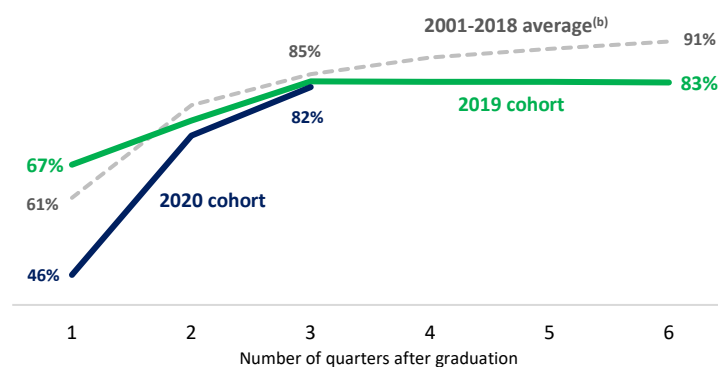


Graduate prospects

Figure 1 – Recent employment situation of fresh graduates^(a)



Notes: (a) Covering all fresh graduates and school leavers aged 15-25, regardless of educational attainment, who joined the labour force.
(b) The 2001-2018 average excludes figures for those who graduated during the economic downturns in 2003, 2008 and 2009.

Figure 2 – Comparison of employment situation between the 2003 and 2020 graduate cohorts

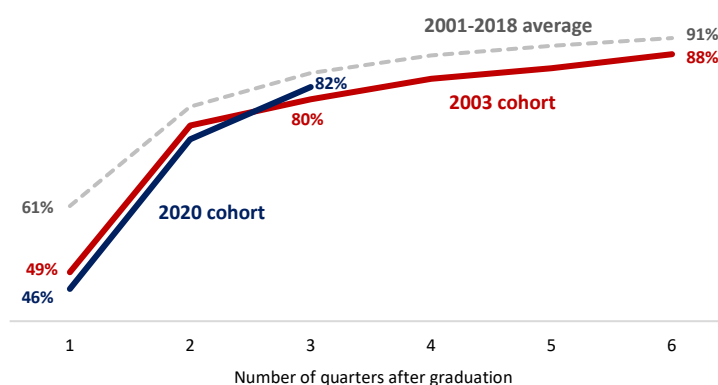
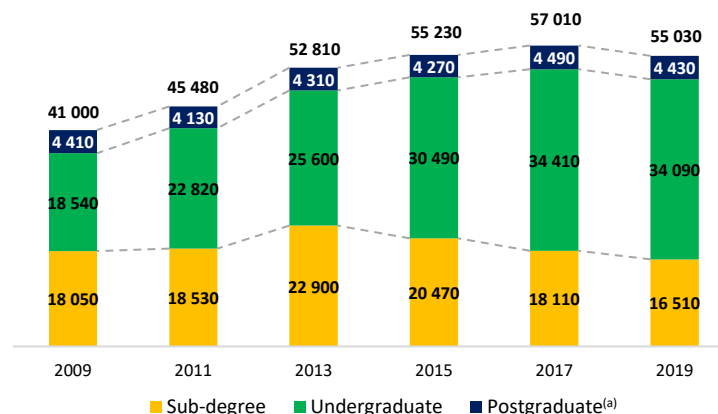


Figure 3 – Post-secondary graduates by qualification level



Note: (a) The figures only include postgraduate programmes offered by UGC-funded universities.

Highlights

- The outbreak of the COVID-19 pandemic and the ensuing economic downturn have dealt a serious blow to the employment prospect of recent fresh graduates. The 2019 graduate cohort, after registering generally robust employment rates in the first two quarters after graduation (i.e. during the second half of 2019), encountered noticeable difficulties in their employment situation on entering 2020 (**Figure 1**). Their employment rate stood at 83% in the sixth quarter after graduation, lower than the corresponding 2001-2018 average of 91%.
- For the 2020 graduate cohort, only 46% of those who entered the labour force were employed in their first quarter after graduation (i.e. Q3 2020) (**Figure 2**), the lowest on record. Nevertheless, their employment rate increased sizably in the ensuing two quarters as the local economy recovered alongside the stabilization of the epidemic locally. This seems to be similar to 2003 when the Hong Kong economy was hit by the outbreak of the Severe Acute Respiratory Syndrome. The 2003 graduate cohort had an employment rate of just 49% in the first quarter after graduation, but the situation improved significantly in the subsequent quarters as the economy rebounded.
- In addition to the near-term uncertainty arising from the lingering epidemic, the continued expansion of tertiary education resulted in ample supply of workforce with higher educational attainment, thereby weighing on the career prospects of some post-secondary graduates. Over the past decade, the annual number of postsecondary graduates had increased by 34%, from 41 000 persons in 2009 to 55 030 persons in 2019 (**Figure 3**). The increase is mainly spurred by the rising number of undergraduate intakes in the University Grants Committee ("UGC")-funded and self-financing sectors.

Graduate prospects (cont'd)

Figure 4 – Graduate pathways by qualification level in 2019

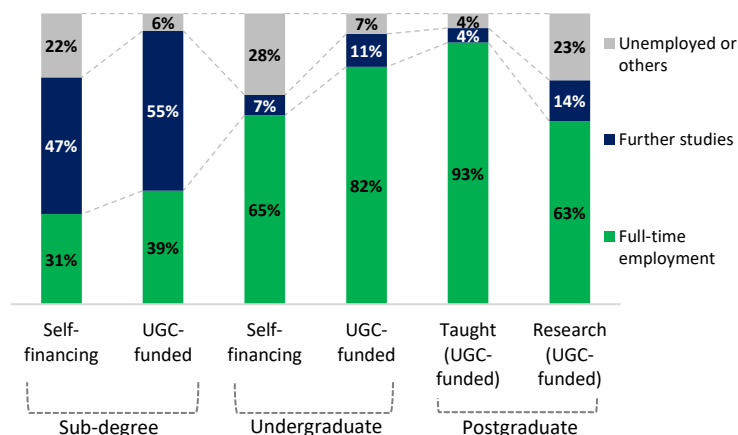
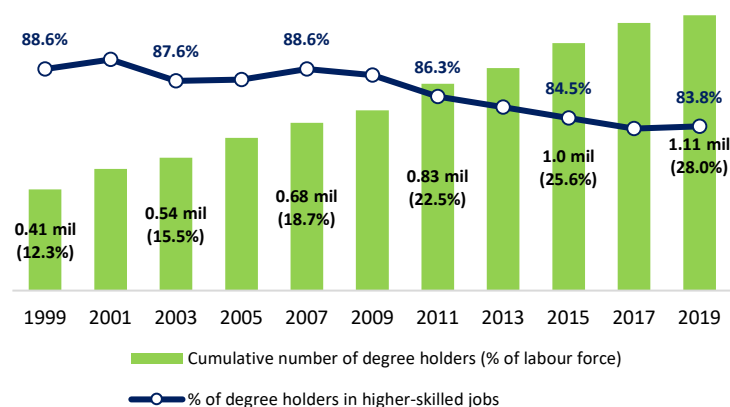
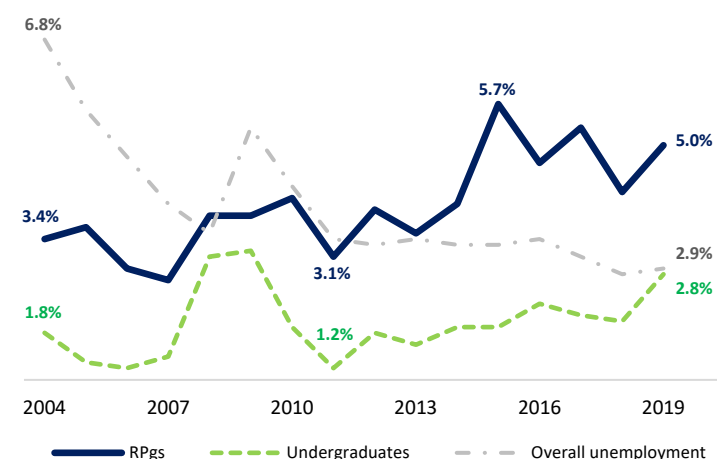


Figure 5 – Total number of degree holders^(a) and ratio of those working in higher-skilled jobs



Note: (a) This refers to graduates of first degree, taught postgraduate and research postgraduate programmes in local or non-local institutions.

Figure 6 – Unemployment rates of research postgraduates ("RPgs") and undergraduates



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Highlights

- Upon completing their studies, the majority of graduates at degree level or above have engaged in full-time employment in 2019 (**Figure 4**). In contrast, close to half of the sub-degree graduates in the same year have opted for further studies to enhance their career prospects in the long run rather than entering the job market direct, thus eventually further adding to the pool of workers with at least an undergraduate degree.
- Amid Hong Kong's shift towards a knowledge-based economy, the number of higher-skilled jobs (including managers and administrators; professionals; and associate professionals) jumped by around 60% between 1999 and 2019. This development should supposedly bode well for the career prospects of degree graduates. However, with the share of degree holders in the labour force rising rapidly from 12.3% in 1999 to 28.0% in 2019, the proportion of workforce with degree education or above engaging in higher-skilled jobs actually fell somewhat from 88.6% to 83.8% over the same period (**Figure 5**).
- In addition to the job mismatch for degree graduates whose supply outpaced the growth in higher-skilled job positions, the employment prospect of research postgraduates ("RPgs") has engendered particular concern. As seen in **Figure 6**, the unemployment rates of RPgs have been consistently higher than that of undergraduates in the past years and stood at 5.0% in 2019. Probably reflecting the relatively less favourable employment prospect, the number of local UGC-funded RPg students decreased by 41% between 2002-2003 and 2019-2020, from 2 575 students to 1 510 students. The implications on supply of local research professionals, as well as our talent base for sustaining Hong Kong's continued transformation into an innovation-led economy, would require close monitoring.

Data sources: Latest figures from Census and Statistics Department, Education Bureau and University Grants Committee.

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