

**Presentation by Secretary for Education and Manpower
at the Special Meeting of the Finance Committee
on Wednesday, 27 March 2002**

Mr Chairman,

I shall give an account of Government's expenditure on the policy area of employment and our major initiatives in the coming year.

Overall Expenditure on Employment

2. In 2002-03, the total expenditure on employment and vocational training will be **\$2.6 billion**, representing an increase of 32.5% in real terms. The bulk of the additional provision covers the estimated expenditure for launching the Youth Work Experience and Training Scheme, continuing the Youth Pre-employment Training programme and rolling out the second phase of the Skills Upgrading Scheme. I shall elaborate on some of the major expenditure proposals regarding the Employment programme in the forthcoming year.

(a) Enhancing the Employability of Young People

3. At a time of high unemployment, we are particularly concerned with the employment situation of young people. With limited practical skills and working experience, young people will find it more difficult to obtain employment amidst slack labour market conditions. We will launch the Youth Work Experience and Training Scheme to provide on-the-job training in the private sector for young people aged between 15 and 24 with educational attainment below degree level. We have earmarked a one-off sum of **\$400 million** to implement a two-year Scheme for about 10 000 young people. Depending on the nature of the job, employers can offer on-the-job training of between six months to one year to trainees. Employers will receive a monthly training subsidy for each trainee engaged. We are working with employers and training bodies to identify suitable industries and work out details of the Scheme with a view to launching it in July 2002. We aim to seek Finance Committee's funding approval in April 2002.

4. We have also earmarked an annual provision of **\$54.4 million** in 2002-03 and \$107.5 million in a full year for the continuation of the Youth Pre-employment Training Programme which has proven to be popular and successful in preparing young school leavers for work. Together with the Youth Work Experience and Training Scheme, we aim to help young people bridge the gap between school and the workplace in a more systematic and

effective way.

(b) *IT Assistant Course*

5. In view of the popularity of the IT Assistant Course and the high employment among graduates of the Course, we will continue to provide 1 000 training places each year for the coming three years from 2002/03 to 2004/05. Subject to funding approval by the Finance Committee, the additional commitment amounts to **\$54 million**.

(c) *Skills Upgrading Scheme*

6. To help in-service workers with secondary or lower education levels to upgrade their skills and maintain their competitiveness in the labour market, we launched the “Skills Upgrading Scheme” in 2001 with a total commitment of \$400 million. Courses for six industries, namely printing, catering, import and export trade, transportation, wearing apparel/textile and retail have commenced since last September. We will roll out the second phase of the Scheme soon to cover six additional sectors including tourism, insurance, hairdressing, property management, electrical and mechanical services and hotel industries. We shall invite application for the third phase of the Scheme in the coming year. We have reserved **\$185 million for 2002-03**.

(d) *Vocational Education and Training*

7. Following a review of the existing organisational set-up and service delivery model of vocational training and retraining in Hong Kong last year, we have proposed to set up a Manpower Development Committee (MDC) in 2003. The MDC will advise the government on the promotion and regulation of the vocational education and training market, assessment on labour market demand, funding of the vocational sector, output and service standards as well as monitoring and quality assurance. Also, the MDC will give advice on the development of a qualifications framework with progression ladder that will encourage lifelong learning and create viable conditions to grow the vocational sector market. The establishment of the MDC will bring about a more focused approach to develop Hong Kong’s human resources, build manpower and meet rapidly changing industry and individual needs. We plan to set up a Preparatory Manpower Development Committee around the middle of this year to develop the detailed arrangements for setting up the full MDC.

8. Chairman, that concludes my presentation on the Employment programme area. The Controlling Officers and I will be happy to answer questions.