

Letterhead of HKGCC

27 March 2001

Manpower Panel of Legislative Council
(Fax: 2877 8024)

Dear Sirs,

CHAMBER SUPPORTS ENTRY FOR MAINLAND PROFESSIONALS

The Hong Kong General Chamber of Commerce strongly supports the Government's plans to increase the opportunities for the employment of Mainland professionals in the SAR, and would like to see the scheme extended beyond the information technology (IT) and financial services sectors, so far designated by the Government.

As the Government itself has said, the first priority of any such scheme must be to protect the employment opportunities and wage levels of Hong Kong SAR citizens, but where there are vacancies that cannot be filled locally, they certainly should be open to appropriately qualified professionals, from the Mainland or elsewhere.

The Government's plans to expand the Admission of Mainland Professionals Scheme on a sector specific basis, announced in the March 7 Budget speech, is therefore a positive move and will add greater flexibility to employment practices in local labour market.

Latest Hong Kong SAR manpower projections for the five years through to 2005, published late last year, indicated that total manpower requirements will grow by an average 2.4 per cent a year from 2.9 million people in 1999 to 3.33 million in 2005.

Fastest growth in demand is predicted to come from the tertiary or services sector, especially the important "Financing, insurance, real estate and business services" sector, which is predicted to grow by some 5.6 per cent a year, or more than double the average overall growth rate.

The growth in this sector is expected to be driven by the Mainland's entry to the World Trade Organisation (WTO) - mainly in finance and business services - and the IT and e-commerce sector, with more companies developing IT and related business activities.

The shortage of professionals with high academic qualifications could grow to be as high as 125,000 over the next five years if nothing is done to address the problem.

Furthermore, the latest Government survey of employment and vacancies for the year to September last year shows that the number of vacancies increased by 44 per cent to 35,782 people over the same month in 1999, when vacancies were 24,481.

More importantly, vacancies for professionals across all sectors increased 78.4 per cent to 3,513 compared with a year earlier and the vacancies for associate professionals rose by 55.9 per cent to 12,537.

The Chamber acknowledges that safeguarding the job opportunities and wages of local employees must be the first priority, but believes that providing more flexibility to employers to acquire Mainland talent in a wide range of economic sectors will help overcome employment shortages and help facilitate economic development. This is no time to embrace protectionist sentiment.

It would like the Government to proceed with the scheme as soon as possible in the designated IT and financial services sectors and then move selectively to extend it to other sectors where there is a shortage of skilled people to fill existing vacancies.

There seems little doubt that the Hong Kong SAR is now undergoing a significant economic restructuring, with the knowledge-based economy and IT and financial services in the lead. It is therefore appropriate the government plans should initially focus on these sectors.

But the demand for highly qualified people extends across all sectors of the market and with regional and global demand for these types of people highly competitive, there is a need for the SAR to move quickly to secure the types of people it needs for its future development.

The Chamber also believes it is appropriate that the new scheme should target the relaxation on admission of Mainland professionals who, unlike other overseas professionals, cannot enter for employment unless they meet the strict criteria of the existing Admission of Talents Scheme or have resided in overseas for more than two years.

It is also entirely appropriate that the scheme for Mainland professionals should follow the basic principles common to all SAR admission policies, including the possession skills and knowledge not readily available locally, and that they should be offered a remuneration package which is broadly comparable to the prevailing market rate.

The Chamber also agrees that quotas should not be imposed under the proposed new scheme as long as applicants possess professional skills not readily available in Hong Kong, have a good education background and have employment with a local company.

Applications under the new scheme must also be "user friendly" for potential employers, involve only a limited number of restrictions and have simplified application procedures.

Regards,

Eden Y Woon
Director