

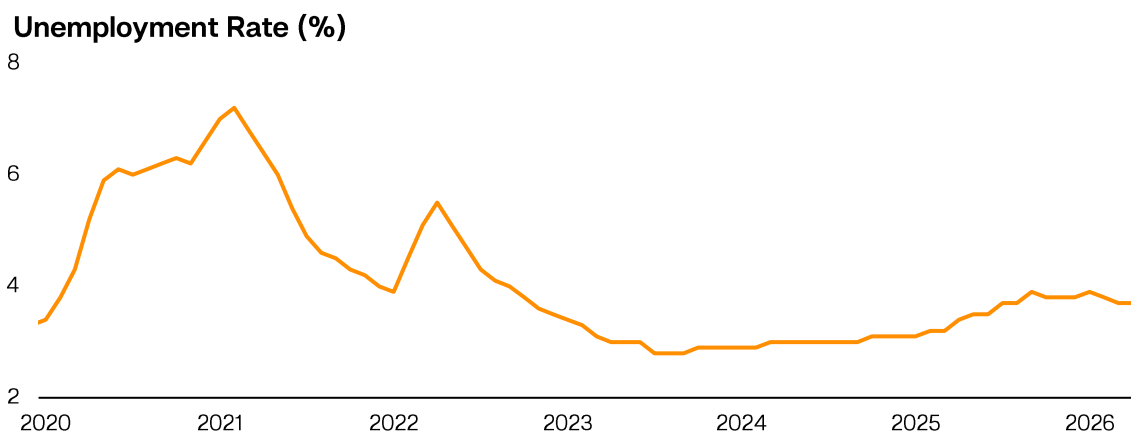
Economic QuickView



Hong Kong's Labour Market Remains Stable as External Risks Emerged

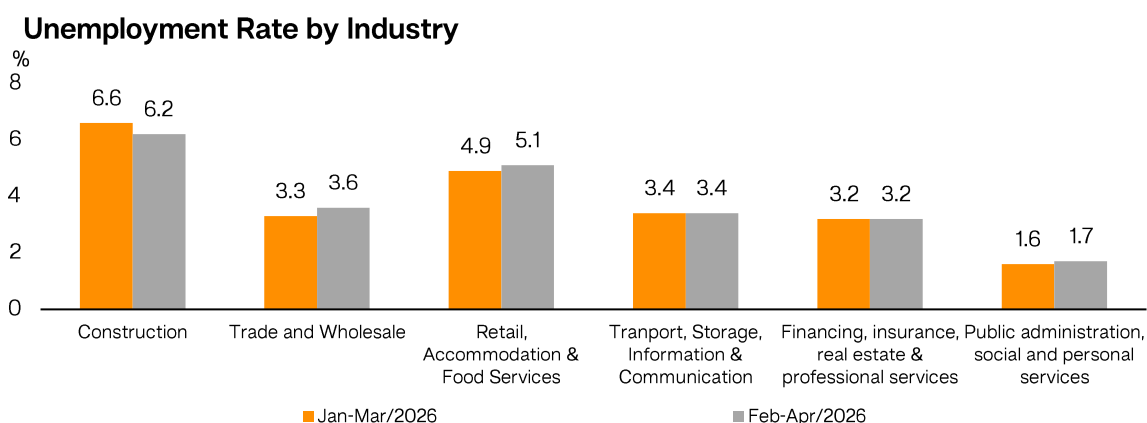
- The Hong Kong unemployment rate remained stable at 3.7% during February to April 2026.
- While the unemployment rates in the construction, financing, and transportation sectors stabilised, the retail and trade sectors reported mild deterioration.
- Robust economic growth should support further improvement in the labour market, but a highly uncertain external environment could weaken hiring intentions.

The labour market continued to show signs of stabilisation. The labour market has progressed steadily since 2020, with the unemployment rate at 3.7% in February to April, unchanged from the preceding three-month period. Compared to the 3.9% peak in November 2025 to January 2026, the unemployment rate recorded a reduction of 0.2 percentage points (ppt).



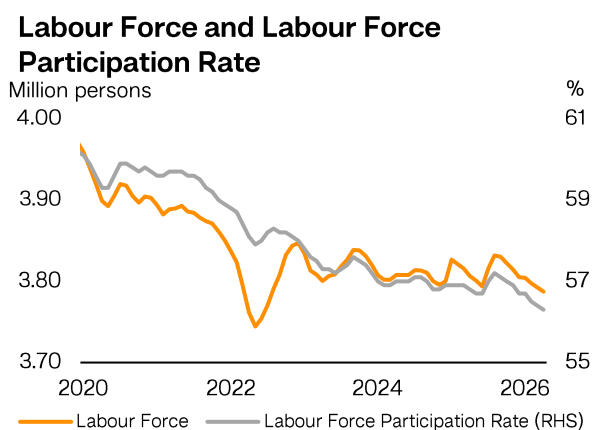
Source: CEIC

Stabilising unemployment rates were widely seen across sectors. Notably, the construction sector reported visible improvement, with its unemployment rate easing to 6.2% from 6.6%. This easing was consistent with the development of various public projects, especially those in the Northern Metropolis. The ongoing recovery in the property market also helps revitalise sentiment and encourage developers to step up project construction. Meanwhile, the unemployment rates for the finance, insurance, and real estate sector and the transport and storage sector were unchanged at 3.2% and 2.9%, respectively. Moving in the other direction, the unemployment rate for retail, accommodation & food services, as well as the trade & wholesale sector, edged up by 0.2 ppts to 5.1% and 0.3 ppts to 3.6%, respectively. The unemployment rate for the public administration and social services sector also edged slightly up but remained low at 1.7%.

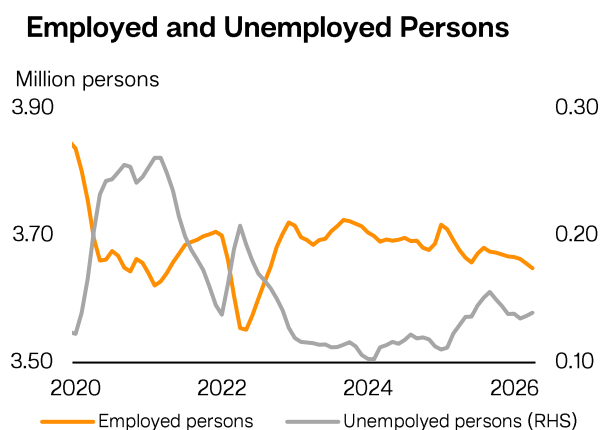


Source: CEIC

Labour supply remained on a downward trend. The labour force shrank by 5,200 to 3.787 million in February-April, as the labour force participation rate declined to 56.3%. Additionally, the number of unemployed persons ticked up by 2,600 to 0.139 million, while total employment fell by 7,700 to 3.648 million. Moving forward, labour supply is expected to rebound later in the summer, as a cohort of fresh graduates is set to enter the job market.



Source: CEIC



Source: CEIC

Domestic growth momentum has stayed solid but external risks have also emerged. Looking ahead, stronger-than-expected Q1 GDP growth suggests that the economy has been expanding remarkably on multiple fronts, which should create more favorable conditions for the labour market. Notably, retail and tourism-facing sectors are expected to expand further, supported by sustained inbound tourism, which recorded a 17% YoY growth in January-March 2026. Meanwhile, the construction sector will continue to benefit from the Northern Metropolis development and a solid housing market recovery. That said, emerging downside risks from the Middle East tensions could pressure global economic growth, thereby making external demand more uncertain ahead. Moreover, a prolonged oil price shock, along with a hawkish monetary stance by major central banks, could increase costs for businesses and dampen sentiment, thereby suppressing near-term hiring intentions. Overall, the labour market is anticipated to remain on a stable trajectory, but emerging downside risks from a highly uncertain external environment warrant monitoring.

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