**CHAPTER 6 : THE LABOUR SECTOR**

### Summary

* *Along with the local economic recovery, the labour market improved in 2023. The seasonally adjusted unemployment rate declined to 2.8% and 2.9% in the third and fourth quarters respectively. The underemployment rate declined to 1.0% in both the third and fourth quarters.*
* *The unemployment rates of various major sectors were generally low in the fourth quarter of 2023. Compared with a year earlier, the unemployment rates of most major sectors declined, particularly those of the arts, entertainment and recreation sector, the transportation and storage sector, the construction sector, and the retail, accommodation and food services sector.*
* *Establishment surveys indicated that growth in nominal wages and labour earnings accelerated in the first three quarters of 2023, yielding solid growth in real terms after discounting for inflation. General Household Survey (GHS) data indicated that employment earnings and household income attained decent growth throughout the year.*

**Overall labour market situation(1)**

6.1 Along with the local economic recovery, the labour market improved in 2023. The seasonally adjusted *unemployment rate*(2) declined from 3.5% in the fourth quarter of 2022 to 2.8% and 2.9% in the third and fourth quarters of 2023. The *underemployment rate*(3) declined from 1.5% in the fourth quarter of 2022 to 1.0% in both the third and fourth quarters of 2023. The unemployment rates of various major sectors were generally low in the fourth quarter of 2023. Compared with a year earlier, the unemployment rates of most major sectors declined, particularly those of the arts, entertainment and recreation sector, the transportation and storage sector, the construction sector, and the retail, accommodation and food services sector. Establishment surveys indicated that growth in nominal wages and labour earnings accelerated in the first three quarters of 2023, yielding solid growth in real terms after discounting for inflation. General Household Survey data indicated that employment earnings and household income attained decent growth throughout the year.



Note : # Provisional figures.

**Table 6.1 : 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 Annual# | 2.9 | 1.1 | 0.8 |
|  |  |  |  |
| Q1 | 3.1 | 1.2 | 1.0 |
| Q2 | 2.9 | 1.1 | 0.9 |
| Q3 | 2.8 | 1.0 | 0.7 |
| Q4 | 2.9 | 1.0 | 0.7 |

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

# Provisional figures.

Source : General Household Survey, Census and Statistics Department.

**Labour force and total employment**

6.2 The *labour force*(4) continued to be constrained by the secular trend of population ageing in 2023. Notwithstanding a bounce-back in the second and third quarters of 2023 amid an increase in the working-age population (i.e. land-based non-institutional population aged 15 and above), the labour force shrank again in the fourth quarter. Compared with a year ago, the labour force declined by 0.9% to 3 812 500 in the fourth quarter. This mainly reflected the decline of 0.7 percentage point in the overall labour force participation rate to a record low of 57.3% as a result of the persistent drag from population ageing, which more than offset the increase of 0.3% in the working-age population to 6 649 400.

6.3 *Total employment*(5) rebounded in the second and third quarters of 2023, before declining again in the fourth quarter. Compared with a year ago, total employment declined by 0.4% to 3 706 800. Employment of many major sectors declined, particularly for the import/export trade and wholesale sector, the postal and courier activities sector, the warehousing and support activities for transportation sector, the manufacturing sector, and the financing and insurance sector. Employment of some major sectors increased, notably for the social work activities sector, the education sector, the information and communications sector, and the construction sector.

**Table 6.2 : 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 Annual# | 3 804 600 (0.8) | 3 692 500 (2.2) | 112 100 | 40 800 |
|  |  |  |  |  |
| 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 |
| Q3 | 3 834 300 (0.7) | 3 720 300 (1.9) | 114 000 | 37 900 |
| Q4 | 3 812 500 (-0.9) | 3 706 800 (-0.4) | 105 700 | 37 000 |
|  | <-0.6> | <-0.4> |  |  |

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 fourth quarter of 2023.

# Provisional figures.

Source : General Household Survey, Census and Statistics Department.



**Table 6.3 : Labour** **force participation rates by gender and by age group (%)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | 2020 | 2021 | 2022 | 2023# | 2023  Q1 | 2023  Q2 | 2023  Q3 | 2023  Q4 |
| Male |  |  |  |  |  |  |  |  |  |
| 15-24 | 39.2 | 35.4 | 34.4 | 31.4 | 30.4 | 29.9 | 29.8 | 32.0 | 29.9 |
| *of which:* |  |  |  |  |  |  |  |  |  |
| *15-19* | *11.3* | *7.3* | *6.6* | *7.0* | *7.4* | *6.5* | *6.3* | *9.2* | *7.7* |
| *20-24* | *59.6* | *56.5* | *57.2* | *53.3* | *52.5* | *52.7* | *52.2* | *53.9* | *51.2* |
| 25-29 | 91.3 | 90.8 | 91.7 | 89.7 | 87.9 | 88.4 | 87.4 | 87.1 | 88.9 |
| 30-39 | 95.9 | 95.0 | 95.2 | 94.0 | 94.1 | 93.6 | 93.9 | 94.6 | 94.3 |
| 40-49 | 93.9 | 93.5 | 93.5 | 93.4 | 93.7 | 93.8 | 94.2 | 93.8 | 93.0 |
| 50-59 | 85.2 | 84.8 | 85.4 | 85.2 | 85.2 | 85.1 | 85.2 | 85.2 | 85.2 |
| ≥ 60 | 32.0 | 31.6 | 31.0 | 32.0 | 31.6 | 31.9 | 31.2 | 31.9 | 31.2 |
|  |  |  |  |  |  |  |  |  |  |
| Overall | 67.6 | 66.3 | 65.8 | 64.7 | 63.7 | 64.0 | 63.6 | 64.0 | 63.3 |
|  |  |  |  |  |  |  |  |  |  |
| Female |  |  |  |  |  |  |  |  |  |
| 15-24 | 40.5 | 36.6 | 35.3 | 32.5 | 31.3 | 31.6 | 30.0 | 32.6 | 30.8 |
| *of which:* |  |  |  |  |  |  |  |  |  |
| *15-19* | *11.6* | *7.2* | *7.8* | *7.7* | *7.5* | *7.0* | *6.6* | *9.7* | *6.7* |
| *20-24* | *60.1* | *57.8* | *57.5* | *54.2* | *52.7* | *54.4* | *50.9* | *53.1* | *52.5* |
| 25-29 | 87.5 | 87.5 | 88.2 | 86.2 | 85.5 | 86.1 | 85.4 | 85.6 | 84.7 |
| 30-39 | 79.3 | 79.1 | 79.3 | 78.9 | 80.0 | 79.5 | 80.1 | 80.1 | 80.4 |
| 40-49 | 73.7 | 73.6 | 74.3 | 74.0 | 74.8 | 74.4 | 74.5 | 75.2 | 75.2 |
| 50-59 | 62.3 | 62.9 | 64.0 | 64.6 | 65.1 | 65.1 | 64.3 | 65.1 | 65.8 |
| ≥ 60 | 15.7 | 15.6 | 16.3 | 16.5 | 17.0 | 17.1 | 17.2 | 16.9 | 16.8 |
|  |  |  |  |  |  |  |  |  |  |
| Overall | 55.1 | 54.3 | 54.2 | 52.9 | 52.7 | 52.9 | 52.5 | 52.7 | 52.5 |
|  |  |  |  |  |  |  |  |  |  |
| Both genders combined |  |  |  |  |  |  |  |  |  |
| 15-24 | 39.8 | 36.0 | 34.9 | 31.9 | 30.8 | 30.8 | 29.9 | 32.3 | 30.3 |
| *of which:* |  |  |  |  |  |  |  |  |  |
| *15-19* | *11.5* | *7.3* | *7.2* | *7.3* | *7.5* | *6.8* | *6.4* | *9.4* | *7.2* |
| *20-24* | *59.9* | *57.2* | *57.4* | *53.8* | *52.6* | *53.6* | *51.5* | *53.5* | *51.9* |
| 25-29 | 89.2 | 89.0 | 89.8 | 87.9 | 86.6 | 87.2 | 86.3 | 86.3 | 86.7 |
| 30-39 | 86.0 | 85.6 | 85.9 | 85.3 | 86.0 | 85.5 | 86.0 | 86.2 | 86.3 |
| 40-49 | 82.0 | 81.8 | 82.1 | 81.9 | 82.5 | 82.2 | 82.5 | 82.8 | 82.4 |
| 50-59 | 72.7 | 72.7 | 73.4 | 73.5 | 73.7 | 73.7 | 73.3 | 73.8 | 74.1 |
| ≥ 60 | 23.5 | 23.2 | 23.3 | 23.9 | 23.9 | 24.1 | 23.8 | 24.0 | 23.6 |
|  |  |  |  |  |  |  |  |  |  |
| Overall | 60.7 | 59.7 | 59.4 | 58.2 | 57.6 | 57.9 | 57.5 | 57.8 | 57.3 |

Note : # Provisional figures.

Source : General Household Survey, Census and Statistics Department.

**Profile of unemployment**

6.4 The seasonally adjusted unemployment rate declined from 3.5% in the fourth quarter of 2022 to 3.1% in the first quarter of 2023, 2.9% in the second quarter and 2.8% in the third quarter, before edging up to 2.9% in the fourth quarter. The number of unemployed persons (not seasonally adjusted) decreased by 16.9% or 21 500 from a year earlier to 105 700 in the fourth quarter of 2023.

6.5 The unemployment rates of various major sectors (not seasonally adjusted) were generally low in the fourth quarter, broadly on par with the pre-recession levels in the second quarter of 2019. Compared with a year earlier, the unemployment rates of most major sectors declined, particularly those of the arts, entertainment and recreation sector (down 2.3 percentage points to 2.9%), the transportation and storage sector (down 1.7 percentage points to 2.4%), the construction sector (down 1.2 percentage points to 3.7%), and the retail, accommodation and food services sector (down 1.1 percentage points to 3.6%). For the *low-paying sectors*(6) as a whole, the unemployment rate declined by 0.6 percentage point from a year earlier to 2.3% in the fourth quarter.

6.6 Analysed by skill segment, the unemployment rate of lower-skilled workers declined by 0.7 percentage point from a year earlier to 2.8% in the fourth quarter, and that of the higher-skilled workers declined by 0.3 percentage point to 2.0%.

6.7 Analysed by other socio-economic attributes, the unemployment rates of all age and educational attainment groups declined in the fourth quarter from a year earlier, notably for those aged 15-29 (down 0.7 percentage point to 5.8%), those aged 50 or above (down 0.7 percentage point to 2.4%), those with primary education and below (down 0.6 percentage point to 2.2%), and those with upper secondary education (down 0.6 percentage point to 2.5%).





**Table 6.4 : Unemployment rates by major economic sector**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | Annual | Q1 | Q2 | Q3 | Q4 | Annual# | Q1 | Q2 | Q3 | Q4 |
|  |  |  |  |  |  |  |  |  |  |  |
| Import/export trade and wholesale | 3.3 | 3.9 | 3.5 | 3.3 | 2.8 | 2.8 | 2.7 | 2.8 | 2.8 | 3.0 |
|  |  |  |  |  |  |  |  |  |  |  |
| Retail, accommodation and food services | 6.8 | 8.9 | 7.4 | 5.9 | 4.7 | 3.9 | 4.2 | 4.0 | 3.7 | 3.6 |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Retail* | *6.1* | *7.7* | *6.6* | *5.7* | *4.6* | *3.5* | *3.8* | *3.5* | *3.5* | *3.2* |
|  |  |  |  |  |  |  |  |  |  |  |
| *Accommodation services* | *4.9* | *5.6* | *5.8* | *4.6* | *3.6* | *2.9* | *3.8* | *3.0* | *2.5* | *2.3* |
|  |  |  |  |  |  |  |  |  |  |  |
| *Food and beverage service activities* | *7.9* | *11.0* | *8.7* | *6.3* | *5.0* | *4.5* | *4.9* | *4.8* | *4.2* | *4.3* |
|  |  |  |  |  |  |  |  |  |  |  |
| Transportation, storage, postal and courier services | 5.1 | 5.3 | 6.0 | 5.0 | 4.0 | 2.8 | 3.3 | 3.1 | 2.6 | 2.4 |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Transportation and storage* | *5.3* | *5.6* | *6.3* | *5.1* | *4.1* | *2.9* | *3.4* | *3.1* | *2.6* | *2.4* |
|  |  |  |  |  |  |  |  |  |  |  |
| Information and communications | 4.0 | 4.6 | 4.2 | 4.0 | 3.3 | 3.4 | 3.5 | 3.4 | 3.4 | 3.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| Financing and insurance | 2.4 | 2.4 | 2.5 | 2.4 | 2.0 | 2.1 | 2.1 | 2.0 | 2.3 | 1.9 |
|  |  |  |  |  |  |  |  |  |  |  |
| Real estate | 2.6 | 2.4 | 2.9 | 2.7 | 2.5 | 2.4 | 2.6 | 2.6 | 2.1 | 2.1 |
|  |  |  |  |  |  |  |  |  |  |  |
| Professional and  business services | 3.0 | 3.4 | 3.4 | 2.8 | 2.5 | 2.7 | 2.6 | 2.8 | 2.8 | 2.7 |
|  |  |  |  |  |  |  |  |  |  |  |
| Public administration, social and personal services | 2.5 | 3.1 | 3.1 | 2.3 | 1.7 | 1.4 | 1.5 | 1.6 | 1.4 | 1.3 |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *Arts, entertainment and recreation* | *7.5* | *11.4* | *8.0* | *5.8* | *5.2* | *3.4* | *4.3* | *3.3* | *3.3* | *2.9* |
|  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing | 5.1 | 5.5 | 5.7 | 5.1 | 4.4 | 4.0 | 4.0 | 4.1 | 4.1 | 3.9 |
|  |  |  |  |  |  |  |  |  |  |  |
| Construction | 6.6 | 8.0 | 7.3 | 6.1 | 4.9 | 4.1 | 4.5 | 4.2 | 3.9 | 3.7 |
|  |  |  |  |  |  |  |  |  |  |  |
| Overall\* | 4.3 | 5.0 | 4.8 | 4.2 | 3.3 | 2.9 | 3.1 | 3.0 | 3.0 | 2.8 |
|  |  | (5.1) | (4.7) | (4.0) | (3.5) |  | (3.1) | (2.9) | (2.8) | (2.9) |

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

(  ) Seasonally adjusted unemployment rates.

# Provisional figures.

Source : General Household Survey, Census and Statistics Department.



**Table 6.5 : Unemployment rates**\* **by skill segment**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | Annual | Q1 | Q2 | Q3 | Q4 | Annual# | Q1 | Q2 | Q3 | Q4 |
|  |  |  |  |  |  |  |  |  |  |  |
| Higher-skilled segment | 2.7 | 3.2 | 3.0 | 2.6 | 2.3 | 2.1 | 2.1 | 2.1 | 2.2 | 2.0 |
|  |  |  |  |  |  |  |  |  |  |  |
| Managers | 2.2 | 2.7 | 2.4 | 2.1 | 1.7 | 1.6 | 1.4 | 1.5 | 1.7 | 1.8 |
|  |  |  |  |  |  |  |  |  |  |  |
| Professionals | 1.9 | 2.0 | 2.0 | 1.9 | 1.6 | 1.8 | 2.0 | 1.6 | 1.9 | 1.6 |
|  |  |  |  |  |  |  |  |  |  |  |
| Associate professionals | 3.6 | 4.1 | 4.1 | 3.3 | 3.0 | 2.7 | 2.7 | 2.9 | 2.8 | 2.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| Lower-skilled segment^ | 4.8 | 5.7 | 5.5 | 4.5 | 3.5 | 3.0 | 3.2 | 3.2 | 2.8 | 2.8 |
|  |  |  |  |  |  |  |  |  |  |  |
| Clerical support workers | 4.2 | 4.6 | 4.2 | 4.8 | 3.3 | 3.2 | 3.3 | 3.1 | 3.0 | 3.3 |
|  |  |  |  |  |  |  |  |  |  |  |
| Service and sales workers | 5.8 | 7.4 | 6.7 | 4.8 | 4.1 | 3.4 | 3.8 | 3.6 | 3.1 | 3.0 |
|  |  |  |  |  |  |  |  |  |  |  |
| Craft and related workers | 7.2 | 8.8 | 7.5 | 6.9 | 4.9 | 4.0 | 4.3 | 4.1 | 3.9 | 3.8 |
|  |  |  |  |  |  |  |  |  |  |  |
| Plant and machine operators and assemblers | 3.9 | 4.2 | 4.6 | 3.7 | 2.7 | 2.2 | 2.4 | 2.2 | 1.9 | 2.3 |
|  |  |  |  |  |  |  |  |  |  |  |
| Elementary occupations | 3.6 | 4.1 | 4.5 | 3.2 | 2.7 | 2.3 | 2.5 | 2.6 | 2.3 | 1.9 |

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

^ Including other occupations.

# Provisional figures.

Source : General Household Survey, Census and Statistics Department.

**Table 6.6 : Unemployment rates**\* **by age and educational attainment**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | | | | |
|  |  |  |  |  |  |  |  |  |  |  |
|  | Annual | Q1 | Q2 | Q3 | Q4 | Annual# | Q1 | Q2 | Q3 | Q4 |
| Age |  |  |  |  |  |  |  |  |  |  |
| 15-24 | 11.0 | 10.6 | 11.9 | 12.2 | 9.1 | 9.0 | 7.9 | 9.3 | 10.2 | 8.4 |
| *of which:* |  |  |  |  |  |  |  |  |  |  |
| *15-19* | *15.7* | *14.4* | *18.5* | *16.4* | *11.7* | *10.5* | *9.8* | *11.2* | *11.4* | *9.3* |
|  |  |  |  |  |  |  |  |  |  |  |
| *20-24* | *10.5* | *10.2* | *11.2* | *11.6* | *8.8* | *8.8* | *7.7* | *9.1* | *10.0* | *8.3* |
|  |  |  |  |  |  |  |  |  |  |  |
| 25-29 | 5.7 | 6.0 | 5.7 | 6.1 | 5.2 | 4.4 | 4.5 | 4.0 | 4.4 | 4.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| 30-39 | 3.3 | 3.7 | 3.7 | 3.3 | 2.4 | 2.3 | 2.5 | 2.3 | 2.2 | 2.1 |
|  |  |  |  |  |  |  |  |  |  |  |
| 40-49 | 3.5 | 4.2 | 4.2 | 2.9 | 2.6 | 2.3 | 2.4 | 2.5 | 2.3 | 2.2 |
|  |  |  |  |  |  |  |  |  |  |  |
| 50-59 | 4.5 | 5.6 | 4.9 | 4.0 | 3.3 | 2.9 | 3.2 | 2.9 | 2.8 | 2.6 |
|  |  |  |  |  |  |  |  |  |  |  |
| ≥ 60 | 3.9 | 4.9 | 4.5 | 3.6 | 2.8 | 2.2 | 2.2 | 2.4 | 2.2 | 2.1 |
| Educational attainment |  |  |  |  |  |  |  |  |  |  |
| Primary education and below | 4.2 | 5.8 | 5.0 | 2.7 | 2.8 | 2.2 | 2.4 | 2.3 | 1.9 | 2.2 |
|  |  |  |  |  |  |  |  |  |  |  |
| Lower secondary education | 5.8 | 7.2 | 6.5 | 5.2 | 4.1 | 3.7 | 4.2 | 3.9 | 3.3 | 3.6 |
|  |  |  |  |  |  |  |  |  |  |  |
| Upper secondary education^ | 4.5 | 5.5 | 5.2 | 4.2 | 3.1 | 2.8 | 3.0 | 3.1 | 2.6 | 2.5 |
|  |  |  |  |  |  |  |  |  |  |  |
| Post-secondary education | 3.7 | 3.8 | 3.9 | 4.0 | 3.3 | 2.9 | 2.9 | 2.7 | 3.3 | 2.8 |

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

^ Including craft courses.

# Provisional figures.

Source : General Household Survey, Census and Statistics Department.

6.8 The situation on unemployment duration improved in 2023 in general. The long-term unemployment rate (i.e. the proportion of persons unemployed for six months or longer in the labour force) declined by 0.4 percentage point from a year earlier to 0.7% in the fourth quarter of 2023, with the number of long-term unemployed persons declining by 32.0% or 13 400 to 28 400. The median duration of unemployment shortened by 4 days to 82 days.

**Underemployment situation**

6.9 The underemployment rate declined from 1.5% in the fourth quarter of 2022 to 1.2% in the first quarter of 2023, 1.1% in the second quarter and 1.0% in both the third and fourth quarters. The number of underemployed persons decreased by 33.9% or 18 900 from a year earlier to 37 000 in the fourth quarter of 2023.

**Profile of employment in establishments**

6.10 The quarterly statistics collected from private sector establishments on employment, vacancies, wages and payroll are available up to September 2023. Attempts have been made to bring the analysis more up-to-date by drawing reference to information from supplementary sources wherever possible.

6.11 Compared with three months ago on a seasonally adjusted basis, total private sector employment increased by 1.0% in March 2023 and 0.6% in June, and then held steady in September. Total private sector employment (not seasonally adjusted) in September, at 2 743 200, was 2.1% higher than a year earlier. Employment in many selected industries in September increased over a year ago, notably for arts, entertainment, recreation and other services; residential care and social work services; accommodation services; and professional and business services (excluding cleaning and similar services). On the other hand, employment in several selected industries declined from a year earlier, notably for import/export trade and wholesale.

**Table 6.7 : Employment by major economic sector**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | | |
|  | Annual |  |  |  |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | Mar | Jun | Sep |
| 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) | 425 400  (-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) | 252 100  (2.8) |
|  |  |  |  |  |  |  |  |  |
| Accommodation services | 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) | 35 300  (5.2) |
|  |  |  |  |  |  |  |  |  |
| 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) | 224 200  (1.0) |
|  |  |  |  |  |  |  |  |  |
| 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) | 164 800  (0.5) |
|  |  |  |  |  |  |  |  |  |
| 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) | 108 800  (2.5) | 108 600  (3.1) |
|  |  |  |  |  |  |  |  |  |
| 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) | 773 000  (2.8) |
| *of which:* |  |  |  |  |  |  |  |  |
| *Professional and business services (excluding cleaning and similar services)* | *300 200*  *(-2.1)* | *302 600*  *(-1.3)* | *297 200*  *(-3.1)* | *297 600*  *(-2.9)* | *303 300*  *(-0.9)* | *306 100*  *(1.1)* | *308 900*  *(3.9)* | *311 700*  *(4.8)* |
|  |  |  |  |  |  |  |  |  |
| 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) | 564 100  (5.2) |
| *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)* | *70 200*  *(5.5)* |
| *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)* | *124 900*  *(8.6)* |
|  |  |  |  |  |  |  |  |  |
| 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) | 74 000  (-0.5) |
|  |  |  |  |  |  |  |  |  |
| 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) | 109 600  (-0.1) |
|  |  |  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(a)** | **2 685 700**  **(-0.9)** | **2 680 500**  **(-0.4)**  **<-1.2>** | **2 673 200**  **(-1.3)**  **<-0.3>** | **2 686 900**  **(-1.1)**  **<0.4>** | **2 702 000**  **(-0.8)**  **<0.4>** | **2 719 800**  **(1.5)**  **<1.0>** | **2 738 300**  **(2.4)**  **<0.6>** | **2 743 200**  **(2.1)**  **<§>** |
|  |  |  |  |  |  |  |  |  |
| *Civil service(b)* | *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)* | *172 600*  *(-0.8)* |

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) 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.

(b) 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**

6.12 Compared with three months ago on a seasonally adjusted basis, private sector vacancies increased by 7.1% in March 2023 and 2.6% in June, before declining by 6.4% in September. On a year-on-year comparison, private sector vacancies (not seasonally adjusted) increased by 7.8% to 80 650 in September, with the number of vacancies in many selected industries showing increases.

6.13 The manpower balance situation tightened in 2023. The ratio of job vacancies per 100 unemployed persons was 71 in September, compared with 57 in December 2022. Manpower shortage situation remained acute in the human health services sector, the education sector, the residential care and social work services sector, and the accommodation services sector, with their corresponding ratios exceeding 200.

6.14 As to the number of job vacancies in the private sector received by the Labour Department, its monthly average was 85 700 in the fourth quarter of 2023, 15% lower than the preceding quarter and 5% lower than the monthly average in 2022.

**Table 6.8 : Vacancies by major economic sector**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2022 | | | | | 2023 | | |
|  |  |  |  |  |  |  |  |  |
|  | Annual |  |  |  |  |  |  |  |
|  | average | Mar | Jun | Sep | Dec | Mar | Jun | Sep |
|  |  |  |  |  |  |  |  |  |
| 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) | 3 860  (-6.3) |
|  |  |  |  |  |  |  |  |  |
| 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) | 5 900  (18.2) |
|  |  |  |  |  |  |  |  |  |
| Accommodation services | 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) | 2 540  (24.9) |
|  |  |  |  |  |  |  |  |  |
| 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) | 6 220  (12.2) |
|  |  |  |  |  |  |  |  |  |
| 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) | 6 850  (-9.0) |
|  |  |  |  |  |  |  |  |  |
| 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) | 2 860  (-5.2) |
|  |  |  |  |  |  |  |  |  |
| 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) | 18 490  (-0.3) |
| *of which:* |  |  |  |  |  |  |  |  |
| *Professional and business services (excluding cleaning and similar services)* | *6 040*  *(20.8)* | *6 010*  *(34.6)* | *5 890*  *(31.8)* | *6 100*  *(13.2)* | *6 180*  *(8.6)* | *6 800*  *(13.0)* | *7 500*  *(27.5)* | *6 570*  *(7.8)* |
|  |  |  |  |  |  |  |  |  |
| 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) | 28 410  (8.1) |
| *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)* | *5 540*  *(6.9)* |
| *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)* | *5 290*  *(39.1)* |
|  |  |  |  |  |  |  |  |  |
| 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) | 2 480  (51.1) | 2 690  (46.9) |
|  |  |  |  |  |  |  |  |  |
| 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) | 2 560  (298.9) |
|  |  |  |  |  |  |  |  |  |
| **All establishments surveyed in the private sector(a)** | **66 050**  **(31.9)** | **53 700**  **(36.5)**  **<-11.2>** | **62 500**  **(37.5)**  **<14.1>** | **74 840**  **(37.2)**  **<13.6>** | **73 150**  **(20.0)**  **<4.5>** | **77 750**  **(44.8)**  **<7.1>** | **81 460**  **(30.3)**  **<2.6>** | **80 650**  **(7.8)**  **<-6.4>** |
|  |  |  |  |  |  |  |  |  |
| *Civil service(b)* | *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)* | *19 450*  *(6.7)* |

Notes : (a) 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.

(b) 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.



**Wages and earnings**

6.15 Growth in nominal wages and labour earnings accelerated in the first three quarters of 2023. The year-on-year increase in 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, accelerated from 3.2% in March to 3.5% in June and further to 3.8% in September. After discounting for *inflation*(7), the average wage rate rose by 1.7% in real terms in September.

6.16 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 3.5% in the third quarter over a year earlier, after increases of 3.0% in the first quarter and 3.2% in the second quarter. After discounting for inflation, labour earnings rose by 1.5% in real terms in the third quarter.

6.17 Nominal payroll per person engaged in all selected industries recorded year-on-year increases in the third quarter of 2023, particularly for transportation, storage, postal and courier services (up 10.7%), accommodation and food service activities (up 5.4%) and sewerage, waste management and remediation activities (up 5.3%). 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.

6.18 More recent statistics compiled from the GHS, though not strictly comparable to those from the business establishment surveys, indicated that employment earnings and household income attained decent growth throughout 2023. On a year-on-year comparison, the median monthly employment earnings of full-time employees (excluding foreign domestic helpers) increased by 8.6% in nominal terms or 5.9% in real terms(9) in the fourth quarter of 2023. The median monthly household income (excluding foreign domestic helpers) increased by 3.5% in nominal terms or 0.9% in real terms(10) during the same period.

**Highlights of related measures and policy developments**

6.19 The Government has launched a series of measures since the end of 2022 to attract more high-quality talents from all around the world. Specifically, the Top Talent Pass Scheme (TTPS) was launched on 28 December 2022, and various enhancements to the existing talent admission schemes became effective on the same date. On 16 May 2023, the coverage of Talent List was expanded from 13 professions to 51, spanning across 9 industry segments. The 2023 Policy Address announced a number of further new measures to attract and retain talents. The physical office of the Hong Kong Talent Engage was subsequently established in late October 2023 to provide support for incoming talents and follow up with their development and needs after arrival. Furthermore, the list of eligible universities under the TTPS was expanded on 1 November 2023 to add eight top institutions from the Mainland and overseas. 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. Separately, the Government will launch the New Capital Investment Entrant Scheme with a view to attracting high-net-worth asset owners to set foot in Hong Kong and inject additional funds for investment. The Vocational Professionals Admission Scheme will also be launched on a pilot basis for two years starting from the 2024/25 admission cohort, under which 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.

6.20 Response to the Government’s efforts in trawling for talents has been positive. For 2023 as a whole, over 220 000 applications were received under the various talent admission schemes, with more than 130 000 approved (including about 50 000 under TTPS). Around 90 000 talents came to Hong Kong, far exceeding the Government’s key performance indicator of drawing at least 35 000 talents per year.

6.21 The Policy Address also unveiled measures to encourage more locals to join the labour market. The Government will strengthen re-training and promote re-employment. Among these measures, the maximum monthly retraining allowance was increased from $5,800 to $8,000, effective from 23 February 2024. Moreover, the Government will launch a three-year Re-employment Allowance Pilot Scheme in the third quarter of 2024 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. Furthermore, 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.

6.22 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. Specifically, the special scheme to import care workers for residential care homes was launched in June 2023, and the sector-specific labour importation schemes for the construction and transport sectors were launched in July 2023. By the end of 2023, around 2 000 quotas were approved for residential care homes to import additional care workers. 7 184 quotas were approved under the labour importation scheme for the construction sector (including 835 quotas previously approved under the Supplementary Labour Scheme). A total of 3 810 quotas were approved under the labour importation scheme for the transport sector, of which 2 841 were for the aviation industry and 969 were for the public light bus/coach trade. Separately, the Enhanced Supplementary Labour Scheme was launched on 4 September 2023.

6.23 The Minimum Wage Commission (MWC) submitted the study report on enhancing the review mechanism of Statutory Minimum Wage to the Government 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).