

LCQ5: Voluntary Health Insurance Scheme

Following is a question by the Hon Chan Pui-leung and a reply by the Acting Secretary for Health, Dr Libby Lee, in the Legislative Council today (December 4):

Question:

The Voluntary Health Insurance Scheme (VHIS), which was fully implemented on April 1 2019, aims to provide the public with an additional choice of using private healthcare services through hospital insurance. Regarding the implementation of VHIS, will the Government inform this Council:

(1) of the number of policies of certified plans, the sums insured and the age distribution of insured persons under VHIS to date; whether the authorities have estimated the total savings in public healthcare expenditure since the implementation of VHIS; if so, of the details; if not, the reasons for that;

(2) of the number of taxpayers who claimed tax deduction for participating in VHIS and the total amount of qualifying premiums allowed for tax deduction in the past three years of assessment; whether the authorities have plans to further raise the ceiling for VHIS tax deduction in the future, so as to encourage more people to participate in VHIS; if so, of the details; if not, the reasons for that; and

(3) given that VHIS has been implemented for more than five years, whether the authorities will conduct an interim review on VHIS and set a target for the number of VHIS participants in the future; if so, of the details; if not, the reasons for that?

Reply:

President,

I provide a consolidated reply to the question raised by the Hon Chan Pui-leung as follows:

The Voluntary Health Insurance Scheme (VHIS) is one among many medical insurance products. The Government introduced the VHIS in April 2019 to establish standards and improve market transparency for individual indemnity hospital insurance products (IHIPs), providing consumers with greater confidence in using private healthcare services through purchasing health insurance. VHIS Certified Plans need to fulfill a number of requirements on consumer protection, including:

(1) guaranteed renewal up to the age of 100 regardless of any change in the health conditions of the insured persons;

- (2) no "lifetime benefit limit";
- (3) covering unknown pre-existing conditions and day case procedures (including endoscopy);
- (4) no unreasonable charging of differential premiums on individual policy holders; and
- (5) covering psychiatric inpatient treatments in local hospitals etc.

There are two types of VHIS Certified Plans, namely Standard Plan and Flexi Plans. Standard Plan benchmarks the minimum complying requirements, including the basic benefit coverage and specified claimable amount; whereas Flexi Plan allows greater flexibility in product design by insurance companies to offer additional protection on top of Standard Plan, such as higher benefit limits and broader benefit coverage to cater for the needs of different consumers.

To provide an additional incentive for further encouraging citizens in purchasing VHIS Certified Plans, taxpayers are allowed to claim tax deductions for VHIS qualifying premiums which they paid for themselves and all specified relatives. The maximum deductible amount of premiums paid for each insured person is now \$8,000 per year of assessment.

The VHIS has been launched for nearly five years, three of which coincided with the COVID-19 epidemic when the usage of private healthcare services by Hong Kong residents was significantly impacted. Both the service volume and location pattern also differed considerably as compared with the pre-epidemic era. It is thus premature to draw any conclusion on the effectiveness of the scheme at this very stage.

As at March 31, 2024, the number of policies of VHIS Certified Plans was about 1 341 000, with 97 per cent of the insured persons having purchased Flexi Plans. This shows that quite a number of consumers in the market may prefer having a higher level of medical protection. Among all insured persons, more than half (about 53 per cent) of them were below the age of 40, about 35 per cent were aged 40 to 59, and about 12 per cent were aged 60 or above. The younger profile among policy holders has been in line with the Government's policy to encourage citizens to get insured at a younger age.

Despite the epidemic, the number of VHIS policies has recorded steady growth. The latest figure as at 2023 shows that VHIS policies accounted for nearly one-third of the IHIP market share in Hong Kong. We believe that the VHIS will become the mainstream standard for the IHIP market in the long run and provide citizens with greater confidence in purchasing VHIS products to choose private healthcare services when in need, thereby alleviating the burden on the public healthcare system.

Based on the latest information available from the Inland Revenue Department, there were 247 000, 329 000 and 404 000 taxpayers who claimed tax deductions in the three years of assessment from 2020/21 to 2022/23, involving a total of \$1.693 billion, \$2.355 billion and \$2.987 billion in VHIS qualifying premiums respectively. For instance, about 74 per cent of the insured persons had their paid premiums fully deductible in the year of assessment 2022/23. We consider that the current ceiling of tax deduction

remains appropriate, and will review it from time to time in view of economic development and market demand.

The Health Bureau will continue to monitor the implementation of the VHIS, collect market data and canvass the views of various stakeholders so as to align it with various public health policies of the Government. As an example, in view of the imminent operation of the Chinese Medicine Hospital of Hong Kong, the Government has initiated dialogue with the insurance sector on covering relevant medical expenses under the VHIS in future. Relevant discussions are actively underway. Moreover, the Government is willing to review the possible areas of refinement for the VHIS in due course, such as the benefit items to be covered, service charges and benefit limits. This serves to ensure that the VHIS can keep abreast with the latest trends in the healthcare market and achieve sustainability while catering for the needs of the public.

In the meantime, the Government will also focus on deepening reform of the healthcare system. As announced by the Chief Executive in his 2024 Policy Address, the Government will develop quality indicators for public and private healthcare systems and explore legislating for private healthcare price transparency to enhance service efficiency and address the issue of medical inflation, with the plan to consult the healthcare sector next year. Other measures include establishing a professional platform for developing evidence-based clinical protocols and exploring the feasibility of devising service quality and efficiency standards for public and private healthcare sectors, as well as amending relevant legislation to require all healthcare providers to deposit essential health data in the personal eHealth accounts of members of the public. These would contribute to enhancing the quality and efficiency of healthcare services in Hong Kong including those in the private sector.

Thank you, President.

[Grantham Hospital missing patient found](#)

The following is issued on behalf of the Hospital Authority:

The spokesman for Grantham Hospital made the following update today (December 4) regarding a patient leaving the hospital without notification earlier:

The 78-year-old female patient who left the Geriatric Medicine ward of the hospital without notification yesterday (December 3) has been located this morning, and was sent to Queen Elizabeth Hospital for medical care. The patient is in stable condition.

[SFST's speech at Insurtech Insights Asia Conference 2024 \(English only\)](#) [\(with photo\)](#)

Following is the speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the Insurtech Insights Asia Conference 2024 today (December 4):

Kris (CEO of Insurtech Insights, Mr Kristoffer Lundberg), distinguished guests, ladies and gentlemen,

It is an honour to join you at the Insurtech Insights Asia Conference 2024. Let me begin by thanking Insurtech Insights for organising this important event, which gathers a distinguished group of local and international delegates, including some of the most influential leaders in the insurance industry. This conference is a vital platform for fostering collaboration, building connections, and generating new opportunities in the dynamic and evolving world of insurance.

Today, we stand at a critical juncture for the global insurance industry. As risks become more complex and unpredictable, the industry must adapt and innovate to address challenges and seize opportunities. Hong Kong, with its vibrant insurance ecosystem and strategic position as a leading global financial centre, is well positioned to play a pivotal role in shaping the future of insurance.

I will highlight three key roles that define Hong Kong's approach to strengthening our position as an international risk management hub: Connector, Catalyst, and Creator. These three Cs pillars will guide our efforts to navigate current challenges and unlock future opportunities.

The changing insurance landscape

The global insurance industry is undergoing profound transformation. Risks are becoming increasingly intricate, driven by geopolitical tensions, climate change, and emerging cyber threats. These factors are reshaping the way insurers assess and manage risk.

Despite these challenges, the insurance market has shown remarkable resilience. Robust demand has propelled the industry to a new equilibrium, with global life premiums projected to grow by 2.9 per cent in real terms and non-life premiums by 3.3 per cent in 2024, according to market research. This

growth underscores the sector's resilience and its vital contribution to economic stability and development.

Hong Kong plays a unique role in this global landscape. Last year, the city's total gross premiums increased by 0.8 per cent, reaching more than HK\$540 billion, while 157 authorised insurers operated in the region as of end-June this year. These figures reflect our strength as a leading insurance market and its potential to drive global industry transformation.

To build on this very sound foundation, we are focusing on the three "C"s – Connector, Catalyst, and Creator – to further solidify Hong Kong's position as a global risk management hub.

Connector: enhancing regional collaboration

First of all, as a Connector, to enhance regional collaboration. This is about Hong Kong's role as a Connector, facilitating collaboration between local and international businesses and serving as a gateway for Mainland enterprises to expand globally.

Hong Kong's strategic position as the nexus of domestic-international dual circulation makes it an ideal platform for facilitating cross-border opportunities. The National 14th Five-Year Plan explicitly supports Hong Kong's development as both an international financial centre and a global risk management hub. This reinforces our role as a "super-connector", enabling seamless integration between the Mainland and international markets.

Recent initiatives announced in the Chief Executive's 2024 Policy Address reflect this commitment. For example, we are working to enhance mutual access to insurance markets within the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Specific measures include reviewing the risk-based capital (RBC) regime introduced earlier this year and examining capital requirements for infrastructure investments. Furthermore, we continue to invite Mainland and overseas enterprises to establish captive insurers in Hong Kong and commence the legislative preparatory work for establishing a policy holders' protection scheme in Hong Kong. These initiatives aim to diversify risk portfolios, encourage infrastructure investment, and strengthen the resilience of the insurance sector.

The GBA, with its more than 86 million residents and combined GDP (Gross Domestic Product) of approximately US\$14 trillion, presents unparalleled opportunities for growth. By facilitating the free flow of people, goods, and capital across these 11 GBA cities, we are creating a seamless environment for the industry, in particular the insurance industry, to thrive.

To support Hong Kong policyholders living or working in the GBA, we are striving to establish after-sales service centres in key locations such as Nansha and Qianhai. These centres will provide essential services, including policy inquiries, premium renewals, and claims support, further promoting the integration of insurance markets between Hong Kong and the Mainland.

Additionally, we have implemented the unilateral recognition policy for cross-boundary motor insurance, which aligns with the commencement of Northbound Travel for Hong Kong vehicles on July 1, 2023. This policy provides a more convenient way for drivers to secure the necessary insurance coverage for operating relevant vehicles to drive on the Mainland. Currently, an amount of 22 local insurers, representing approximately 90 per cent of the relevant market segment, are offering such products.

Also, we are encouraging the development of cross-boundary insurance products, such as health insurance policies tailored to the needs of individuals and businesses operating across the GBA. These efforts aim to strengthen connectivity and support the seamless movement of people and goods within the region.

Catalyst: driving change and addressing emerging challenges

Now comes to the second "C", which is about Catalyst, to drive change and addressing emerging challenges. It is about Hong Kong's role as a Catalyst for innovation and adaptation in the face of emerging global challenges.

The insurance industry is confronting unprecedented risks, particularly from natural catastrophes. Last year, market study found that global insured losses from natural disasters exceeded US\$100 billion for the fourth consecutive year, an alarming trend that underscores the urgency of building resilience. With insured losses totalling US\$60 billion in the first half of this year – 62 per cent above the 10-year average – we must recognise that the challenges we face require us to think differently about risk and resilience.

In response, the Government published the "Development Roadmap for the Insurance Sector in Hong Kong" in December 2022. This strategic document outlines our vision for consolidating our position as a global risk management hub while addressing the evolving needs of the sector.

We had taken a series of key measures a few years ago to strengthen our role as an international risk management hub. We have implemented legislative amendments to offer half-rate profits tax concession for marine and specialty lines of insurance business, expand the scope of risks insurable by captive insurers formed in Hong Kong, and enhance the legal framework for group-wide supervision, with three international insurance groups designated in Hong Kong thereunder.

We have rolled out a regulatory regime for special purpose insurers and a pilot grant scheme for insurance-linked securities (ILS), underscoring our commitment to innovation in the sector. We have seen so far five ILS issuances in Hong Kong, all in the form of catastrophe bond and with a total insurance amount of more than US\$700 million, securing protection against losses inflicted by tropical cyclones and earthquakes on the Mainland and overseas places. Two ILS sponsored by the World Bank have been listed on the Hong Kong Stock Exchange.

Creator: innovating through insurtech

Finally, the "C" is about Creator, concerning innovation. The third pillar is about our role as a Creator of innovative insurtech solutions, which very much echo the theme of today's conference. The challenges posed by climate change, demographic shifts, and evolving customer expectations demand continuous innovation. Technology plays a central role in addressing these challenges, narrowing protection gaps, and promoting financial inclusion.

Global insurtech investment is projected to reach more than US\$4 billion by the end of this year, reflecting the sector's transformative potential. Technologies such as AI (artificial intelligence) are revolutionising risk management, enhancing customer experiences, and streamlining operations.

Hong Kong is at the forefront of this transformation. The Insurance Authority (IA) has launched several initiatives to foster innovation, including the Fast Track and Insurtech Sandbox. These platforms encourage collaboration between traditional insurers and insurtech start-ups, enabling them to test new ideas and bring innovative products to market efficiently.

To date, four virtual insurers operating exclusively through digital distribution networks and channels have been authorised under the Fast Track. Meanwhile, the Insurtech Sandbox provides a controlled environment to test out innovative solutions, reduce development costs, and expedite the launch of new products.

The introduction of the Open API (Application Programming Interfaces) Framework last year has further enhanced data exchange and transparency in the insurance market. By providing industry players with guidance on deploying API technology, this framework fosters partnerships between insurers and tech ventures, ultimately improving services for policyholders.

Our insurtech ecosystem is also playing a key role in supporting the Belt and Road Initiative (BRI). Multinational insurers and reinsurers based in Hong Kong are leveraging advanced technologies to provide professional services for BRI-related infrastructure and investment projects. Through supportive measures and also policies and more importantly active engagement by the IA, we aim to attract more Mainland enterprises to establish captive insurers in Hong Kong, enhancing their risk management capabilities.

All these efforts reflect our very commitment to positioning Hong Kong as a global leader in insurtech innovation, driving positive disruption and creating value for the industry and our customers.

Closing remarks

Ladies and gentlemen, the future of the insurance industry is filled with both challenges and opportunities. By embracing change, fostering innovation, and strengthening collaboration, Hong Kong is well positioned to lead as a global risk management hub.

I invite all of you – leaders and innovators from Hong Kong and afar in risk management – to join us in shaping the future of this vital industry. Together, we can drive innovation, enhance resilience, and create a more inclusive and sustainable insurance ecosystem.

Before I close and before I wish you all a great conference, for those who are new to Hong Kong, apart from attending the conference, I hope you can enjoy the natural landscape with more than 40 beaches and hiking trails of more than 500 kilometres in Hong Kong, which are actually a few minutes away from here. Thank you.



[Secretary for Health meets Vice-minister of National Health Commission in Beijing \(with photos\)](#)

â€‹The Secretary for Health, Professor Lo Chung-mau, met with Vice-minister of the National Health Commission Ms Guo Yanhong in Beijing today (December 4) to introduce multiple initiatives to develop Hong Kong into an international health and medical innovation hub and deepen the reform of the healthcare system as set out in "The Chief Executive's 2024 Policy Address". They also engaged in in-depth discussions on the latest situation and measures of tobacco control in Hong Kong.

Professor Lo said, "In the Resolution of the Communist Party of China (CPC) Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization adopted by the Third Plenary Session of the 20th CPC Central Committee, it mentions the further reform of the medical and healthcare systems, and support for the development of innovative drugs and medical devices. The Development Plan for Shenzhen Park of Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (Development Plan for Shenzhen Park) promulgated by the State Council in August last year put forward the co-ordinated development of 'one zone, two parks' between

Shenzhen and Hong Kong, expressing clear support for the innovative application of advanced biomedicine technologies. The Hong Kong Special Administrative Region (HKSAR) Government is determined to leverage the advantages of the 'one country, two systems' principle and Hong Kong's healthcare professional system to develop Hong Kong into an international health and medical innovation hub to expedite patients' access to advanced diagnostic and treatment services, and promote the development of the biomedicine research and development industry, while actively integrating into the national development by showing support for fostering new quality productive forces in biomedicine technologies, as set out in the Resolution and the Development Plan for Shenzhen Park.

"Established and wholly owned by the HKSAR Government, the Greater Bay Area International Clinical Trial Institute was officially opened in the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone (HTCZ) last month. The Greater Bay Area International Clinical Trials Center of the Shenzhen Municipality was also opened in the Shenzhen Park on the same day. The establishment of 'one institute, one center' marked the first benchmark for co-ordinated development under 'one zone, two parks' of the HTCZ."

In terms of deepening reform of the healthcare system, Professor Lo emphasised that the reform seeks to improve healthcare protection and quality, as well as to strengthen the sustainability of the public healthcare system, with a view to enhancing citizens' health.

Professor Lo said, "The HKSAR Government will continue improving public healthcare services, scaling up medical collaboration in the Guangdong-Hong Kong-Macao Greater Bay Area and exploring the setting up of a standing organ transplant mutual assistance mechanism, with a view to helping to uphold the global standing and regional advantage of Hong Kong's healthcare professions."

During the meeting, the Director of Health, Dr Ronald Lam, introduced to Ms Guo the utilisation of acupuncture in supporting smoking cessation by the Department of Health (DH). They also engaged in in-depth discussions on the latest situation and measures of tobacco control in Hong Kong.

Professor Lo fully concurred with the ban on selling flavoured e-cigarettes on the Mainland, noting that flavoured cigarettes do pose tremendous adverse impacts on citizens, teenagers and women in particular.

Professor Lo is leading a delegation to attend the 2024 World Conference on Traditional Medicine in Beijing. Members of the delegation include Dr Lam; the Commissioner for Chinese Medicine Development of the Health Bureau (HHB), Dr Vincent Chung; the Head of the Tobacco and Alcohol Control Office of the DH, Dr Fung Ying; the Assistant Director of Health (Chinese Medicine), Dr Edmund Fong; the Chairman of the Hospital Authority (HA), Mr Henry Fan; the Chief Executive of the HA, Dr Tony Ko; as well as officials of the HHB, the DH and the HA. The Hospital Chief Executive of the Chinese Medicine Hospital of Hong Kong, Professor Bian Zhaoxiang, also joined the delegation for the

conference. Professor Lo will return to Hong Kong this afternoon.



LCQ12: Manpower of aviation industry

Following is a question by the Hon Tang Ka-piu and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (December 4):

Question:

Regarding the manpower of the aviation industry, will the Government inform this Council:

(1) whether it has compiled statistics on the respective numbers of (i) flights and (ii) passenger trips arriving in and departing from Hong Kong via Hong Kong International Airport (HKIA) in October 2018 and October this year (set out in Table 1);

Table 1

Month	Arriving in Hong Kong		Departing from Hong Kong	
	(i)	(ii)	(i)	(ii)
October 2018				
October 2024				

(2) whether it has compiled statistics on the respective numbers of destinations (including international and Mainland routes) served by HKIA in October 2018 and October this year and set out in Table 2 a breakdown by region (i.e. (i) Asia (including (a) the Mainland, (b) the Middle East, (c) East Asia, (d) Southeast Asia and (e) North Asia), (ii) Europe, (iii) Africa, (iv) South America and (v) Oceania);

Table 2

Region		October 2018	October 2024
(i)	(a)		
	...		
	(e)		
(ii)			
...			
(v)			
Total			

(3) whether it has compiled statistics on (i) the number of personnel licences issued by the Civil Aviation Department, (ii) the respective proportions of licence holders who are Hong Kong residents and non-Hong Kong residents and (iii) the number of licence holders who have taken up employment in October 2018 and October this year, and set out in Table 3 a breakdown by job type of the personnel (e.g. flight crew and aircraft maintenance engineers);

Table 3

Job type	October 2018			October 2024		
	(i)	(ii)	(iii)	(i)	(ii)	(iii)
Flight crew						
Aircraft maintenance engineers						
...						

(4) whether it has compiled statistics on the number of imported workers/talents for all job types in the aviation industry since the introduction of the Talent List of Hong Kong and Enhanced Supplementary Labour Scheme, and set out a breakdown by talent admission scheme and labour importation scheme;

(5) whether the Government will ensure that aviation enterprises located at HKIA accord priority to local talents in staff recruitment, including posts that require professional qualifications in the industry; whether the Government has assessed the negative impacts brought about by the large-scale introduction of manpower from outside Hong Kong on the income of local aviation practitioners, and whether the Government has plans to promote the airport community to establish a tripartite discussion platform comprising employees, the Government and employers in respect of human resources planning, and maintain communication with the Labour Advisory Board over issues relating to imported workers, with a view to resolving conflicts of interests and creating a conducive working environment for local workers; if so, of the specific details; if not, the reasons for that;

(6) whether it has projected the growth in the number of (i) flights, (ii) destinations and (iii) passenger trips after the commissioning of the Three-Runway System (3RS) of HKIA; whether it has, on the basis of such projected data, assessed in detail the impacts of the commissioning of the 3RS on

manpower deployment at HKIA; if so, of the specific details; if not, the reasons for that; and

(7) given that Hong Kong is an international aviation hub, whether the Government has recently studied new manpower policies or initiatives for the aviation industry in order to further consolidate and enhance the core role of Hong Kong as an international aviation hub; if so, of the specific policies and initiatives; if not, the reasons for that?

Reply:

President,

Hong Kong is an international aviation hub. This positioning is recognised in the National 14th Five-Year Plan and the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area. The Government and the Airport Authority Hong Kong (AAHK) have launched a series of measures to implement this national strategy and to consolidate Hong Kong's status as an international aviation hub. As we continue to strengthen the long-term competitiveness of Hong Kong International Airport (HKIA) and our aviation industry, together with the commissioning of the Three-Runway System (3RS) last month, we expect that the manpower demand of the aviation industry will rise accordingly.

With regard to the question raised by the Hon Tang Ka-piu, my reply is as follows:

(1) According to the information provided by the AAHK, the numbers of arrival and departure flights (including both passenger and cargo) and passenger throughput at HKIA in October 2018 and October 2024 are tabulated below.

Month	Arrival		Departure	
	(i) Number of flights	(ii) Passenger throughput	(i) Number of flights	(ii) Passenger throughput
October 2018	18 271	2 373 000	18 245	2 170 000
October 2024	15 825	1 872 000	15 800	1 672 000

Of which, the daily passenger throughput at HKIA in peak season has returned to around 85 per cent of the pre-pandemic level, and is expected to return to the pre-pandemic level in the peak season at the end of this year.

(2) According to the information provided by the Civil Aviation Department (CAD), the numbers of destinations for passenger and cargo flights connected to HKIA in December 2018 and October 2024 are tabulated below.

Region		12-month period ended at December 2018 (Note 1)	12-month period ended at October 2024
(i) Asia	(a) Mainland China and Taiwan	53	50
	(b) Middle-east	16	17
	(c) East Asia	22	18
	(d) Southeast Asia	33	28
	(e) South Asia	11	9
	(f) Central Asia	3	3
(ii) Europe		37	25
(iii) Africa		5	4
(iv) North America		28	25
(v) South America		0	1
(vi) Oceania		16	12
Total		224	192

Note 1: The CAD does not maintain relevant statistics as at October 2018.

To resume air traffic as soon as possible and to leverage the opportunities brought by the 3RS, we will develop and expand the aviation network with a more forward-looking perspective and make early preparations for civil aviation co-operation with the "Belt and Road" countries. At the same time, we will support HKIA to strengthen the services of its trunk routes, and work together with the AAHK to strategically attract local and non-local airlines to develop new destinations and increase flights so as to enhance the diversity and competitiveness of the industry.

(3) In accordance with the Air Navigation (Hong Kong) Order 1995 (Cap. 448C), the CAD issues relevant licences to pilots, aircraft maintenance engineers and air traffic control officers. The relevant information is tabulated below.

	October 2018 (Note 1)		October 2024 (Note 2)	
	Number of licences issued by the CAD (Note 3)	Number of licensees being employed	Number of licences issued by the CAD (Note 3)	Number of licensees being employed
Pilot	6 383	(Note 4)	6 561	(Note 4)
Aircraft maintenance engineers	2 190	(Note 4)	2 090	(Note 4)
Air traffic control personnel	238	238	270	270

Note 1: Number of valid private and professional pilot's licences (aeroplanes and helicopters), aircraft maintenance licences (i.e. the licence required for aircraft maintenance engineers) and air traffic control licences as at October 31, 2018.

Note 2: Number of valid private and professional pilot's licences (aeroplanes and helicopters), aircraft maintenance licences (required for aircraft maintenance engineers) and air traffic control licences as at October 31, 2024.

Note 3: The CAD does not maintain a breakdown of the respective proportions of aviation personnel licence holders who are Hong Kong residents and non-Hong Kong residents.

Note 4: The CAD does not maintain a breakdown of the number of licence holders who have taken up employment.

(4) At present, the Talent List of Hong Kong and the Enhanced Supplementary Labour Scheme mentioned in the question do not cover any job types in the aviation industry. Under the principle of not affecting the promotion of localisation of aviation personnel, the aviation industry may address the imminent manpower shortage problem through the General Employment Policy (GEP) and the Admission Scheme for Mainland Talents and Professionals (ASMP). The Immigration Department does not maintain a breakdown of different job types in the aviation industry under various talent admission schemes.

Moreover, in order to relieve the serious manpower shortage problem in the aviation industry, the Government launched the Labour Importation Scheme for the Transport Sector – Aviation Industry in July last year, allowing aviation-related companies with direct contractual relationship with the AAHK to suitably import workers for 10 types of frontline non-supervisory jobs on the prerequisite of safeguarding the employment of local workers, with a quota ceiling of 6 300. As at end October this year, 3 575 imported workers had arrived to work in Hong Kong. The breakdown by job type is as follows:

Job type	Number of imported workers having arrived to work in Hong Kong
1. Passenger Services Officer	1 193
2. Ramp Services Agent	736
3. Cabin Worker	492
4. Aircraft Maintenance Mechanic/Technician	30
5. Tractor Driver	392
6. Warehouse Operator/Cargo Handler	218
7. Equipment/Loader Operator	265
8. Customer Services Agent	140
9. Aircraft Tug Driver	24
10. Maintenance Technician	85

Total	3 575
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(5) The GEP and the ASMP aim to attract qualified overseas and Mainland talent and professionals to work in Hong Kong in order to meet local needs and enhance Hong Kong's competitiveness in the global market. These talent must possess special skills, knowledge or experience essential to Hong Kong and not readily available or in shortage locally to contribute to the daily operation of the concerned enterprises and sectors with a view to promoting economic development in Hong Kong. Under the principle of ensuring that local employment is accorded priority, if an enterprise has aviation-related job vacancies and intends to recruit overseas talents via the above two schemes, the enterprise must conduct a market availability test to prove its difficulties in local recruitment; and the remuneration package must also be comparable to the prevailing market level for professionals in Hong Kong.

In addition, under the Labour Importation Scheme for the Transport Sector – Aviation Industry, employers must prove that they are unable to meet the manpower requirements for business expansion despite the conduct of local recruitment before they can apply for importing workers. In the meantime, under the AAHK's coordination, eligible airport frontline workers have started receiving transport subsidies since May this year. We are closely monitoring the implementation of the scheme, and maintaining communication with stakeholders of both the employers' and employees' sides through the stakeholder consultative group under the scheme to ensure that the employment situation of local workers is safeguarded during the scheme's implementation. We will also report regularly to the Labour Advisory Board on the implementation status of the scheme.

(6) and (7) Upon the commissioning of the 3RS, the annual handling capacity of HKIA will increase to 120 million passengers and 10 million tonnes of cargo by 2035. We expect the airport manpower requirement will also increase gradually. According to the 2023 Manpower Projection report published by the Labour and Welfare Bureau last month, the manpower shortage of the Hong Kong aviation industry will increase to around 18 000 and 23 000 people in 2028. To more accurately assess the short-term manpower requirement, the AAHK will launch a new round of airport manpower survey. The Government will consider the way forward of the Labour Importation Scheme for the Transport Sector – Aviation Industry having regard to a number of relevant factors such as the results of the said survey, the implementation status of the scheme, views from the stakeholder consultative group under the scheme, etc.

Apart from the above-mentioned policies on labour importation and talent admission, the Government and the AAHK are maintaining close contact and communication with the aviation industry, and have implemented a series of measures to support the sustainable development of the aviation industry. In this regard, the Government established the Maritime and Aviation Training Fund (MATF) in 2014 and supported the AAHK in establishing the Hong Kong International Aviation Academy (HKIAA) in 2016 to promote the professional development of the aviation industry and to attract more young people to join the industry. To attract and nurture more aviation talents, the Government explores possible enhancements of the training and incentive schemes under

the MATF from time to time; while the HKIAA has been continuously updating, enhancing and expanding its training courses in accordance with industry needs. At the same time, the AAHK has been encouraging the airport community to conduct local recruitment, such as organising employment information days; actively improving the working environment and welfare of the employees in collaboration of the airport community; as well as applying technology and smart techniques in airport services to reduce manpower pressure.