

## LCQ15: Employment market

Following is a question by Dr the Hon Lo Wai-kwok and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (March 17):

Question:

It has been reported that while quite a number of enterprises have frozen or reduced their headcount because they have been affected by the Coronavirus Disease 2019 epidemic, certain information technology-related industries have been unable to recruit adequate manpower to take up newly created posts. Such a situation reflects that there is a mismatch in the employment market. In this connection, will the Government inform this Council:

- (1) whether it has assessed the short-term and long-term impacts of the epidemic on the local employment market; if so, of the details; if not, the reasons for that;
- (2) whether it will improve its work on the projection of manpower supply and requirements, including conducting projections more frequently and taking into consideration short-term political and economic factors, so as to enhance the accuracy of projection findings; if so, of the details; if not, the reasons for that;
- (3) whether it has enhanced the communication with representatives of the industrial and commercial sectors, so as to grasp the market demand for talents who have received education on subjects related to Science, Technology, Engineering and Mathematics (STEM), as well as allocate additional resources to tertiary institutions for offering more STEM-related courses and places; if so, of the details; if not, the reasons for that; and
- (4) whether it will introduce more facilitation measures to attract innovation and technology talents to come to Hong Kong for career development, so as to meet the market demand for such talents and build a talent pool; if so, of the details; if not, the reasons for that?

Reply:

President,

Having consulted the Innovation and Technology Bureau (ITB), the Education Bureau (EDB), the Census and Statistics Department (C&SD) and the Office of the Government Economist, our consolidated reply to Member's question is set out below:

- (1) The COVID-19 epidemic has significant impact on the economy and labour market in 2020. According to C&SD's statistics, total employment decreased by 5.1 per cent to 3 653 200 in 2020, while the labour force decreased by 2.2 per cent to 3 880 300. In the whole year of 2020, the unemployment rate

averaged 5.9 per cent, an increase of 3.0 percentage points over 2019. Analysed by sector, the epidemic has particularly impacted sectors relating to consumption and tourism (viz. retail, accommodation and food services sectors). The unemployment rate of these sectors as a whole was 10.0 per cent on average in 2020. The unemployment rates of other major sectors also increased in 2020.

Due to the fourth wave of local epidemic, the unemployment rate (not seasonally adjusted) increased by 0.2 percentage point over the fourth quarter of 2020 to 6.5 per cent in November 2020 – January 2021, and after seasonal adjustment it increased by 0.4 percentage point to 7.0 per cent. The unemployment rate (not seasonally adjusted) of sectors relating to consumption and tourism as a whole increased to 11.3 per cent.

It is anticipated that the labour market would remain under pressure in the short term. If the epidemic is brought under control with the launch of the COVID-19 Vaccination Programme, the labour market may gradually recover in the second half of 2021. In the longer run, changes in consumption behaviours or business models caused by the COVID-19 epidemic may affect the local labour market. The epidemic may expedite adoption of innovation and technology (I&T) in daily lives and business operations, such as online shopping, remote work and distance business, which may lead to changes in demand for talents for different jobs. The Government will monitor relevant developments closely and provide additional support and assistance as necessary, including enhancements in training, re-training, and job-matching.

(2) The Government's labour force projections and manpower projections focus mainly on the medium to long-term trends of the Hong Kong labour force; short-term fluctuations in individual years that may not constitute a trend will affect the projection results. The Government will closely monitor the impact of the COVID-19 epidemic on supply and requirements of the labour force and update the projections where needed.

(3) The Government has been maintaining dialogue with post-secondary education institutions and providing information on manpower trends of different industries to facilitate planning by the institutions. In addition, through the Study Subsidy Scheme for Designated Professions/Sectors, the Government encourages the self-financing post-secondary education sector to offer designated programmes in disciplines including architecture and engineering, computer science and financial technology to nurture talent in support of specific industries with keen demand for talents. In the 2020/21 academic year, there are more than 36 000 student enrolments in Science, Technology, Engineering and Mathematics (STEM)-related programmes funded by the University Grants Committee (UGC), an increase of 11 per cent over five years. As regards vocational and professional training and education, the Vocational Training Council (VTC) has signed Memoranda of Understanding with over 20 local major enterprises and institutions under the Industry Partner Collaboration Scheme in recent years. Through this platform, VTC has undertaken a number of inter-disciplinary collaborative projects with industry partners, and invited industry veterans to serve as STEM ambassadors to share their extensive industry knowledge and latest updates on technological development with students to enhance their knowledge on

relevant industries and nurture more professionals. In addition, VTC will review relevant programmes from time to time, taking into account various factors including social situation, industry needs and resource availability.

(4) In addition to further enhancing the local I&T ecosystem and helping overseas talent recognise the full range of opportunities offered by Hong Kong, as well as the continuous implementation of the Technology Talent Admission Scheme, the Government will launch the Global STEM Professorship Scheme to strengthen our support for the universities to attract world-renowned I&T scholars as well as their teams to work in Hong Kong, thereby enabling local universities to strengthen their STEM teaching and research. Subject to nominations by UGC-funded universities and endorsement by the Assessment Panel, each overseas STEM scholar relocating to Hong Kong will receive subsidy for up to five years. Up to 100 professorships can be awarded. Up to four members of the research teams who work for the above scholars can also receive subsidy for up to three years. ITB and EDB are finalising the implementation details. We aim to invite universities to submit nominations to the Assessment Panel within the first half of this year. Moreover, to enlarge the pool of I&T talent in Hong Kong, the Government has recently extended the eligibility of the Research Talent Hub, allowing holders of a bachelor or master degree in a STEM-related discipline awarded by a well-recognised non-local institution to join the Hub.