

**For discussion
on 2 December 2008**

Legislative Council Panel on Security

Admission Arrangements for Employment of Talent and Professionals

Purpose

This paper introduces and seeks Members' views on a recommendation of the Commission of Strategic Development (CSD) to streamline the admission arrangements for the employment of talent and professionals.

CSD's Recommendations

2. The CSD comprises 66 non-official members from different sectors. It established a Task Group on Attracting Talent (the Task Group) in October last year. The Task Group completed its study in April this year and made a number of recommendations¹.

3. The Security Bureau and the Immigration Department (ImmD) have already taken up many of the recommendations in the Task Group's report that relate to the promotion and publicity overseas and in the Mainland of various talent admission schemes and the simplifying of application forms for the admission schemes. On enhancing the admission of talent, the Task Group has recommended :

“A pilot scheme be introduced to allow employers to recruit upper-middle level and above executives/ professionals/ high-skilled workers all over the world without going through existing restrictions, e.g. the market availability test, i.e. the provision of proof that the job could not be readily taken up by the local workforce, should be waived.”

¹ The Task Group's report is available on the website of the Central Policy Unit - http://www.cpu.gov.hk/english/2008_csd_3rd_meeting.htm

The Existing Vetting Mechanism

4. Under the “General Employment Policy” (for people from overseas and residents of Taiwan and Macao) and the “Admission Scheme for Mainland Talents and Professionals” (for Mainland residents), local employers can recruit qualified talent and professionals to Hong Kong according to their manpower demand. Relevant eligibility criteria are at **Annex A**.

5. Last year, some 33 000 non-local talent and professionals were approved for employment in Hong Kong, mainly from the Mainland (18%), US (11%), UK (9%), Japan (7%) and Australia (6%). Around 40% of them were engaged in administrative and managerial work, and the rest were mostly professionals and technicians in different sectors. Relevant statistics are at **Annex B**.

6. In processing the applications, other than the normal immigration requirements, ImmD requests the applicants to provide proof of their educational or technical qualifications, and the employers to provide copy of the employment contracts to prove that the terms of appointment are broadly commensurate with the local market. On remuneration level, ImmD makes reference to surveys of the Census and Statistics Department, information provided by professional groups and chambers of commerce and the remuneration levels of similar applications. In addition, the employers must state the justifications for employing non-locals and the reasons as to why locals cannot be hired. Depending on the circumstances, the employers need to provide relevant proof (such as the recruitment advertisements, the number of locals applied for the vacancies, or even the record of interviews with local applicants).

Advice Sought

7. In deciding whether to accept the relevant recommendation of the Task Group, the Government needs to consider striking a reasonable balance between the protection of local labour and the facilitation of talent admission. Hence, we will not discard the existing restrictions for applications for employment of upper-middle level non-locals as suggested by the CSD. However, as a facilitation measure, we consider it practicable to consider allowing employers to fill positions with remunerations above a certain level without the requirement to prove that such positions “could not be readily taken up by locals”. This facilitation measure could save employers’ time and administrative costs in the recruitment process. To set such level of remunerations, one idea is to

make reference to the “upper quartile” of monthly earnings of the category of “managers, administrators and professionals” in Hong Kong as the minimum standard. According to the 2007 statistics, the figure was \$45,000. There were some 185 000 local labour (about 5% of the working population) with monthly remunerations equivalent to or more than this level.

8. We have had some informal exchanges of views with chambers of commerce and professional bodies on the above measure. Generally speaking, they broadly agreed that bringing in more non-local talent could enhance Hong Kong’s overall competitiveness, and may help create more jobs in the local employment market². Furthermore, as the facilitation proposal would involve only a relatively small number of senior and middle level positions, its impact on the local employment market would be limited. In this connection, there is a suggestion that we should adopt a lower level of remunerations to allow more local businesses, in particular small and medium enterprises, to benefit. However, there are also views that the recommendation would have adverse and long-term impact on the local manpower market, particularly for senior and middle level executives and professionals, and would harm social harmony.

9. In the face of the financial tsunami, the outlook of the local and global economic environments is highly uncertain. Employment has thus become a subject of great concern to the Government and the public. In these circumstances, we do not consider it an opportune time to follow up the Task Group’s recommendation. We would like to hear Members’ views in this regard.

Security Bureau
25 November 2008

² According to the Government’s survey over the past few years, each Mainland talent admitted by employers creates on average 1.2 new posts for local people.

Admission of Talent and Professionals for Employment

Eligibility Criteria

- (a) There is a genuine job vacancy;
- (b) The applicant has a good education background, normally a first degree in the relevant field, but in special circumstances, good technical qualifications, proven professional abilities and/or relevant experience and achievements supported by documentary evidence may also be accepted;
- (c) The applicant has a confirmed offer of employment and is employed in a job relevant to his academic qualifications or working experience that cannot be readily taken up by the local work force;
- (d) The remuneration package including income, accommodation, medical and other fringe benefits is broadly commensurate with the prevailing market level for professionals in the Hong Kong; and
- (e) There is no security objection and no known record of serious crime in respect of the applicant.

Statistics of Non-Local Talent and Professionals
Approved for Employment in Hong Kong

Approved Applications

Year	General Employment Policy	Admission Scheme for Mainland Talents and Professionals	Total
2003	15 979	1 350*	17 329
2004	19 419	3 745	23 164
2005	21 354	4 029	25 383
2006	22 304	5 031	27 335
2007	26 821	6 075	32 896
2008 (Jan-Sep)	21 114	5 287	26 401

Nationality / Place of Origin of Approved Applicants

Nationality / Place of Origin	2003	2004	2005	2006	2007	Total
Mainland	1 350	3 745	4 029	5 031	6 075	20 230
US	2 041	2 524	2 981	2 846	3 473	13 865
UK	2 201	2 626	2 543	2 779	3 055	13 204
Japan	2 286	2 255	2 096	2 090	2 140	10 867
Australia	1 434	1 599	1 819	1 745	2 121	8 718
India	642	994	1 188	1 403	1 948	6 175
Taiwan	677	821	1 013	1 274	1 499	5 284
Philippines	597	837	1 125	856	1 083	4 498
Canada	619	701	912	840	927	3 999
Singapore	474	725	778	962	975	3 914
Others	5 008	6 337	6 899	7 509	9 600	35 353

* The scheme was introduced in July 2003.

Remuneration (July 2003 to September 2008)

Monthly Remuneration (Mainland applicants for over or equal to 1 year of employment)	Percentage
Below \$20,000	46%
\$20,000 - \$39,999	37%
\$40,000 - \$79,999	13%
\$80,000 or above	4%