

# Unemployment and underemployment statistics for March – May 2019

According to the latest labour force statistics (i.e. provisional figures for March – May 2019) released today (June 19) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate stood at 2.8% in March – May 2019, same as that in February – April 2019. The underemployment rate also remained unchanged at 1.0% in the two periods.

Comparing March – May 2019 with February – April 2019, movements in the unemployment rate (not seasonally adjusted) and underemployment rate in different industry sectors varied, but were generally small in magnitude.

Total employment increased by around 4 100 from 3 865 000 in February – April 2019 to 3 869 100 in March – May 2019. Over the same period, the labour force also increased by around 5 900 from 3 977 300 to 3 983 200.

The number of unemployed persons (not seasonally adjusted) increased by around 1 800 from 112 300 in February – April 2019 to 114 100 in March – May 2019. Over the same period, the number of underemployed persons also increased by around 1 200 from 38 000 to 39 200.

## Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong said, "The labour market stayed tight in March – May 2019. Both the unemployment rate (seasonally adjusted) and the underemployment rate held steady, at 2.8% and 1.0% respectively."

"When compared to the preceding three-month period, movements in sectoral unemployment rates varied but were generally small in magnitude. On a year-on-year basis, there was a noticeable increase in unemployment rate in foundation and superstructure works of the construction sector, conceivably related to the completion of some major infrastructural projects. Meanwhile, the unemployment situation was broadly steady in most other major economic sectors."

Looking ahead, Dr Law said, "The labour market is expected to remain largely stable in the near term. Yet, the Government will stay vigilant and monitor the situation closely in view of the various external headwinds facing the economy."

He noted that the Labour Department (LD) launched a special programme – "Career Let's Go" from May to August 2019 to help this year's secondary school leavers find suitable work. The LD will canvass job vacancies suitable for secondary school leavers and organise a number of large-scale and district-based job fairs at which job-seekers can have job interviews with the recruiting employers on the spot. A dedicated webpage ([www2.jobs.gov.hk/1/0/WebForm/information/en/careerletsgo/index.aspx](http://www2.jobs.gov.hk/1/0/WebForm/information/en/careerletsgo/index.aspx)) has

already been set up to provide information on the activities of the special programme as well as other employment market information, including job vacancies suitable for persons with secondary school education, so that school leavers can apply to these positions.

On large-scale job fairs, the LD will organise the Kowloon East Job Fair on June 20 and 21 at the Yau Tong Community Hall and about 50 employers will participate, offering over 2 500 job vacancies from various industries. The LD will also organise the Sha Tin Job Fair on July 23 and 24 at Sha Tin Town Hall and more than 50 employers will participate. In addition, industry-based or district-based job fairs are regularly organised at the LD's industry-based recruitment centres and job centres located across the territory.

#### Further information

The unemployment and underemployment statistics were compiled from the findings of the continuous General Household Survey.

The survey for March – May 2019 covered a sample of some 26 000 households or 74 000 persons, selected in accordance with a scientifically designed sampling scheme to represent the population of Hong Kong.

Data on labour force characteristics were obtained from the survey by interviewing each member aged 15 or over in the sampled households.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organization.

Detailed analysis of labour force characteristics is given in the "Quarterly Report on General Household Survey" which is published four times a year. The latest issue of the publication contains statistics for the quarter January – March 2019 while the next issue covering the quarter April – June 2019 will be available by end-August 2019. Users can download this publication free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001](http://www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=B1050001)).

For enquiries about labour force statistics, please contact the Household Statistics Analysis Section of the C&SD (Tel: 2887 5508 or email: [ghs@censtatd.gov.hk](mailto:ghs@censtatd.gov.hk)).

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## LCQ20: Regulation of money lenders

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 19):

Question:

The number of licensed money lenders (i.e. finance companies) in Hong Kong has increased substantially over the past decade from 760 in 2008 to 2 153 in 2018 (by about a twofold increase). Moreover, in recent years, quite a number of finance companies have launched massive advertising campaigns on television and the Internet and encouraged borrowing money. In this connection, will the Government inform this Council:

(1) whether it knows, (i) the respective total amounts of loans offered by licensed money lenders and by authorized institutions (including licensed banks) under the supervision of the Hong Kong Monetary Authority, (ii) the change in the ratio between these two amounts, as well as (iii) the number of people borrowing money from the former and the median age of such borrowers, in each of the past 10 years in Hong Kong;

(2) given that under the existing regulatory regime, the Licensing Court, the Police and the Money Lenders Unit respectively regulate money lenders according to the relevant provisions in the Money Lenders Ordinance (Cap. 163) (MLO), coupled with the facts that the number of licensed money lenders has increased substantially and cases of unscrupulous business practices of money lenders and financial intermediaries have occurred from time to time, whether the Government will examine (i) the establishment of an independent institution to regulate money lenders, and (ii) the introduction of legislative amendments to require that money lenders must, before approving a loan, conduct a test on the repayment ability of the loan applicant, so as to reduce the risk of over-borrowing by the borrower;

(3) given that the operation modes of the money lending business and the ecosystem of the industry have changed along with technological development, whether the Government will conduct a comprehensive review on the provisions of MLO to see if they can still suit present-day needs (e.g. whether the ceiling set on the annual interest rate on loans should be lowered); and

(4) in respect of finance companies' practices of launching massive advertising campaigns and encouraging borrowing money, whether the Government will take measures to prevent students and young people from being misled and corrupted by such messages, including (i) stepping up efforts in instilling correct money management and consumption attitudes in students and young people, (ii) imposing restrictions on the contents and airtime of finance companies' advertisements, and (iii) adding other appropriate warning messages in the advertisements concerned, apart from the existing warning message of "You have to repay your loans. Don't pay any intermediaries" required to be included in such advertisements?

Reply:

President,

In consultation with the relevant department and financial regulator, a consolidated reply to Dr Hon Elizabeth Quat's question is as follows:

(1) The Government does not maintain statistics of the annual total amount of loans issued by licensed money lenders, nor the total number and median age of the borrowers. The total amount of loans offered by authorized institutions (including licensed banks) under the supervision of the Hong Kong Monetary Authority in each of the past ten years is as follows:

As at end of	Total loans (HK\$bn)
December 2009	3,288
December 2010	4,228
December 2011	5,081
December 2012	5,567
December 2013	6,457
December 2014	7,276
December 2015	7,535
December 2016	8,023
December 2017	9,314
December 2018	9,723

(2) and (3) Licensed money lenders provide an alternative source of finance for individuals and enterprises with financial needs outside the banking system. Currently, the Licensing Court, the Police and the Money Lenders Unit (MLU) of the Companies Registry have respective roles to play under the regulatory regime for money lenders. The Licensing Court is responsible for the determination of applications for and granting of money lender licences as well as the imposition of licensing conditions. The Police is responsible for enforcing the Money Lenders Ordinance (MLO), including examination of applications for money lender licences and renewal of licences, and investigating complaints against money lenders. As for the MLU, it is responsible for processing applications for money lender licences, maintaining a register of money lenders for public inspection, as well as adopting risk-based supervisory measures to monitor licensed money lenders' compliance with the MLO and the conditions imposed by the Licensing Court when carrying on their money lending business. The MLU also conducts site inspections to ensure licensed money lenders have appropriate systems and measures in place for their business operations.

As for the annual interest rate, Section 24 of the MLO provides that if any person lends at an effective rate of interest exceeding 60 per cent per annum, he shall commit an offence punishable on conviction by a fine and/or imprisonment, and the relevant loan agreement shall also be unenforceable. Section 25 of the MLO also provides that where proceedings are taken in any court by any person for the recovery of any money lent, or on application by a debtor, the court may, if satisfied that the loan transaction is extortionate, reopen the transaction and substitute just terms. A transaction where the effective rate of interest exceeds 48 per cent per annum is presumed prima facie to be extortionate.

The existing regime strikes an appropriate balance between combating the

money lending activities of usury, and providing those in need a lawful channel to borrow money and suitable protection. We will continue to monitor the implementation of the relevant provisions in the MLO. The Companies Registry and the Police will also maintain close liaison and strengthen enforcement actions.

(4) To remind the public of the risk of over-borrowing, more stringent licensing conditions have been imposed on all money lenders since 2016. Licensed money lenders are required to include a warning statement in their advertisements, namely, "Warning: You have to repay your loans. Don't pay any intermediaries". The Government has also rolled out public education and publicity activities, including collaborations with the Investor and Financial Education Council and the Consumer Council to remind the public of issues requiring attention when borrowing and to promote the message of prudent borrowing. We will continue to monitor the latest development in the market, and to review and update our public education activities as appropriate.

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## **LegCo Public Accounts Committee meeting**

The following is issued on behalf of the Legislative Council Secretariat:

The closed meeting of the Legislative Council (LegCo) Public Accounts Committee originally scheduled for June 13 will be held at 3.30pm tomorrow (June 20) in Conference Room 5 of the LegCo Complex.

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## **LC Urgent Q1: Use of force by police officers in demonstrations**

Following is an urgent question by the Hon Au Nok-hin under Rule 24(4) of the Rules of Procedure and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (June 19):

Question:

On the 12th of this month, the Police used various kinds of weapons (including batons as well as pepper balls, bean bag rounds and rubber bullets which were discharged by arms) against demonstrators in the vicinity of

Admiralty, and the injured persons included a driver of a press vehicle who was shot in the head and fell unconscious onto the ground, and a demonstrator who was shot in the eye. As seen on the television screen, some police officers aimed at the heads of unarmed demonstrators when they fired. There are comments querying that such acts were in violation of a requirement in Chapter 29 of the Police General Orders, which stipulates, among others, that the level of force to be used by police officers shall be minimal and reasonably required under the prevailing circumstances. Besides, on the day following the Government's announcement of the suspension of the relevant legislative amendment exercise, millions of members of the public still took to the streets to protest in a march. Given that large-scale demonstrations may be triggered at any moment, will the Government undertake that when a similar demonstration takes place again, police officers will not aim at the upper bodies of demonstrators anymore for firing bean bag rounds and rubber bullets, so as not to cause incidents of serious injuries?

Reply:

President:

ã€ã€ã€In the morning of June 12 there was a peaceful assembly to be held outside the Legislative Council (LegCo) Complex originally. At around 8 am, a large number of people in mask suddenly rushed out to Lung Wo Road, Tim Mei Avenue, Queensway and Harcourt Road in an organised manner, occupying the roads, blocking the traffic and disrupting social order. Some protesters even did threatening and provoking acts. As there were citizens being trapped inside a tunnel at Lung Wo Road, Police Negotiators were deployed, with the incident lasting for eight hours. The people affected could not use the toilet or drink water when they were trapped. At the same time, roads were congested and blocked, which nearly paralysed the traffic. Notwithstanding this, the Police maintained a high degree of tolerance.

Around 3pm, the situation at the LegCo Complex began to deteriorate, when protesters mainly at the front continuously charged towards the Police cordon line violently. The Police set up cordon line there mainly to safeguard the LegCo Complex and persons therein. The protestors who violently charged towards the Police hurled bricks at police officers, and attacked police officers with metal poles, mills barriers and wooden planks. The Police cordon line retreated all the way to the demonstration areas at the entrance of the LegCo Complex.

At that time, some of the protestors at the front ignored the Police's repeated advice and warning, and repeatedly charged towards the Police cordon line using violence in an organised manner. This posed serious threats to public safety and order, as well as endangered the personal safety or even lives of people at the scene (including other protesters, members of the media and police officers on duty). Having given warning several times and without any other choices, the Police used appropriate and necessary force to disperse the crowd and control the situation in order to protect the safety of their own and others.

Up to present, the Police have arrested a total of 32 people for offences including behaving in a disorderly manner in a public place, unlawful assembly, assaulting police officer, etc. A total of 22 police officers have sustained different degrees of injuries in the incident.

The Police have the responsibility to adopt lawful measures to maintain public safety, public order, as well as safeguard people's life and property. The Police shall, based on the circumstances at the scene, make assessments and exercise professional judgment to take appropriate actions, which include using necessary force in a bid to ensure public safety and public order.

The Police have established guidelines on the use of force. Police officers may use minimum force as appropriate only when such an action is absolutely necessary and there are no other means to accomplish the lawful duty. Police officers shall give verbal warning prior to the use of force as far as circumstances permit, while the person(s) involved shall be given every opportunity, where practicable, to obey police orders before force is used.

The Police have rigorous training with regard to the use of force. Every newly recruited or serving police officer has to go through rigorous training on the use of force, so that they may fully understand how to use different levels of force in a safe and effective manner, including the use of verbal advice/verbal control, empty-hand control, pepper sprays, batons and other equipment, as a means to achieve the relevant lawful purposes.

During the operation on June 12, as some protestors charged towards police cordon line at the front using violence and hurled bricks, metal poles, wooden planks and mills barriers at police officers, under such life-threatening situation, police officers used force to disperse the crowd and control the situation with the aid of appropriate equipment. During the operation, the weapons used by the Police included batons, pepper sprays, tear sprays, bean bag rounds, rubber bullets and tear gases. All these are non-lethal weapons comparable to those used by the enforcement agencies of overseas countries for dealing with similar violent situations.

If there is any dissatisfaction with the Police operation, the Complaints Against Police Office will conduct a fair and just investigation upon receipt of the complaint. The result of the investigation will be reviewed by the statutory Independent Police Complaints Council. As such, it is not appropriate for me to comment on individual cases. However, with regard to the use of weapons, the Police have clear guidelines and sufficient training. When firearms are used, in accordance with the Police's guidelines, the centre body mass will be aimed, so as to effectively stop the attack.

On June 12 in Admiralty and its vicinity, we could all see on TV that some protestors launched violent attacks, disrupting the peace of society and charging police cordon line. It is the duty of the Police to stop such behaviours to safeguard people's life and property.

Our people have the freedom of assembly and speech. Participants of public events should, when expressing their views, be peaceful and orderly, and abide by the law. This is in line with the common good of the society. However, when violence occurs, it is the Police's duty to take lawful measures to ensure public order and public safety.

Thank you, President.

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## **Effective Exchange Rate Index**

The effective exchange rate index for the Hong Kong dollar on Wednesday, June 19, 2019 is 105.4 (down 0.1 against yesterday's index).