LCQ19: Improving the Government’s human resources planning

Following is a question by the Hon Mrs Regina Ip and a written reply by the Secretary for the Civil Service, Mrs Ingrid Yeung, in the Legislative Council today (February 26):

Question:

It is learnt that the number of posts in the civil service establishment dropped from around 193 000 as at March 31, 2022 to 191 742 as at September 30 last year, while the civil service strength fell from around 176 000 to 172 499. On the other hand, there are views that the Government may further enhance its administrative efficiency by making good use of innovative technology and improving the existing human resources planning. In this connection, will the Government inform this Council:

(1) whether the Government will review the existing establishment structure and integrate posts with similar or overlapping functions as appropriate; if so, of the details and the implementation timetable; if not, the reasons for that;

(2) given that as indicated on November 20 last year in its reply to a question raised by a Member of this Council, the Government had started to provide a generative AI document processing copilot application (the AI application) developed by the Hong Kong Generative AI Research and Development Center for internal trial use by government staff to perform document processing work like drafting, translation and summarisation of documents, of the following information regarding the AI application: (i) the government departments using the AI application on a trial basis, (ii) the percentage of government documents drafted with the assistance of the AI application out of the total number of government documents and (iii) the Government's savings in time and manpower costs after using the AI application;

(3) whether the Government will further utilise the AI application to handle more routine document processing work so as to further release manpower; if so, of the details and the implementation timetable; if not, the reasons for that;

(4) whether the Government has currently formulated policies and measures to streamline the government structure and enhance administrative efficiency; if so, of the details; if not, the reasons for that; and

(5) whether the Government will consider setting up a high-level steering committee to assist itself in reviewing on a regular basis the establishment and functions of various government departments, as well as the application of various innovative technologies in government departments, and to make recommendations on the addition or deletion of posts within the

establishment; if so, of the details and the implementation timetable; if not, the reasons for that?

Reply:

President,

Regarding the question raised by Hon Mrs Regina IP, we have consulted the Innovation, Technology and Industry Bureau, and our consolidated reply is as follows:

(1), (4) & (5) The Civil Service Bureau (CSB) has been committed to enhancing the efficiency and effectiveness of the civil service, encouraging various policy bureaux/departments (B/Ds) to regularly review and appropriately deploy their manpower to effectively implement government policies and initiatives.

To strictly control the civil service establishment and ensure the sustainability of public finances, the Government has implemented the zero-growth policy in the overall civil service establishment since 2021-22. B/Ds have improved their work efficiency through re-organisation of work and internal redeployment, etc. It is anticipated that by March 31, 2025, the civil service establishment will have reduced, on a cumulative basis, by approximately 2 000 posts from the level as at end-March 2021.

The adjustment of the civil service establishment must adhere to the two principles of stability and sustainable development, balancing the manpower requirements of B/Ds to effectively provide existing and new services and the need to streamline the civil service. The current term Government will continue to strictly control the growth of the civil service establishment and optimise the use of manpower resources through the application of technology, for serving the society and citizens with dedication.

We have all along been mindful of the functions of different grades and ranks as to whether they are very similar or largely overlap, and will make adjustments or consolidation accordingly. We are also mindful of the need to update and adjust the functions of certain grades due to technology advancement. For instance, the demand for typing services has significantly dropped following the prevalence of the use of computers. As a result, the Government stopped the recruitment of Typists more than two decades ago and gradually re-appointed the serving Typists as Clerical Assistants through the In-service Appointment Scheme (IAS) and the provision of appropriate training. Apart from the continued delivery of clerical services, those Clerical Assistants re-appointed from Typists also provide frontline customer services and carry out various supporting work at B/Ds. After multiple rounds of IAS and through natural wastage, the number of Typists, which once exceeded 3 000 at its peak, has been successfully reduced to some 120 at the end of last year. The functions of the Typists now remaining have also been adjusted. In addition to handling Chinese and English clerical work through the use of word-processing softwares, they perform data entry or other clerical duties in law enforcement departments or departments which process large amounts of personal data (e.g. Inland Revenue Department).

Individual civil service grades whose future manpower needs are uncertain, such as those with surplus staff or those undergoing institutional reviews, are classified as "Controlled Grades" by the CSB. These grades require the CSB's approval before open recruitment, which is not lightly granted unless they have clear prospect for development and the demand for manpower is obvious and certain. Under these "controlled" circumstances, B/Ds must seek alternative solutions to handle the responsibilities of these grades, including integrating the duties of the "Controlled Grades" with other grades.

The above-mentioned work has been carried out by the Government on a long-term basis without a fixed timeline.

The operation of B/Ds and the work of civil servants must keep pace with the times. The Supplement to the Chief Executive's 2024 Policy Address has set out the initiative of promoting the adoption of management measures and digitalisation among B/Ds to reprioritise and re-organise their work, capitalise on technology solutions, and streamline work processes, with a view to optimising the use of the civil service manpower resources. With assistance from the Digital Policy Office (DPO), the CSB will drive these initiatives among B/Ds in 2025, with a view to deploying human resources more appropriately and enhancing the efficiency and effectiveness of the civil service. The DPO will continue to lead various B/Ds in applying innovative technologies and accelerating the development of digital government. The DPO will also actively support the above-mentioned measures of promoting digitalisation for optimising the use of civil service manpower resources, thereby enhancing government efficiency and services.

(2) & (3) The Government has started the pilot use of a generative artificial intelligence document processing copilot application (the Application) developed by the Hong Kong Generative AI Research and Development Center (HKGAI) under InnoHK since mid-2024 to assist government officers in handling document processing tasks such as drafting, translation, and summarisation of documents. The DPO has invited all B/Ds to arrange their officers of different grades to participate in this pilot use exercise.

The Application is currently at the development stage. The purpose of conducting the pilot use exercise is to collect the government officers' feedback on using the Application according to their operational needs, thus facilitating HKGAI in further training and optimising its large language model and the Application. The DPO does not, at the current stage, maintain information on the percentage of documents processed in the pilot use against all the government documents, as well as the time and manpower costs saved. In the longer term, the Application will help reduce the manpower required for government officers to handle general document processing tasks, allowing manpower to be deployed to other areas of need, thereby creating maximum value.

The DPO will continue to co-ordinate with various B/Ds to extend the pilot use of the Application to more government officers in handling the tasks of drafting, translation, and summarisation of documents, and through the collection of user feedback, to assist HKGAI in optimising the

Application's performance in handling document processing work.

LCQ16: Developing family-friendly tourism

Following is a question by the Hon Nixie Lam and a written reply by the Secretary for Culture, Sports and Tourism, Miss Rosanna Law, in the Legislative Council today (February 26):

Question:

It has been reported that the family-friendly tourism market has been developing gradually in recent years, and family travel has become a popular choice. There are views pointing out that while Hong Kong has various family-friendly tourism resources, such as theme parks, playgrounds, museums and country parks, the overall resources have not been consolidated, the planning of which is rather fragmented, and there is a lack of systematic ancillary facilities for family-friendly tourism. In this connection, will the Government inform this Council:

(1) whether it has plans to consolidate the family-friendly tourism resources in Hong Kong, introduce a clear and user-friendly map of family-friendly tourism resources to centrally display various types of facilities (e.g. theme parks, playgrounds, museums, country parks and outdoor activity venues), and provide one-stop information services for family tourists, with a view to helping parents plan their trips more conveniently; if so, of the mode to be adopted (e.g. whether mobile applications or online platforms will be included), the implementation details and the timetable; if not, the reasons for that;

(2) whether it will further improve the family-friendly ancillary facilities (including family-friendly toilets, lactation rooms and child-safe facilities) in the family-friendly attractions, as well as the transport links between the attractions, so as to provide a convenient and comfortable experience for family tourists; and

(3) as there are views that the potential of Hong Kong's family-friendly tourism market has not yet been fully realised, how the Government will enhance the quality of existing facilities and introduce innovative family-friendly tourism products (e.g. organising more interactive exhibitions and parent-child activities combining education and entertainment, and providing more suitable indoor and outdoor children's spaces); whether it will introduce preferential policies or subsidies in support of family-friendly tourism, so as to attract more family tourists to choose Hong Kong as their vacation destination?

Reply:

President,

As an international city and a tourism hub with diverse culture, Hong Kong has world-class resources in the areas of culture, sports, tourism, ecology, etc. and has long been one of the most popular tourism destinations in the world attracting many family visitors every year. Hong Kong has the edge to further develop family tourism in terms of tourism products and facilities. Strengthening Hong Kong's status as the premier tourism destination for family visitors is one of the strategies under the Development Blueprint for Hong Kong's Tourism Industry 2.0 promulgated by the Culture, Sports and Tourism Bureau (CSTB) last year.

In respect of the questions raised by the Hon Nixie Lam, the consolidated reply is as follows:

In terms of tourism products, there are various family-friendly itineraries and products available in the market, such as theme parks, family hiking trails, beaches in close proximity to the city, a variety of cultural and historical experience centres, museums. The Government has also been encouraging and facilitating the tourism industry to develop more family-friendly itineraries and products to showcase the unique characteristics of Hong Kong with a view to attracting more family visitors to Hong Kong. The two theme parks in Hong Kong, i.e. Ocean Park (OP) and Hong Kong Disneyland Resort (HKDL), constantly provide family visitors with offers of discount tickets and hotel packages, and introduce a wide range of suitable activities to provide family visitors with unique travel experiences. The gifting of another two giant pandas, An An and Ke Ke, by the Central Government last year, together with Ying Ying, Le Le and their twin cubs, has made Hong Kong home to the largest number of giant pandas outside Mainland China at present. Our promotion of panda tourism as a priority is particularly appealing to family visitors. Besides, this year marks the 20th anniversary of HKDL, and there will be a year-long celebration which will be highly attractive to family visitors. Additionally, the Government encourages different organisations to launch diversified activities targeting at family visitors. For example, the Leisure and Cultural Services Department (LCSD) offers a variety of family-friendly facilities, including innovative play spaces for children and places to learn about plants and animals, which are highly sought after among parents and children. Examples include Hong Kong Park, Kowloon Park, Hong Kong Zoological and Botanical Gardens, Sham Shui Po Park, Cha Kwo Ling Promenade, Tuen Mun Park. The LCSD also organises The International Arts Carnival and "Summer Family Cine Fest" from July to August every year, as well as Fun@Museum Carnival and fun days during Muse Fest HK every November. Further to the Adventure Night @HKPM: Family Sleepover and various family workshops held in the Hong Kong Palace Museum and M+ respectively last year, the West Kowloon Cultural District Authority (WKCDA) will roll out a family arts event WestK FunFest 2025 from March to April this year.

In terms of information dissemination, to facilitate itinerary planning by family visitors, the Hong Kong Tourism Board (HKTB) has listed on its one-stop travel information platform, DiscoverHongKong.com, various points of interest that are suitable for family visitors, including the dedicated page, "Hong Kong attractions for families of all ages", which consolidates various attractions suitable to family visitors like theme parks, Hong Kong Wetland Park (HKWP), on an interactive map; and featured articles recommending itineraries for family travel, providing transportation guide and offering recommendations on indoor family activities such as playgrounds, malls, workshops. The dedicated webpage also covers "12 museums for family days out in Hong Kong" and "Best family-friendly picnic spots in Hong Kong" to offer unique travel experiences to family visitors.

In the meantime, the HKTB will continue to enhance its one-stop travel information platform to consolidate other important travel-related websites and applications (covering, for example, information relating to leisure and cultural facilities of the Government, hiking trails and camping), with a view to providing family visitors with more comprehensive, reliable, and up-to-date travel information and citywide offers. The HKTB will develop Live Travel Map and the Smart Itinerary Planner, which will provide visitors with real-time recommendations of nearby attractions, activities, offers, personalised itinerary suggestions that cater for their interests and preferences, and thereby providing them with unique travel experiences. These smart tourism initiatives are conducive to facilitating and enhancing the experiences of all visitors, including family visitors.

In terms of supporting facilities, the Government has all along been encouraging the hotel industry and various tourist attractions to continuously improve their supporting facilities, including family-friendly facilities such as hotel rooms with family elements and themed on giant pandas and kids. Some hotels are already equipped with family-friendly facilities such as playgrounds, kids clubs and toy rooms.

Moreover, various tourist attractions are well-equipped with family-friendly facilities and services. For example, OP and Water World, HKDL, HKWP, different LCSD venues, the two museums in West Kowloon Cultural District, Ngong Ping Village, provide visitors with family-friendly facilities such as family toilets, changing rooms, nursery rooms. Some attractions also offer strollers and baby carriages rental service. Different attractions will continue to enhance their family-friendly facilities and services having regard to the preferences and needs of family visitors.

The CSTB will, together with the HKTB, relevant bureaux and departments as well as the trade, continue to explore means to further promote the development of family tourism, develop and promote itineraries and products with unique Hong Kong characteristics, as well as provide suitable accommodation, supporting facilities and tailor-made travel experiences. We will target at not only family visitors but also MICE (Meetings, Incentives, Conventions, and Exhibitions) and business travellers attracting them to visit Hong Kong with their families, with a view to developing Hong Kong into a premier tourism destination for family visitors.

Remarks by CS on 2025-26 Budget

Following are the remarks by the Chief Secretary for Administration, Mr Chan Kwok-ki, at a media session at the Legislative Council Complex after the Financial Secretary delivered the Speech on the 2025-26 Budget today (February 26):

Just now, the Financial Secretary delivered the 2025-26 Budget.

Over the past year, the Government has worked closely with various sectors of the community to strive for economic growth and development, actively seizing national and international opportunities to drive the economy forward.

However, as a small and externally oriented economy, Hong Kong has inevitably encountered various challenges in the face of a complicated and volatile external environment.

This year's Budget is comprehensive, well balanced, and pragmatic. While promoting development, reform and innovation, it also focuses on controlling government expenditure and increasing government revenue where appropriate, demonstrating the Government's determination to make the best use of public resources for sustainable economic development.

Some highlights of the Budget include:

First, aligning with the national strategy of accelerating the development of new quality productive forces.

The Budget strategically allocates resources to promote artificial intelligence as a core industry and empower industry development through technology, with a view to developing Hong Kong into an international innovation and technology hub.

In particular, through the development of the Hetao Co-operation Zone, we will accelerate the development of emerging industries and achieve a more diversified economic structure.

Second, strengthening foundation to accelerate development.

The Budget proposes a number of measures to leverage our strategic positioning as the "three centres and a hub", that is international financial, shipping and trade centres, and international hub for high-calibre talent, to strengthen industries with a competitive edge, and enhance collaboration with cities in the Greater Bay Area.

We will attract more enterprises to establish their presence in Hong Kong, and proactively deepen the co-operation with emerging markets such as Southeast Asia and the Middle East, with a view to attracting enterprises, capital and talent from all over the world.

Third, reinforcing fiscal consolidation programme.

In the face of the pressure on public finances, the Budget introduces various measures to manage expenditure growth, make good use of the Government's fiscal resources, and identify new revenue sources with a view to ensuring fiscal health for development and future investment.

At the same time, the Government will ensure the delivery of high-standard public services, maintain Hong Kong's competitiveness, and minimise the impact to the general public.

In addition, the Budget continues to support citizens and businesses, providing taxes and rates reduction, injection into the BUD Fund (Dedicated Fund on Branding, Upgrading and Domestic Sales) and the Export Marketing and Trade and Industrial Organisation Support Fund, and extra allowance for social security payment recipients.

All in all, I fully support this year's Budget, and hope the Legislative Council will promptly scrutinise and approve the appropriation bill.

With the strong support of our country, the Government will continue to join hands with all sectors of the community to seize opportunities and leverage our advantages under "one country, two systems" to strengthen the economy and build a better future for all of us.

Thank you very much.

(Please also refer to the Chinese portion of the remarks.)

LCQ12: Reinforcing Hong Kong’s status as an offshore Renminbi business hub

Following is a question by the Hon Adrian Ho and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (February 26):

Question:

The Chief Executive has proposed in the 2024 Policy Address that the Government will continue to enhance the mutual market access regime and reinforce Hong Kong's status as the world's largest offshore Renminbi (RMB) business hub, contributing to the internationalisation of RMB. In this connection, will the Government inform this Council:

(1) given that the Hong Kong Exchanges and Clearing Limited (HKEX) launched the "Hong Kong Dollar-Renminbi Dual Counter Model" (dual-counter model) in June 2023 to provide investors with a variety of trading currency options and more investment opportunities, and investors' holdings in Hong Kong Dollar and RMB counters of the same security can be seamlessly switched, of the total transaction amount recorded since the implementation of the dual-counter model and its proportion in the securities market;

(2) whether it has assessed the operation and effectiveness of the dual-counter model based on the figures in (1); of the policies to be implemented in the future to enhance promotion, so as to encourage more listed companies and investors to adopt the dual counter model;

(3) given that the HKEX has announced earlier the launch of a Single Tranche Multiple Counter this year to optimise the settlement procedures for Multi-counter Eligible Securities (including dual-counter securities) within the Central Clearing and Settlement System, of the progress of implementing such arrangement; and

(4) given that the Government has indicated that it, in co-ordination with the regulators and the HKEX, will continue to make efforts in promoting offshore RMB business and strengthening product ecosystem at various levels, of the policies and measures in place to further enrich the RMB investment product suite in Hong Kong (e.g. incentivising more institutions to issue RMB-denominated exchange-traded funds and other products), so as to consolidate Hong Kong's position as an offshore RMB hub?

Reply:

President,

Hong Kong is a premier global offshore Renminbi (RMB) business hub which possesses the world's largest offshore pool of RMB funds, and operates the largest offshore RMB foreign exchange and over-the-counter interest rate derivatives market. Hong Kong also provides a diversified range of RMB products and services. With the support of the Central People's Government, the Government, regulators and Hong Kong Exchanges and Clearing Limited (HKEX) have all along been leveraging the unique advantages under "one country, two systems" to continuously enhance the mutual market access mechanism, further strengthening Hong Kong's function as a global offshore RMB business hub while promoting the progress of RMB internationalisation.

In consultation with the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC) and the HKEX, my reply to the four parts of the question is as follows:

(1) and (2) To meet the increasing demand from global investors for allocating RMB assets, the Government, regulators and the HKEX actively promote the issuance and trading of RMB securities in Hong Kong. To this end, the HKEX launched the "Hong Kong Dollar (HKD)-RMB Dual Counter Model" (dual-counter model) in 2023 to provide investors with more diversified trading

options and flexibility to trade securities in HKD or RMB according to their needs. The HKEX also introduced the "Dual Counter Market Maker" (DCMM) regime, under which buy and sell quotes are offered through the RMB counter to promote liquidity of RMB-denominated stocks. To create favorable conditions for market makers to conduct market making and liquidity providing activities at lower transaction costs, the Government has made legislative amendments to exempt the stamp duty of specific transactions by DCMMs.

Since implementation, the dual-counter model and the DCMM regime have been operating smoothly. Currently, a total of 24 issuers have adopted the dual-counter model to provide HKD and RMB securities trading. Meanwhile, 12 exchange participants have been designated as DCMMs to conduct market making and liquidity providing activities. Since the launch of the regime in June 2023 until mid-February 2025, the total trading volume of the HKD counter and RMB counter of dual-counter securities reached approximately HKD16.5 trillion and RMB42 billion respectively, accounting for about 31 per cent of the total turnover of the cash securities market in total. Under the dual-counter model, the HKEX and market participants (including listed companies, investors, brokers, banks and market makers) have accumulated considerable practical experience in issuing, trading, settling and converting the same stocks, especially the highly liquid ones, in different currencies. This helps consolidate readiness for further developing the RMB securities market.

With the sustained growth of RMB cross-boundary payment and its share in global payment, we believe that the number of offshore investors holding RMB will gradually increase. Meanwhile, the China Securities Regulatory Commission announced in 2024 its support for the inclusion of RMB stock trading counter under Southbound trading of Stock Connect. The regulators and exchanges of the two places are conducting relevant technical preparations at full speed, so as to enable Mainland investors to trade Hong Kong stocks in RMB as soon as possible. The Government and the HKEX will also continue to expand and deepen the coverage of listed and potential issuers through various channels such as key promotional activities, roadshow events, thematic speeches and forum exchanges, and introduce in detail the advantages of the dual-counter model in Hong Kong with a view to gradually attracting more listed companies to adopt it.

(3) To improve the efficiency and scalability of trading and settlement of multi-counter securities (such as dual-counter securities and exchange-traded products), the HKEX has announced the upcoming launch of the single tranche multiple counter arrangement to optimise the settlement procedures for multi-counter eligible securities within the Central Clearing and Settlement System. Under the enhanced arrangement, trading under different trading counters of securities will be reflected under the domain settlement counter for clearing and settlement purposes. It will spare clearing participants from inter-counter transfer, obviating the need for separate clearing and settlement for individual trading counters. Moreover, a "same stock netting" procedure will be added to allow offsetting the position of one currency counter against the position with opposite direction of another currency counter of the same securities.

The enhanced measures will better utilise the characteristics of multi-counter securities as a single security and improve settlement efficiency. Relevant information including launch arrangements, technical documents, sample reports and data files, and frequently asked questions have been uploaded to the HKEX's dedicated website (Note). To facilitate market participants to familiarise with the operation of the single tranche multiple counter arrangement, the HKEX will hold practice sessions in the second quarter of this year. Relevant details will be announced in due course. Subject to technical preparations and regulatory approval, the enhanced arrangement is targeted for implementation by the end of June this year.

(4) The Government, in collaboration with the regulators and the HKEX, have been committed to promoting the development of Hong Kong's offshore RMB business and enriching the RMB product ecosystem. Apart from stock trading, we have been supporting Mainland institutions to issue more offshore RMB bonds and promoting more institutions to issue RMB denominated exchange-traded funds (ETFs) and other products, etc.

The Ministry of Finance has issued RMB sovereign bonds in Hong Kong for 17 consecutive years since 2009. The cumulative issuance amount reached RMB366 billion as of end-2024. Earlier this month, it further issued five series of RMB sovereign bonds totalling RMB12.5 billion.

Over the past year, various measures have been introduced to enrich and support offshore RMB business. The eligible product scope of equity ETFs under Stock Connect was further expanded in July 2024, including 91 new ETFs in total. The Mainland-Hong Kong Mutual Recognition of Funds arrangement has been enhanced with effect from January this year. The measures, including relaxation of sales restriction, will significantly enhance the scale of funds. On the other hand, OTC Clearing Hong Kong Limited has allowed offshore investors to use Mainland Government Bonds and Policy Bank Bonds held through Bond Connect as margin collateral for Northbound Swap Connect, providing greater flexibility to international investors and enhancing their capital efficiency, which are conducive to further attracting participation of overseas investors.

In addition, the Hong Kong and Mainland regulators announced in January new measures to deepen financial co-operation between the two places. Notably, the extension of settlement time under the Central Securities Depositories (CSDs) and supporting of settlement of multi-currency bonds through the CSDs linkage under Southbound Bond Connect were implemented in January this year, while expansion of the scope of eligible Mainland investors will be taken forward in due course. Offshore RMB repurchase business using Northbound Bond Connect bonds as collateral was also implemented smoothly on February 10, with multiple repurchase transactions completed on the first day of implementation. The RMB Trade Financing Liquidity Facility arrangement will be launched on February 28, with a view to facilitating banks in providing RMB trade finance services to corporates. The total facility size is RMB100 billion.

In terms of insurance, the insurance industry has been developing RMB-denominated policies, and has recently introduced multi-currency insurance products including those in RMB to meet market needs.

We will continue to spare no efforts in building the offshore RMB ecosystem, taking forward mutual market access measures that are supported by regulators of the two places, including the inclusion of real estate investment trusts under Stock Connect, and exploring new initiatives with the Mainland regulators. We will also continue to support Hong Kong financial institutions to further expand the suite of attractive investment products for providing more investment opportunities for domestic and overseas investors and consolidating Hong Kong's status as an offshore RMB business centre.

Note: The HKEX's dedicated website: www.hkex.com.hk/Services/Clearing/Securities/What_s-New/Enhancement-of-Settlement-Arrangement-for-Multi-counter-Eligible-Securities?sc_lang=en

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LCQ21: Addressing the problem of manpower shortage

Following is a question by the Hon Jimmy Ng and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (February 26):

Question:

In the report on the 2023 Manpower Projection published by the Government in November last year, it was projected that the manpower shortage in Hong Kong would be widened to 180 000 by 2028. In particular, skilled technical workers, manual labourers and service industry workers would experience manpower shortage. It was projected that there would be a shortage of 147 000 to 162 000 workers in total by then. Some members of the industrial and commercial sectors are worried that the problem of manpower shortage will limit the development of relevant sectors, and they have urged the Government to introduce more targeted measures to address the problem. In this connection, will the Government inform this Council:

(1) of the respective numbers of quotas used under the various sector-specific labour importation schemes so far; whether the authorities will study increasing the quotas for such schemes to address the problem of manpower shortage, as well as expanding the relevant schemes to cover more sectors with manpower shortage; if so, of the details;

(2) as the Government launched the Enhanced Supplementary Labour Scheme (ESLS) in September 2023 under which the general exclusion of the 26 job

categories as well as unskilled or low-skilled posts from labour importation would be suspended for two years, of the number of labour importation applications approved under the ESLS so far and the number of workers involved, together with a breakdown by 26 job categories; whether the authorities will extend the ESLS or even regularise it; if so, of the details; if not, the reasons for that;

(3) as it is learnt that applications under the ESLS and sector-specific labour importation schemes are in general required to be subject to a manning ratio of imported labour to full-time local staff (i.e. 1:2), but such a requirement may be waived under special circumstances, whether the authorities have waived the manning ratio requirement in respect of individual applications under such schemes in the past; if so, of the details; whether consideration will be given to relaxing the manning ratio requirement of such schemes; if so, of the details;

(4) whether consideration will be given to relaxing the requirement that wages of workers imported under the ESLS and sector-specific labour importation schemes should not be lower than the prevailing median monthly wage of a comparable position in the market; if so, of the details;

(5) as employers participating in the ESLS and sector-specific labour importation schemes are currently allowed to deduct up to 10 per cent of the wages of imported workers as the accommodation fee for the period that the imported workers occupy the accommodation provided by their employers, whether the authorities will consider raising the percentage; if so, of the details; and

(6) whether it will introduce more new measures to address the problem of manpower shortage in the future; if so, of the details?

Reply:

President,

To cope with the challenges brought by manpower shortage and on the premise of ensuring employment priority for local workers, the Government has enhanced the mechanism for importation of labour. On June 19, 2023, the Labour and Welfare Bureau introduced the Special Scheme to Import Care Workers for Residential Care Homes (Care Workers Scheme) for the residential care home (RCH) sector. On July 17, 2023, the Development Bureau (DEVB) and the Transport and Logistics Bureau (TLB) respectively launched sector-specific labour importation schemes for the construction and transport sectors. In addition, the Labour Department (LD) has implemented the Enhanced Supplementary Labour Scheme (ESLS) since September 4, 2023 to enhance the coverage and operation of the Supplementary Labour Scheme (SLS) including suspending the general exclusion of the 26 job categories as well as unskilled or low-skilled posts from labour importation for two years.

In consultation with the DEVB and the TLB, our reply to the Hon Jimmy Ng's questions is as follows:

(1) Since the launch of the Care Workers Scheme and sector-specific labour importation schemes, a total of around 23 800 quotas for importation of workers were approved as at January 31, 2025. A breakdown by labour importation schemes is as follows:

Labour Importation Scheme	Quota ceiling	Quotas approved
Care Workers Scheme	15 000	Around 7 200 (Note 1)
Labour Importation Scheme for the Construction Sector (Construction Sector Scheme)	12 000	9 109 (Note 2)
Labour Importation Scheme for the Aviation Sector (Aviation Sector Scheme)	6 300	5 823
Labour Importation Scheme for the Transport Sector – Public Light Bus (PLB)/ Coach Trade (Transport Sector Scheme)	1 700 (PLB: 900 Coach trade: 800)	1 700

Note 1: Including the new quotas approved since the implementation of the Scheme in June 2023 and the quotas for renewal in respect of care workers previously imported through SLS.
Note 2: Quota allocation is on a rolling basis, i.e. quotas will be released for new application after the completion of the relevant construction projects. As of end-2024, there were a total of 9 109 approved and active quotas under the Scheme.

For the Care Workers Scheme, the Government reviewed the manpower situation of care workers in the RCH sector and in July 2024 announced that it would provide additional 8 000 quotas in the coming three years. Having regard to the overall demand for and supply of care workers in the RCH sector, the Secretary for Labour and Welfare will make timely adjustments to the number of overall quotas, as well as the number and pace of quotas allotted in each batch, with a view to responding flexibly and swiftly to changes in the manpower supply and demand in the RCH sector. Regarding the Construction Sector Scheme, on the premise of ensuring priority for local workers' employment, the DEVB will carefully consider the allotment of the remaining quotas based on the labour market condition and construction project needs, and take note of the updates on manpower forecast to continuously monitor the use of quotas. In respect of the Aviation Sector Scheme, the TLB will make reference to a number of relevant factors such as the results of the latest airport manpower survey conducted by the Airport Authority Hong Kong, the implementation of the Scheme, stakeholders' views, etc. to decide the future direction of the Scheme. Besides, TLB and the Transport Department are reviewing the implementation of the Transport Sector Scheme and assessing the manpower demand of the sector in the coming few years. We shall announce the way forward of the Schemes in good time subject to the review results.

(2) From September 4, 2023 to January 31, 2025, 6 762 applications involving 47 474 quotas of imported workers were approved under ESLS. A breakdown of the number of quotas of imported workers approved by the 26 job categories, unskilled/ low-skilled posts and other posts is at Annex.

The LD has been closely monitoring the implementation of ESLS and has commenced the review of ESLS. The LD will fully consider the views of stakeholders including employer associations and labour organisations in mapping out the way forward.

(3) According to the general requirements of the sector-specific labour importation schemes and ESLS, employers shall fulfill a manning ratio of 2:1 for full-time local employees to imported workers. Under the Construction Sector Scheme, individual applications with special circumstances, such as applications involving special trades/ disciplines with very limited local supply (e.g. overhead linesman (high voltage)), will be exempted. For ESLS, exceptions include farm workers for which the standard of manpower requirement is specified by the Agriculture, Fisheries and Conservation Department. On the Care Workers Scheme, subvented RCHs and contract RCHs may for every two full-time local employees apply to import a maximum of one care worker only (i.e. a 2:1 ratio), and private RCHs and self-financing RCHs may for every full-time local employee apply to import a maximum of one care worker only (i.e. a 1:1 ratio). The Government has no plan to further relax relevant requirements.

(4) to (6) To safeguard employment priority for local workers, applicant employers of respective labour importation schemes must undertake local open recruitment and give priority to employing suitable local workers to fill the vacancies at a salary not lower than the prevailing median monthly wage of a comparable position in the market. At the same time, employers approved to import workers are required to sign a Standard Employment Contract (SEC) with imported workers, and shall pay a salary not lower than the median monthly wage of a comparable position. Besides, in accordance with SEC, the employer may deduct the actual cost of accommodation in respect of a period that an imported worker occupies the accommodation from the wages payable to the worker for the corresponding period or 10 per cent of the amount of wages (excluding any overtime pay) payable to the worker for the corresponding period, whichever is the less.

As explained in items (1) and (2) of the reply, the Government has been closely monitoring and reviewing the implementation of labour importation schemes. Relevant bureaux have been implementing appropriate measures in light of the situation to enhance the arrangement and operation of the Schemes. The LD has also commenced the review of ESLS. In addition, the Government will continue to adopt a multi-pronged strategy, including promoting training and retraining, providing appropriate employment support and driving technology adoption for productivity uplifting, to address the manpower shortage problem.

The Government is also exploring the introduction of a new channel under the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals to attract a specified number of young non-degree talents possessing relevant professional technical skills and experience to apply for entry into Hong Kong to join the skilled trades facing acute manpower shortage.