

LegCo Secretariat releases Research Brief on “Global competition for talent”

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council Secretariat (the Secretariat) today (June 1) released a Research Brief on "Global competition for talent".

The global competition for talent is intensifying. Many developed economies have difficulties in producing enough talent to deal with a rapidly changing future increasingly driven by innovation and knowledge. Bringing in talent from outside can provide a quick fix to the human resource gap.

Developed economies are not only competing against each other for talent, but also with China that has become a more competitive and attractive employer after years of rapid economic development. Many Mainland cities have implemented a variety of preferential policies and incentive schemes to attract talent.

Hong Kong has also joined the global race for talent, but its various talent admission schemes have met with limited success which has aroused the concern over Hong Kong's competitiveness in attracting talent. For example, the number of applications approved under the General Employment Policy increased markedly during the last decade, but the number of expatriates decreased over the period. Statistics on entrants under the Admission Scheme for Mainland Talents and Professionals (ASMP) obtaining right of abode during 2010-2019 also reflect negatively on their willingness to stay in Hong Kong. It is estimated that only 12 per cent of ASMP entrants will eventually become a permanent resident after residing in Hong Kong for seven years. Furthermore, not many people have settled in Hong Kong through Quality Migrant Admission Scheme. There are only a few hundred applications approved each year, below the annual quota of 1 000.

Meanwhile, Hong Kong is striving to develop itself into a regional education hub, thereby improving access to global talent pools. But the composition of non-local students has been dominated by Mainland students, who might not see Hong Kong as the most preferred choice of stay and the best place for career development after graduation.

High cost of living has undermined Hong Kong's competitiveness in terms of the salary levels offered to attract talent. The annual salaries for Hong Kong-based senior professionals in US dollar terms are not particularly internationally attractive. Indeed, not many of them are paid more than their counterparts on the Mainland and in Singapore after factoring in cost of living. In addition to monetary compensation, talent also considers the quality of living when deciding where to work and stay. However, Hong Kong did not score high in various global livability surveys.

The subject of global competition for talent falls within the policy area of the Legislative Council (LegCo) Panel on Manpower.

The Research Brief is prepared by the Secretariat's Research Office of the Information Services Division with a view to enhancing information support for Members. It is a concise summary aiming at explaining a subject matter which may be of interest to Members and the general public.

The Research Brief is now available on the LegCo Website at www.legco.gov.hk/research-publications/english/1920rb02-global-competition-for-talent-20200601-e.pdf.