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International Chamber of Commerce - Hong Kong, China 國際商會 - 中國香港區會

The world business organization

By Courier

22 April 2014

The Hon. LAM CHENG Yuet Ngor, Carrie, GBS, JP
Chief Secretary for Administration
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 Mrs Lam,

Consultation Document on Population Policy

In response to the consultation document on population policy,
we have pleasure in enclosing herewith the Chamber's views for your
consideration.

Thank you for your attention.

Yours sincerely,

K P Tay
Secretary

Enc.

International Chamber of Commerce - Hong Kong, China 國際商會 - 中國香港區會

Room 201, 2/F., New Victory House, 93-103 Wing Lok Street, Sheung Wan, Hong Kong
香港上環永樂街93-103號樹福商業大廈2樓201室
Tel 電話: (852) 2973 0006 Fax 傳真: (852) 2869 0360
Website 網址: www.icchkcbc.org E-mail 電郵: general@icchkcbc.org

Comment on Consultation Document
on Population Policy

The Foreword of the Document states that "A sustainable population policy should be one aimed at finding a balance between the creation of economic wealth, equal opportunities for all people and better quality living".

2. We believe population policy tries to arrive at an optimum relationship between community resources and a given population, to be sustainable over time. With globalisation and given Hong Kong being an open economy, it will be a formidable task to project future resources available. On the other hand, it is possible to manage population size and predict its future.

3. Looking at the world economic situation, we may be reasonably certain that low economic growth will be more likely in the foreseeable future with stiff competition from other cities, particularly in the Mainland. On the other hand, Hong Kong lacks important resources to support an ever-growing population with a decent quality of life. Even water supply and energy have to be reliant on external resources. In other words, the bigger is the population, Hong Kong will have to import more goods and services and build more infrastructure in the long term. Hence the size of the population will have to be contained. It is pointed out that Hong Kong's birth rate has steadily dropped and that import of manpower will be a substitute. While people can contribute to economic growth, they also have cost implications. Migrant manpower will be an alternative to meet changing economic fortunes of different sectors of the economy.

4. At the same time, quality than quantity of manpower is more important, and we agree the government should invest in the quality of Hong Kong's population, if we are concerned about productivity, the environment or mutual care.

5. The Document suggests inducing more females to the job market. We would like to point out that for those who are married and are homemakers, they are looking after the family which is a very important function (though non-paying). Institutional support may alleviate household work, but it cannot substitute parental care. Industrialization, commercialisation, urbanization and pursuit for a

materialistic lifestyle have already led to many families paying inadequate attention and care for upbringing children and to social problems – a social cost yet to be accounted for in the calculus of economic growth.

6. The Document rightly suggests extending the working life of high age groups. Many able body senior citizens are prepared to continue to contribute their time and effort, and they have valuable experience particularly in their respective trades. However, there are institutional issues which the government has to look at such as retirement age and age limit for insurance coverage to let employers hire people who otherwise may not be eligible for insurance coverage. The government may also consider assisting retired people to start their own business, which effectively promotes the spirit of entrepreneurship.

7. The Document suggests fostering a supportive environment to people to form and raise a family. While it sets out the problems facing people to form or raise a family, the remedial measures proposed have varying degrees of relevance. The most important consideration is the government has to intervene in high property prices and rents both in the short and long term. For those married who have to work or wish to work, there has to be sufficient subsidized childcare services. Admittedly, with high attainment in education, rising material standard of living and more choices in disposing of free time, birth rate is bound to go down. However, the government should avoid social engineering measures interfering with person freedom, or workplace practices which can be left to the market.

8. In this connection, we believe that the government may wish to consider encouraging married couple to live with their elderly parents. According to information available, the percentage of people aged 18 – 30 living with their parents rose in 2011 in 28 European countries. If living space permits, engaging the elderly with their offspring helps strengthen the concept of the family, and keep the elderly active in the community. This is a preferred option to the suggestion in the Document that the government should support elderly people leave Hong Kong and live in the Mainland, which after all is a matter of personable choice, and the government's corresponding resources support will require justification.

9. Similarly, the Document asks how the government can facilitate the development of the silver hair market. We think that market is already there and is growing. Unless there is reason of public interest

for the government to step in, it will be an issue best left to business enterprise.

10. Population policy is for the wellbeing of the people. Yet it must also take into account the transient or floating population viz migrant workers and tourists. While they may be producers or consumers, they are a cost factor or social liability at the same time, e.g. in terms of providing or enlarging public services or the stock of infrastructure. While they contribute to the host country, there are accompanying issues of social assimilation and cultural conflict.

11. Population growth alone does not guarantee economic growth or the wellbeing of the people. Technological advancement will reduce the demand for manpower but will spur growth, which may be a preferred option. Innovation can support Hong Kong business to raise productivity and competitiveness, the application of information technology being a case in point. Technological advancement demands Hong Kong to be attractive for such investment as well as Hong Kong people being capable of embracing new knowledge and skill. Also as we agree to the Document's emphasis on manpower development, we would like to stress that education or training should keep a balance between learning occupational skills and humanities.

12. Finally, we believe population policy aims to treat people as human beings. This objective will induce people to stay and attract overseas people to settle in Hong Kong. The quality of life therefore has to be in the broadest terms. It is not just about gainful employment, material comfort or a clean environment; it is also about the rule of law, respect for universal values and a friendly community accepting diversity.