For meeting on 15 May 2018

Legislative Council Panel on Manpower

Draft Talent List

Purpose

This note briefs Members on the progress of drawing up a draft Talent List by Bureaux/Departments (B/Ds) concerned, and the proposed implementation through the Immigration Department (ImmD)'s Quality Migrant Admission Scheme (QMAS).

Draft Talent List

As an initiative announced in the 2015 Report on Population Policy Strategies and Initiatives and in the 2015 Policy Address, a study of the feasibility of drawing up a talent list is being conducted with a view to attracting quality people in a more effective and focused manner to support Hong Kong's development into a high value-added and diversified economy. inter-departmental working group has been formed, with a Consultant engaged, to take forward the study. Having regard to overseas experience 1, the Consultant concluded that drawing up a Talent List could bring potential benefits to Hong Kong. Making reference to the preliminary information on emerging industries with development potentials, the Consultant conducted extensive consultation with 20 human resources companies and around 60 industry organisations covering some 240 stakeholders in the form of interviews and focus group discussions. The industry representatives and other stakeholders have been consulted on the existing and envisaged talent shortages in their sectors, the difficulty of recruiting suitable candidates locally, and the qualifications and experience requirements of these talents.

Assessment criteria

3. The study started with internal assessment by B/Ds for the selection of priority industries (such as financial services, and information and communication technology) which could support Hong Kong's development into

The Consultant completed a study with comparative analysis of skill shortage lists for talent admission in seven selected economies.

a high value-added and diversified economy. Given that an industry comprises different types of professionals and occupation groups, to ensure that the Talent List focuses on the specific types of quality talents that Hong Kong needs most, specific Industry Segments and Occupations (ISO) (such as Experienced Management Professionals in Asset Management under Financial Services sector and Experienced Data Scientists under Information and Communication Technology sector) have been identified from the aforesaid selected industries for detailed assessment by the Consultant and consultation with industry stakeholders.

- 4. Taking into account available manpower statistics, and that the ISO concerned are usually niche and emerging industries, the Consultant has adopted a mainly qualitative approach in drawing up the draft Talent List. For consideration of inclusion into the draft Talent List, the ISO have to meet three assessment criteria, i.e. High skill, Shortage and Sensibility, as elaborated below
 - (a) **High skill** is assessed through indicators such as salary level, education and training requirements, and required work experience of relevant professionals;
 - (b) **Shortage** is considered by determining the gap between the supply and demand in current to medium term. Owing to limited industry-wide data, the analysis is largely based on the stakeholders' views; and
 - (c) **Sensibility** involves a host of factors including whether the subject industries support high value-added and diversification of Hong Kong's economy, the development potentials, the need for foreign talents and why alternatives to recruiting foreign talents under the current admission schemes are not feasible or preferred, etc.
- 5. The following principles are also upheld in drawing up the draft Talent List to ensure that it would not deprive our local talents of their training and employment opportunities
 - (a) each selected ISO should cover only high quality or "talent" professionals that would support the development of Hong Kong as a high value-added and diversified economy, taking into account in particular the various emerging developments including the Belt and Road Initiative, the Guangdong-Hong Kong-Macao Bay Area development, the Hong Kong-ASEAN Free Trade Agreement as well as other major Government initiatives;

- (b) strong justification and sophisticated scoping assessment should apply to substantiate each selected ISO;
- (c) professionals of the selected ISO are not readily available in the local employment market, nor can they be made readily available through the ImmD's established admission schemes such as General Employment Policy; and
- (d) talents of the selected ISO cannot be nurtured by local training in good time.

ISO suggested to be included

- 6. Having consolidated the views gathered from consultation with some 80 stakeholder organisations (see paragraph 2 above), comprehensive desk-top research and analyses by the Consultant, and basing on the criteria and principles set out in paragraphs 3 to 5 above, the Government has agreed in principle for the proposed inclusion of the following 11 ISO in the draft Talent List, and responsible B/Ds have been asked to consult their relevant advisory and statutory bodies (ASBs)
 - (a) environmental technology services experienced waste treatment specialists/engineers (Environmental Protection Department);
 - (b) financial services experienced **management professionals in asset management** including but not limited to trust management (Financial Services and the Treasury Bureau (FSTB));
 - (c) financial services and transportation experienced **professionals in marine insurance** (FSTB and Transport and Housing Bureau (THB));
 - (d) financial services experienced management professionals in actuarial science (FSTB);
 - (e) financial services experienced **professionals in Fintech** including experts in emerging technologies such as distributed ledger technologies, artificial intelligence and cybersecurity (FSTB);
 - (f) information and communication technology services experienced **data scientists** and experienced **cyber security specialists** (Innovation and Technology Bureau (ITB));
 - (g) **innovation and technology (I&T) experts** in, but not limited to, the following fields: (i) pharmaceutical and life science/biotechnology;

- (ii) data engineering (e.g. data mining/data analytics), artificial intelligence, robotics, distributed ledger technologies, biometric technologies, industrial/chemical engineering, etc.; and (iii) material science/ nanotechnology (ITB);
- (h) logistics and transport services **naval architects** (THB);
- (i) logistics and transport services **marine engineers** and **superintendents of ships** (THB);
- (j) legal and dispute resolution services (i) **dispute resolution professionals** specialising in resolving financial and investor-state disputes; and (ii) **transactional lawyers** with specialised knowledge of and experience in cross-border transactions from investing or host states (Department of Justice); and
- (k) creative industries, including talents in: (i) **music**: recording engineers, mastering engineers, cutting/pressing engineers for Vinyl LP; (ii) **digital entertainment**: game development experts (game designers, game programmers, game graphic designers), game producers; and (iii) **films**: winners of designated renowned international film festivals (Commerce and Economic Development Bureau).
- 7. To ascertain that only high quality talents are covered, detailed descriptions and specific qualification/experience requirements/proof of achievements that are commensurate with the market standards would need to be set out for every proposed ISO.

Application of the Talent List

8. Preparation of the Talent List is nearing completion and scheduled for completion in mid-2018. The Talent List would highlight to world talents which specific ISO are needed most for Hong Kong's further economic development, and would help attract them to come to Hong Kong. This should help Hong Kong gain competitive advantage in attracting international talents vis-à-vis other economies, creating cluster effects, and stimulating the development of local talents. The Talent List would also provide useful reference for the Government, training institutions and professional bodies in various aspects of manpower planning.

9. As the ImmD's QMAS² also seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness, the Government considers it appropriate to apply the Talent List upon its finalisation to the QMAS to provide immigration facilitation for eligible applicants. The Security Bureau and ImmD will work out the detailed immigration facilitation measures in consultation with its Advisory Committee on Admission of Quality Migrants and Professionals. While immigration facilitation would be provided, individual applicants have to be subject to necessary documentary proof of the qualification and experience requirements for the "talent" professionals in the respective ISO in the Talent List.

Possible Updating Mechanism

- 10. The Consultant considers that regular updating of the Talent List will help ensure that it would keep up with Hong Kong's latest economic development and the changing needs for different talents. Developing from the useful experience in drawing up the draft Talent List, such updating exercise may continue to rely on full engagement with relevant stakeholder sectors within the Government and outside, and qualitative analyses of selected ISO to support comparability and consistency among the ISO included in previous versions of the Talent List. As it will take time to assess the impacts of a Talent List as well as engage and build consensus with stakeholders, such updating exercise may be conducted every two to three years only, perhaps with the following steps
 - (a) internal assessment by B/Ds for the selection of priority industries which could support Hong Kong's development into a high value-added and diversified economy;
 - (b) proponent B/Ds (with the possible assistance of a consultant) to engage relevant industry stakeholders on the identification of specific ISO under the aforesaid selected industries and the proposed adjustments to the Talent List, basing on the assessment criteria and principles as in paragraphs 3 to 5 above;
 - (c) following internal Government consideration of formal proposals, proponent B/Ds to conduct necessary consultation with relevant ASBs and stakeholders such as chambers of commerce, etc. vis-à-vis the ISO under their purview; and

The QMAS is a quota-based entrant scheme. It seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong's economic competitiveness. Successful applicants are not required to have secured an offer of local employment before their entry to Hong Kong. The approval of applications is on the advice of the Advisory Committee on Admission of Quality Migrants and Professionals, having considered the sectoral mix of candidates, the socio-economic needs of Hong Kong and other relevant

factors. There is an annual quota of 1 000 under the Scheme.

(d) taking into account the consultation and views so collected, further consideration and final decision within the Government on updates to the Talent List for promulgation and application under the ImmD's QMAS.

Views Sought

11. Members are invited to note the progress of drawing up the draft Talent List with the suggested inclusion of 11 ISO, as well as the implementation of the Talent List upon finalisation through the ImmD's QMAS as set out above.

Labour and Welfare Bureau May 2018