

Update 24: Hong Kong - Records Unemployment Rate At 16-Year High of 6.6% in Q4 2020 Amid COVID-19 Crisis

- Hong Kong's unemployment rate rose to a 16-year high of 6.6% in Q4 2020, as a new wave of COVID-19 infections affected on a wide range of economic activities
- The unemployment rate in Q4 2020 was the highest since the last quarter of 2004 when unemployment hit 6.6%
- The labor market deteriorated due to the fourth wave of the pandemic that started in the latter part of November 2020
- The underemployment rate remained unchanged at 3.4% in the two three-month rolling periods
- The number of unemployed rose by about 1,500 people to 245,800 in Q4 2020
- Since the fourth wave of local epidemic continues to weigh on local consumption sentiment and disrupt economic activities, the labor market will remain under notable pressure in the near term
- The unemployment rate for the consumption- and tourism-related sectors combined increased by 0.5% points to 10.6% in Q4 2020
- Also, the unemployment rate for food and beverage sector rose to 13.8% from 13.1% in Q3 2020
- Protests in 2019 and later the novel COVID-19 pandemic in 2020 have battered the city's economy, with full year gross domestic product (GDP) forecast to contract 6.1%
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments

Source(s)

<http://www.businessworld.in/article/Hong-Kong-Fourth-Quarter-2020-Unemployment-At-16-Year-High-Hit-By-Economic-Slowdown/19-01-2021-367266/>

<https://www.livemint.com/news/world/hong-kong-unemployment-at-16-year-high-hit-by-economic-slowdown-11611051720671.html>

<https://www.scmp.com/news/hong-kong/hong-kong-economy/article/3118331/hong-kong-fourth-wave-jobless-rate-hits-new-16>

Targets Affected:

[Hong Kong](#)

Category(s):

Macro-Economic Risk - Scalability Risk - Geo-Political Risk

Event:

Coronavirus (COVID-19) Incident(s)

Guidance

Actions to consider:

- Consider implementing suggested actions related to '[Negative Impact on Economy](#)' under the '[COVID-19: Actions to Consider](#)' section below / next page

Related Alerts**Dec. 9, 2020****Medium**

Update 23: Hong Kong - Plans to Re-Impose Certain Restrictions Starting December 10, 2020 Amid Fourth Wave of COVID-19 Infections

Nov. 25, 2020**Medium**

Update 22: Hong Kong - Extends Certain COVID-19 Measures Until December 02, 2020 Amid Spike in COVID-19 Cases

Nov. 23, 2020**Medium**

Update 21: Hong Kong - Postpones Flight Services with Singapore Amid Increase in COVID-19 Cases

Nov. 22, 2020**High**

Update 20: Hong Kong - Daily COVID-19 Infections Hit Three-Month High Amid Possible Fourth Wave

Nov. 14, 2020**Medium**

Update 19: Hong Kong - Tightens Social Distancing Restrictions Starting November 16, 2020 Amid Surge in COVID-19 Cases

Nov. 12, 2020**Medium**

Update 18: Hong Kong - Plans to Resume Flight Services with Singapore Effective November 22, 2020

Oct. 29, 2020**Medium**

Update 17: Hong Kong - Suspends Flights from Mumbai, India Until November 10, 2020

Oct. 21, 2020**Medium**

Update 16: Hong Kong - Unemployment Rate Increases to Nearly 16-Year High in Q3 2020 Amid COVID-19 Crisis

Sept. 23, 2020

Medium

Update 15: Hong Kong - Extends Social Distancing Measures for Another Week

Sept. 9, 2020

Medium

Update 14: Hong Kong - Eases Further Relaxation of Social Distancing Measures as COVID-19 Cases Decline

Aug. 26, 2020

Medium

Update 13: Hong Kong - Eases Social Distancing Measures Starting August 28 as COVID-19 Cases Decline

Aug. 17, 2020

Medium

Update 12: Hong Kong - Extends Social-Distancing Measures Until August 25, 2020 Amid Increase in COVID-19 Cases

July 30, 2020

Medium

Update 11: Hong Kong - Q2 2020 Economy Shrinks 9% on a YoY Basis Amid COVID-19 Pandemic

July 29, 2020

Medium

Update 10: Hong Kong - Imposes Strict Restrictions Amid COVID-19 Outbreak

July 19, 2020

Medium

Update 9: Hong Kong - Imposes Conditions on Travelers from High-Risk Areas Amid COVID-19 Pandemic

June 18, 2020

Medium

Update 8: Hong Kong - Eases Social Distancing Measures Starting June 19 Amid COVID-19 Pandemic

June 3, 2020

High

Update 7: Hong Kong - Extends Restrictions as New COVID-19 Cases Re-emerge

May 27, 2020

High

Update 6: Hong Kong - Reopens More Businesses as COVID-19 Cases Decline

May 20, 2020

Immediate

Update 5: Hong Kong - Unemployment Rate Reaches 10-Year High Due to COVID-19 Pandemic; Restrictions Extended

May 6, 2020

High

Update 4: Hong Kong - Certain Businesses to Resume Amid COVID-19 Pandemic

May 4, 2020

High

Update 3: Hong Kong - Reports Deepest Economic Contraction to 8.9% Amid COVID-19 Pandemic

April 30, 2020

High

Update 2: Hong Kong - Extends Mandatory Quarantine for Arrivals from Chinese Mainland Until June 7, 2020 Amid Declining COVID-19 Cases

April 21, 2020

Immediate

Update 1: Hong Kong - Extends COVID-19 Restrictions Until May 7, 2020; Reports Unemployment Rate of 4.2%, Highest in More Than Nine Years

April 8, 2020

Immediate

Hong Kong - Extends Social Distancing Restrictions Until April 23, 2020 to Curb Spread of COVID-19

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.