

# Government to launch series of job retention and job creation measures to alleviate worsening unemployment

In view of the soaring seasonally adjusted unemployment rate and underemployment rate for January to March this year at their highest levels in recent years due to the severe blow dealt by the COVID-19 epidemic to economic activities in Hong Kong, the Government will launch a series of measures on job retention and job creation to prevent massive layoffs and further worsening unemployment.

"With reference to the practice of some overseas governments in providing wage subsidies to employers and following the funding approval by the Legislative Council Finance Committee last Saturday, the Government will launch as soon as possible an Employment Support Scheme (ESS) of a total commitment of \$81 billion to provide time-limited financial support to employers to retain their employees who will inevitably be made redundant due to the downturn in business. The provision of subsidies for employers, together with other relief measures and loan arrangements under the Anti-epidemic Fund and the Budget, will help the businesses to stay afloat and retain jobs to prepare for quick recovery once the epidemic is over," a Government spokesman said today (April 20).

The spokesman pointed out that except for organisations with employees' salaries not affected by the epidemic (including the Hong Kong Special Administrative Region Government, statutory bodies and subvented staff in government-funded organisations), all employers who have been making Mandatory Provident Fund (MPF) contributions or have set up Occupational Retirement Schemes will be eligible for the ESS. Employers joining the ESS are required to provide an undertaking not to implement redundancies during the subsidy period, and to spend all wage subsidies from the Government in paying wages to their employees.

Wage subsidies provided by the Government under the ESS are calculated on the basis of 50 per cent of wages in a specified month subject to a wage cap of \$18,000 per month for a period of six months. Payment will be made in two tranches, with the first payout no later than the end of June 2020 to subsidise employers to pay employees' wages from June to August this year to prevent layoffs and retain employment.

After approval of the application, the number of employees on payroll shall not be less than the number of employees in March 2020 and the wage subsidies applied by employers must be used fully for employees' wages, benefiting employees hired by the employers in the said period.

Under the ESS, self-employed persons who have made contributions to the MPF from January 1, 2019, to March 31, 2020, will be granted a one-off lump sum subsidy of \$7,500. Excluding those unqualified applicants, the ESS is

expected to benefit over 260 000 employers who have been making MPF contributions or have set up Occupational Retirement Schemes for 1.7 million employees, and about 215 000 self-employed persons. Employers/employees in the three sectors not well covered by the MPF, i.e. catering, construction and transport, will be taken care of by sector-specific schemes.

On job creation, the Government has earmarked \$6 billion to create around 30 000 time-limited jobs in the public and private sectors in the coming two years for people of different skills and academic qualifications. This will be in addition to the over 10 000 civil service job openings for replacing retirees and filling new posts to be created in the 2020-21 Estimates, and about 5 000 short-term interns for young people.

Besides, the Labour Department (LD) will raise the ceiling of the on-the-job training (OJT) allowance payable to employers under the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme and the Work Orientation and Placement Scheme in the second half of 2020, with a view to further encouraging employers to hire elderly persons aged 60 or above, young people and persons with disabilities and provide them with OJT. The LD also plans to launch a pilot scheme in the second half of 2020 to encourage eligible elderly persons, young people and persons with disabilities to undergo and complete OJT under the above employment programmes through the provision of a retention allowance, thereby stabilising employment.

In parallel, a time-limited unemployment support scheme will be launched through the Comprehensive Social Security Assistance Scheme to provide timely and basic financial support to the unemployed who may not be covered under the ESS to weather the deteriorating employment conditions as a result of the epidemic.

"To maintain Hong Kong's economic vibrancy and relieve the financial burden of the public under the epidemic, the Government has introduced the largest package to date of relief measures, including the one-off relief measures in the 2020-21 Budget costing \$120 billion and the two rounds of measures under the Anti-epidemic Fund, totalling \$287.5 billion altogether. This accounts for about 10 per cent of Hong Kong's Gross Domestic Product," the spokesperson stressed.

The spokesperson said that in addition to the measures on job retention and job creation as well as support to the unemployed, subsidies are provided to various sectors hit by the epidemic in the two rounds of relief measures and the Special 100% Loan Guarantee under the SME Financing Guarantee Scheme to ease the cash flow of the enterprises is also launched to support enterprises and safeguard jobs.

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## Cinemas Subsidy Scheme open for applications

The Cinemas Subsidy Scheme, which is established under the second round of the Anti-epidemic Fund (AEF), is now open for applications from today (April 20) to April 30 to support the cinema operators.

The Scheme will provide a one-off subsidy of \$100,000 per screen to each cinema licensed as a place of public entertainment with commercial operation in March 2020. The maximum subsidy for a cinema circuit is \$3 million.

The application details of the Scheme are available at the Create Hong Kong website ([www.createhk.gov.hk](http://www.createhk.gov.hk)).

Under the AEF, the Government will also provide rental assistance from May 2020 to the tenants of the local creative landmark PMQ as well as subsidies to the printing and publishing sector for participation in the next Hong Kong Book Fair.

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## Man sentenced for breaching compulsory quarantine order

A 32-year-old man was sentenced to immediate imprisonment for four weeks by the Kwun Tong Magistrates' Courts today (April 20) for violating the Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation (Cap. 599E) (the Regulation).

The man was earlier issued a compulsory quarantine order stating that he must conduct quarantine at the place of quarantine (a specified hotel) for 14 days. Before the expiry of the quarantine order, he left the place of quarantine without reasonable excuse nor permission given by an authorised officer and was stopped by staff of the Immigration Department at a border control point. He was charged with contravening sections 8(1) and 8(5) of the Regulation and was sentenced today to immediate imprisonment for four weeks.

A spokesman for the Department of Health (DH) welcomed the judgement. The sentence sends a clear message to the community that breaching quarantine orders is a criminal offence and that the Government will not tolerate such actions. The spokesman reiterated that compliance with quarantine orders is of paramount importance in Hong Kong's fight against COVID-19.

Pursuant to the Regulation, starting from March 19, save for exempted

persons, all persons arriving from countries or territories outside China would be subject to compulsory quarantine for 14 days. Moreover, pursuant to the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C), all persons who have stayed in the Mainland, Macao or Taiwan in the 14 days preceding arrival at Hong Kong, regardless of their nationality or travel documents, will be subject to compulsory quarantine for 14 days. Breaching quarantine orders is a criminal offence and offenders are subject to a maximum imprisonment for six months and fine of \$25,000. The DH once again strongly reminded persons under quarantine to comply with the statutory requirements and conduct quarantine for 14 days.

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## **April 2020 issue of “Hong Kong Monthly Digest of Statistics” now available**

The Census and Statistics Department (C&SD) published today (April 20) the April 2020 issue of the "Hong Kong Monthly Digest of Statistics" (HKMDS).

Apart from providing up-to-date statistics, this issue also contains two feature articles entitled "Movements of Producer Price Indices of Service Industries during 2010 to 2019" and "The Financial Services Sector in Hong Kong".

"Movements of Producer Price Indices of Service Industries during 2010 to 2019"

The Producer Price Index (PPI) measures changes in output prices of goods and services of an industry. It can be used as a deflator of output series for discounting the effect of price changes so as to measure changes of local output in real terms and to facilitate the assessment of productivity growth in an economy. PPI is also useful as an economic indicator for monitoring the price movements of local outputs and evaluating their price competitiveness vis-à-vis those delivered in other economies/territories. This feature article analyses the movements of PPIs of selected service industries from 2010 to 2019.

For enquiries about this feature article, please contact the Logistics and Producer Prices Statistics Section, C&SD (Tel: 3903 7255; email: [services@censtatd.gov.hk](mailto:services@censtatd.gov.hk)).

"The Financial Services Sector in Hong Kong"

Hong Kong is one of the most vibrant international financial centres in the world. The contribution of the financial services sector to Hong Kong's Gross Domestic Product increased from 13% in 2004 to around 20% in 2018. This feature article presents the operating characteristics and business

performance of selected industries in the sector between 2016 and 2018. It also briefly highlights the overall quarterly business performance of selected industries in the sector in 2019.

For enquiries about this feature article, please contact the Business Services Statistics Section, C&SD (Tel: 3903 7266; email: [business-services@censtatd.gov.hk](mailto:business-services@censtatd.gov.hk)).

Published in bilingual form, the HKMDS is a compact volume of official statistics containing about 140 tables. It collects up-to-date statistical series on various aspects of the social and economic situation of Hong Kong. Topics include population; labour; external trade; National Income and Balance of Payments; prices; business performance; energy; housing and property; government accounts, finance and insurance; and transport, communications and tourism. For selected key statistical items, over 20 charts depicting the annual trend in the past decade and quarterly or monthly trend in the recent two years are also available. Users can download the Digest free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002](http://www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002)).

Enquiries about the contents of the Digest can be directed to the Statistical Information Dissemination Section (1) of the C&SD (Tel: 2582 4738; email: [gen-enquiry@censtatd.gov.hk](mailto:gen-enquiry@censtatd.gov.hk)).

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## Unemployment and underemployment statistics for January – March 2020

According to the latest labour force statistics (i.e. provisional figures for January – March 2020) released today (April 20) by the Census and Statistics Department (C&SD), the seasonally adjusted unemployment rate increased from 3.7% in December 2019 – February 2020 to 4.2% in January – March 2020. The underemployment rate also increased from 1.5% in December 2019 – February 2020 to 2.1% in January – March 2020.

Comparing January – March 2020 with December 2019 – February 2020, the unemployment rate (not seasonally adjusted) and underemployment rate increased across almost all the major economic sectors, with more distinct increases observed in the construction sector; education sector; transportation sector; and retail, accommodation and food services sector.

Total employment decreased by around 48 800 from 3 768 800 in December 2019 – February 2020 to 3 720 000 in January – March 2020. Over the same period, the labour force also decreased by around 20 800 from 3 903 000 to 3 882 200.

The number of unemployed persons (not seasonally adjusted) increased by around 28 100 from 134 100 in December 2019 – February 2020 to 162 200 in January – March 2020. Over the same period, the number of underemployed persons also increased by around 23 700 from 59 100 to 82 800.

## Commentary

Commenting on the latest unemployment figures, the Secretary for Labour and Welfare, Dr Law Chi-kwong said, "The labour market showed further sharp deterioration as the COVID-19 pandemic severely disrupted a wide range of economic activities. The seasonally adjusted unemployment rate soared by 0.5 percentage point to 4.2% in January – March 2020, the highest in more than nine years. The underemployment rate likewise surged by 0.6 percentage point to 2.1%, the highest in nearly a decade. The year-on-year declines in total employment and labour force widened further to 3.6% and 2.2% respectively, both the largest on record.

"The unemployment rate of the consumption- and tourism-related sectors (viz. retail, accommodation and food services sectors) combined soared to 6.8%, the highest since August – October 2009 in the aftermath of the global financial crisis; and the underemployment rate rose to 3.9%, the highest since June – August 2003 following the onslaught of SARS. In particular, the situation in food and beverage service activities was extremely severe, with the unemployment and underemployment rates surging to 8.6% and 5.4% respectively. Meanwhile, the unemployment and underemployment rates of the construction sector went up drastically to 8.5% and 7.1% respectively amid visible slowdown in construction activities. The unemployment and underemployment situation also worsened visibly in the transportation and education sectors. The labour market conditions in most other sectors also saw deterioration of various degrees."

Looking ahead, Dr Law said, "The labour market will continue to face significant pressure from the economic fallout arising from the pandemic in the near term. The Government has rolled out relief measures of unprecedented scale, including the one-off measures in the 2020-21 Budget and the two rounds of measures under the Anti-epidemic Fund totalling \$287.5 billion (around 10% of GDP), with a view to preserving the vitality of the economy and relieving people's financial burdens. Some specific measures, in particular the Employment Support Scheme and various types of support for specific sectors, should help keep workers in employment. The Government will closely monitor the developments, including the progress and effectiveness of the various relief measures."

He noted that in light of the deteriorating employment situation, the Labour Department (LD) will raise the ceiling of on-the-job training (OJT) allowance payable to employers under the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme and the Work Orientation and Placement Scheme in the second half of 2020, with a view to further encouraging employers to hire elderly persons aged 60 or above, young people and persons with disabilities and provide them with OJT. The LD also plans to launch a pilot scheme in the second half of 2020 to encourage

eligible elderly persons, young people and persons with disabilities to undergo and complete OJT under the above employment programmes through the provision of a retention allowance, thereby stabilising employment.

Meanwhile, the LD continues to receive and release information on vacancies from various industries for job-seekers with different educational background and working experience. Job-seekers may make use of the LD's online platforms such as the Interactive Employment Service website for obtaining employment information.

#### Further information

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

The survey for January – March 2020 covered a sample of some 26 000 households or 75 000 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.

Statistical tables on the latest labour force statistics can be downloaded free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=D5250021](http://www.censtatd.gov.hk/hkstat/sub/sp200.jsp?productCode=D5250021)). More detailed analysis of the 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 October – December 2019 while the next issue covering the quarter January – March 2020 will be available by end May 2020. Users can also 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)).