using the X-12 ARIMA method, which is a standard method applied in compiling seasonally adjusted statistical data series.

(3) The main criteria for an employed person aged 15 or above to be classified as underemployed are: involuntarily working less than 35 hours during the reference period (i.e. seven days before enumeration), and either available for additional work during the reference period or seeking additional work during the 30 days before enumeration.

Following these criteria, employed persons taking no‑pay leave due to slack work during the reference period are also classified as underemployed if they had worked less than 35 hours or were on leave for the entire reference period.

(4) The labour force, or the economically active population, is defined to include all persons aged 15 or above who either were engaged in productive work during the reference period (i.e. seven days before enumeration) or would otherwise have been engaged in productive work but were unemployed.

(5) Figures enumerated from household data. The employed population is defined here to include those persons aged 15 or above who performed work for pay or profit or had a formal job attachment during the reference period (i.e. seven days before enumeration).

(6) The low-paying sectors as identified by the Minimum Wage Commission include:   
(i) retail (including supermarkets and convenience stores, and other retail stores);   
(ii) food and beverage services (including Chinese restaurants, non-Chinese restaurants, fast food cafes, Hong Kong style tea cafes, and other food and beverage services);   
(iii) estate management, security and cleaning services (including real estate maintenance management, security services, cleaning services and membership organisations);  
(iv) other low-paying sectors, including  
 - elderly homes;  
 - laundry and dry cleaning services;  
 - hairdressing and other personal services;  
 - local courier services; and  
 - food processing and production.

(7) Different consumer price indices (CPIs) are used for compiling the real indices of labour earnings and wages, taking into account their relevance to the respective occupation coverage. Specifically, the headline Composite CPI, being an indicator of overall consumer prices, is taken as the price deflator for earnings received by employees at all levels of the occupational hierarchy. The headline CPI(A), being an indicator of consumer prices for the relatively low expenditure group, is taken as the price deflator for wages in respect of employees engaged in occupations up to the supervisory level.

(8) In addition to wages, which include all regular and guaranteed payments like basic pay and stipulated bonuses and allowances, earnings also cover overtime pay and other non-guaranteed or irregular bonuses and allowances, except severance pay and long service payment. Because of this difference, as well as the difference in sectoral and occupational coverage, the movements in average earnings, as measured by payroll per person engaged, do not necessarily match closely with those in wage rates.