

Speech by CS at roundtable discussion on vocational education and skills enhancement for value-added and diversified economy (English only)

Following is the speech by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at a roundtable discussion on vocational education and skills enhancement for a value-added and diversified economy held in London, the United Kingdom today (September 27, London Time):

Mark (Director, Schools and Skills of British Council, Mr Mark Herbert), Carrie (Executive Director of the Vocational Training Council, Mrs Carrie Yau), Jeff (Director of British Council, Hong Kong, Jeff Streeter) distinguished guests, ladies and gentlemen,

Good morning. I am most honoured to join you all at this roundtable discussion. Gathering here today are prominent academics and experts from the UK and Hong Kong who will share their valuable experience and insights on skills training and youth enhancement.

Talent is the most important element in driving economic growth and upward social mobility. The current-term Hong Kong Special Administrative Region (HKSAR) Government is determined to develop Hong Kong into a regional talent hub for the long-term economic development and social progress of this Asia's World City. To this end, we have injected new resources and introduced a series of measures to strengthen our education infrastructure and improve various areas of our education system including vocational and professional education and training as well as self-financing post-secondary education.

Investment in Education

Education is founded on dedication and commitment. The HKSAR Government accords the highest priority to education. In fact, it has long been the lion's share of Government's spending. Through learning, young people can explore their potential, cultivate their interests and enhance their strengths so that they are well equipped for the future and able to contribute to the community.

As soon as the current-term Government took office in July last year, we immediately increased the annual recurrent provision to education by HK\$3.6 billion with effect from the 2017/18 school year to roll out a package of priority measures to improve our education system. The 2018-19 financial year will witness a historic high of HK\$113 billion government expenditure on education, an increase of 28 per cent over the previous year and accounting for over one-fifth of Hong Kong's total government expenditure.

Every dollar spent on education is an investment for the future of our youth and Hong Kong as a whole. The HKSAR Government will continue to invest in education and strive for academic excellence. We have earmarked HK\$3.4 billion recurrent expenditure for education. We will come up with the best recommendations in consultation with our education stakeholders.

Quality Post-secondary Education

For students interested in pursuing post-secondary education, we provide quality, diversified and flexible pathways with multiple entry and exit points. There are 20 local degree-awarding post-secondary education institutions in Hong Kong including nine publicly-funded and 11 self-financing institutions. These institutions are well-recognised by their peers across the globe. Four of them are even ranked within the world's top 100 by the 2019 QS World University Rankings. The EMBA programmes offered by two of our universities were ranked the world's top two by the Financial Times in 2017.

To diversify our talent pool and sustain Hong Kong's long-term competitiveness, the HKSAR Government attaches great importance to vocational and professional education and training, or vocational and professional education and training (VPET) in short. We have taken forward a number of policy measures to achieve this ambitious goal. These include regularising the Study Subsidy Scheme for Designated Professions and Sectors from the 2018/19 academic year onwards with an increase in the number of subsidised places to about 3 000 per cohort, and continuing the industrial attachment projects to improve students' employability.

However, Government's efforts alone are never enough. We need the support of relevant sectors of the community including the Vocational Training Council (VTC). Since its establishment in 1982, the VTC has all along been our staunch ally in the promotion and development of VPET in Hong Kong. Today, VTC is offering training courses to more than 250 000 students a year at its 13 member institutions, playing a pivotal role in ensuring skill-based training for our workforce.

The VTC also creates value for its students and our society, aligning vocational and professional education and training services to the ever-changing needs of industry. It enhances apprenticeship training and, through its "Earn and Learn Pilot Scheme", attracts young people to industries with a keen demand for labour while providing apprentices with first-hand experience in the workplace.

The HKSAR Government and VTC work closely with employers, training institutions and secondary schools to encourage more young people to pursue VPET as a valued choice and raise public awareness of the potential and prospect of pursuing VPET. We have stepped up measures to promote VPET on various fronts including introduction of dedicated funding to support job attachment and internship programmes run by the VTC and subsidise students pursuing designated self-financing undergraduate programmes with strong

professional or vocational elements. We are also exploring new strategies to work with secondary schools to facilitate students to pursue VPET programmes.

To sustain the continuous development of the VTC, we fully support the VTC to enhance further its infrastructure, including the development a modern and multi-disciplinary campus in East Kowloon as well as the Aircraft and Marine Engineering Centre within the Hong Kong Institute of Vocational Education Tsing Yi campus.

Lifelong Learning

In view of the dynamic development of the world, we must respond swiftly to the needs of the changing environment. It is imperative for us to enable our people to do so in career as well as personal development through lifelong learning.

We are injecting HK\$1.2 billion into the Qualifications Framework Fund to bolster its functions so as to enhance the recognition of qualifications for different industries including vocational qualifications and provide young people with quality-assured pathways for continuous studies and further career development. At present, the Qualifications Framework is providing common benchmarks for quality assurance in 23 industries.

Internationally, the Qualifications Framework is gaining recognition of our qualifications by our overseas counterparts. We have completed four comparability studies with the qualifications' framework of the European Union, Scotland, Ireland and New Zealand. The studies demonstrate the high standards of our Framework and quality assurance system, boosting their credibility and recognition world-wide. It now stands as a solid foundation in Hong Kong's progressive development into a knowledge-based economy.

Future Prospects

The Belt and Road Initiative pioneered by our Motherland will be the new engine for Hong Kong's economic growth, offering enormous opportunities to our next generation. Covering 4.4 billion people of over 60 countries and accounting for over 30 per cent of global economic value, this national development strategy will certainly create new and abundant opportunities for our young people to unleash their versatile potential.

At the same time, highly promising brilliant prospects are also presented by the Guangdong-Hong Kong-Macao Bay Area (Greater Bay Area) development. It is a mega regional co-operation plan among Hong Kong, Macao and nine Guangdong cities. It has a total population of over 66 million in southern China (about the size of the UK) and a combined gross domestic product of over US\$1.4 trillion or about the size of Australia or Korea.

To help our younger generation establish interpersonal networks, broaden their horizons and assist their future career planning in the wake of these mammoth developments, we have allocated substantial resources to provide an average of more than 70 000 annual places for Hong Kong young people to

participate in exchange and internship programmes on Mainland China including the Greater Bay Area and other places outside Hong Kong.

We have also launched the Pilot Scheme on Corporate Summer Internship on the Mainland and Overseas in collaboration with major enterprises to provide around 250 internship places for Hong Kong young people on the Mainland and overseas.

In parallel, we have signed Working Holiday Scheme agreements with New Zealand, Australia, Ireland, Germany, Japan, Canada, Korea, France, the United Kingdom, Austria, Hungary, Sweden and the Netherlands to provide opportunities for young people in Hong Kong to gain first-hand experience living and working in foreign countries, thereby broadening their horizons. The HKSAR Government will proactively sign more Working Holiday Scheme agreements with suitable partners, including countries along the Belt and Road corridors.

To open up new markets and seize new opportunities in front of us, we need a supply of talent for different sectors. The four pillar industries, comprising trading and logistics, financial services, professional services and tourism, have been a driving force of the Hong Kong economy for years. While the HKSAR Government will continue to improve training resources and policy initiatives to sustain our competitiveness in these areas, we have also identified and promoted emerging industries to help diversify our economy.

Innovation and Technology is one of the key areas that the Government seeks to further develop. To nurture a pool of innovative and IT-savvy talent, we have launched a HK\$500 million Technology Talent Scheme to train and gather more technology talent and to encourage them to pursue a career in innovation and scientific research. One of the initiatives is to establish a Postdoctoral Hub to provide funding support for enterprises to recruit postdoctoral talent for scientific research and product development. We have also injected HK\$3 billion into the Research Endowment Fund to provide studentships for local students enrolled in research postgraduate programmes funded by the University Grants Committee.

In parallel, we have also invested heavily in strengthening the soft-power for our emerging sectors. Our creative industries and culture and arts sector have immense development potential. In 2016, it contributed 4.5 per cent to our GDP and employed 212 800 persons. To nurture a talent pool for the long-term development of this sector, we have injected HK\$1 billion to enhance our support for grooming young talent and raise the community's awareness of creative thinking and design capability. In addition, we have also launched design incubation programmes for fashion and other design disciplines.

To enhance Hong Kong's status as the creative capital in the region, creative industry is identified as one of the 11 Industry Segments and Occupations with keen manpower demand in Hong Kong under the Talent List. The List aims to offer a separate avenue under the Quality Migrant Admission

Scheme to import top-notch talent. We hope that more UK talent of these creative disciplines can make use of this new avenue to tap the vast opportunities in Hong Kong.

The HKSAR Government is also committed to consolidating Hong Kong's status as an international maritime and aviation centre. The maritime and aviation industries account for 4.2 per cent of Hong Kong's gross domestic product. To enhance further our air passenger and cargo capacity, we are actively assisting the Airport Authority of Hong Kong in implementing the Three-Runway System. Upon commencement of full operation in 2024, the System will substantially strengthen the capacity of the Hong Kong International Airport to handling 100 million passengers and nine million tonnes of cargo annually.

To nurture local and regional air transport management talents, the Airport Authority has established the Hong Kong International Aviation Academy to further strengthen Hong Kong's leading position as a regional and international aviation hub.

Hong Kong is also a major cargo port worldwide. I am most pleased to note that our Transport and Housing Bureau has signed a Memorandum of Understanding with Maritime London last September to further strengthen liaison and collaboration between Hong Kong and the United Kingdom in promoting high value-added maritime services and training of maritime practitioners.

To entrench Hong Kong's position as a diversified international maritime centre, we have introduced the HK\$100 million Maritime and Aviation Training Fund to provide training schemes and scholarships and worked closely with the Maritime Services Training Institute under the VTC to provide training courses for new entrants, in-service seafarers, and employees of maritime industry.

At the policy-making level, it is important to chart a holistic plan for nurturing talent in Hong Kong in a sustainable manner. In this connection, the current-term HKSAR Government has set up the Commission on Children, the Youth Development Commission and the Commission for the Planning of Human Resources, all under my chairmanship, to co-ordinate resources and efforts of the Government and relevant sectors to ensure that people of different age groups are prepared to meet the short-, medium- and long-term development needs of Hong Kong and keep up with our country's latest developments as well as the evolving trends in the global market.

Ladies and gentlemen, the HKSAR Government is determined to continue to invest heavily in education and work closely with the industry players locally and from overseas in nurturing our young people and unleashing their potential, thereby sustaining the prosperity and competitiveness of Hong Kong.

On this positive note, I would like to extend my sincerest gratitude to VTC and the British Council for organising this roundtable discussion for

experts in the post-secondary sector to share your valuable experience and insights in enhancing skills training and youth development. My warmest appreciation also goes to Mrs Carrie Yau for travelling all the way from Hong Kong to join me at this event. I look forward to learning more from you today. Thank you.