**CHAPTER 5 : THE LABOUR SECTOR**

### Summary

* *The labour market improved further in the third quarter of 2023. The seasonally adjusted unemployment rate declined slightly further from 2.9% in the second quarter to 2.8% in the third quarter, and the underemployment rate edged down from 1.1% to 1.0%. Both the labour force and total employment continued to increase.*
* *The unemployment rates of the various major sectors stayed low in general in the third quarter, with those of many major sectors recording falls. More notable declines were seen in the food and beverage service activities sector, the transportation sector, the accommodation services sector, and the real estate sector.*
* *Establishment surveys indicated that wages and labour earnings saw accelerated year-on-year growth in nominal terms in the second quarter, and continued to show increases in real terms after discounting for inflation.* *More recent General Household Survey (GHS) data indicated that the median monthly employment earnings and the median monthly household income continued to attain decent growth in the third quarter over a year earlier.*

**Overall labour market situation(1)**

5.1 The labour market improved further in the third quarter of 2023. The seasonally adjusted *unemployment rate*(2) declined slightly further from 2.9% in the second quarter to 2.8% in the third quarter, and the *underemployment rate*(3) edged down from 1.1% to 1.0%. The unemployment rates of the various major sectors stayed low in general, with those of many major sectors recording falls. More notable declines were seen in the food and beverage service activities sector, the transportation sector, the accommodation services sector, and the real estate sector. Establishment surveys indicated that wages and labour earnings saw accelerated year-on-year growth in nominal terms in the second quarter, and continued to show increases in real terms after discounting for inflation. More recent General Household Survey (GHS) data indicated that the median monthly employment earnings and the median monthly household income continued to attain decent growth in the third quarter over a year earlier.



**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 |
| Q2 | 2.9 | 1.1 | 0.9 |
|  |  |  |  |
| *Three months ending* |  |  |  |
|  |  |  |  |
| 2023 Jul | 2.8 | 1.1 | 0.8 |
| Aug | 2.8 | 1.0 | 0.7 |
| Sep | 2.8 | 1.0 | 0.7 |
|  |  |  |  |

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) increased further by 0.8% over the preceding quarter to 3 834 300 in the third quarter, and was 0.7% higher than a year ago. Analysed by contributing factor, the working-age population (i.e. land-based non-institutional population aged 15 and above) increased further by 0.4% over the preceding quarter to 6 635 700 in the third quarter, and was 1.5% higher than a year ago. The overall labour force participation rate bounced back by 0.3 percentage point over the preceding quarter to 57.8% in the third quarter, with the labour force participation rates in almost all age groups showing increases. However, reflecting the persistent drag from population ageing, the overall labour force participation rate in the third quarter was 0.4 percentage point lower than a year ago.

5.3 *Total employment*(5) increased further by 0.9% over the preceding quarter to 3 720 300 in the third quarter, and was 1.9% higher than a year ago. Employment of many major sectors increased over the preceding quarter, notably for the postal and courier activities sector, the professional and business services sector (excluding cleaning and similar activities), the public administration, social and personal services sectors, the retail, accommodation and food services sectors, and the construction sector. Employment of most of these sectors was also higher than a year earlier.

**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 |
| Q2 | 3 802 400 (1.3) | 3 688 800 (3.2) | 113 600 | 41 500 |
|  |  |  |  |  |
| *Three months ending* |  |  |  |  |
|  |  |  |  |  |
| 2023 Jul | 3 819 700 (1.3) | 3 708 000 (3.0) | 111 700 | 40 500 |
| Aug | 3 826 600 (0.9) | 3 714 500 (2.4) | 112 100 | 38 900 |
| Sep | 3 834 300 (0.7) | 3 720 300 (1.9) | 114 000 | 37 900 |
|  | <0.8> | <0.9> |  |  |

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 third 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 | 2023 Q3 |
| Male |  |  |  |  |  |  |  |
| 15-24 | 39.2 | 35.4 | 34.4 | 31.4 | 29.9 | 29.8 | 32.0 |
| *of which:* |  |  |  |  |  |  |  |
| *15-19* | *11.3* | *7.3* | *6.6* | *7.0* | *6.5* | *6.3* | *9.2* |
| *20-24* | *59.6* | *56.5* | *57.2* | *53.3* | *52.7* | *52.2* | *53.9* |
| 25-29 | 91.3 | 90.8 | 91.7 | 89.7 | 88.4 | 87.4 | 87.1 |
| 30-39 | 95.9 | 95.0 | 95.2 | 94.0 | 93.6 | 93.9 | 94.6 |
| 40-49 | 93.9 | 93.5 | 93.5 | 93.4 | 93.8 | 94.2 | 93.8 |
| 50-59 | 85.2 | 84.8 | 85.4 | 85.2 | 85.1 | 85.2 | 85.2 |
| ≥ 60 | 32.0 | 31.6 | 31.0 | 32.0 | 31.9 | 31.2 | 31.9 |
|  |  |  |  |  |  |  |  |
| Overall | 67.6 | 66.3 | 65.8 | 64.7 | 64.0 | 63.6 | 64.0 |
|  |  |  |  |  |  |  |  |
| Female |  |  |  |  |  |  |  |
| 15-24 | 40.5 | 36.6 | 35.3 | 32.5 | 31.6 | 30.0 | 32.6 |
| *of which:* |  |  |  |  |  |  |  |
| *15-19* | *11.6* | *7.2* | *7.8* | *7.7* | *7.0* | *6.6* | *9.7* |
| *20-24* | *60.1* | *57.8* | *57.5* | *54.2* | *54.4* | *50.9* | *53.1* |
| 25-29 | 87.5 | 87.5 | 88.2 | 86.2 | 86.1 | 85.4 | 85.6 |
| 30-39 | 79.3 | 79.1 | 79.3 | 78.9 | 79.5 | 80.1 | 80.1 |
| 40-49 | 73.7 | 73.6 | 74.3 | 74.0 | 74.4 | 74.5 | 75.2 |
| 50-59 | 62.3 | 62.9 | 64.0 | 64.6 | 65.1 | 64.3 | 65.1 |
| ≥ 60 | 15.7 | 15.6 | 16.3 | 16.5 | 17.1 | 17.2 | 16.9 |
|  |  |  |  |  |  |  |  |
| Overall | 55.1 | 54.3 | 54.2 | 52.9 | 52.9 | 52.5 | 52.7 |
|  |  |  |  |  |  |  |  |
| Both genders  combined |  |  |  |  |  |  |  |
| 15-24 | 39.8 | 36.0 | 34.9 | 31.9 | 30.8 | 29.9 | 32.3 |
| *of which:* |  |  |  |  |  |  |  |
| *15-19* | *11.5* | *7.3* | *7.2* | *7.3* | *6.8* | *6.4* | *9.4* |
| *20-24* | *59.9* | *57.2* | *57.4* | *53.8* | *53.6* | *51.5* | *53.5* |
| 25-29 | 89.2 | 89.0 | 89.8 | 87.9 | 87.2 | 86.3 | 86.3 |
| 30-39 | 86.0 | 85.6 | 85.9 | 85.3 | 85.5 | 86.0 | 86.2 |
| 40-49 | 82.0 | 81.8 | 82.1 | 81.9 | 82.2 | 82.5 | 82.8 |
| 50-59 | 72.7 | 72.7 | 73.4 | 73.5 | 73.7 | 73.3 | 73.8 |
| ≥ 60 | 23.5 | 23.2 | 23.3 | 23.9 | 24.1 | 23.8 | 24.0 |
|  |  |  |  |  |  |  |  |
| Overall | 60.7 | 59.7 | 59.4 | 58.2 | 57.9 | 57.5 | 57.8 |

Source : General Household Survey, Census and Statistics Department.

**Profile of unemployment**

5.4 The seasonally adjusted unemployment rate declined slightly further from 2.9% in the second quarter to 2.8% in the third quarter. The number of unemployed persons (not seasonally adjusted) stayed low at 114 000, though marginally higher than the level of 113 600 in the preceding quarter.

5.5 The unemployment rates of the various major sectors (not seasonally adjusted) stayed low in general, with those of many major sectors recording falls. More notable declines were seen in the food and beverage service activities sector (down 0.6 percentage point to 4.2%), the transportation sector (down 0.6 percentage point to 2.2%), the accommodation services sector (down 0.5 percentage point to 2.5%), and the real estate sector (down 0.5 percentage point to 2.1%). The unemployment rate of the construction sector declined by 0.3 percentage point to 3.9%. The unemployment rate of the retail sector stayed unchanged at 3.5%. For the *low-paying sectors*(6) as a whole, the unemployment rate declined by 0.3 percentage point to 2.4%.

5.6 Analysed by skill segment, the unemployment rate of lower-skilled workers declined by 0.4 percentage point from the preceding quarter to 2.8% in the third quarter. The unemployment rate of higher-skilled workers edged up by 0.1 percentage point to a still-low level of 2.2%.

5.7 Analysed by other socio-economic attributes, the unemployment rates of various age and educational attainment groupsshowed diverse movements in the third quarter compared with the preceding quarter. The unemployment rates of persons aged 30 or above and those with upper secondary education or below declined, whereas the unemployment rates of those aged 15-29 and those with post-secondary education increased. Among these groups, the unemployment rate of those aged 15-24 rose by a relatively large 0.9 percentage point to 10.2% amid the seasonal entry of graduates and school leavers into the labour market, but it was 2.0 percentage points lower than a year ago.





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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | 2023 | | |
|  |  |  |  |  |  |  |  |
|  | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
|  |  |  |  |  |  |  |  |
| Import/export trade and wholesale | 3.9 | 3.5 | 3.3 | 2.8 | 2.7 | 2.8 | 2.8 |
|  |  |  |  |  |  |  |  |
| Retail, accommodation and food services | 8.9 | 7.4 | 5.9 | 4.7 | 4.2 | 4.0 | 3.7 |
| *of which:* |  |  |  |  |  |  |  |
| *Retail* | *7.7* | *6.6* | *5.7* | *4.6* | *3.8* | *3.5* | *3.5* |
|  |  |  |  |  |  |  |  |
| *Accommodation services* | *5.6* | *5.8* | *4.6* | *3.6* | *3.8* | *3.0* | *2.5* |
|  |  |  |  |  |  |  |  |
| *Food and beverage service activities* | *11.0* | *8.7* | *6.3* | *5.0* | *4.9* | *4.8* | *4.2* |
|  |  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 5.3 | 6.0 | 5.0 | 4.0 | 3.3 | 3.1 | 2.6 |
| *of which:* |  |  |  |  |  |  |  |
| *Transportation* | *5.1* | *6.0* | *4.7* | *3.6* | *3.1* | *2.8* | *2.2* |
|  |  |  |  |  |  |  |  |
| Information and communications | 4.6 | 4.2 | 4.0 | 3.3 | 3.5 | 3.4 | 3.4 |
|  |  |  |  |  |  |  |  |
| Financing and insurance | 2.4 | 2.5 | 2.4 | 2.0 | 2.1 | 2.0 | 2.3 |
|  |  |  |  |  |  |  |  |
| Real estate | 2.4 | 2.9 | 2.7 | 2.5 | 2.6 | 2.6 | 2.1 |
|  |  |  |  |  |  |  |  |
| Professional and  business services | 3.4 | 3.4 | 2.8 | 2.5 | 2.6 | 2.8 | 2.8 |
|  |  |  |  |  |  |  |  |
| Public administration, social and personal services | 3.1 | 3.1 | 2.3 | 1.7 | 1.5 | 1.6 | 1.4 |
|  |  |  |  |  |  |  |  |
| Manufacturing | 5.5 | 5.7 | 5.1 | 4.4 | 4.0 | 4.1 | 4.1 |
|  |  |  |  |  |  |  |  |
| Construction | 8.0 | 7.3 | 6.1 | 4.9 | 4.5 | 4.2 | 3.9 |
|  |  |  |  |  |  |  |  |
| Overall\* | 5.0 | 4.8 | 4.2 | 3.3 | 3.1 | 3.0 | 3.0 |
|  | (5.1) | (4.7) | (4.0) | (3.5) | (3.1) | (2.9) | (2.8) |

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 | Q2 | Q3 |
|  |  |  |  |  |  |  |  |
| Higher-skilled segment | 3.2 | 3.0 | 2.6 | 2.3 | 2.1 | 2.1 | 2.2 |
|  |  |  |  |  |  |  |  |
| Managers | 2.7 | 2.4 | 2.1 | 1.7 | 1.4 | 1.5 | 1.7 |
|  |  |  |  |  |  |  |  |
| Professionals | 2.0 | 2.0 | 1.9 | 1.6 | 2.0 | 1.6 | 1.9 |
|  |  |  |  |  |  |  |  |
| Associate professionals | 4.1 | 4.1 | 3.3 | 3.0 | 2.7 | 2.9 | 2.8 |
|  |  |  |  |  |  |  |  |
| Lower-skilled segment^ | 5.7 | 5.5 | 4.5 | 3.5 | 3.2 | 3.2 | 2.8 |
|  |  |  |  |  |  |  |  |
| Clerical support workers | 4.6 | 4.2 | 4.8 | 3.3 | 3.3 | 3.1 | 3.0 |
|  |  |  |  |  |  |  |  |
| Service and sales workers | 7.4 | 6.7 | 4.8 | 4.1 | 3.8 | 3.6 | 3.1 |
|  |  |  |  |  |  |  |  |
| Craft and related workers | 8.8 | 7.5 | 6.9 | 4.9 | 4.3 | 4.1 | 3.9 |
|  |  |  |  |  |  |  |  |
| Plant and machine operators and assemblers | 4.2 | 4.6 | 3.7 | 2.7 | 2.4 | 2.2 | 1.9 |
|  |  |  |  |  |  |  |  |
| Elementary occupations | 4.1 | 4.5 | 3.2 | 2.7 | 2.5 | 2.6 | 2.3 |

Notes : \* Not seasonally adjusted, but 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 | Q3 |
| Age |  |  |  |  |  |  |  |
| 15-24 | 10.6 | 11.9 | 12.2 | 9.1 | 7.9 | 9.3 | 10.2 |
| *of which:* |  |  |  |  |  |  |  |
| *15-19* | *14.4* | *18.5* | *16.4* | *11.7* | *9.8* | *11.2* | *11.4* |
|  |  |  |  |  |  |  |  |
| *20-24* | *10.2* | *11.2* | *11.6* | *8.8* | *7.7* | *9.1* | *10.0* |
|  |  |  |  |  |  |  |  |
| 25-29 | 6.0 | 5.7 | 6.1 | 5.2 | 4.5 | 4.0 | 4.4 |
|  |  |  |  |  |  |  |  |
| 30-39 | 3.7 | 3.7 | 3.3 | 2.4 | 2.5 | 2.3 | 2.2 |
|  |  |  |  |  |  |  |  |
| 40-49 | 4.2 | 4.2 | 2.9 | 2.6 | 2.4 | 2.5 | 2.3 |
|  |  |  |  |  |  |  |  |
| 50-59 | 5.6 | 4.9 | 4.0 | 3.3 | 3.2 | 2.9 | 2.8 |
|  |  |  |  |  |  |  |  |
| ≥ 60 | 4.9 | 4.5 | 3.6 | 2.8 | 2.2 | 2.4 | 2.2 |
| Educational attainment |  |  |  |  |  |  |  |
| Primary education and below | 5.8 | 5.0 | 2.7 | 2.8 | 2.4 | 2.3 | 1.9 |
|  |  |  |  |  |  |  |  |
| Lower secondary education | 7.2 | 6.5 | 5.2 | 4.1 | 4.2 | 3.9 | 3.3 |
|  |  |  |  |  |  |  |  |
| Upper secondary education^ | 5.5 | 5.2 | 4.2 | 3.1 | 3.0 | 3.1 | 2.6 |
|  |  |  |  |  |  |  |  |
| Post-secondary education | 3.8 | 3.9 | 4.0 | 3.3 | 2.9 | 2.7 | 3.3 |
|  |  |  |  |  |  |  |  |

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 The situation on unemployment duration improved further in the third quarter. The long-term unemployment rate (i.e. the proportion of persons unemployed for six months or longer in the labour force) declined further by 0.2 percentage point from the preceding quarter to 0.7% in the third quarter, and the number of long-term unemployed persons decreased by 12.9% (or 4 200) to 28 300. The median duration of unemployment shortened by 14 days to 66 days.

**Underemployment situation**

5.9 The underemployment rate edged down further from 1.1% in the second quarter to 1.0% in the third quarter. The number of underemployed persons decreased by 8.8% (or 3 700) to 37 900.

**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 June. 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 second quarter. Total private sector employment increased further by 0.6% in June over three months ago on a seasonally adjusted basis. On a year-on-year comparison, total private sector employment (not seasonally adjusted) showed a widened increase of 2.4% to 2 738 300. Employment in a majority of the selected industries (not seasonally adjusted) increased both over three months ago and over a year earlier. In particular, employment in the industries of arts, entertainment, recreation and other services, construction sites (covering manual workers only), cleaning and similar services, retail, and information and communications increased visibly over three months ago. On a year-on-year comparison, employment in the industries of arts, entertainment, recreation and other services, construction sites (covering manual workers only), residential care and social work services, and accommodation services saw visible increases.

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | |
|  | Annual |  |  |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | Mar | Jun |
| 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) | 427 600  (-1.7) |
|  |  |  |  |  |  |  |  |
| 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) | 251 900  (2.9) |
|  |  |  |  |  |  |  |  |
| 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) | 35 200  (5.5) |
|  |  |  |  |  |  |  |  |
| 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) | 224 600  (3.4) |
|  |  |  |  |  |  |  |  |
| 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) | 163 000  (0.3) |
|  |  |  |  |  |  |  |  |
| 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) | 108 800  (2.5) |
|  |  |  |  |  |  |  |  |
| 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) | 769 700  (2.6) |
| *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)* | *83 900*  *(2.7)* |
|  |  |  |  |  |  |  |  |
| 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) | 559 700  (4.8) |
| *of which:* |  |  |  |  |  |  |  |
| *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)* | *69 600*  *(5.9)* |
| *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)* | *123 000*  *(7.6)* |
|  |  |  |  |  |  |  |  |
| 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) | 74 800  (-0.2) |
|  |  |  |  |  |  |  |  |
| 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) | 111 000  (7.4) |
|  |  |  |  |  |  |  |  |
| **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)**  **<-0.3>** | **2 686 900**  **(-1.1)**  **<0.3>** | **2 702 000**  **(-0.8)**  **<0.4>** | **2 719 800**  **(1.5)**  **<1.0>** | **2 738 300**  **(2.4)**  **<0.6>** |
|  |  |  |  |  |  |  |  |
| *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)* | *172 700*  *(-1.4)* |

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 4.0% in June over three months ago on a seasonally adjusted basis. Compared with a year ago, private sector vacancies (not seasonally adjusted) surged by 30.3% to 81 460.

5.13 The number of vacancies in a majority of the selected industries increased in June over three months ago. On a year-on-year comparison, all selected major industries recorded notable increases in vacancy.

5.14 The manpower balance situation tightened further in June. The ratio of job vacancies per 100 unemployed persons increased further to 72 in June from 68 three months ago. Manpower shortage situation was acute in the education sector, the residential care and social work services sector, the accommodation 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 | Jun |
|  |  |  |  |  |  |  |  |
| 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) | 4 220  (17.0) |
|  |  |  |  |  |  |  |  |
| 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) | 6 600  (35.2) |
|  |  |  |  |  |  |  |  |
| 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) | 2 620  (46.5) |
|  |  |  |  |  |  |  |  |
| 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) | 6 050  (28.7) |
|  |  |  |  |  |  |  |  |
| 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) | 7 020  (87.7) |
|  |  |  |  |  |  |  |  |
| 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) | 3 040  (9.2) |
|  |  |  |  |  |  |  |  |
| 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) | 20 370  (19.7) |
| *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)* | *1 920*  *(62.0)* |
|  |  |  |  |  |  |  |  |
| 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) | 26 040  (21.8) |
|  |  |  |  |  |  |  |  |
| *of which:* |  |  |  |  |  |  |  |
| *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)* | *5 460*  *(13.6)* |
| *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)* | *5 510*  *(68.9)* |
|  |  |  |  |  |  |  |  |
| 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) | 2 480  (51.1) |
|  |  |  |  |  |  |  |  |
| Construction sites (covering manual workers only) | 520  (177.1) | 270  (244.9) | 630  (153.6) | 640  (291.5) | 540  (106.9) | 640  (139.4) | 2 760  (335.8) |
|  |  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(b)** | **66 050**  **(31.9)** | **53 700**  **(36.5)**  **<-11.1>** | **62 500**  **(37.5)**  **<15.4>** | **74 840**  **(37.2)**  **<12.4>** | **73 150**  **(20.0)**  **<4.1>** | **77 750**  **(44.8)**  **<7.2>** | **81 460**  **(30.3)**  **<4.0>** |
|  |  |  |  |  |  |  |  |
| *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)* | *19 700*  *(12.7)* |

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, its monthly average was 101 400 in the third quarter, broadly on par with the level in the preceding quarter, and 12% above the monthly average in 2022.

**Wages and earnings**

5.16 Wages and labour earnings saw accelerated year-on-year growth in nominal terms in the second quarter, and continued to show increases in real terms after discounting for inflation(7). 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 3.5% year-on-year in June, faster than the increase of 3.2% three months ago. In real terms, the average wage rate increased by 1.4%.

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 3.2% year-on-year in the second quarter, also faster than the increase of 3.0% in the preceding quarter. In real terms, labour earnings increased by 1.1%.

5.18 Nominal payroll per person engaged in all selected industries recorded year-on-year increases in the second quarter, particularly for transportation, storage, postal and courier services (up 9.9%), accommodation and food service activities (up 5.2%) and sewerage, waste management and remediation activities (up 4.6%). The gains in many 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 the median monthly employment earnings and the median monthly household income continued to attain decent growth in the third quarter over a year earlier. The median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased by 7.1% in nominal terms or 5.2% in real terms(9). The median monthly household income (excluding foreign domestic helpers) increased by 6.3% in nominal terms or 4.3% in real terms(10).

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

5.20 The Government launched a series of measures in the end of 2022 to attract more high-quality talents from all around the world. These included the introduction of the Top Talent Pass Scheme (TTPS) and enhancements to the existing talent admission schemes. Response thus far has been positive. In the first nine months of 2023, some 160 000 applications were received under the various talent admission schemes, with over 100 000 approved (including about 39 000 under TTPS). Around 60 000 talents came to Hong Kong, far exceeding the Government’s key performance indicator of drawing at least 35 000 talents per year.

5.21 In the 2023 Policy Address, the Chief Executive (CE) announced a number of further new measures to attract and retain talents. The physical office of the Hong Kong Talent Engage was established in late October to provide support for incoming talents and follow up with their development and needs after arrival. Besides, the list of eligible universities under the TTPS was expanded on 1 November to add eight top institutions from the Mainland and overseas, making a total of 184 institutions*.* Moreover, the Government will implement the Capital Investment Entrant Scheme, under which eligible investors who make investments of $30 million or above in assets such as stocks, funds, bonds, etc. (excluding real estate) can apply for entry into Hong Kong. Separately, the Government will launch the Vocational Professionals Admission Scheme on a pilot basis for two years. Starting from the 2024/25 admission cohort, non-local students of designated full-time professional Higher Diploma programme of the Vocational Training Council will be allowed to stay in Hong Kong for one year after graduation to seek jobs relevant to their disciplines. Furthermore, from 1 November 2023, full-time non-local postgraduate students are temporarily exempted from the restrictions on taking up part-time jobs to enhance their experience and understanding of working in Hong Kong and increase their incentive to stay for development after graduation.

5.22 The Policy Address also unveiled measures to encourage more locals to join the labour market. First, the Government will strengthen support for working families in childbearing and unleash their labour force. Among these measures, starting from April 2024, the rates of the household and child allowances under the Working Family Allowance Scheme will be increased by 15%. Over the next three years starting from 2024, 10 more aided standalone child care centres will be set up in phases, and the After‑School Care Programme for Pre‑primary Children will be extended in phases to cover all districts in Hong Kong. Second, the Government will strengthen re-training and promote re-employment. Among these measures, the maximum monthly retraining allowance will be increased from $5,800 to $8,000 after the relevant legislative amendments in early 2024. A three-year Re-employment Allowance Pilot Scheme will be launched to encourage the elderly and middle-aged persons aged 40 or above who have not been in paid employment for three consecutive months or more to rejoin the labour market.

5.23 To address the labour shortage issue, the Government also implemented various measures on labour importation on the premise of safeguarding the employment priority for local workers. The approval process for the first round of applications under each sector-specific labour importation scheme was completed from August to October 2023. Specifically, around 1 000 quotas were approved under the scheme to import care workers for residential care homes. Moreover, 4 680, 2 841 and 969 quotas were approved under the labour importation schemes for the construction sector, the aviation industry, and the public light bus/coach trade respectively. Separately, the Enhanced Supplementary Labour Scheme was launched on 4 September 2023.

5.24 The Minimum Wage Commission (MWC) completed the study on enhancing the review mechanism of Statutory Minimum Wage and submitted a report to the Chief Executive on 31 October 2023. The Government will examine and consider the recommendations made by MWC, and decide on the way forward of the review mechanism in six months’ time.

**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.

(9) The headline Composite CPI, being an indicator of overall consumer prices, is taken as the price deflator for the median monthly employment earnings of full-time employees (excluding foreign domestic helpers).

(10) The headline Composite CPI is also taken as the price deflator for the median monthly household income (excluding foreign domestic helpers).