

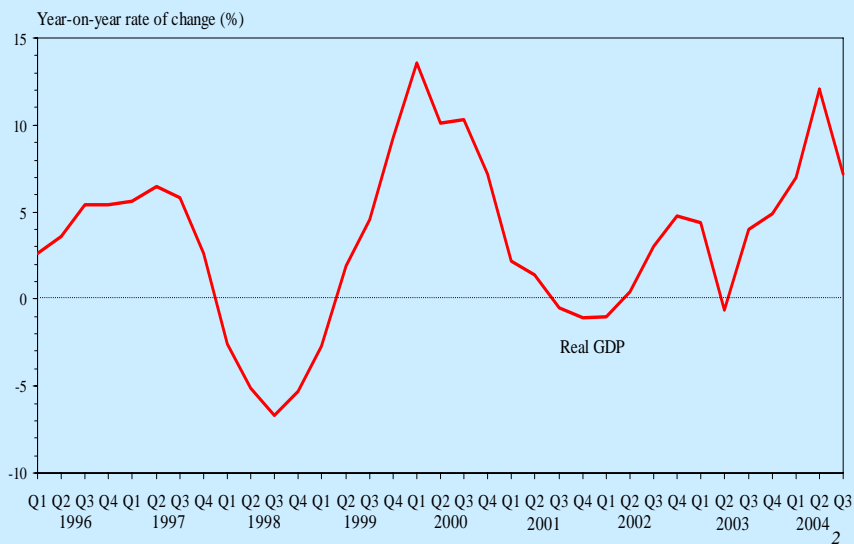
## Press briefing

# An analysis of HK's unemployment

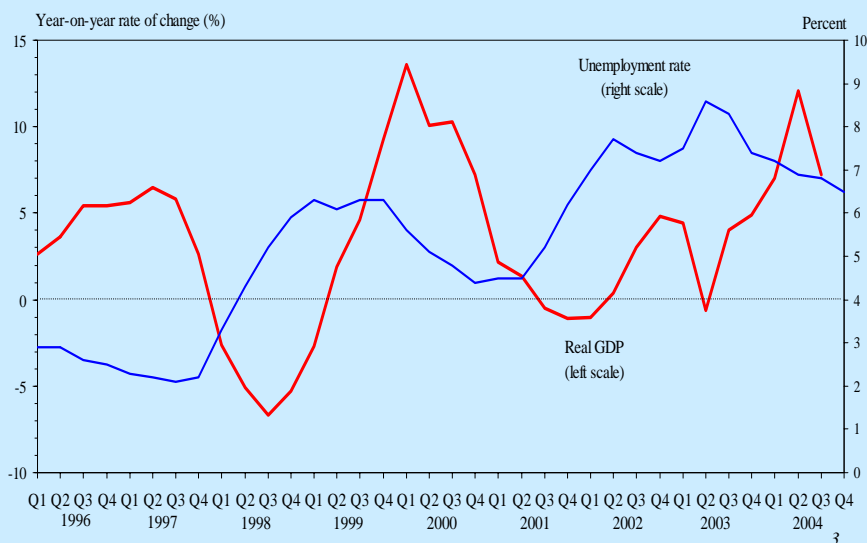
2 March 2005

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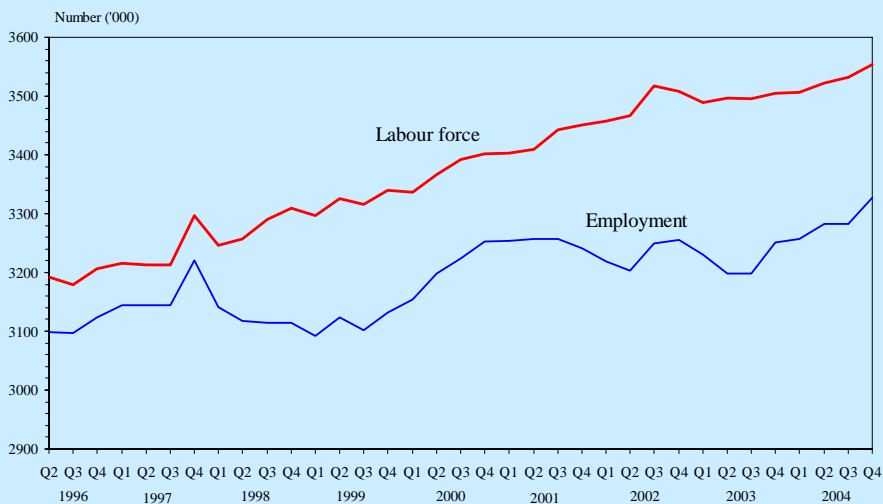
## GDP growth rate



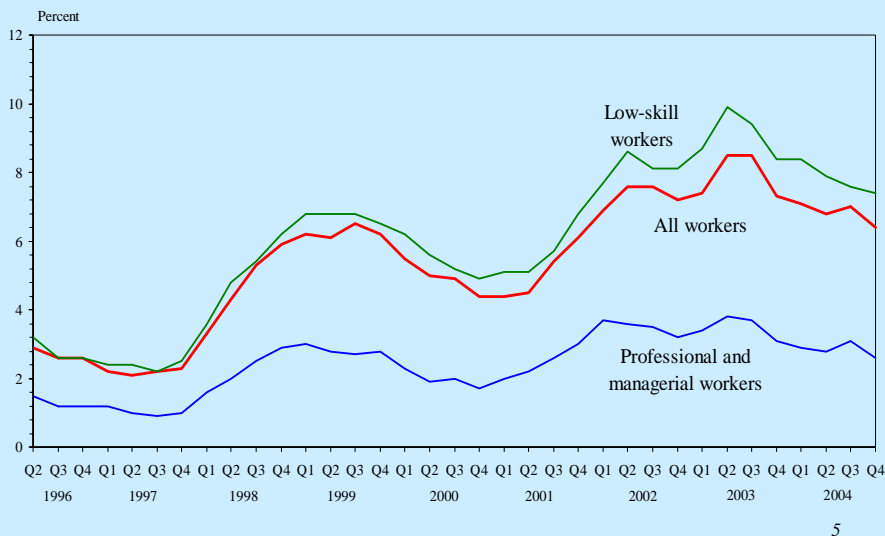
## GDP and unemployment rate



## Labour demand and supply



## Unemployment rate



## Employed persons, unemployed persons and unemployment rate by occupation category

	Increase in employment from May-Jul 2003 to Nov 2004-Jan 2005	No. of employed persons in Nov 2004-Jan 2005	No. of unemployed persons in Nov 2004-Jan 2005	Unemployment rate in Nov 2004-Jan 2005 (%)
<b>Higher-skilled workers</b>	<b>87,000</b>	<b>1,141,000 (34.1%)</b>	<b>28,000</b>	<b>2.4</b>
Managers and administrators	30,400	296,000 (8.9%)	6,000	2.0
Professionals	20,900	225,000 (6.7%)	4,000	1.6
Associate professionals	34,700	619,000 (18.5%)	18,000	2.8
<b>Lower-skilled workers</b>	<b>66,600</b>	<b>2,195,000 (65.7%)</b>	<b>167,000</b>	<b>7.1</b>
Clerks	-4,700	528,000 (15.8%)	24,000	4.4
Service workers and shop sales workers	62,400	529,000 (15.8%)	43,000	7.5
Craft and related workers	5,400	279,000 (8.3%)	37,000	11.6
Plant and machine operators and assemblers	-7,700	234,000 (7.0%)	13,000	5.3
Elementary occupations	11,200	625,000 (18.7%)	51,000	7.5
Others	300	7,000 (0.2%)	0	5.1
<b>TOTAL</b>	<b>153,900</b>	<b>3,343,000 (100.0%)</b>	<b>214,000 #</b>	<b>6.4 *</b>

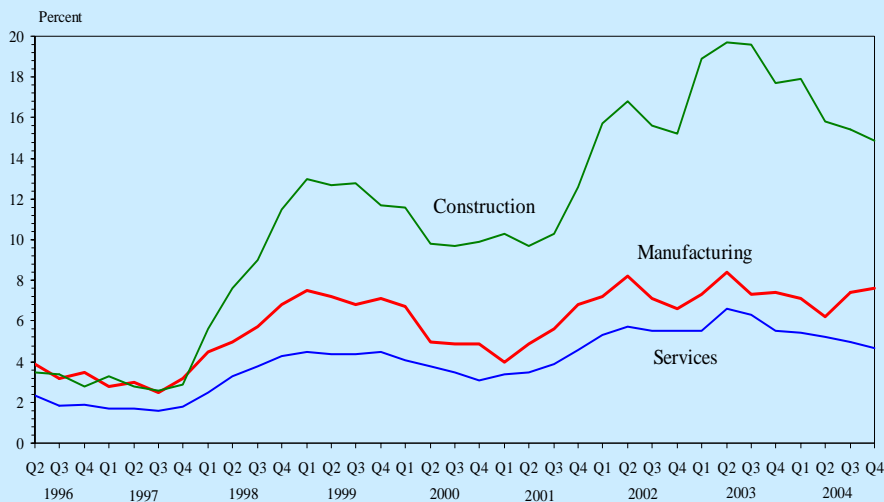
Notes : Figures for Nov 2004 - Jan 2005 are provisional.

(#) These include first-time job-seekers and re-entrants into the labour force, and hence larger than summation of the individual occupation categories.

( ) Figures in brackets represent % share in the total.

(\*) Seasonally adjusted.

## Unemployment rate by major economic sector



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## Employed persons, unemployed persons and unemployment rate by economic sector

	No. of employed persons in Q4 1996	No. of employed persons in Nov 2004-Jan 2005	No. of unemployed persons in Nov 2004-Jan 2005	Unemployment rate in Nov 2004-Jan 2005 (%)
<b>Manufacturing</b>	465,600 (14.9%)	225,000 (6.7%)	16,000	6.5
<b>Construction</b>	288,000 (9.2%)	275,000 (8.2%)	47,000	14.7
<b>Service sector</b>	2,334,900 (74.7%)	2,820,000 (84.4%)	133,000	4.5
Distributive and catering trades	934,200 (29.9%)	1,088,000 (32.5%)	69,000	6.0
Wholesale/retail	371,200 (11.9%)	346,000 (10.4%)	25,000	6.8
Import/export	326,200 (10.4%)	490,000 (14.7%)	17,000	3.4
Restaurants/hotels	236,800 (7.6%)	252,000 (7.5%)	27,000	9.5
Transport, storage and communications	337,600 (10.8%)	361,000 (10.8%)	16,000	4.2
Financing, insurance, real estate and business services	380,500 (12.2%)	489,000 (14.6%)	19,000	3.7
Community, social and personal services	682,600 (21.8%)	882,000 (26.4%)	29,000	3.2
Others	35,800 (1.1%)	22,000 (0.7%)	0	1.3
<b>TOTAL</b>	<b>3,124,300 (100.0%)</b>	<b>3,343,000 (100.0%)</b>	<b>214,000 #</b>	<b>6.4 *</b>

Notes : Figures for Nov 2004 - Jan 2005 are provisional.

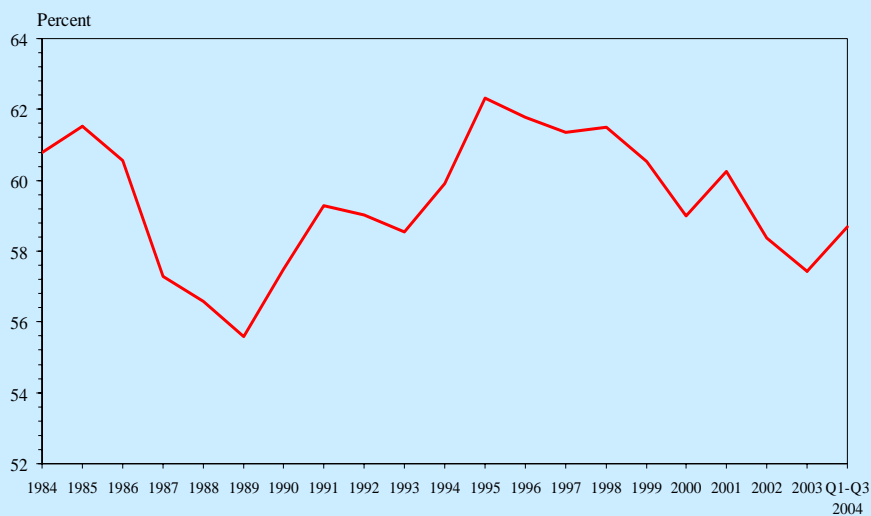
( ) Figures in brackets represent % share in the total.

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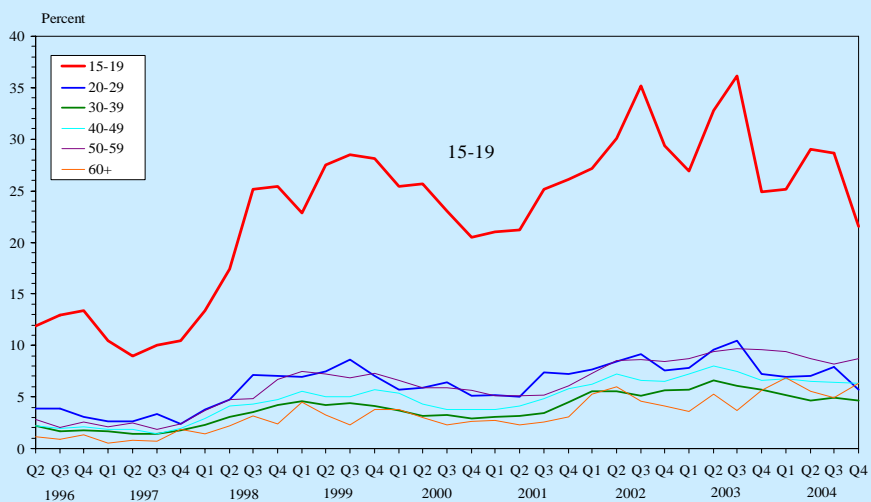
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## Private Consumption Expenditure as % of GDP



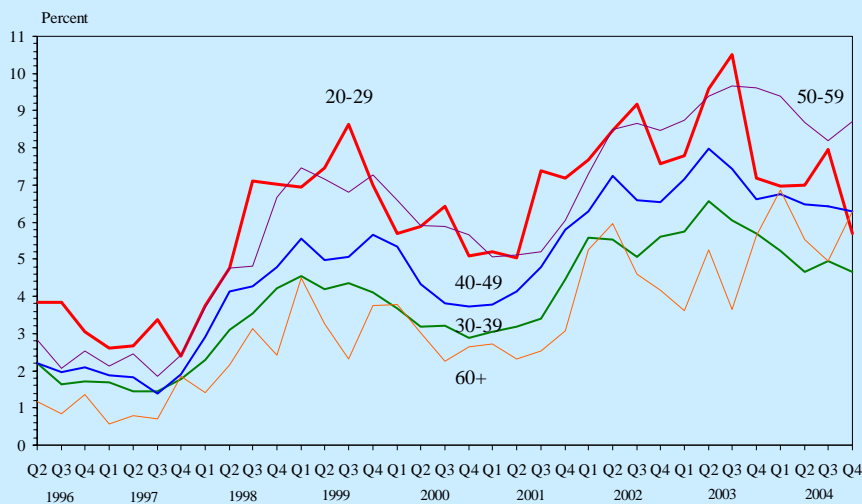
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## Unemployment rate by age group



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## Unemployment rate by age group



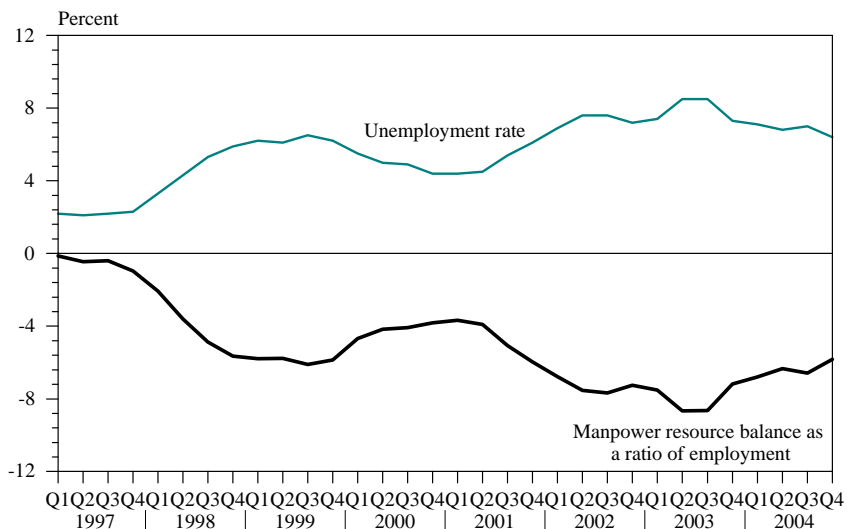
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## Employed persons, unemployed persons and unemployment rate by age group

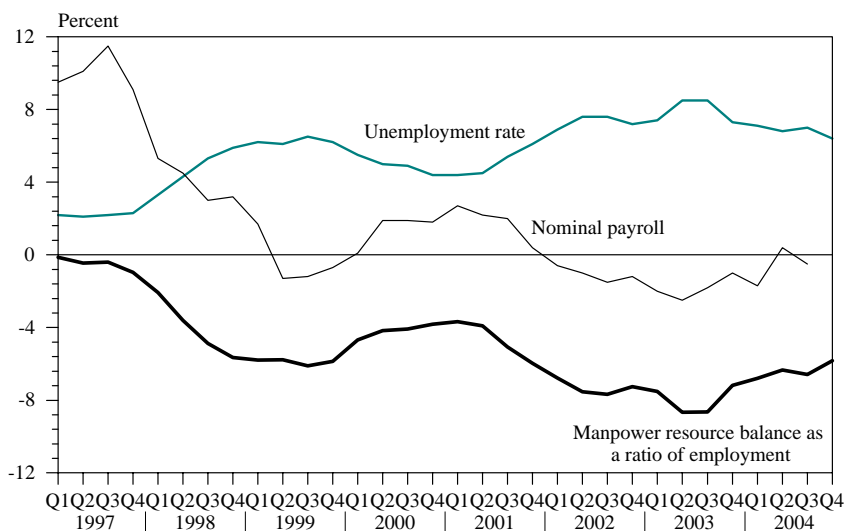
	Increase in employment from May-Jul 2003 to Nov 2004-Jan 2005	No. of employed persons in Nov 2004-Jan 2005	No. of unemployed persons in Nov 2004-Jan 2005	Unemployment rate in Nov 2004-Jan 2005 (%)
15-19	8,000	57,000 (1.7%)	12,000	18.1
20-29	22,900	712,000 (21.3%)	41,000	5.4
30-39	1,000	954,000 (28.5%)	46,000	4.6
40-49	66,600	1,001,000 (29.9%)	62,000	5.8
50-59	52,200	512,000 (15.3%)	47,000	8.3
60+	3,100	107,000 (3.2%)	6,000	5.6
<b>TOTAL</b>	<b>153,900</b>	<b>3,343,000 (100.0%)</b>	<b>214,000</b>	<b>6.4 *</b>

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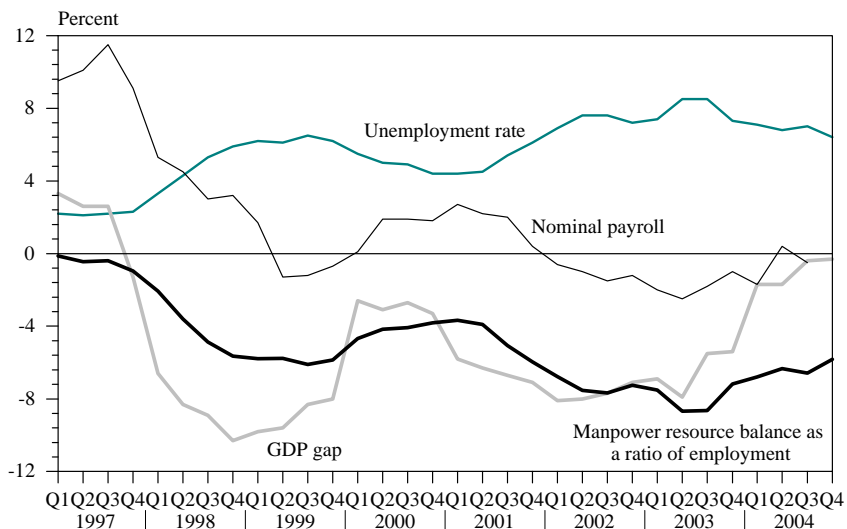
## Labour market indicators for all workers



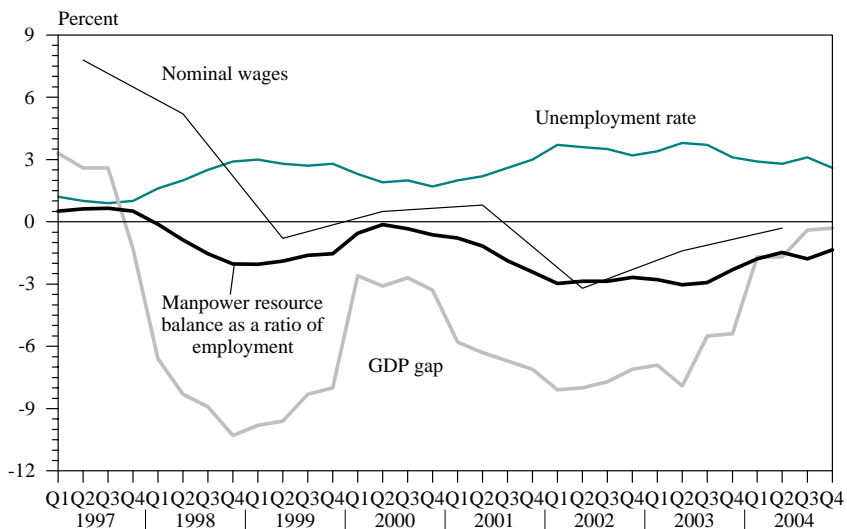
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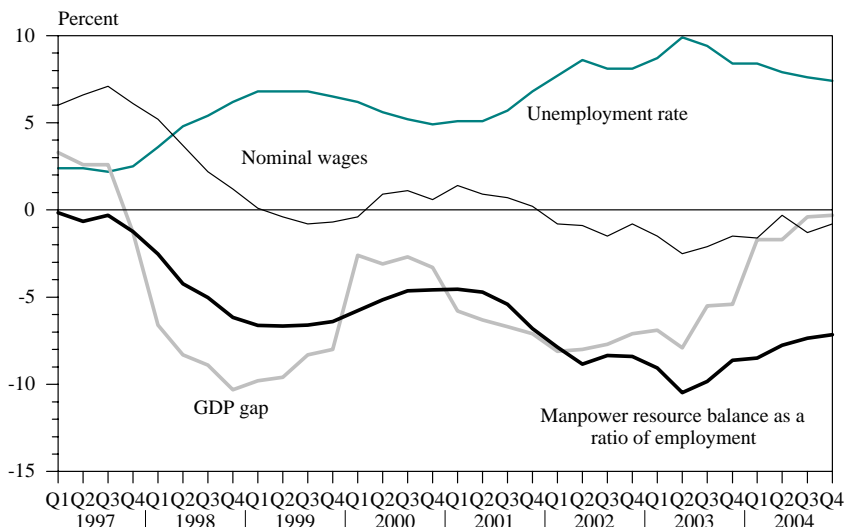


### Labour market indicators for professional and managerial workers

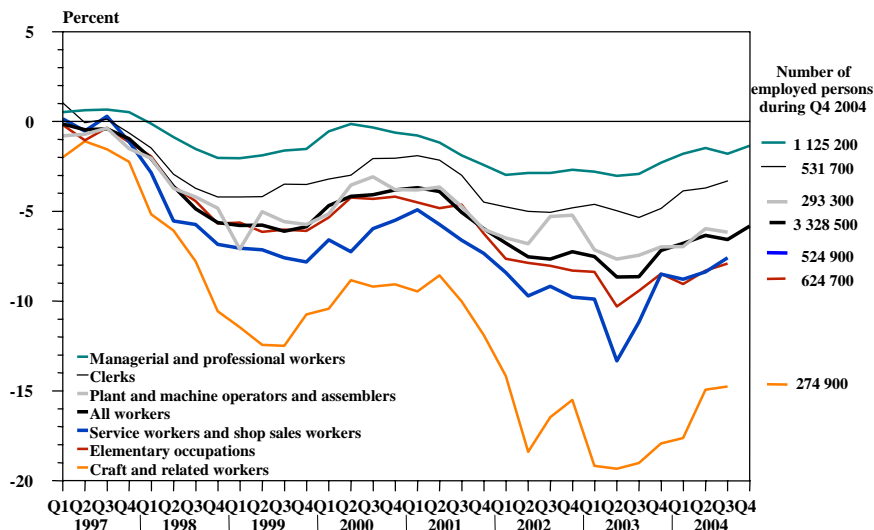




## Labour market indicators for lower-skilled workers

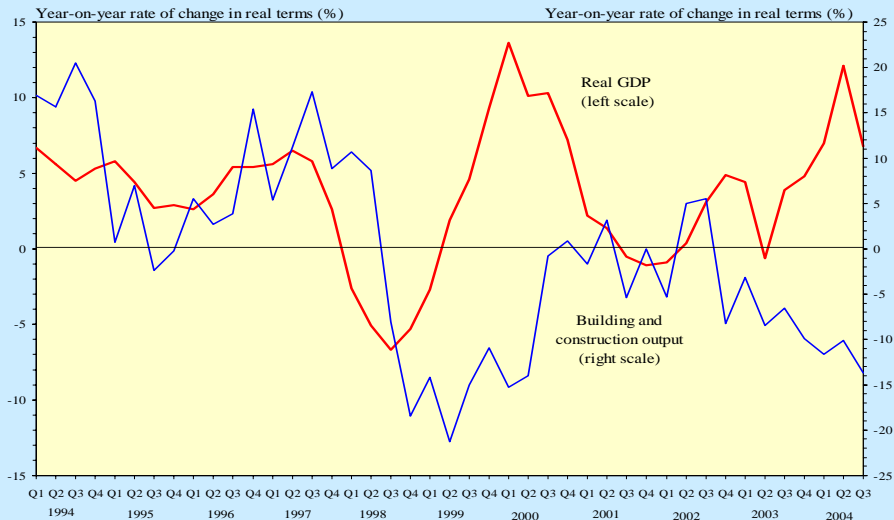


## Manpower resource balance as a ratio of employment





### Gross Domestic Product and building and construction output



## Relationship between unemployment & growth in recent years

- Unemployment rate and manpower resource balance bear a much closer relationship with the output gap than with GDP growth
- Weak construction sector responsible for a substantial share of unemployment, and helps to explain a high level of unemployment for lower-skill workers
- As economy continues to recover, further fall in unemployment in retail & restaurant sectors expected

Is HK's unemployment structural?

Or it is cyclical?

a bit of both

more cyclical than structural

a large part is construction related

ageing is also relevant

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## Productivity growth

as measured by changes in GDP per employment (%)

	<u>1996-2004 (8 years)</u>	<u>1999-2004 (5 years)</u>
Hong Kong	2.4	3.4
US	2.1	1.9
Singapore	1.6	1.4
Taiwan	3.1	2.4
UK	1.7	1.7
Japan	1.1	1.7

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多謝  
Thank You

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## Employment in restaurants

