

LegCo Panel on Manpower
Progress of measures to create jobs and tackle unemployment

Introduction

This paper sets out the latest progress on the measures to tackle unemployment and create jobs, as well as additional employment opportunities which have been announced by the Task Force on Employment.

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2. The latest progress is set out in the following table:

	Measures	Progress
A	Job Creation	<p><u>Progress of job creation as a result of Government's policy initiatives, investments and measures</u></p> <p>According to Government's latest assessment, 32,763 non-government jobs have been created <u>from May 1998 to end 1998</u>, as a result of the Government's key policy initiatives and major infrastructure or other projects. In addition, during the period, 5,600 civil service vacancies were filled.</p> <p>Looking ahead, the Government expects that there will be some 122,000 new jobs in the labour market <u>from 1999 to 2000</u>, generated by major government initiatives and projects. These 122,000 jobs comprise 8,500 government posts estimated to be filled from 1 April 1999 to 31 March 2000, and 113,500 new jobs in the subvented and private sectors.</p>

<u>Extra measures to create jobs</u>	
1	Advancing commencement of public works projects
	<ul style="list-style-type: none"> • Since May 1998, 207 works contracts/consultancy agreements worth a total of \$11.5 billion have commenced and some 15,000 jobs comprising 2,400 at the professional/supervisory level and 12,600 at the operative level have been created. • Considering the possibility of advancing some more projects.
2	Expediting expenditure on minor Government maintenance works
	<ul style="list-style-type: none"> • Started minor maintenance works worth a total of \$99 million. • 1,100 jobs created as of 1 January 1999.
3	Expanding and accelerating district-based environmental improvement projects
	<ul style="list-style-type: none"> • 44 temporary works supervisors have been employed since 9 November 1998 for managing the works projects and supervising the works contracts. • Contracts for 48 projects worth a total of \$3.9 million have been awarded as at end of December 1998, creating about 243 jobs.
4	Direct Grant of the former Tamar Site to the Hong Kong Tourist Association(HKTA) for facilitating the staging of recreational, entertainment and tourism-oriented activities, resulting in job creation.
	<ul style="list-style-type: none"> • The 33rd Hong Kong Products Expo was staged between 18 December 1998 and 11 January 1999. • For the first quarter of 1999, two more events will be held: Hong Kong Lantern and Temple Festival (5 February to 3 March 1999) and the Chinese New Year Parade (16 February 1999). There are also other organisers who have indicated interest in staging activities such as exhibitions, carnivals, games and entertainment at the site in 1999.

5	<p>Major repair and maintenance works for aided schools leading to the creation of 3,730 new jobs between mid- 1998 and end-1999. These new jobs include 420 carpenters and joiners, 650 plasterers, 510 plumbers, 510 painters, 210 electricians, 1,060 general labourers and 370 blacksmiths.</p>	<ul style="list-style-type: none"> • Some of the works contracts have been awarded and the rest will be awarded in batches. • Around 2 490 new jobs for various construction trades have been created by the end of December 1998 and another 210 additional jobs are expected to be available in the forthcoming months.
6	<p>Allocate a particular site with an approximate area of 20 000 square metres to the south of the former Kai Tak Airport Terminal Building to a non-Government organisation for operating a flea market on a non-profit-making basis, as a pilot project, during weekends and public holidays for three to six months, from early January 1999 onwards.</p>	<ul style="list-style-type: none"> • The Education and Manpower Bureau has issued a press release and notice on major local newspapers on 1 December and 2 December 1998 respectively to publicly invite interested parties for running a flea market at the former Kai Tak site. In response to the invitation, 3 proposals have been received by the deadline on 10 December 1998. Having carefully examined the proposals, the Government has reached the conclusion that the proposals would not be able to meet its stated objective of helping the unemployed. Under the circumstances, the Government has decided to shelve the flea market plan. The Education and Manpower Bureau (EMB) issued a press release announcing this decision on 14 January 1999.
7	<p>To implement the following three community building projects, which will create 3 590 new jobs (for Temporary Community Organisers) from 1 December 1998 to 31 March 1999 :</p>	<ul style="list-style-type: none"> • The Home Affairs Department has, in conjunction with the Labour Department, been recruiting the 3 590 Temporary Community Organisers from late November 1998 onwards. Around 5 928 applications have been received and about 2 207 vacancies have been filled so far.

	<p>promotion of private building management;</p> <p>promotion of fire safety; and survey on the housing condition of new arrivals.</p>	
B	Strengthening and improving the Labour Department's employment and job matching service	
8	Strengthening the Job Matching Programme(JMP)	<ul style="list-style-type: none"> • Capacity of JMP doubled from 2 July 1998, with an additional team of two staff at each of the 11 Local Employment Service (LES) offices of the Labour Department. • In December 1998, the JMP registered 1,634 registrants and arranged 11,482 job referrals. 729 placements were secured, as compared to 708 in the previous month.
9	Providing telephone referral and vacancy processing service for job-seekers	<ul style="list-style-type: none"> • Services commenced at all 11 LES offices from 6 July 1998. • In December 1998, LES received a total of 9,174 telephone calls from job-seekers seeking job referral service. 5,635 referrals were arranged. • In December 1998, LES obtained consent from 1,788 employers involving 4,621 vacancies (i.e. 46% of the total number of vacancies received) to display their information at LES so that job-seekers can contact them direct for arranging job interviews. During the month, employers cancelled their open orders for a total of 1,922 vacancies. A large percentage of these vacancies are believed to have been filled by job-seekers who contacted the employers direct for job application.

		<ul style="list-style-type: none"> The Department set up a Telephone Employment Service Centre in North Point on 21 December 1998 with a view to further strengthening the telephone referral service. To enhance operational efficiency, a Job Vacancy Processing Centre has also been set up to centralise the receipt and processing of vacancy orders, as well as the dissemination of vacancy information to LES offices.
10	Installing more self-serve touch-screen computers	<ul style="list-style-type: none"> Completed the installation of additional computers at all LES offices and 10 Labour Relations Service offices in October 1998.
11	Launching an Employment Information and Promotion Programme	<ul style="list-style-type: none"> The Programme commenced in August 1998. As of 31 December 1998, visits and promotional activities under this programme have reached out to 945 employers and 16,540 job-seekers.
C Enhancing vocational training and employees retraining		
12	Setting up a “One-stop” unit at the Employees Retraining Board(ERB) to assist both the unemployed and employers	<ul style="list-style-type: none"> ERB has provided two telephone hotlines - one for employers and the other for employees - from 9 July 1998. Up to 10 January 1999, a total of 5,340 and 24,137 telephone enquiries respectively from employers and employees were handled and 4,024 vacancies registered.

		<ul style="list-style-type: none"> • With enhanced promotion and extension of office hours to 7 pm and during lunch hours, 4,940 potential retrainees approached the “one-stop” service team at ERB Executive Office for consultation and/or submission of applications for various retraining courses in the last six months. Whenever required, officer-rank staff provide in-depth information on courses available, location of training bodies and placement results of relevant retraining courses to help applicants select appropriate courses that suit their own interests and abilities. • The one-stop service team also provides enhanced follow-up service for employers approaching the ERB for enquiries or assistance.
13	Launching a special nine-month Certificate of Skills Training(Service Industries) Course for 1,000 unemployed persons to be run jointly by the ERB and the Vocational Training Council (VTC)	<ul style="list-style-type: none"> • Classes commenced on 14 September 1998, with 600 places provided by the Technical Institutes and 400 by training bodies. • Graduate trainees with Secondary 3 education will be allowed to apply for three civil service posts-Clerical Assistant, Supplies Attendant and Supplies Assistant.

14	Special training programme for the maritime industry jointly run by the VTC and ERB for the unemployed	<ul style="list-style-type: none"> • The first class of the special seafarer training course for 21 trainees commenced on 9 September 1998. The main classroom training completed on 19 December 1998. As at 6 January 1999, four trainees have dropped out, eight trainees are required to attend missing classes to make up for the course. Among the nine graduates, eight have already joined or will join the maritime or related industry, e.g. in local waters ferry company as sailors or ocean-going company as Junior General Purpose Rating.
15	Implement a special one-year full-time Vocational Studies Certificate programme for 1000 Secondary 5 leavers at the various Technical Institutes of the Vocational Training Council in October 1998	<ul style="list-style-type: none"> • The additional 1,000 places are spread over 10 one-year courses. Of these, two are existing courses while eight are new ones. The new courses aim at facilitating graduates either to secure jobs direct, or to pursue further studies. • Classes commenced on 12 October 1998.
16	Increase by 392 over the existing total of 1,124 training places (i.e. to 1,516 places, comprising 600 full-time and 916 part-time) for Secondary 5 leavers at the Construction Industry Training Authority(CITA) in 1998/99	<ul style="list-style-type: none"> • The one-year full-time Construction Supervisor/Technician Training Programme commenced in mid-September 1998, providing a total of 600 training places. • The various Short Courses suitable for Secondary 5 leavers (totalling 916 training places) and lasting for about three months commenced since September 1998 in accordance with the planned capacity.

17	<p>Enhance the retraining-cum-job matching programmes for domestic helpers and child-minders under the Employees Retraining Board (ERB).</p>	<ul style="list-style-type: none"> • The ERB's one-stop service received 4,304 enquiries, 1,610 vacancies and placed 393 trainees as domestic helpers from July to December 1998. ERB is working closely with its training bodies in coordinating the process of matching trainees with domestic helper vacancies in different geographical districts. • ERB has strengthened its promotional efforts to publicize the course. A marketing flyer was developed and issued in late October 1998. An Announcement of Public Interest (API) on ERS with a special focus on domestic helpers training has been featuring on television since mid-October 1998. Special promotion campaigns have been held on the Hong Kong Island from October to December 98 to publicize the training programme, distribute leaflets and attract walk-in trainees. • ERB is taking active steps to encourage its training bodies to increase their training capacity for domestic helpers especially those on the Hong Kong Island where plentiful job vacancies remain unfilled. A number of new training venues on the Hong Kong Island, e.g. Wan Chai and Shaukiwan, have recently started running these courses which offered 220 training places for the second half of 1998, compared to 20 in the first half of the year. As a result of the above enhanced efforts, the total training capacity for domestic helpers as a whole has doubled from 1,216 for the first half of 1998 to 2,875 for the latter half of the year.
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D	Promoting further education	
18	Expanding the capacity of taught post-graduate(TPg) courses at the institutions funded by the University Grants Committee (UGC)	<ul style="list-style-type: none"> Five UGC-funded institutions have over-enrolled about 460 students in their TPg programmes in the 1998/99 academic year.
19	Extending the Non-Means-Tested Loan Scheme to benefit some 61,000 additional tertiary students	<ul style="list-style-type: none"> Proposal approved by the Finance Committee of the Legislative Council on 17 July 1998. Since implementation on 28 September 1998, 1,189 applications have been approved and \$28.5 million has been disbursed. The average loan amount is \$24,000.
20	Increase the number of Secondary 5 places in Government evening schools by up to an additional 1000 places as from September 1998, depending on the actual demand	<ul style="list-style-type: none"> Classes commenced on 16 September 1998. Education Department is operating 25 classes of Secondary 5 in five school premises to provide 1,000 additional places.
E	Tightening measures to combat illegal employment	
21	Amend the Immigration Ordinance to hold construction site controllers criminally liable if persons not lawfully employable, including two-way permit holders, breach their condition of stay by taking up employment on construction sites.	<ul style="list-style-type: none"> An amendment bill has been introduced in the Legislative Council on 4 November 1998. In the meantime, Immigration Department will continue with its vigorous enforcement efforts such as conducting large-scale operations, and the Labour Department will conduct more inspections at workplaces to clamp down on illegal employment more effectively and efficiently.

Special relief measures to boost the economy

3. In addition to the above measures, the Government announced on 22 June 1998 a package of special relief measures to boost the economy, i.e. between the first two meetings of the Task Force. A summary of these measures and their latest progress is as follows:

	Measures	Progress
A Easing the Credit and Liquidity Crunch		
1	Exempt from 22 June 1998 profits tax interest income earned from deposits placed locally with authorised banking institutions	<ul style="list-style-type: none">• Effective from 22 June 1998.
2	Provide HK\$2.5 billion to help small and medium sized enterprises (SMEs) to obtain loans from lending institutions	<ul style="list-style-type: none">• The Finance Committee of the Legislative Council on 31 July 1998 approved a commitment of \$2.5 billion for the setting up of a Special Finance Scheme for Small and Medium Enterprises. The Scheme was launched on 24 August 1998.• As of 12 January 1999, a total of 785 applications has been referred to the Government by participating lending institutions. With the exception of six applications which have been withdrawn by the applicants, all of the applications have been approved. The guarantee approved and the loan involved amount to \$537

	Measures	Progress
		million and \$1104 million respectively. The Government is currently conducting a comprehensive review of the Scheme. The aim of the review is to assess the feedback of the Scheme; whether the Scheme has met its objective of assisting SMEs to obtain financing; and whether and how improvements should be made. It is expected that the review could be completed in early 1999.
B	Stabilising property prices	
3	Suspend all land sales by auction and public tender till 31 March 1999	<ul style="list-style-type: none"> • Effective from 22 June, 1998.
4	Double the allocation for “Home Starter Loan Scheme” in 1998-99 from \$3.6 billion to \$7.2 billion so that twice the number of households (i.e. from 6,000 to 12,000) will be able to become home owners	<ul style="list-style-type: none"> • The Finance Committee (FC) of the Legislative Council approved the proposal on 31 July, 1998.
5	The Housing Authority to consider increasing the quota for the “Home Purchase Loan Scheme” from 4,500 to 10,000 in 1998-99.	<ul style="list-style-type: none"> • The Housing Authority approved on 23 July 1998 the increase of quota from 4,500 to 10,000 for the next 12 months up to July 1999.

C	Easing costs of families and business	
6	Reduce duty on diesel by 30% from 23 June 1998 to March 31 1999	<ul style="list-style-type: none"> • Taken effect on 23 June, 1998
7	Reduce declaration charge for imports from 0.035% to 0.025% and for domestic exports from 0.05% to 0.025%	<ul style="list-style-type: none"> • Taken effect on 1 August, 1998.
8	Rebate the first quarter rates paid in 1998-99	<ul style="list-style-type: none"> • The rebate will be credited against the October to December 1998 quarterly rates bill if there has been no change in ratepayers since April 1998. For other cases, a refund of the rates paid will be arranged as soon as the ratepayers' status is clarified.
D	Sharing the economic difficulty of the community	
9	Freeze salaries adjustment of D3 officers and above in the civil service, Government-subvented organisations, the Judiciary, and the ICAC whose salary adjustments follow exactly those in the civil service.	<ul style="list-style-type: none"> • Taken effect on 1 April, 1998.

The Way Forward

4. The Government will continue to work closely with members of the Task Force on Employment, employers, employees, training institutions, legislators and all concerned parties to draw up effective and appropriate measures to identify additional job and training opportunities with a view to helping the unemployed rejoin the workforce as soon as possible and sustain their employability in the longer term.

Education and Manpower Bureau

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