**CHAPTER 5 : THE LABOUR SECTOR**

### Summary

* *The labour market continued to improve in the second quarter of 2023 along with the local economic recovery. The seasonally adjusted unemployment rate declined further from 3.1% in the first quarter to 2.9% in the second quarter, and the underemployment rate edged down from 1.2% to 1.1%. Both the labour force and total employment turned to increases on a quarter-to-quarter basis, and were higher than the levels a year earlier.*
* *The unemployment rates of many major sectors declined in the second quarter compared with the preceding quarter, such as those of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors), the arts, entertainment and recreation sector, the transportation and storage sector, and the construction sector. The unemployment rates of the remaining sectors either showed little change or increased, but stayed low in general.*
* *Establishment surveys indicated that the year-on-year increases in nominal wages and labour earnings accelerated further in the first quarter.* *The average nominal wage rate rose by 3.2% year-on-year in March, faster than the increase of 2.6% three months ago. Nominal payroll per person engaged increased by 3.0% year-on-year in the first quarter, also faster than the increase of 2.3% 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) rose by 5.4% in nominal terms in the second quarter, faster than the increase of 3.7% in the preceding quarter. Meanwhile, the median monthly household income (excluding foreign domestic helpers) increased by 8.0% in nominal terms in the second quarter, also faster than the increase of 4.6% in the preceding quarter.*

**Overall labour market situation(1)**

5.1 The labour market continued to improve in the second quarter of 2023 along with the local economic recovery. The seasonally adjusted *unemployment rate*(2) declined further from 3.1% in the first quarter to 2.9% in the second quarter, and the *underemployment rate*(3) edged down from 1.2% to 1.1%. The unemployment rates of many major sectors declined, such as those of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors), the arts, entertainment and recreation sector, the transportation and storage sector, and the construction sector. The unemployment rates of the remaining sectors either showed little change or increased, but stayed low in general. Establishment surveys indicated that the year-on-year increases in nominal wages and labour earnings accelerated further in the first quarter. More recent General Household Survey (GHS) data indicated that the median monthly employment earnings of full-time employees (excluding foreign domestic helpers) saw an accelerated year-on-year increase in nominal terms in the second quarter, and so did the median monthly household income (excluding foreign domestic helpers).



**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 | 5.1 | 3.1 | 1.2 |
| Q2 | 4.7 | 3.0 | 1.2 |
| Q3 | 4.0 | 1.8 | 1.0 |
| Q4 | 3.5 | 1.5 | 1.1 |
|  |  |  |  |
| 2023 Q1 | 3.1 | 1.2 | 1.0 |
|  |  |  |  |
| *Three months ending* |  |  |  |
|  |  |  |  |
| 2023 Apr | 3.0 | 1.2 | 0.9 |
| May | 3.0 | 1.2 | 0.9 |
| Jun | 2.9 | 1.1 | 0.9 |
|  |  |  |  |

Notes : The quarterly statistics in 2022 have been revised to take into account the final end-2022 population estimates.

\* 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) rose back by 0.9% over the preceding quarter to 3 802 400 in the second quarter, and was 1.3% higher than a year ago. The rebound was driven by a bounce-back in working-age population (i.e. land-based non-institutional population aged 15 and above), which increased by 1.5% over the preceding quarter to 6 611 400 in the second quarter, and was 2.2% higher than a year ago. Separately, owing to the persistent drag from population ageing, the overall labour force participation rate continued to decline by 0.4 percentage point from the preceding quarter to 57.5% in the second quarter, and was 0.5 percentage point lower than a year ago.

5.3 *Total employment*(5) rebounded by 0.9% over the preceding quarter to 3 688 800 in the second quarter, and was 3.2% higher than a year ago. Employment of most major sectors increased over the preceding quarter along with the local economic recovery, and were higher than a year earlier. A notable exception was employment of import/export trade and wholesale sector, which declined on both quarter-to-quarter and year-on-year bases amid the weak external trade performance.

**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 | 3 793 600 (-2.4) | 3 604 500 (-0.6) | 189 100 | 117 100 |
| Q2 | 3 754 300 (-3.4) | 3 574 000 (-2.6) | 180 200 | 112 100 |
| Q3 | 3 808 100 (-1.7) | 3 649 700 (-1.2) | 158 400 | 69 900 |
| Q4 | 3 847 300 (-0.1) | 3 720 000 (0.4) | 127 200 | 55 900 |
|  |  |  |  |  |
| 2023 Q1 | 3 769 200 (-0.6) | 3 654 100 (1.4) | 115 100 | 46 700 |
|  |  |  |  |  |
| *Three months ending* |  |  |  |  |
|  |  |  |  |  |
| 2023 Apr | 3 770 300 (0.2) | 3 655 900 (2.9) | 114 400 | 44 500 |
| May | 3 787 000 (1.1) | 3 673 800 (3.4) | 113 100 | 44 400 |
| Jun | 3 802 400 (1.3) | 3 688 800 (3.2) | 113 600 | 41 500 |
|  | <0.9> | <0.9> |  |  |

Notes : The quarterly statistics in 2022 have been revised to take into account the final end-2022 population estimates.

(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 second 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 | 2023 Q1 | 2023 Q2 |
| Male |  |  |  |  |  |  |
| 15-24 | 39.2 | 35.4 | 34.4 | 31.4 | 29.9 | 29.8 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.3* | *7.3* | *6.6* | *7.0* | *6.5* | *6.3* |
| *20-24* | *59.6* | *56.5* | *57.2* | *53.3* | *52.7* | *52.2* |
| 25-29 | 91.3 | 90.8 | 91.7 | 89.7 | 88.4 | 87.4 |
| 30-39 | 95.9 | 95.0 | 95.2 | 94.0 | 93.6 | 93.9 |
| 40-49 | 93.9 | 93.5 | 93.5 | 93.4 | 93.8 | 94.2 |
| 50-59 | 85.2 | 84.8 | 85.4 | 85.2 | 85.1 | 85.2 |
| ≥ 60 | 32.0 | 31.6 | 31.0 | 32.0 | 31.9 | 31.2 |
|  |  |  |  |  |  |  |
| Overall | 67.6 | 66.3 | 65.8 | 64.7 | 64.0 | 63.6 |
|  |  |  |  |  |  |  |
| Female |  |  |  |  |  |  |
| 15-24 | 40.5 | 36.6 | 35.3 | 32.5 | 31.6 | 30.0 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.6* | *7.2* | *7.8* | *7.7* | *7.0* | *6.6* |
| *20-24* | *60.1* | *57.8* | *57.5* | *54.2* | *54.4* | *50.9* |
| 25-29 | 87.5 | 87.5 | 88.2 | 86.2 | 86.1 | 85.4 |
| 30-39 | 79.3 | 79.1 | 79.3 | 78.9 | 79.5 | 80.1 |
| 40-49 | 73.7 | 73.6 | 74.3 | 74.0 | 74.4 | 74.5 |
| 50-59 | 62.3 | 62.9 | 64.0 | 64.6 | 65.1 | 64.3 |
| ≥ 60 | 15.7 | 15.6 | 16.3 | 16.5 | 17.1 | 17.2 |
|  |  |  |  |  |  |  |
| Overall | 55.1 | 54.3 | 54.2 | 52.9 | 52.9 | 52.5 |
|  |  |  |  |  |  |  |
| Both genders  combined |  |  |  |  |  |  |
| 15-24 | 39.8 | 36.0 | 34.9 | 31.9 | 30.8 | 29.9 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *11.5* | *7.3* | *7.2* | *7.3* | *6.8* | *6.4* |
| *20-24* | *59.9* | *57.2* | *57.4* | *53.8* | *53.6* | *51.5* |
| 25-29 | 89.2 | 89.0 | 89.8 | 87.9 | 87.2 | 86.3 |
| 30-39 | 86.0 | 85.6 | 85.9 | 85.3 | 85.5 | 86.0 |
| 40-49 | 82.0 | 81.8 | 82.1 | 81.9 | 82.2 | 82.5 |
| 50-59 | 72.7 | 72.7 | 73.4 | 73.5 | 73.7 | 73.3 |
| ≥ 60 | 23.5 | 23.2 | 23.3 | 23.9 | 24.1 | 23.8 |
|  |  |  |  |  |  |  |
| Overall | 60.7 | 59.7 | 59.4 | 58.2 | 57.9 | 57.5 |

Source : General Household Survey, Census and Statistics Department.

**Profile of unemployment**

5.4 The seasonally adjusted unemployment rate declined further from 3.1% in the first quarter to 2.9% in the second quarter. The number of unemployed persons (not seasonally adjusted) decreased by 1.3% (or 1 400) to 113 600.

5.5 The unemployment rates of many major sectors (not seasonally adjusted) declined in the second quarter compared with the preceding quarter. Specifically, the unemployment rate of the retail, accommodation and food services sectors combined declined by 0.2 percentage point to 4.0%. Among these sectors, the unemployment rate of the retail sector fell by 0.3 percentage point to 3.5%, and those of the accommodation services sector and the food and beverage service activities sector went down by 0.8 and 0.1 percentage point to 3.0% and 4.8% respectively. Many other sectors also saw declines in unemployment rates, such as the arts, entertainment and recreation sector (down 1.0 percentage point to 3.3%), the transportation and storage sector (down 0.3 percentage point to 3.1%), and the construction sector (down 0.3 percentage point to 4.2%). The unemployment rates of the remaining sectors either showed little change or increased, but stayed low in general. For the *low-paying sectors*(6) as a whole, the unemployment rate remained low at 2.7%.

5.6 Analysed by skill segment and compared with the preceding quarter, the unemployment rates of lower-skilled workers and higher-skilled workers both held steady at 3.2% and 2.1% respectively in the second quarter.

5.7 Analysed by other socio-economic attributes, the unemployment rates of many age and educational attainment groups declined in the second quarter compared with the preceding quarter, notably for those aged 25-29 (down 0.5 percentage point to 4.0%), those aged 50-59 (down 0.3 percentage point to 2.9%) and those with lower secondary education (down 0.3 percentage point to 3.9%). On the other hand, the unemployment rate of those aged 15-24 rose visibly (up 1.4 percentage points to 9.3%), mainly reflecting a seasonal increase caused by the entry of a new batch of graduates and school leavers into the labour market.





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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | 2023 | |
|  |  |  |  |  |  |  |
|  | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
|  |  |  |  |  |  |  |
| Import/export trade and wholesale | 3.9 | 3.5 | 3.3 | 2.8 | 2.7 | 2.8 |
|  |  |  |  |  |  |  |
| Retail, accommodation and food services | 8.9 | 7.4 | 5.9 | 4.7 | 4.2 | 4.0 |
| *of which:* |  |  |  |  |  |  |
| *Retail* | *7.7* | *6.6* | *5.7* | *4.6* | *3.8* | *3.5* |
|  |  |  |  |  |  |  |
| *Accommodation services* | *5.6* | *5.8* | *4.6* | *3.6* | *3.8* | *3.0* |
|  |  |  |  |  |  |  |
| *Food and beverage service activities* | *11.0* | *8.7* | *6.3* | *5.0* | *4.9* | *4.8* |
|  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 5.3 | 6.0 | 5.0 | 4.0 | 3.3 | 3.1 |
| *of which:* |  |  |  |  |  |  |
| *Transportation and storage* | *5.6* | *6.3* | *5.1* | *4.1* | *3.4* | *3.1* |
|  |  |  |  |  |  |  |
| Information and communications | 4.6 | 4.2 | 4.0 | 3.3 | 3.5 | 3.4 |
|  |  |  |  |  |  |  |
| Financing and insurance | 2.4 | 2.5 | 2.4 | 2.0 | 2.1 | 2.0 |
|  |  |  |  |  |  |  |
| Real estate | 2.4 | 2.9 | 2.7 | 2.5 | 2.6 | 2.6 |
|  |  |  |  |  |  |  |
| Professional and  business services | 3.4 | 3.4 | 2.8 | 2.5 | 2.6 | 2.8 |
|  |  |  |  |  |  |  |
| Public administration, social and personal services | 3.1 | 3.1 | 2.3 | 1.7 | 1.5 | 1.6 |
| *of which:* |  |  |  |  |  |  |
| *Arts, entertainment and recreation* | *11.4* | *8.0* | *5.8* | *5.2* | *4.3* | *3.3* |
|  |  |  |  |  |  |  |
| Manufacturing | 5.5 | 5.7 | 5.1 | 4.4 | 4.0 | 4.1 |
|  |  |  |  |  |  |  |
| Construction | 8.0 | 7.3 | 6.1 | 4.9 | 4.5 | 4.2 |
|  |  |  |  |  |  |  |
| Overall\* | 5.0 | 4.8 | 4.2 | 3.3 | 3.1 | 3.0 |
|  | (5.1) | (4.7) | (4.0) | (3.5) | (3.1) | (2.9) |

Notes : The quarterly statistics in 2022 have been revised to take into account the final end-2022 population estimates.

\* 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 | Q2 |
|  |  |  |  |  |  |  |
| Higher-skilled segment | 3.2 | 3.0 | 2.6 | 2.3 | 2.1 | 2.1 |
|  |  |  |  |  |  |  |
| Managers | 2.7 | 2.4 | 2.1 | 1.7 | 1.4 | 1.5 |
|  |  |  |  |  |  |  |
| Professionals | 2.0 | 2.0 | 1.9 | 1.6 | 2.0 | 1.6 |
|  |  |  |  |  |  |  |
| Associate professionals | 4.1 | 4.1 | 3.3 | 3.0 | 2.7 | 2.9 |
|  |  |  |  |  |  |  |
| Lower-skilled segment^ | 5.7 | 5.5 | 4.5 | 3.5 | 3.2 | 3.2 |
|  |  |  |  |  |  |  |
| Clerical support workers | 4.6 | 4.2 | 4.8 | 3.3 | 3.3 | 3.1 |
|  |  |  |  |  |  |  |
| Service and sales workers | 7.4 | 6.7 | 4.8 | 4.1 | 3.8 | 3.6 |
|  |  |  |  |  |  |  |
| Craft and related workers | 8.8 | 7.5 | 6.9 | 4.9 | 4.3 | 4.1 |
|  |  |  |  |  |  |  |
| Plant and machine operators and assemblers | 4.2 | 4.6 | 3.7 | 2.7 | 2.4 | 2.2 |
|  |  |  |  |  |  |  |
| Elementary occupations | 4.1 | 4.5 | 3.2 | 2.7 | 2.5 | 2.6 |

Notes : The quarterly statistics in 2022 have been revised to take into account the final end-2022 population estimates.

\* 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 | Q2 |
| Age |  |  |  |  |  |  |
| 15-24 | 10.6 | 11.9 | 12.2 | 9.1 | 7.9 | 9.3 |
| *of which:* |  |  |  |  |  |  |
| *15-19* | *14.4* | *18.5* | *16.4* | *11.7* | *9.8* | *11.2* |
|  |  |  |  |  |  |  |
| *20-24* | *10.2* | *11.2* | *11.6* | *8.8* | *7.7* | *9.1* |
|  |  |  |  |  |  |  |
| 25-29 | 6.0 | 5.7 | 6.1 | 5.2 | 4.5 | 4.0 |
|  |  |  |  |  |  |  |
| 30-39 | 3.7 | 3.7 | 3.3 | 2.4 | 2.5 | 2.3 |
|  |  |  |  |  |  |  |
| 40-49 | 4.2 | 4.2 | 2.9 | 2.6 | 2.4 | 2.5 |
|  |  |  |  |  |  |  |
| 50-59 | 5.6 | 4.9 | 4.0 | 3.3 | 3.2 | 2.9 |
|  |  |  |  |  |  |  |
| ≥ 60 | 4.9 | 4.5 | 3.6 | 2.8 | 2.2 | 2.4 |
| Educational attainment |  |  |  |  |  |  |
| Primary education and below | 5.8 | 5.0 | 2.7 | 2.8 | 2.4 | 2.3 |
|  |  |  |  |  |  |  |
| Lower secondary education | 7.2 | 6.5 | 5.2 | 4.1 | 4.2 | 3.9 |
|  |  |  |  |  |  |  |
| Upper secondary education^ | 5.5 | 5.2 | 4.2 | 3.1 | 3.0 | 3.1 |
|  |  |  |  |  |  |  |
| Post-secondary education | 3.8 | 3.9 | 4.0 | 3.3 | 2.9 | 2.7 |
|  |  |  |  |  |  |  |

Notes : The quarterly statistics in 2022 have been revised to take into account the final end-2022 population estimates.

\* 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 The situation on unemployment duration improved in the second 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 0.9% in the second quarter, and the number of long-term unemployed persons declined by 10.4% (or 3 800) to 32 500. The median duration of unemployment shortened by 3 days to 80 days.

**Underemployment situation**

5.9 The underemployment rate edged down from 1.2% in the first quarter to 1.1% in the second quarter. The number of underemployed persons fell by 11.1% (or 5 200) to 41 500.

**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 March. 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 first quarter. Total private sector employment showed an accelerated increase of 1.0% in March over three months ago on a seasonally adjusted basis. On a year-on-year comparison, total private sector employment (not seasonally adjusted) turned to an increase of 1.5% to 2 719 800. Employment in most selected industries (not seasonally adjusted) increased over three months ago, notably for arts, entertainment, recreation and other services, residential care and social work services, cleaning and similar services, and education. On a year-on-year comparison, employment in many selected industries increased, notably for construction sites (covering manual workers only), food and beverage services, arts, entertainment, recreation and other services, and education. Among those selected industries which saw declines in employment, the rates of decline in many of them narrowed.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 |
|  | Annual |  |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | Mar |
| Import/export trade and wholesale | 434 600  (-0.3) | 438 300  (0.8) | 434 800  (§) | 432 700  (-0.6) | 432 700  (-1.5) | 430 100  (-1.9) |
|  |  |  |  |  |  |  |
| Retail | 245 400  (-1.6) | 245 200  (-1.9) | 244 800  (-1.3) | 245 200  (-1.3) | 246 400  (-2.0) | 248 500  (1.4) |
|  |  |  |  |  |  |  |
| Accommodation services(a) | 34 400  (-4.5) | 35 400  (2.8) | 33 400  (-9.8) | 33 600  (-9.0) | 35 300  (-1.3) | 35 600  (0.6) |
|  |  |  |  |  |  |  |
| Food and beverage services | 216 700  (1.3) | 204 700  (-0.4) | 217 200  (1.0) | 222 000  (2.0) | 223 000  (2.4) | 223 900  (9.4) |
|  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 163 400  (-2.1) | 164 400  (-0.6) | 162 500  (-3.7) | 164 000  (-1.9) | 162 700  (-2.0) | 161 900  (-1.5) |
|  |  |  |  |  |  |  |
| Information and communications | 106 300  (-2.2) | 107 200  (-1.9) | 106 100  (-2.4) | 105 300  (-2.9) | 106 400  (-1.5) | 107 400  (0.2) |
|  |  |  |  |  |  |  |
| Financing, insurance, real estate, professional and business services | 756 600  (-1.5) | 766 600  (0.7) | 750 500  (-2.0) | 751 800  (-2.6) | 757 500  (-1.9) | 763 400  (-0.4) |
| *of which:* |  |  |  |  |  |  |
| *Cleaning and similar services* | *82 600*  *(0.8)* | *84 300*  *(3.1)* | *81 700*  *(-0.1)* | *83 200*  *(0.7)* | *81 100*  *(-0.5)* | *82 600*  *(-2.0)* |
|  |  |  |  |  |  |  |
| Social and personal services | 536 900  (0.4) | 532 900  (-0.3) | 533 900  (0.3) | 536 400  (0.5) | 544 300  (1.3) | 553 900  (3.9) |
| *of which:* |  |  |  |  |  |  |
| *Education* | *206 400*  *(1.1)* | *205 200*  *(-0.1)* | *205 500*  *(0.9)* | *205 600*  *(1.7)* | *209 400*  *(1.9)* | *212 900*  *(3.8)* |
| *Residential care and social work services* | *66 800*  *(0.9)* | *67 300*  *(2.5)* | *65 700*  *(-0.4)* | *66 500*  *(0.5)* | *67 600*  *(0.9)* | *68 900*  *(2.4)* |
| *Arts, entertainment, recreation and other services* | *114 500*  *(-3.4)* | *111 900*  *(-5.5)* | *114 300*  *(-2.8)* | *115 000*  *(-3.7)* | *117 000*  *(-1.5)* | *119 800*  *(7.1)* |
|  |  |  |  |  |  |  |
| Manufacturing | 74 900  (-5.0) | 75 800  (-6.7) | 74 900  (-5.3) | 74 400  (-5.1) | 74 500  (-2.6) | 74 900  (-1.2) |
|  |  |  |  |  |  |  |
| Construction sites (covering manual workers only) | 104 700  (-0.7) | 98 300  (-4.3) | 103 400  (-2.5) | 109 700  (3.2) | 107 300  (0.6) | 108 400  (10.3) |
|  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(b)** | **2 685 700**  **(-0.9)** | **2 680 500**  **(-0.4)**  **<-1.2>** | **2 673 200**  **(-1.3)**  **<-0.2>** | **2 686 900**  **(-1.1)**  **<0.3>** | **2 702 000**  **(-0.8)**  **<0.4>** | **2 719 800**  **(1.5)**  **<1.0>** |
|  |  |  |  |  |  |  |
| *Civil service(c)* | *174 800*  *(-1.2)* | *176 200*  *(-0.7)* | *175 200*  *(-1.0)* | *174 000*  *(-1.3)* | *173 700*  *(-1.7)* | *173 600*  *(-1.5)* |

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 saw an accelerated increase of 7.6% in March over three months ago on a seasonally adjusted basis. Compared with a year ago, private sector vacancies (not seasonally adjusted) surged by 44.8% to 77 750.

5.13 The number of vacancies in most selected industries increased in March over three months ago, and all of them were higher than the levels a year earlier.

5.14 The manpower balance situation tightened further in March. The ratio of job vacancies per 100 unemployed persons increased further to 68 in March from 57 three months ago. Manpower shortage situation continued to be particularly acute in the education sector, the residential care and social work services sector, and the human health services sector, with their corresponding ratios exceeding 200.

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 |
|  |  |  |  |  |  |  |
|  | Annual |  |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | Mar |
|  |  |  |  |  |  |  |
| Import/export trade and wholesale | 3 740  (-3.7) | 2 920  (-16.9) | 3 600  (-6.3) | 4 110  (1.0) | 4 310  (5.5) | 4 250  (45.8) |
|  |  |  |  |  |  |  |
| Retail | 4 900  (19.6) | 3 710  (25.1) | 4 880  (41.3) | 5 000  (6.1) | 6 030  (14.4) | 6 410  (72.5) |
|  |  |  |  |  |  |  |
| Accommodation services(a) | 1 880  (56.0) | 1 410  (100.7) | 1 790  (63.4) | 2 030  (47.9) | 2 290  (38.7) | 2 830  (100.7) |
|  |  |  |  |  |  |  |
| Food and beverage services | 4 520  (20.6) | 2 410  (17.2) | 4 700  (45.5) | 5 540  (26.4) | 5 420  (1.9) | 5 810  (140.8) |
|  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 5 550  (91.5) | 3 550  (41.1) | 3 740  (27.5) | 7 520  (191.6) | 7 390  (107.4) | 7 440  (109.7) |
|  |  |  |  |  |  |  |
| Information and communications | 2 850  (36.8) | 2 790  (67.6) | 2 780  (44.2) | 3 020  (31.9) | 2 830  (14.8) | 3 020  (8.3) |
|  |  |  |  |  |  |  |
| Financing, insurance, real estate, professional and business services | 17 590  (16.7) | 16 580  (27.7) | 17 020  (21.6) | 18 540  (15.9) | 18 210  (5.1) | 19 410  (17.1) |
| *of which:* |  |  |  |  |  |  |
| *Cleaning and similar services* | *1 440*  *(6.7)* | *1 210*  *(4.1)* | *1 180*  *(-14.8)* | *1 510*  *(11.1)* | *1 870*  *(24.7)* | *1 780*  *(47.6)* |
|  |  |  |  |  |  |  |
| Social and personal services | 22 500  (44.0) | 18 410  (53.8) | 21 370  (57.8) | 26 270  (49.5) | 23 950  (23.2) | 25 290  (37.4) |
|  |  |  |  |  |  |  |
| *of which:* |  |  |  |  |  |  |
| *Education* | *7 270*  *(36.1)* | *5 980*  *(44.7)* | *7 440*  *(51.0)* | *7 910*  *(36.5)* | *7 750*  *(19.0)* | *7 990*  *(33.6)* |
| *Residential care and social work services* | *4 930*  *(22.6)* | *4 650*  *(25.3)* | *4 810*  *(18.8)* | *5 180*  *(23.2)* | *5 080*  *(23.3)* | *5 260*  *(13.1)* |
| *Arts, entertainment, recreation and other services* | *3 600*  *(42.2)* | *2 740*  *(58.5)* | *3 260*  *(35.2)* | *3 800*  *(38.9)* | *4 600*  *(41.6)* | *5 450*  *(99.1)* |
|  |  |  |  |  |  |  |
| Manufacturing | 1 690  (63.8) | 1 400  (103.6) | 1 640  (74.8) | 1 830  (59.7) | 1 880  (39.4) | 2 380  (69.5) |
|  |  |  |  |  |  |  |
| Construction sites (covering manual workers only) | 520  (177.1) | 270  (244.9) | 630  (153.6) | 640  (291.5) | 540  (106.9) | 640  (139.4) |
|  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(b)** | **66 050**  **(31.9)** | **53 700**  **(36.5)**  **<-10.8>** | **62 500**  **(37.5)**  **<14.2>** | **74 840**  **(37.2)**  **<12.9>** | **73 150**  **(20.0)**  **<4.5>** | **77 750**  **(44.8)**  **<7.6>** |
|  |  |  |  |  |  |  |
| *Civil service(c)* | *17 800*  *(13.7)* | *16 800*  *(10.9)* | *17 490*  *(12.5)* | *18 230*  *(14.2)* | *18 690*  *(16.9)* | *19 170*  *(14.1)* |

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 to the number of job vacancies in the private sector received by the Labour Department, it decreased by 1% from the preceding quarter to a monthly average of 101 400 in the second quarter, but was still 12% higher than a year ago.

**Wages and earnings**

5.16 The year-on-year increases in nominal wages and labour earnings accelerated further in the first quarter. 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 3.2% year-on-year in March, faster than the increase of 2.6% three months ago. After discounting for *inflation*(7), the average wage rate showed an accelerated increase of 1.5% in real terms.

5.17 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 3.0% year-on-year in the first quarter, faster than the increase of 2.3% in the preceding quarter. After discounting for inflation, labour earnings saw an accelerated increase of 1.1% in real terms.

5.18 Nominal payroll per person engaged in all selected industries recorded year-on-year increases in the first quarter, particularly for transportation, storage, postal and courier services (up 6.7%), accommodation and food service activities (up 4.9%), manufacturing (up 4.0%) and information and communications (up 3.9%). The gains in almost all selected industries were faster than the preceding quarter.



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.

5.19 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 by 5.4% in nominal terms in the second quarter, faster than the 3.7% increase in the preceding quarter. 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 2.0%. Meanwhile, the median monthly household income (excluding foreign domestic helpers) increased by 8.0% in the second quarter, also faster than the increase of 4.6% in the preceding quarter.

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

5.20 To attract more high-quality talents from the Mainland and overseas to Hong Kong, the Top Talent Pass Scheme was launched on 28 December 2022. As of end-June 2023, over 36 000 applications were received, and around 26 000 were approved. Moreover, the expanded Talent List was announced on 16 May 2023, with the coverage extended from 13 professions to 51, spanning across 9 industry segments.

5.21 On the premise of ensuring employment priority for local workers, the Government implemented various measures on labour importation in order to address the labour shortage issue. Specifically, in June 2023, the Government launched the Special Scheme to Import Care Workers for Residential Care Homes, subject to a quota of 7 000. Moreover, in July 2023, the Government launched labour importation schemes for the construction and transport sectors, subject to a total quota of 20 000 which comprises 12 000 for the construction sector and 8 000 for the transport sector. Separately, the Government will enhance the coverage and operation of the Supplementary Labour Scheme (SLS). The enhanced SLS will be launched in the third quarter of 2023.

5.22 The Statutory Minimum Wage (SMW) rate was raised to $40 per hour with effect from 1 May 2023, 6.7% above the previous SMW rate of $37.5 per hour. Separately, taking into account the views received during the two stages of public consultations in April and June 2023, the Minimum Wage Commission is studying on how to enhance the review mechanism of SMW, with a view to putting forth recommendation(s) to the Government by end‑October 2023.

**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 from November 2021 – January 2022 to October – December 2022 have been revised to take into account the final end-2022 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.