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JOBLESS RATE FALLS TO LOWEST LEVEL SINCE PANDEMIC BEGAN

Official figure now stands at 5 per cent, the latest sign city's economic recovery is on solid footing

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Hong Kong's unemployment rate has fallen to the lowest level since the start of the coronavirus pandemic last year, easing markedly to 5 per cent in the three months to the end of July.

The rolling figure was down 0.5 percentage points over the previous quarter, the Census and Statistics Department revealed yesterday, providing the latest sign that the city's economic recovery was on a solid footing.

According to the figures, about 198,400 people remained out of

work, roughly 14,700 fewer than in the preceding quarter, while the number of underemployed fell by 3.85 per cent, to 92,300 residents.

Joblessness declined across almost all major business areas. The rate fell by 1.4 percentage points to 8.6 per cent in the food and beverage sector, by 0.7 percentage points to 6.8 per cent in retail and by 0.8 percentage points to 8.1 per cent in construction.

Looking ahead, Secretary for Labour and Welfare Law Chi-kwong said the labour market should "continue to improve along with the economic

recovery", adding the government's HK\$36 billion e-voucher scheme would also help.

"However, the economic and labour market outlook is still subject to uncertainty, mainly stemming from the spread of more infectious Covid-19 variants in many places around the world," he warned.

The latest jobless rate is the lowest since the beginning of the pandemic last year, when it reached 4.2 per cent in the January to March period, before it gradually worsened to 7.2 per cent for the three months ending in February – the worst showing since 2004.

In late April, shortly before the end of the fourth wave of infections, the government rolled out a vaccine bubble scheme and further eased restrictions for certain businesses based on the vaccination status of staff and customers.

Official figures released last Friday showed the city's gross domestic product grew 7.6 per cent year on year in the second quarter, with the economy projected to expand by between 5.5 per cent and 6.5 per cent this year.

Iris Pang, ING Bank Greater China economist, said she expected the jobless rate would drop further this month as business in

sectors such as restaurants and hotels picked up at a quicker pace, buoyed by the e-voucher scheme.

"Consumer spending has been growing robustly with staycation packages getting highly popular," she said. "We have seen restaurants and hotels hiring back more people now."

But she echoed the minister's warning that the emergence of more Covid-19 variants clouded the employment outlook going forward.

"I envisage that after summer the economic recovery will slow down as the impact of the e-voucher scheme subsides," Pang said. "There will be some hiccups along the way."