



## **Hong Kong's Recent Economic Performance and Near-term Outlook**

The Government released the First Quarter Economic Report 2025 on 16 May. The Economic Report, together with the press release containing the latest economic forecasts for the whole year of 2025, has been furnished to Legislative Council Members.

This paper analyses Hong Kong's overall economic performance in the most recent period and the outlook for the remainder of 2025, and summarises the latest economic forecasts by the Government for 2025 as a whole.

Office of the Government Economist  
Financial Secretary's Office  
23 May 2025

# Hong Kong's Recent Economic Performance and Near-term Outlook

## Introduction

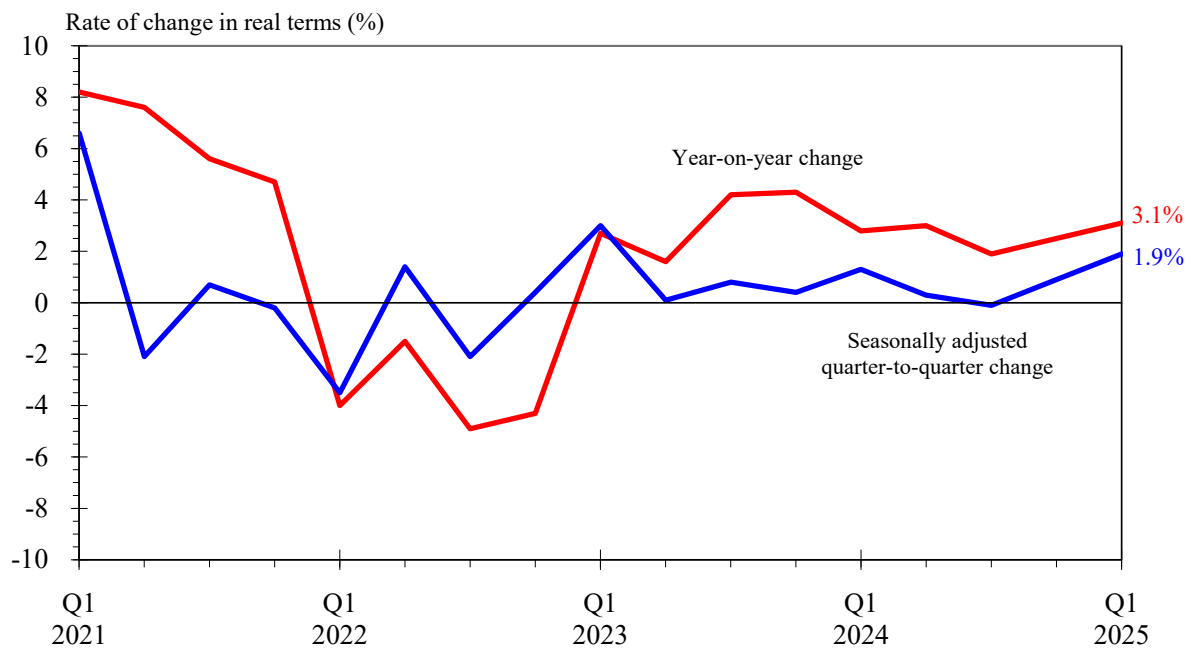
This paper analyses the recent performance of the Hong Kong economy, briefly discusses the outlook for the remainder of 2025 and provides the latest economic forecasts by the Government for 2025 as a whole.

## Recent economic performance

2. The global economy maintained steady growth in the first quarter of 2025, the Mainland economy expanded solidly. Though the United States (“US”) economy registered a small quarter-to-quarter contraction, it still turned in decelerated year-on-year growth. The euro area economy grew modestly, while most other Asian economies recorded further expansion in economic activities. The US announced a series of increases in import tariffs on individual products or particular trading partners in the first quarter, and in April further announced the so-called “reciprocal tariffs” and other various trade protectionist measures, causing international trade tensions to escalate abruptly. In late April, the International Monetary Fund (“IMF”) projected that global economic growth would slow from 3.3% in 2024 to 2.8% in 2025. The IMF noted that the level of trade policy uncertainty intensified downside risks regarding the global economic outlook. Nonetheless, international trade tensions have eased somewhat of late, as the US has recently put a number of tariff measures on hold, and is gradually engaging individual economies in trade negotiations.

3. The Hong Kong economy expanded solidly in the first quarter, mainly supported by visible increases in exports of goods and services, as well as the resumption of moderate growth in overall investment expenditure. Yet, private consumption expenditure continued to register a modest decline. Real Gross Domestic Product (“GDP”) expanded by 3.1% year-on-year, picking up from the 2.5% growth in the preceding quarter. On a seasonally adjusted quarter-to-quarter basis, real GDP grew visibly by 1.9%, compared with the increase of 0.9% in the preceding quarter (*Chart 1*).

**Chart 1 : The Hong Kong economy expanded solidly in the first quarter of 2025**

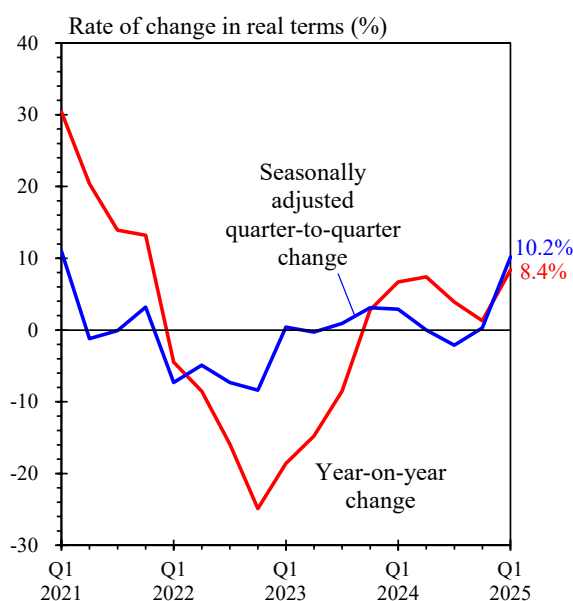


## External trade

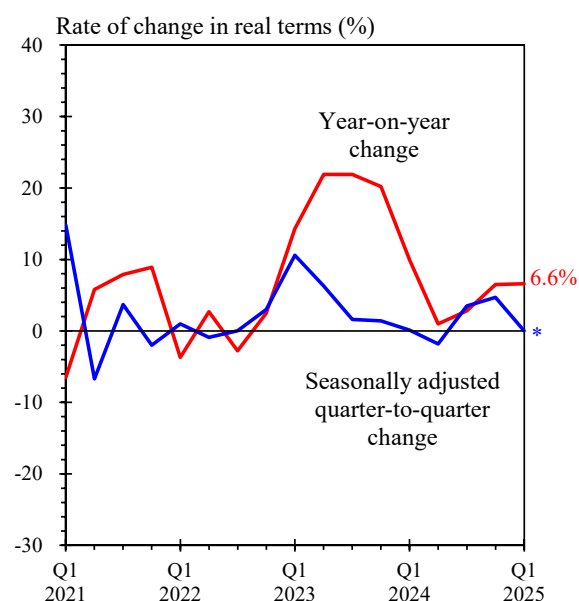
4. Due to broadly sustained external demand as well as some front-loading of shipments in anticipation of visible tariff hikes by the US in early April, Hong Kong's total exports of goods posted accelerated year-on-year growth of 8.4% in real terms in the first quarter, following a 1.3% increase in the preceding quarter (**Chart 2(a)**). Analysed by major market, exports to the Mainland grew strongly over a year earlier. Exports to the US rose back, while those to the EU fell further. Exports to ASEAN markets soared, but those to high-income Asian economies showed mixed performance.

5. Exports of services continued to expand visibly by 6.6% in real terms in the first quarter over a year earlier, after growing by 6.5% in the preceding quarter. (**Chart 2(b)**). Exports of all major service groups rose further. Specifically, exports of financial services rose sharply, thanks to the notable increase in cross-boundary financial and fund raising activities. Exports of travel and transport services continued to expand, supported by the further increase in visitor arrivals and growth in cross-boundary traffic. Recent data show that visitor arrivals continued to grow visibly, up by 13% year-on-year in April and further by 22% during the Labour Day Golden Week.

**Chart 2(a) : Total exports of goods posted accelerated growth**



**Chart 2(b) : Exports of services continued to expand visibly over a year earlier**



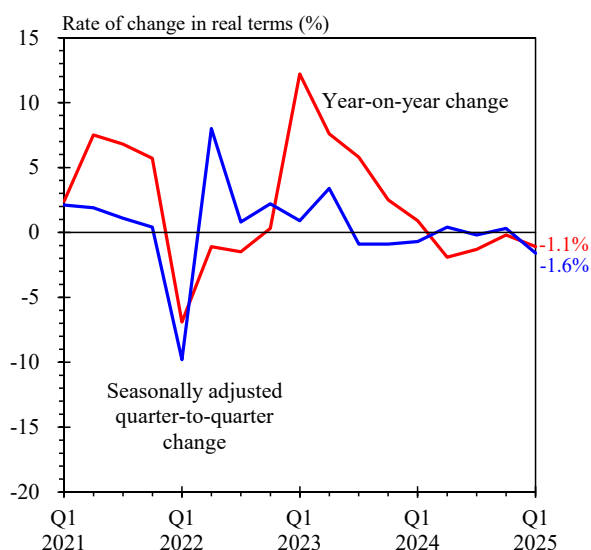
Note: (\*) Change within  $\pm 0.05\%$ .

## Domestic sector

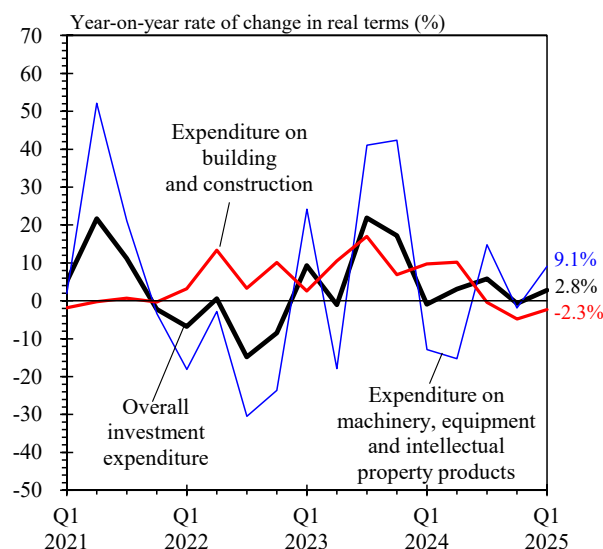
6. Private consumption continued to be subject to the impact of changes in residents' consumption patterns in the first quarter. Private consumption expenditure declined modestly by 1.1% in real terms from a year ago, after a marginal decline of 0.2% in the preceding quarter (**Chart 3(a)**).

7. Overall investment expenditure in terms of gross domestic fixed capital formation resumed moderate growth in the first quarter, rising by 2.8% year-on-year in real terms, after a modest decline of 0.7% in the preceding quarter (**Chart 3(b)**). Within the total, expenditure on machinery, equipment, and intellectual property products increased visibly by 9.1%. The costs of ownership transfer rose sharply by 41.4% due to a markedly higher number of property transactions compared to the same period last year. Yet, expenditure on building and construction declined moderately by 2.3%.

**Chart 3(a) : Private consumption expenditure declined modestly over a year earlier**



**Chart 3(b) : Overall investment expenditure resumed moderate growth**



## Labour market

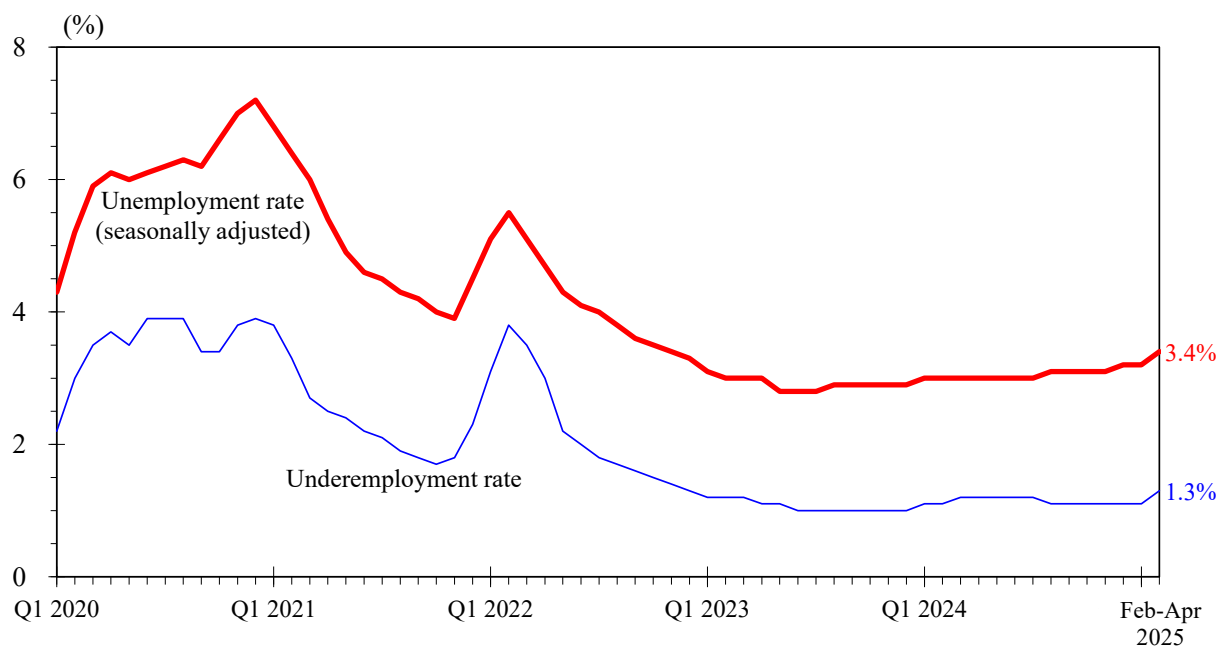
8. The labour market softened slightly but remained generally tight. The seasonally adjusted unemployment rate was 3.4% in February – April 2025, which saw some increase from the low level of 3.1% in the fourth quarter of 2024. The underemployment rate was low at 1.3%, albeit slightly higher than the 1.1% in the fourth quarter of 2024 (*Chart 4*). Compared with a year ago, the labour force stayed largely steady at 3 806 500 in February – April 2025, while total employment decreased to 3 677 100.

9. The unemployment rates of various sectors (not seasonally adjusted) increased in February – April 2025 from the fourth quarter of 2024 (*Chart 5*), including the construction sector (up 1.3 percentage points to 5.7%), the food and beverage service activities sector (up 1.0 percentage point to 5.7%), the financing sector (up 0.8 percentage point to 3.0%), and the professional and business services sector (excluding cleaning and similar activities) (up 0.7 percentage point to 4.0%). On the other hand, the unemployment rates of the warehousing and support activities for transportation sector (down 0.4 percentage point to 3.9%), the import and export trade sector (down 0.1 percentage point to 2.9%), and the arts, entertainment and recreation sector (down 0.1 percentage point to 2.4%) decreased. For the low-paying sectors (“LPS”)<sup>(1)</sup> as a whole, the unemployment rate was generally low at 2.9%, despite being higher than 2.5% in the fourth quarter of 2024.

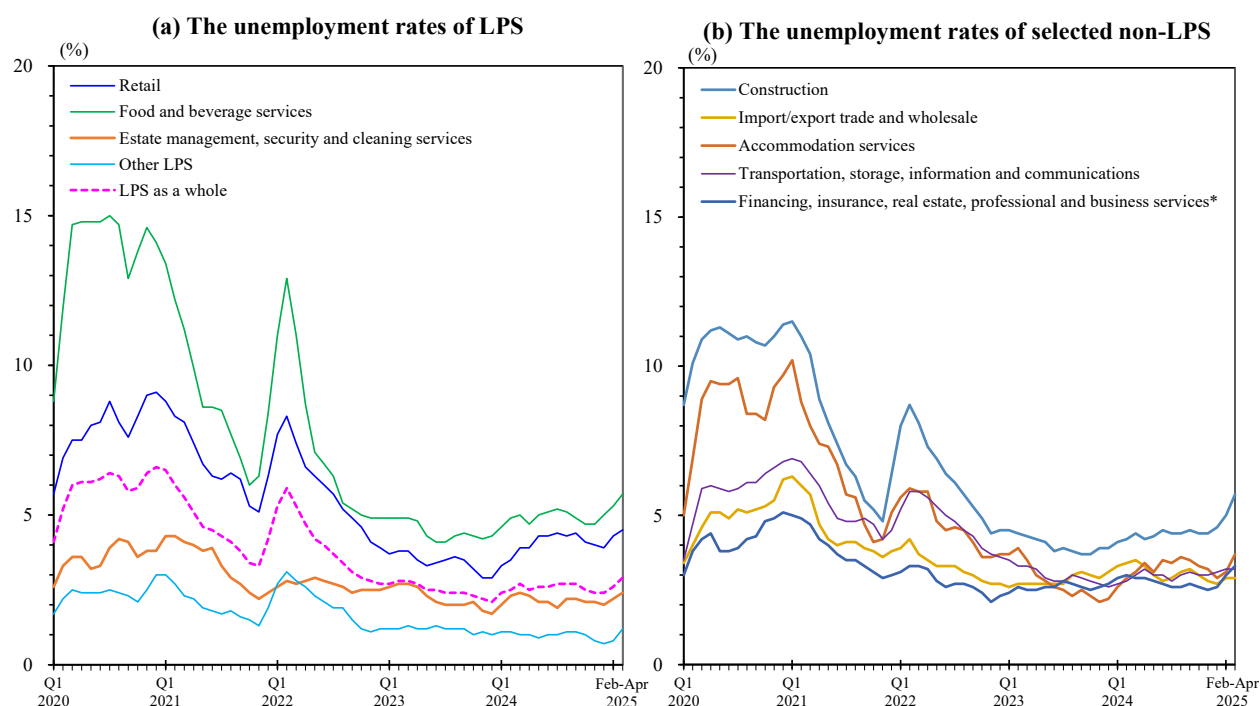
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(1) The Minimum Wage Commission identifies LPS as (i) retail; (ii) food and beverage services; (iii) estate management, security and cleaning services; and (iv) other LPS, including elderly homes; laundry and dry cleaning services; hairdressing and other personal services; local courier services; and food processing and production.

**Chart 4 : The labour market softened slightly but remained generally tight**



**Chart 5 : The unemployment rates of various sectors increased in February – April 2025 from the fourth quarter of 2024**



Note: (\*) Excluding real estate maintenance management, security and cleaning services.

10. Analysed by skill segment<sup>(2)</sup>, the unemployment rates of lower-skilled workers went up by 0.5 percentage point over the fourth quarter of 2024 to 3.6% in February – April 2025, and that of the higher-skilled workers went up by 0.4 percentage point over the same period to 2.4% .

(2) The breakdown of unemployment by skill segment does not include first-time job-seekers and re-entrants into the labour force who were unemployed.

11. Establishment survey indicated that wages and labour earnings saw decent increases in the fourth quarter of 2024 over a year earlier. The average wage rate rose by 3.5% year-on-year in nominal terms in December, similar to that in September. After discounting for inflation, the average wage rate increased by an accelerated 1.8% in real terms. Labour earnings, as measured by the index of payroll per person engaged, posted a steady year-on-year increase of 3.4% in nominal terms and faster growth of 2.0% in real terms in the fourth quarter. More recent General Household Survey data indicated that employment earnings continued to record solid growth in the first quarter of 2025. The median monthly employment earnings of full-time employees<sup>(3)</sup> increased by 6.4% year-on-year in nominal terms or 4.7% in real terms. Please refer to **Annex** for details on the recent situation of household income.

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(3) Figure excludes foreign domestic helpers.

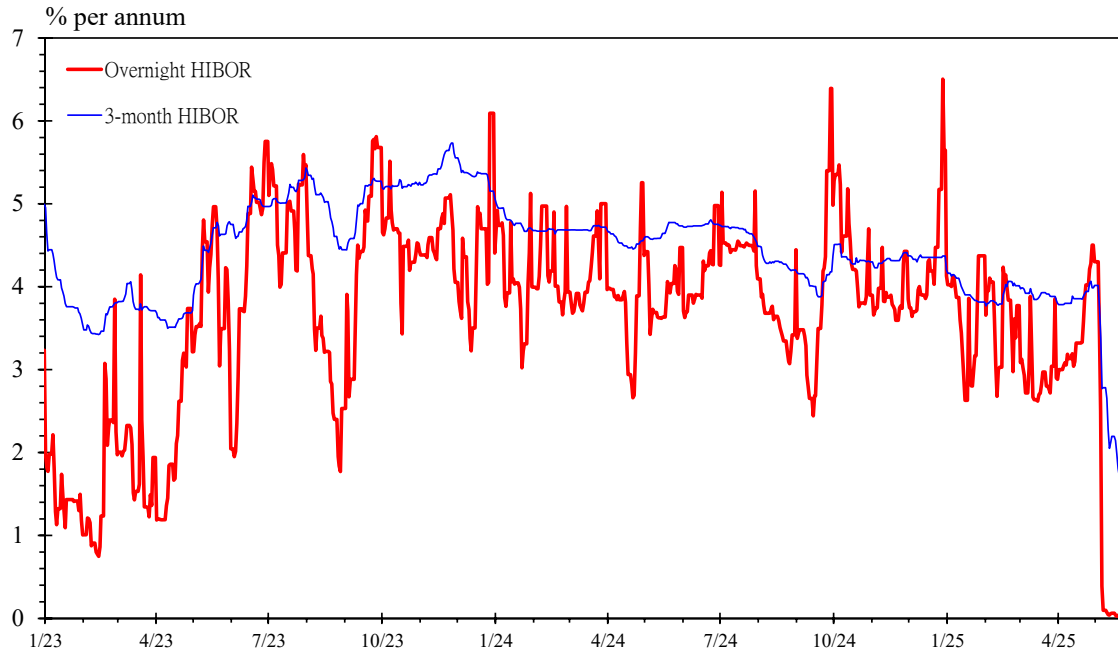


## Hong Kong Dollar exchange rates and interest rates

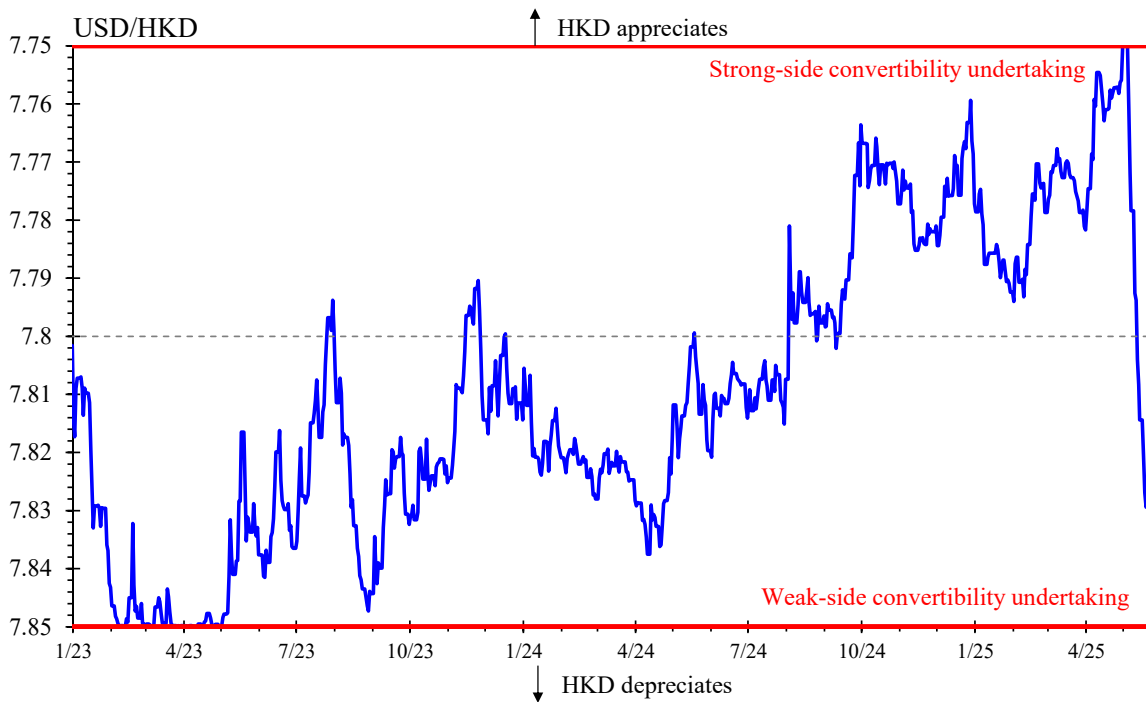
12. Interest rates in Hong Kong softened in the first five months of 2025. As the US Federal Reserve maintained the target range for the Federal Funds Rate unchanged at 4.25% to 4.50%, the Base Rate under the Discount Window operated by the Hong Kong Monetary Authority (“HKMA”) was kept unchanged at 4.75%. Yet, the Hong Kong Interbank Offered Rates (“HIBORs”) trended down along with the seasonal decline in demand for Hong Kong dollar funds after entering 2025. In early May, the Hong Kong dollar exchange rate triggered the “strong-side Convertibility Undertaking” of HK\$7.75 to US\$1 under the Linked Exchange Rate System (“LERS”), prompting the HKMA to sell Hong Kong dollars to the market in exchange for US dollars, and HIBORs to drop notably further (*Chart 6*). The overnight and three-month HIBORs receded from 5.65% and 4.37% at end-2024 to 0.03% and 1.55% on 23 May 2025 respectively. The prevailing Best Lending Rates in the market ranged from 5.25% to 5.75%. Total deposits with authorized institutions increased by 3.5% during the first quarter, within which Hong Kong dollar deposits increased by 5.1%, reflecting inflow of funds into the Hong Kong banking system.

13. The Hong Kong dollar spot exchange rate against the US dollar remained on the strong side of the Convertibility Zone during most of the first five months of this year. Since the “strong-side Convertibility Undertaking” of the Hong Kong dollar exchange rate was triggered in early May, the HKMA has intervened in the market four times, selling a total of around HK\$130 billion. The spot exchange rate retreated lately and closed at 7.831 on 23 May, compared with 7.763 at end-2024 (*Chart 7*). The Aggregate Balance of the banking system reached \$174.1 billion on 22 May, significantly higher than the \$44.8 billion at end-2024. On the other hand, under the LERS, as the US dollar weakened against most major currencies, the trade-weighted Hong Kong dollar Nominal and Real Effective Exchange Rate Indices both decreased by 0.4% during the first quarter.

**Chart 6 : HIBORs softened in the five months of this year, with more pronounced decline after the HKMA's multiple interventions of selling Hong Kong dollars to maintain the LERS**



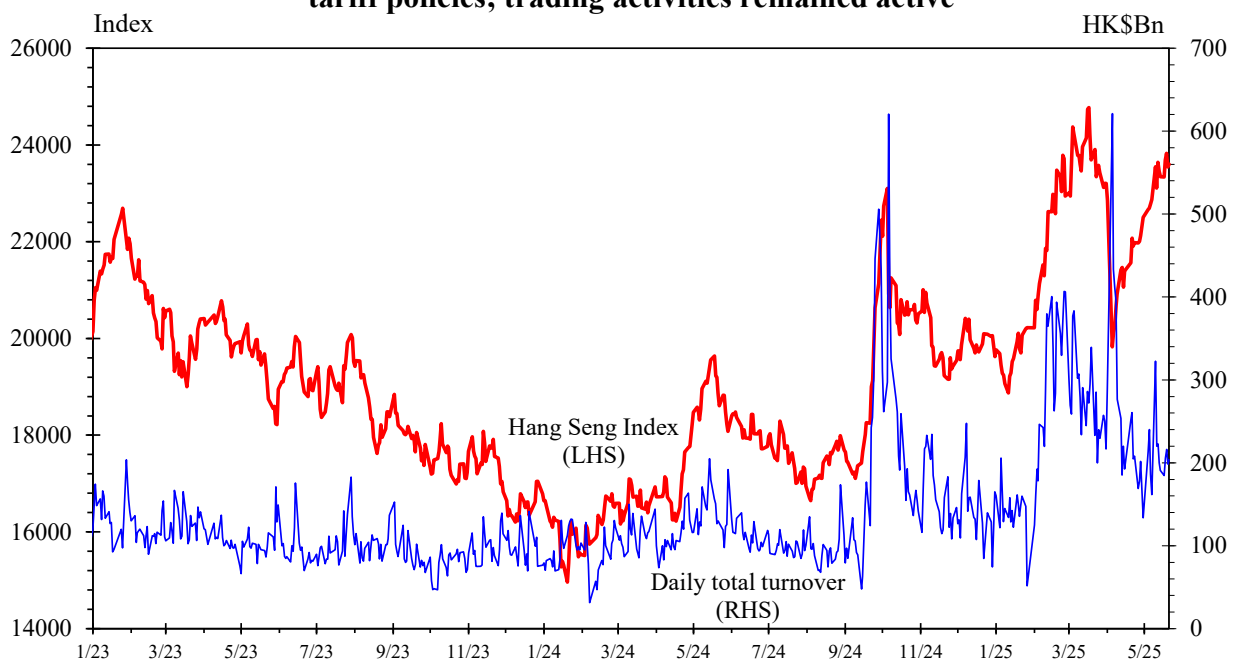
**Chart 7: The Hong Kong dollar spot exchange rate against the US dollar triggered the “strong-side Convertibility Undertaking” in early May, but retreated lately**



## Asset markets

14. The Hang Seng Index (“HSI”) once surged in the first quarter, fuelled by the Mainland’s breakthrough development in artificial intelligence and the Central Government’s measures to stimulate its domestic economy as unveiled at the “two sessions”. Following the US’ announcement of the so-called “reciprocal tariffs” against its trading partners in early April, global stock markets experienced significant volatility, and the HSI once fell below 20 000. Subsequently, the US suspended some of its tariffs temporarily, and China and the US agreed in mid-May to reduce temporarily the tariffs on imported products from each other for 90 days. The HSI recovered lost grounds and closed at 23 601 on 23 May, 17.7% higher than end-2024 (**Chart 8**). Trading activities remained active. Average daily turnover in the stock market in the second quarter up to 23 May was \$244.7 billion, higher than the \$242.7 billion recorded in the first quarter. Fund raising activities also increased.

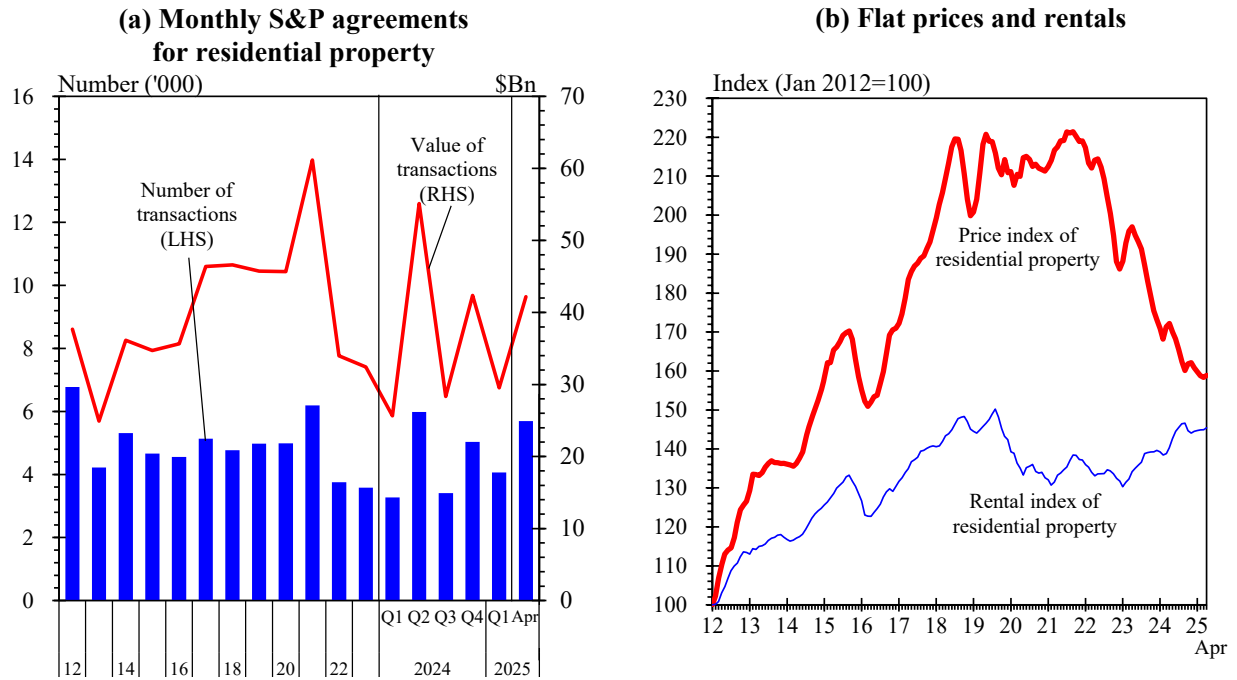
**Chart 8 : Local stock market surged in the first quarter, then turned volatile in face of US tariff policies; trading activities remained active**



15. As regards the residential property market, transactions turned more active in the latter part of the first quarter. Prices remained soft during the quarter but stabilised somewhat in April. International trade tensions have eased somewhat of late, but lingering uncertainties in the trade policies of the US and its monetary policy would still affect market sentiment. As for transactions, the monthly average number of sale and purchase agreements for residential property received by the Land Registry rose from 4 064 in the first quarter to 5 694 in April, notably above the monthly average of 4 589 recorded in the past five years (**Chart 9(a)**). Overall flat prices remained broadly the same in April, after falling by 2% in the first quarter. Meanwhile, the rental market continued to show resilience, with the overall flat rentals

edging up by 1% during the first four months of the year (*Chart 9(b)*).

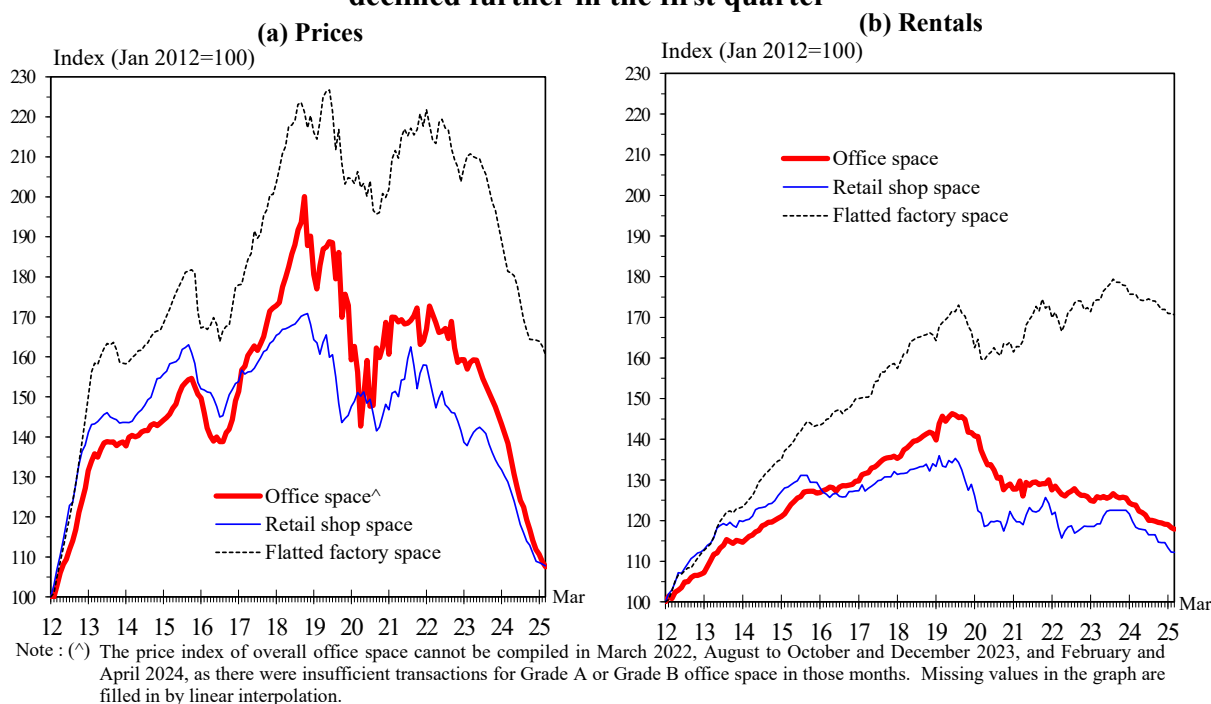
**Chart 9 : Residential property prices remained soft in the first quarter of 2025, but stabilised somewhat in April**



16. The Government's policy is to provide a continuous and sustained supply of housing land in a paced and pragmatic manner to allow for the steady development of the residential property market. In February, the Government announced the 2025-26 Land Sale List, which comprises eight residential sites, capable of providing about 4 450 flats in total. Taking the estimated supply from other sources of land supply into account (including projects of the MTR Corporation Limited and the Urban Renewal Authority, as well as private development/redevelopment projects), the total private housing land supply in the 2025-26 financial year is estimated to have a capacity to produce about 13 700 units, similar to the private housing supply annual target of 13 200 units. The Government will continue to make reference to the market situation and the progress of other supply sources, so as to announce the Land Sale Programme on a quarterly basis. Depending on the market situation, the Government could make adjustment during the quarter to respond to market changes. According to the estimates at end-March 2025, the total supply of first-hand flats in the private sector in the coming three to four years (comprising unsold flats of completed projects, flats under construction but not yet sold and flats on disposed sites where construction can start any time) would be around 105 000 units.

17. The non-residential property market remained generally weak in the first quarter. Trading activities across major market segments showed mixed performance. Overall prices of office space, retail shop space and flatted factory space decreased further by 4%, 1% and 2% respectively during the first quarter, while corresponding rentals on average declined by 1%, 2% and 1% respectively over the same period (*Chart 10*).

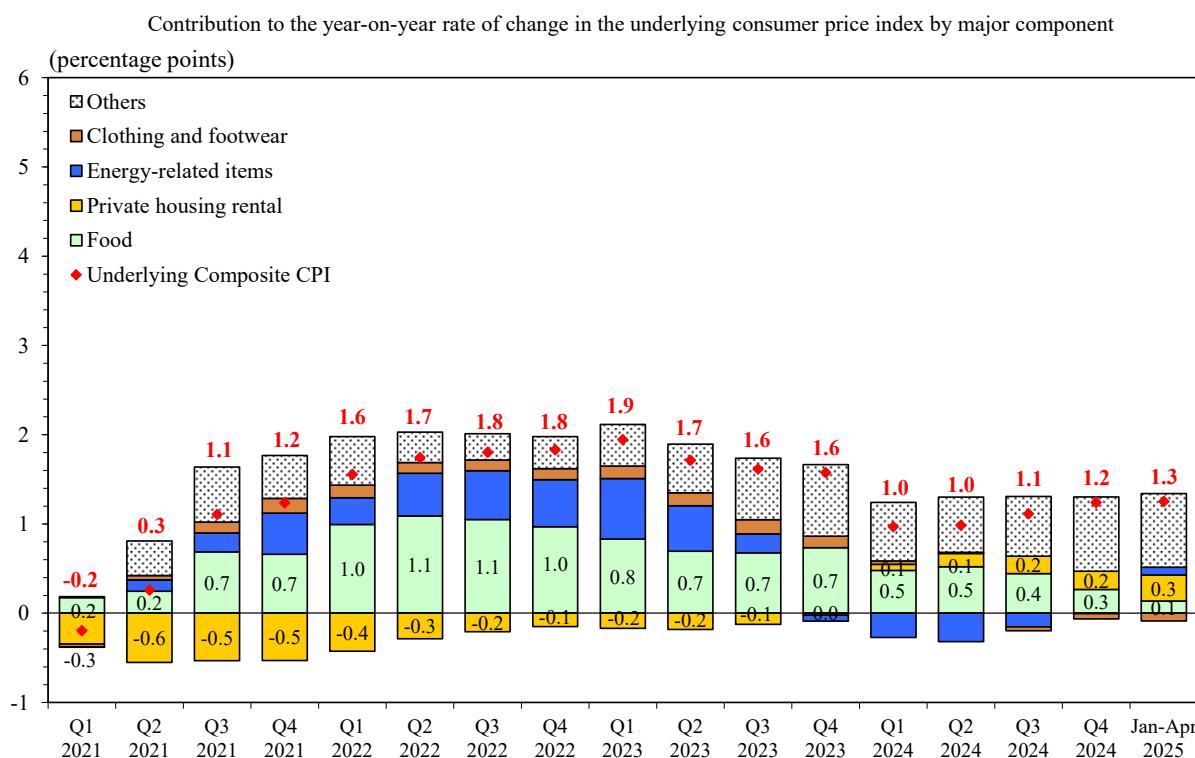
**Chart 10 : Prices and rentals of non-residential properties declined further in the first quarter**



## Inflation

18. Underlying consumer price inflation stayed modest in the first four months of this year. Netting out the effects of the Government's one-off relief measures, the underlying consumer price inflation rate was 1.3% in the first four months of this year, just slightly higher than the level of 1.2% in the fourth quarter last year (*Chart 11*).

**Chart 11 : Underlying consumer price inflation stayed modest in the first four months of this year**



Notes : Energy-related items include electricity, town gas, liquefied petroleum gas and other fuel, and motor fuel.

19. Analysed by major component of the underlying Composite Consumer Price Index (*Table 1*), in the first four months of this year, food prices as a whole increased mildly over a year earlier. Within which, a modest increase of 1.4% was recorded for prices of meals out and takeaway food, while a mild decrease of 1.1% was seen in prices of basic food. Private housing rentals saw a slight increase of 0.9% during the same period. Public housing rentals continued to register a visible increase due to the upward adjustment of public housing rents with effect from October 2024. Prices of other components generally saw little changes.

**Table 1 : Underlying Composite Consumer Price Index by component  
(year-on-year rate of change (%))**

<u>Expenditure component</u>	<u>Weighting (%)<sup>^</sup></u>	<u>2024</u>					<u>2025</u>		
		<u>Annual</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Apr</u>	<u>Jan-Apr</u>
Food	25.53	1.5	1.7	1.8	1.6	0.9	0.5	0.4	0.5
<i>Meals out and takeaway food</i>	16.82	2.6	3.4	3.0	2.3	1.7	1.4	1.3	1.4
<i>Basic food</i>	8.71	-0.3	-1.0	*	0.3	-0.4	-1.1	-1.3	-1.1
Housing <sup>(a)</sup>	38.89	0.9 (2.1)	0.5 (3.0)	0.7 (1.1)	0.8 (3.3)	1.4 (0.9)	1.5 (1.5)	1.8 (2.8)	1.6 (1.9)
<i>Private housing rent</i>	33.74	0.5 (1.4)	0.2 (2.0)	0.4 (0.5)	0.6 (2.4)	0.6 (0.6)	0.8 (0.8)	1.0 (2.0)	0.9 (1.1)
<i>Public housing rent</i>	2.05	2.9 (7.2)	0.3 (13.5)	0.4 (1.2)	0.4 (13.6)	10.5 (1.3)	10.5 (10.5)	10.7 (16.3)	10.5 (11.8)
Electricity, gas and water	2.97	-5.2 (-0.3)	-6.9 (-8.0)	-8.4 (-6.7)	-4.8 (4.5)	-0.5 (9.9)	2.2 (13.5)	1.8 (13.2)	2.1 (13.4)
Alcoholic drinks and tobacco	0.48	19.6	14.3	21.0	21.4	21.4	14.7	0.4	10.8
Clothing and footwear	2.46	-0.5	1.6	0.4	-1.5	-2.3	-2.7	-4.1	-3.1
Durable goods	3.73	-1.0	-1.4	-0.8	-0.7	-0.9	-0.9	-1.6	-1.0
Miscellaneous goods	3.37	1.2	1.3	1.0	1.0	1.3	1.1	1.0	1.0
Transport	7.49	2.0	2.1	1.9	2.2	1.7	2.8	3.8	3.1
Miscellaneous services	15.08	2.4 (2.4)	2.9 (2.9)	2.3 (2.2)	2.3 (2.3)	2.0 (2.0)	1.7 (1.7)	2.0 (2.1)	1.7 (1.8)
All items	100.00	1.1 (1.7)	1.0 (1.9)	1.0 (1.2)	1.1 (2.4)	1.2 (1.4)	1.2 (1.6)	1.3 (2.0)	1.3 (1.7)

Notes: (a) The housing component covers rents, rates, Government rent, management fees and other housing charges. Its sub-components on private and public housing rents as presented here, however, cover rents, rates and Government rent only. Hence, the combined weighting of private and public housing rents is slightly less than the weighting of the entire housing component.

( ) Figures in brackets represent the headline rates of change before netting out the effects of Government's one-off relief measures.

(<sup>^</sup>) These are the expenditure weights for 2024, used for the compilation of the CPIs since the reference month of April 2025. CPIs for the second quarter of 2024 to the first quarter of 2025 are compiled based on the expenditure weights for 2023, while CPIs for the first quarter of 2024 are compiled based on the expenditure weights for 2019/20.

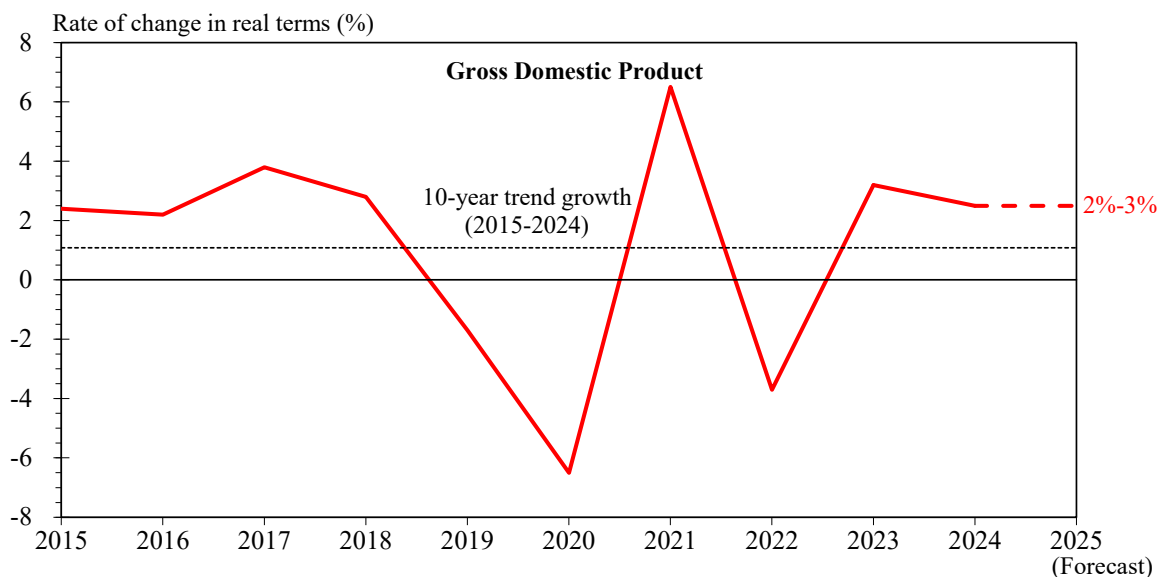
(\*) Change within  $\pm 0.05\%$ .

## Updated economic forecasts for 2025

20. As international trade tensions have eased somewhat of late, the headwinds and uncertainties in the external environment have lessened to some extent. This may relieve part of the downward pressure on the global economic outlook. Moreover, the sustained steady growth of the Mainland economy supported by more proactive fiscal policies and the moderately accommodative monetary policies should bode well for the performance of merchandise exports in Asia including Hong Kong. Alongside sustained international trade flows, coupled with increases in visitor arrivals, Hong Kong's exports of services are also expected to benefit. However, uncertainties in the trade policies of the US persist, and its monetary policy trajectory going forward is still complicated. These may affect global financial conditions and investment sentiment. Apart from this, the change in consumption patterns of residents and visitors would still pose constraints on consumption in the domestic market. However, sustained increase in employment earnings and the SAR Government's various policies to promote tourism and mega events would help boost consumption sentiment.

21. Taking into account the actual outturn in the first quarter and the latest development of the global and local situation, the real GDP growth forecast for 2025 as a whole is maintained at 2%-3% (*Chart 12*), the same as that announced in the Budget.

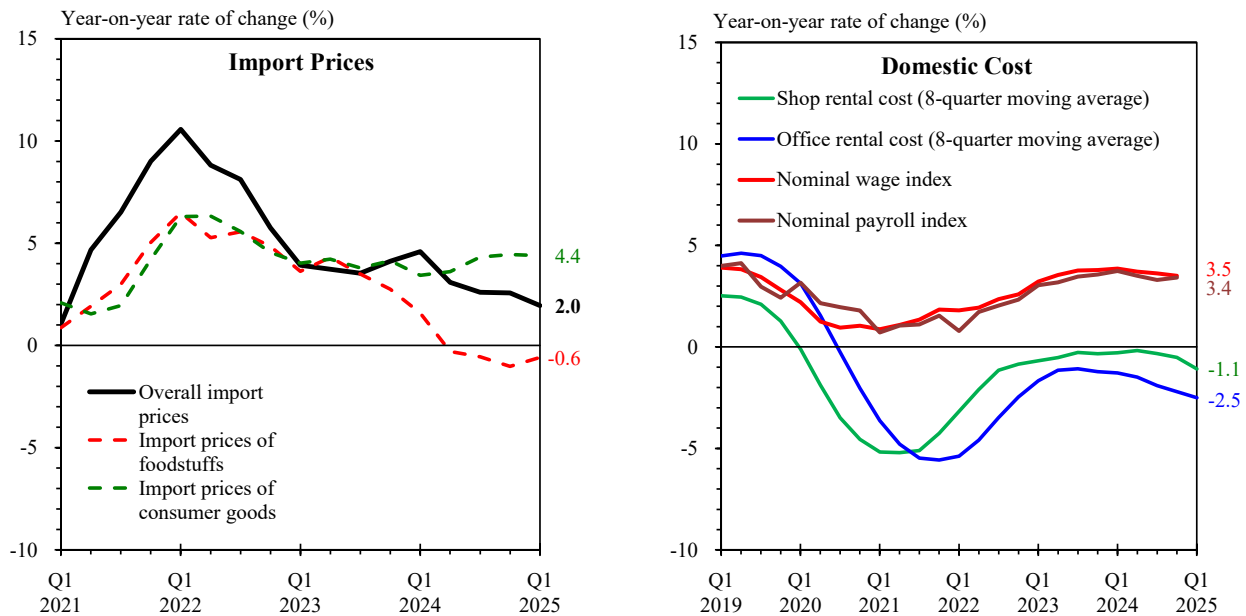
**Chart 12 : Economic growth forecast for 2025 as a whole is maintained at 2%-3%**



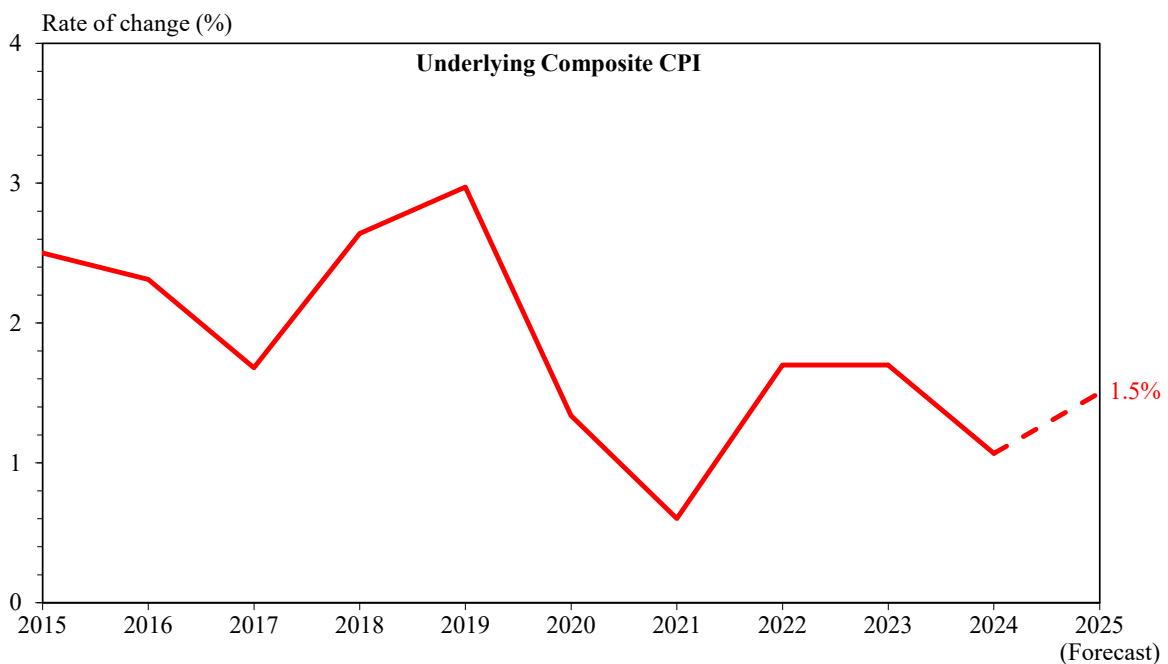


22. On inflation, overall inflation should remain modest in the near term as pressures from domestic costs and external prices should stay broadly in check (**Chart 13**). Considering that the inflation situation in the first quarter was broadly in line with earlier expectations, the forecasts for the underlying and headline consumer price inflation rates for 2025 are maintained at 1.5% (**Chart 14**) and 1.8% respectively.

**Chart 13 : Overall external price pressures were contained;  
domestic cost pressures were generally in check recently**



**Chart 14 : Underlying inflation rate for 2025 is forecast at 1.5%**



## **Recent Situation of Household Income<sup>(1)</sup>**

### **Background**

This Annex provides an update on the latest trends of household income and employment earnings in Hong Kong and those of the low-income households. The benchmark of monthly household income for low-income households is \$9,700 (at Q1 2025 prices) after adjusting for inflation<sup>(2)</sup>.

### **Overall situation of household income and employment earnings**

2. The labour market softened slightly but remained generally tight. The seasonally adjusted unemployment rate was 3.4% in February – April 2025, which saw some increase from the low level of 3.1% in the fourth quarter of 2024. The latest labour force remained almost unchanged from a year ago, while total employment decreased by 0.5% year-on-year.

3. In respect of employment earnings situation, median employment earnings of full-time employees recorded a year-on-year increase of 6.4% in nominal terms or 4.7% in real terms in the first quarter of 2025. Within the total, median employment earnings of lower-skilled employees rose by 2.8% year-on-year in nominal terms or 0.6% in real terms<sup>(3)</sup>. As for household income, the median monthly household income of economically active households increased by 2.2% year-on-year in nominal terms, or 0.6% in real terms after netting out inflation (*Table 1*)<sup>(4)</sup>.

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(1) This Annex was originally provided in response to a Member's request at the meeting of the Panel on Financial Affairs on 5 December 2005. It has since been updated regularly for Members' information. Foreign domestic helpers are excluded from the analysis except general labour market statistics (unemployment rate, labour force, total employment, total unemployment).

(2) Calculated based on Consumer Price Index (A), and the benchmark is equivalent to \$8,800 at Q2 2019 prices.

(3) About 80% of employed persons residing in low-income households were engaged in lower-skilled occupations (mainly including unskilled workers and service and sales workers). As such, an analysis focusing on changes in employment earnings of lower-skilled employees would better reflect the earnings situation of employed persons concerned.

(4) Amid an ageing population, the proportion of economically inactive households continued to rise, thereby posing a drag on the median monthly income of all households. For instance, in the first quarter of 2025, the median monthly household income of all households remained almost unchanged in nominal terms from a year earlier, or declined by 1.6% in real terms after netting out inflation. As such, an analysis focusing on changes in median monthly household income of economically active households would better reflect the situation of low-income households by mitigating the impact of population ageing on income.

**Table 1 : Selected household income / employment earnings indicators  
(year-on-year rate of change (%))**

Period		Median monthly household income of economically active households		Median employment earnings of employees^		Median employment earnings of lower-skilled employees^	
2021		1.3	(-0.2)	@	(-1.5)	6.7	(3.7)
2022		3.5	(1.6)	5.0	(3.1)	2.5	(0.3)
2023		6.0	(3.9)	6.2	(4.0)	4.9	(2.5)
2024		2.6	(0.9)	6.7	(4.9)	4.7	(2.5)
2024	Q1	3.2	(1.2)	4.4	(2.5)	5.9	(3.6)
	Q2	4.3	(3.0)	6.8	(5.5)	5.9	(4.4)
	Q3	3.7	(1.3)	6.7	(4.2)	5.3	(2.1)
	Q4	1.3	(-0.1)	4.8	(3.4)	1.7	(@)
2025	Q1	2.2	(0.6)	6.4	(4.7)	2.8	(0.6)

Notes: (^) Median employment earnings of full-time employees.  
( ) Rate of change (%) in real terms.  
(@) Change of less than 0.05%.  
Monthly household income and overall employment earnings of employees in real terms are adjusted based on headline Composite Consumer Price Index, while employment earnings of lower-skilled employees in real terms is adjusted based on headline Consumer Price Index (A).

### **Economically active households with monthly household income below \$9,700**

4. In the first quarter of 2025, there were 85 200 economically active households with monthly household income below \$9,700 (referred to as “low-income households”). Its proportion in total domestic households stayed low at 3.1%<sup>(5)</sup>.

5. An analysis of the number and proportion of low-income households over the past years suggests that their changes largely followed economic cycles. During 2000 to 2008 when the economy sustained growth for most of the period, the proportion of low-income households fell successively from a peak of 4.8% in the first quarter of 2003 to below 4%. After the onset of the global financial crisis in late 2008, the corresponding proportion rose back to 4.3% in the first quarter of 2009, but subsequently declined in tandem with the economic recovery. Hard hit by the COVID-19 epidemic, labour market conditions deteriorated over the course of 2020. The unemployment rate rose to a high of 6.8% in the first quarter of 2021, and the proportion of low-income households also rose to 5.5% before declining alongside the receding epidemic (*Table 2 and Chart 1*).

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(5) All figures pertaining to low-income households in the first quarter of 2025 are provisional figures.

**Table 2 : Number and proportion of low-income households\***

<u>Period</u>	Household type:		<u>Total</u>	Of which:
	<u>Elderly households<sup>#</sup></u>	<u>Non-elderly households</u>		<u>Economically active persons therein</u>
Q1 2003	3 000	97 400	<b>100 500</b>	118 100
	(0.1)	(4.6)	<b>(4.8)</b>	[3.6]
Q1 2007	2 800	75 900	<b>78 600</b>	89 700
	(0.1)	(3.4)	<b>(3.5)</b>	[2.6]
Q1 2008	3 400	77 900	<b>81 300</b>	90 100
	(0.2)	(3.4)	<b>(3.6)</b>	[2.7]
Q1 2009	3 800	94 200	<b>98 100</b>	113 800
	(0.2)	(4.1)	<b>(4.3)</b>	[3.3]
Q1 2011	3 800	86 000	<b>89 800</b>	98 100
	(0.2)	(3.7)	<b>(3.8)</b>	[2.9]
Q1 2017	8 700	62 100	<b>70 800</b>	79 000
	(0.3)	(2.5)	<b>(2.8)</b>	[2.2]
Q1 2019	8 900	64 900	<b>73 800</b>	80 700
	(0.3)	(2.5)	<b>(2.9)</b>	[2.2]
Q1 2020	10 000	94 100	<b>104 100</b>	117 700
	(0.4)	(3.6)	<b>(4.0)</b>	[3.3]
Q1 2021	12 800	131 900	<b>144 700</b>	166 800
	(0.5)	(5.0)	<b>(5.5)</b>	[4.7]
Q1 2022	9 800	103 700	<b>113 500</b>	130 300
	(0.4)	(3.9)	<b>(4.3)</b>	[3.7]
Q1 2023	10 400	75 600	<b>86 000</b>	91 700
	(0.4)	(2.8)	<b>(3.2)</b>	[2.6]
Q1 2024	14 300	68 500	<b>82 800</b>	89 100
	(0.5)	(2.5)	<b>(3.0)</b>	[2.6]
Q1 2025	11 900	73 300	<b>85 200</b>	91 400
	(0.4)	(2.6)	<b>(3.1)</b>	[2.6]

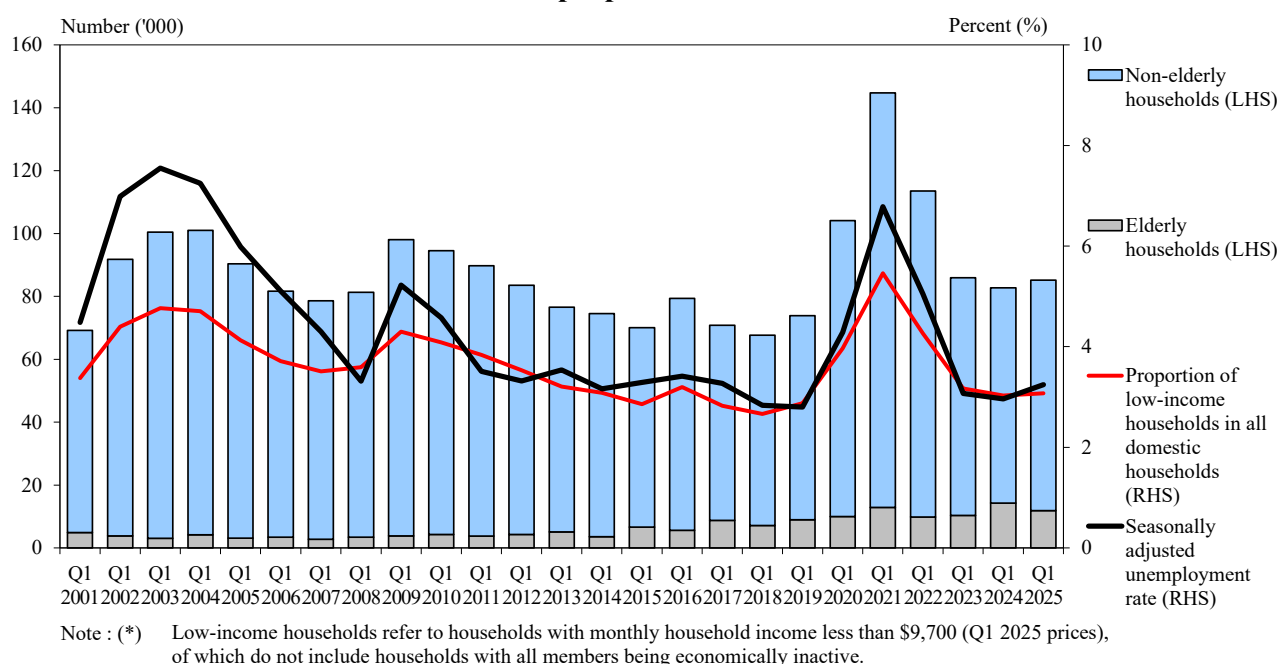
Notes : (\*) Low-income households refer to households with monthly household income less than \$9,700 (Q1 2025 prices), of which do not include households with all members being economically inactive.

(#) Elderly households refer to domestic households with all members aged 65 and above.

() Proportion in all domestic households (%).

[] Proportion in total labour force (%).

**Chart 1 : Number and proportion of low-income households\***

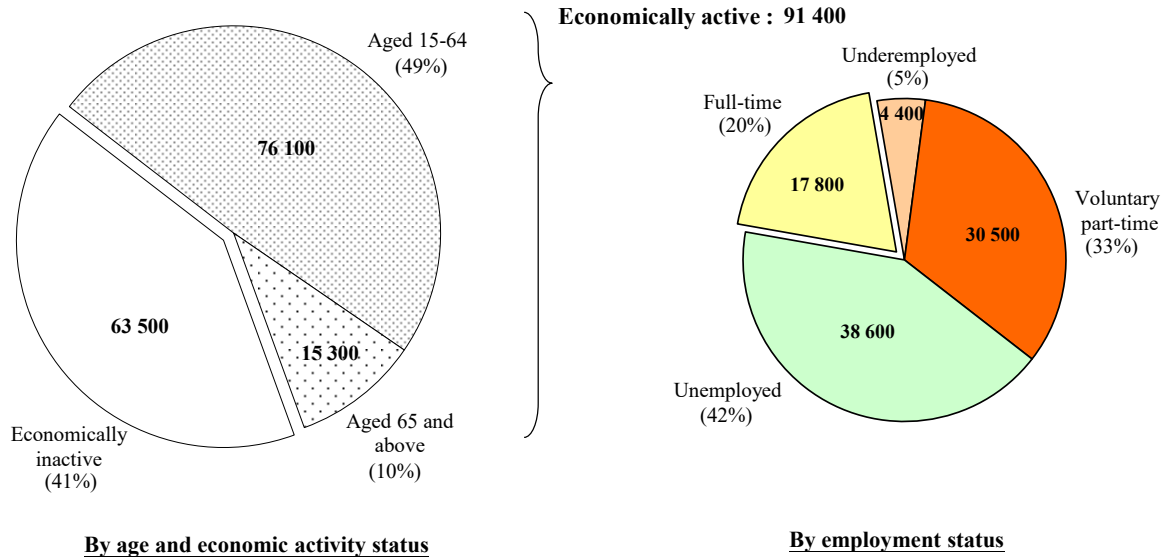


## Socio-economic characteristics of low-income households

6. Further analysis of low-income households in the first quarter of 2025 yields the following observations:

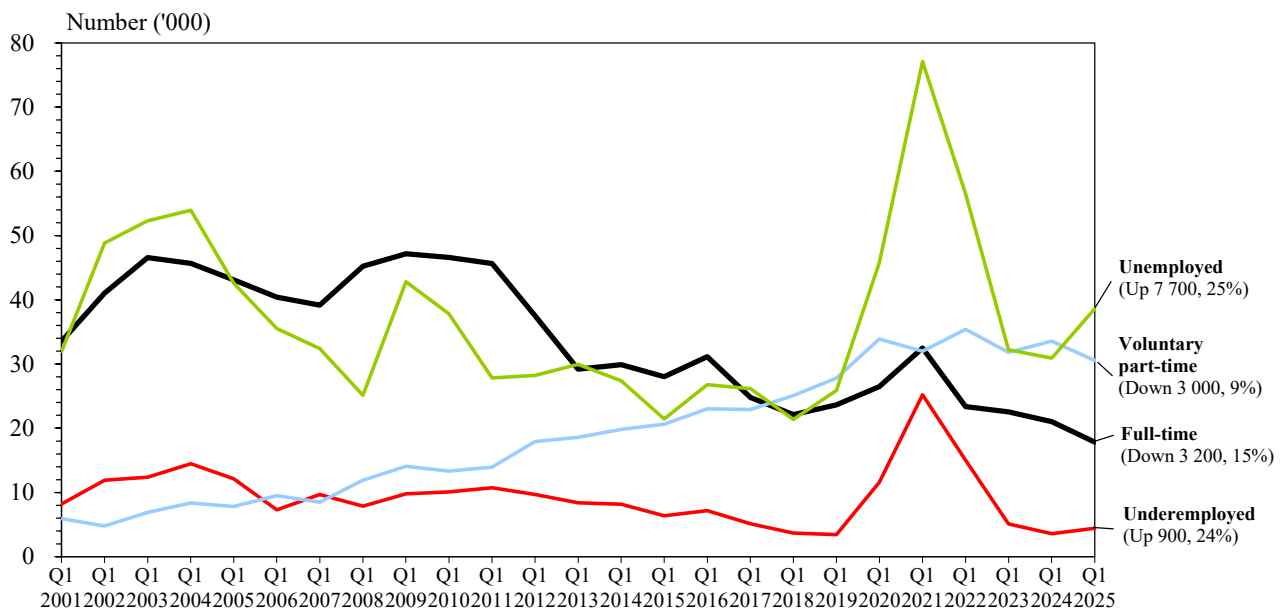
- There were 154 900 persons living in low-income households, among whom 91 400 were economically active. Most of these economically active persons (76 100 or 83%) were aged 15-64, with the majority in the older age group of 40-64 (55 900 or 61%), and some were elders aged 65 and above (15 300 or 17%).
- The remaining 63 500 persons were economically inactive, among whom 32 300 (51%) were either children aged below 15 or elders aged 65 and above.
- Further analysis by employment status shows that among the 91 400 economically active persons, the numbers of full-time workers and voluntary part-timers were 17 800 and 30 500, down by 15% and 9% respectively from a year earlier, and their respective proportions fell to 20% and 33%. The number of underemployed persons was 4 400, with the proportion increasing slightly by 1 percentage point compared with a year ago to 5%. Meanwhile, the number and proportion of unemployed persons increased by 25% and 8 percentage points year-on-year to 38 600 and 42% respectively (**Charts 2 and 3**).

**Chart 2 : Persons living in low-income households\*  
by age and economic activity status in the first quarter of 2025**



Note : (\*) Low-income households refer to households with monthly household income less than \$9,700 (Q1 2025 prices), of which do not include households with all members being economically inactive.

**Chart 3 : Composition of economically active persons in low-income households\***



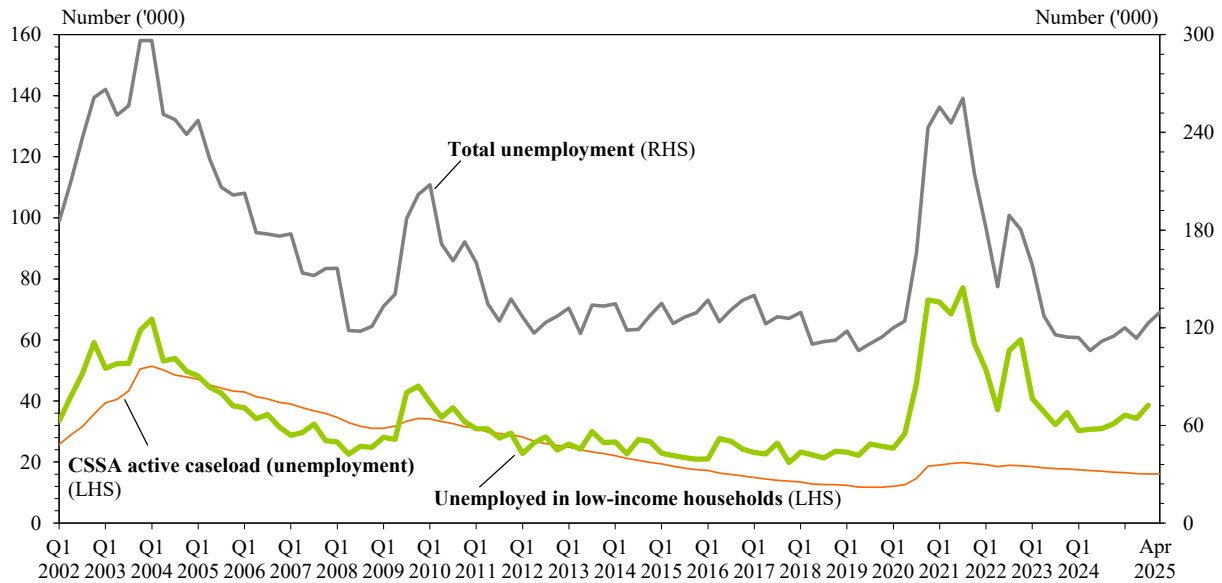
Notes : (\*) Low-income households refer to households with monthly household income less than \$9,700 (Q1 2025 prices), of which do not include households with all members being economically inactive.  
Figures in brackets are the year-on-year changes in the number of economically active persons in the first quarter of 2025.

- Analysed by occupation, the majority of the employed persons in low-income households (81%) were lower-skilled workers (35% were service and sales workers, and 24% were elementary workers). A breakdown by economic sector reveals that most of them were engaged in the retail, accommodation and food services sector (14 400 or 27%), followed by the transportation, storage, postal and courier services sector (5 200 or 10%).

## The number of Comprehensive Social Security Assistance (“CSSA”) cases

7. The unemployment rate of lower-skilled workers rose by 0.5 percentage point over a year earlier to 3.6% in February – April 2025. The number of CSSA unemployment cases was 16 089 in April 2025, down by 790 or 4.7% from a year earlier (**Chart 4**). As for the number of overall CSSA caseload, there were 195 425 cases in April 2025, down by 3 415 or 1.7% year-on-year.

**Chart 4 : The relationship between the unemployed in low-income households\*, CSSA active caseload (unemployment)^ and total unemployment**



Notes : (\*) Low-income households refer to households with monthly household income less than \$9,700 (Q1 2025 prices), of which do not include households with all members being economically inactive.  
(^) Monthly period-end figures.