

D0018



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21 February 2014

The Hon Carrie Lam, GBS, JP
Chairman
Steering Committee on Population Policy
Secretariat of the Steering Committee on Population Policy
26/F, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Carrie,

Public Engagement Exercise on Population Policy

The Employers' Federation of Hong Kong warmly welcomes the Government's Public Engagement Exercise on Population Policy. An effective population policy is crucial for the sustainable development of our society by materialising the vision of the Administration through mapping out the policy priorities and filling in the gaps with necessary human resources. It should be treated with the highest priority in order to keep Hong Kong competitive in the years to come.

An effective population policy is not purely an issue about people, but also covers a wide spectrum of social and economic policies. As employers, we would like to address this important issue from a number of different perspectives namely, manpower projection, manpower provision and manpower quality.

A. Manpower Projection

Manpower projection is more than a virtual calculation of the demographic profile of our society, as it serves as a blueprint of our future manpower needs and quality required. It is also closely aligned with the strategic development of our economy. Only with this vision in mind can we identify our shortfalls and formulate effective policies to fill the gaps.

As revealed in the paper for the engagement exercise, the Hong Kong's population is ageing at a faster rate than expected. A shrinking work force will inevitably hamper further development and growth of our economy. This can become a vicious cycle; an underdeveloped economy will hinder the future of our younger generation by not creating sufficient opportunities for advancement and social mobility.

The statistics available from the population projection study only paint a broad picture of the demographic characteristics of our community. It is crucial to go deeper to identify the types of



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talent, in terms of skills set, skills level and quantity needed to achieve both the short-term and long-term goals for the development of our society. We expect the leadership of the Administration, with the active participation and engagement of other stakeholders including the business community to come up with a more detailed forecast of our human capital needs in the years and decades ahead.

B. Manpower Provision

Human capital plays a particularly important role in a services-oriented economy such as Hong Kong. Sufficient provision of quality talent is the pre-condition for the full development of our pillar industries. Manpower shortages are already evident in many sectors, including construction, engineering, retail, catering, estate management and elderly care services. The shrinking work population will further exacerbate the situation.

The Federation shares the view that efforts should be made to attract our untapped potential work force including homemakers, ethnic minorities, youngsters and retirees to enter or re-enter the labour market. There are many reasons hindering their participation in the labour market at present, and specific assistance measures should be considered.

Homemakers

Many married persons opt to leave the job market for different family or personal reasons, e.g. parental role, caring for elderly parents or more personal leisure, etc. Some may choose to re-enter the labour market if some of their obligations can be partly or completely released. We are of the view that family-friendly measures should be promoted both at the community and enterprise level. For the latter, in particular, flexible work arrangements would be an option to explore.

Retirees

With longer life expectancy, many retirees are still full of passion and energy. Their rich experience and expertise will be a valuable asset for the community as a whole. Indeed, many organisations in the private sector have attempted to engage retirees through various flexible work arrangements e.g. as consultants, advisors, part-time employees, and so on.

We do not consider it necessary to set a compulsory retirement age across the board, but to encourage flexible engagements for this group of potential workers which can suit both the needs of business and personal preferences. Such voluntary arrangements will allow individual organisations to better formulate labour and succession plans with due consideration to the upward mobility and promotion prospects for the younger employees.



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Inactive youngsters

With 12 years of compulsory education, our youngsters start work much later today than in the past, with many opting to pursue higher education after the 12 years. Those who do not stay in mainstream education are reluctant to take up jobs requiring physical labour or technical operational jobs such as construction and engineering and would rather remain unemployed if they do not secure jobs to their liking. Youth employment is not a unique problem for Hong Kong. Many economies around the world face similar challenges. We consider that improving the image, working environment and vocational skills attainment of these less desirable jobs and improving the prospects for social mobility is the solution.

It is therefore appropriate for us to revisit our vocational education provision. Our education system over the past two decades has focussed mainly on the development of mainstream education. Yet, there are many youngsters with talent and potential outside of academic subjects. We are also in need of a labour pool with a wide spectrum of skills and knowledge.

Overseas talent

To maintain Hong Kong's competitiveness as a world city, a more proactive immigration policy is required to provide our community with new blood, especially since we have a low birth rate. Other competitive economies such as Singapore and Australia have adopted aggressive strategies to attract talented new immigrants to reside and work there. Hong Kong has been relatively passive in this area over the past few years, and it is high time to re-position our immigration policies.

There are many considerations other than career prospects for overseas talent to determine where they want to reside and work. International school places have long been a top concern for our expatriate workers, although the situation is expected to improve somewhat following the completion of a number of new school premises.

Importation of labour

All of the above measures need time to bear fruit. We earnestly urge the Administration to revisit the labour importation policies in order to address the acute labour shortage problem in the near term. The Federation shares the view of giving priority in employment to our local population, and has no intention to exploit the well-being of our local population by importing cheap labour to displace them. An open and flexible labour importation mechanism, however, will allow industries without sufficient labour supply or where the jobs are not desired by the local workforce to fill the openings and provide the labour and services needed by the community. Most importantly, by doing so, these industries will be allowed to grow continuously, and to create other jobs which will be suitable for our local population, e.g. supervisory positions.



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C. Manpower quality

Developing our local population to secure their employability and competitiveness is one of the key responsibilities that both the Administration and employers should focus on. The Federation supports the Government's education policy in providing our youngsters with as many opportunities as possible to attain higher education if they so wish. Besides mainstream education, we are of the view that vocational and technical training should also be emphasised to utilise the different talent and skills of our younger generations. The manpower projection, along with the blueprint of the strategic development of Hong Kong, will help identify the right skill sets and qualifications we need.

From an employer's perspective, the Federation always holds the view that job preservation is an important means to keep our workforce competitive. Employees can keep abreast of new business practices, and be equipped with relevant on-the-job training by staying active in the job market. The Federation is committed to advocate good employment practices, and training & development is one of the core values for the total employment proposition for our workforce. Many employers in Hong Kong have devoted significant resources to staff training and development, and any incentives from the Government to encourage these practices will be most helpful.

In summary, the Federation would like to see further action from the Administration particularly in the following areas:

- A more detailed forecast of our human capital needs in the years and decades ahead;
- Specific assistance measures for different groups of the untapped potential work force e.g. encouragement of voluntary flexible work arrangements;
- Improvement of the image, working environment and vocational skills attainment of those less desirable jobs;
- Revisit our vocational education provision;
- Formulation of a more proactive Immigration policy;
- Provision of additional international school places;
- Revisit the labour importation mechanism to allow effective and efficient recruitment of sufficient manpower;
- Incentives to encourage manpower training and development at enterprise level.

The Federation recognises that an effective population policy requires comprehensive support and infrastructure. There are many other key parameters, including but not limited to air quality, education systems, health care, housing, etc for talent, local and non-local to choose Hong Kong as a place to live, work and raise a family. The Federation shares the vision of contributing to the



prosperity of Hong Kong, and are more than happy to work with the Administration on these issues for the future success of Hong Kong.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Y K Pang', is written over a horizontal line.

Y K Pang
Chairman