

**LegCo Panel on Manpower
(For Meeting on 24 February 2000)**

**China's Accession to the World Trade Organisation
– Implications on Local Employment**

Background

The Administration has completed an assessment of the implications of China's accession to the World Trade Organisation (WTO) for the Mainland and the Hong Kong economies and has briefed Members at the Trade and Industry Panel recently about the findings. Apart from providing an overall assessment of the impact of the accession on the local economy, the paper also highlighted the areas and trends of potential growth in some of the major sectors, following China's accession.

Implications on local employment

2. On the employment situation, our initial assessment is that China's accession to WTO will probably bring about the creation of more new business ventures and new jobs; particularly in the areas of distributive trades, communications, tourism, accounting, auditing, advertising, computer applications, management systems, and finance (including fund raising, share listing and securities dealing).

3. We recognise, however, that following the further opening up of the Mainland market, some sectors in Hong Kong may face greater competition from other economies, and that there may be a need to plan for more focused training and retraining to assist the local workforce in adapting to the new challenges to be brought about by the accession.

Detailed work planned to study the implications of China's accession on local employment

4. In view of the above, the Government has set up an inter-departmental Steering Committee in early February 2000 to look into the issue. The Steering Committee, convened by the Secretary for Education and Manpower and comprising representatives from the Economic Analysis Division, Trade and Industry Bureau, Census and Statistics Department and Labour Department, will assess the implications of China's accession to the WTO on the local labour market, with a view to identifying the training and retraining needs of the local workforce.

5. The Steering Committee held its first meeting in mid-February and decided to carry out the study by a three-pronged approach which comprises

- a) a research on the likely changes in manpower requirements, both in overall terms and at different sectoral, occupational and skill levels. The research will comprise an analysis of sectoral employment trends based on the data available, complimented with views on anticipated changes as derived from consultation with relevant parties;
- b) a business establishment survey to ascertain employers' perception and expectation on manpower training and job skill requirements, taking into account Hong Kong's economic restructuring, especially upon China's accession to the WTO; and
- c) a survey to collect the views of the labour force on their training needs and concerns.

6. To perform these tasks, a Working Group chaired by the Government Economist with representatives from the EMB and other relevant departments has been formed. The Working Group will discuss and finalise the arrangements for the proposed research and surveys. It is expected that the tasks will be completed by the third quarter of this year. The information collected will be analyzed for the purpose of working out a long term strategy on the training and retraining of our local workers.

Education and Manpower Bureau
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