

Coronavirus: China job listings tumble by 27 per cent in first quarter as economic toll of pandemic mounts

Thursday 16 April 2020, by [LENG Sidney](#) (Date first published: 16 April 2020).

The coronavirus outbreak has led to a steep decline in demand in China's job market, with employment ads tumbling by 27 per cent in the first quarter.

New study shows that export-oriented firms and companies with foreign investment particularly aggressive in cutting new hires.

The coronavirus outbreak is severely weakening China's job market, with the **number of new positions on offer shrinking by 27 per cent in the first quarter of the year, led by recruitment cuts among exporters and foreign enterprises**, a study from China's Peking University shows.

The study, which tracked 23 million new job posts on Chinese recruitment site Zhaopin.com, is a fresh warning about China's economic future, including its role in the global economy and prospects for young jobseekers amid the Covid-19 pandemic.

New jobs are vital for China's prosperity and stability, and a key reason that Beijing sets an annual gross domestic product growth target is to ensure the economy produces enough new jobs to prevent social unrest.

China's economy grew by 6.1 per cent last year, creating some 13.52 million new jobs.

Before the coronavirus outbreak, analysts had predicted the central government would set a 6 per cent growth target for 2020, leading to about 11 million jobs.

But as the global economy hurtles towards its steepest downturn in nearly 100 years, both those goals are likely to be downscaled or dropped entirely.

- The Peking University study, which was released this week, showed that **recruitment ads in China's entertainment and services sector fell by more than 40 per cent** from a year earlier, followed by **smaller declines in education, sports, information technology and finance**.

- Small businesses are China's biggest job creators, but the study showed fewer were hiring in the first quarter.

Demand among small businesses for new staff plunged by more than a third.

- **Recruitment by large firms with more than 1,000 employees fell by 10 per cent.**

- **Companies that had some foreign investment, including joint ventures**, were particularly aggressive in cutting new hiring, the study showed, with job posts tumbling **more than 30 per cent**.

- That was a steep fall when compared with the **26 per cent drop in recruitment among private firms and 20 per cent fall among state-owned enterprises**.

- **Export-oriented manufacturers**, particularly those shipping electronic equipment, garments and apparel, also pulled back on recruitment. Between February 10 and the end of March, job ads in the export sector plummeted **26 per cent**.

In the worst case scenario, without any government support, that could balloon to 37 per cent by the end of June, the study said.

"We also need to be aware of the risks in restructuring industrial supply chains in the future," said Lu Hai, a professor from Guanghua School of Management at Peking University and also the report's lead author.

"The coronavirus shock could prompt foreign companies to adjust their suppliers. As a result, even if the pandemic is over, foreign demand for Chinese goods may not be restored to the level before the virus outbreak."

- **The most vulnerable group in China's job market are low-skilled labourers.**

Jobs with monthly salaries of below 4,000 yuan (US\$566) **shrank by 44 per cent** from January to March, whereas those that offered at least 15,000 yuan (US\$2123) per month dropped only **12 per cent**.

- Demand for jobseekers with bachelor's degrees or above, but only one to three years of work experience, dropped almost **25 per cent** in the first quarter from a year earlier.

- Job ads for new graduates, meanwhile, fell **10 per cent** - a small relief for the country's 8.74 million new graduates this summer, according to the study.

"The most affected are those jobseekers who have a small amount of work experience and are planning to change jobs recently. They are more likely to be unable to find work," Lu said.

The real job market in the world's second biggest economy remains murky due to lack of reliable data. **China's official surveyed jobless rate, which rose to 6.2 per cent at the end of February, misses many of the country's more than 290 million estimated migrant workers.** China's statistics agency is expected to release new data on Friday, including the latest unemployment rate and first quarter growth figure.

Estimates vary on the number of unemployed in China, from tens of millions to more than 200 million.

Erian Cui, an economist at Beijing-based consultancy Gavekal, estimated that a 20 to 45 per cent collapse in demand for China's exports for the rest of the year could cost four to six million manufacturing jobs alone this year.

Links :

[1]
<https://www.scmp.com/economy/china-economy/article/3075314/coronavirus-caused-dramatic-collapse-chinas-economy-warning>

[2]
<https://www.scmp.com/economy/global-economy/article/3079776/coronavirus-global-economic-down-turn-2020-likely-be-worst>

[3]
<https://www.scmp.com/economy/china-economy/article/3079882/coronavirus-chinas-small-firms-see-revenues-tumble-70-cent>

- [4] <https://www.scmp.com/economy/china-economy/article/3074060/coronavirus-chinas-exports-and-imports-plummeted-january-and>
- [5] <https://www.scmp.com/economy/china-economy/article/3075411/coronavirus-china-unemployment-rate-rose-more-during-us-trade>
- [6] <https://sc.mp/china-ai-report-20-lssb0>
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