

**PRESS RELEASE**

For Immediate Release

[20 February 2024 – Hong Kong]

**HKIHRM Submitted Recommendations to the 2024-25 Budget  
Strategic Investment in Human Capital for Talent Growth**

The Hong Kong Institute of Human Resource Management (HKIHRM) has recently submitted its recommendations to the Financial Secretary regarding the 2024-25 Budget, focusing on retaining and attracting talent. The HKIHRM proposes that strategic investments be made in establishing and strengthening a diverse talent pool for the long-term development of Hong Kong.

**Strengthening Hong Kong’s attractiveness for global talent**

Talent plays a crucial role in propelling Hong Kong's economic development. The HKIHRM is delighted to observe that the number of applications for talent admission schemes has surpassed expectations, indicating Hong Kong's allure to global talent and bolstering its international competitiveness. In this regard, the HKIHRM proposes further enhancing talent admission schemes to enrich the talent pool in Hong Kong.

**Mr Lawrence Hung, President of HKIHRM**, said “When individuals decide where to build their careers, they consider multiple factors. Hong Kong's competitive edge, internationalisation, and regional connectivity make it an advantageous choice. Leveraging on the ‘**One-hour Living Circle**’, the Government should facilitate talent residing in cities within the GBA and commuting to work daily in Hong Kong. This approach will alleviate the burden of housing costs for these professionals.” The Government should lead negotiations with public transport providers to offer subsidies or special fares for their daily high-speed commute, potentially through monthly passes or other financial support mechanisms.

In addition, the HKIHRM suggests that the Government and the Hong Kong Monetary Authority discuss ways to streamline the mortgage application process for talent interested in purchasing property in Hong Kong. This should include establishing clear guidelines that acknowledge diverse forms of income verification and consider international credit history reports.

**Attracting diverse talent to tackle acute labour shortage**

Hong Kong is experiencing a significant demographic shift driven by factors such as a low birth rate, recent waves of outbound immigration and an aging population. These factors have had a profound impact on the labour market, particularly in labour-intensive sectors. “Frontline and specialised positions are extremely difficult to fill with local labour in industries such as hotel, catering and elderly services. As a result, wage costs have steadily increased. While certain designated industries can address the labour

shortage by importing labour, the associated costs of accommodation and training have impacted the operational expenses of local business, affecting their competitiveness.” Mr Hung explained.

The HKIHRM recommends expanding the channels for attracting vocational and technical professionals by formulating a list of recognised vocational and technical institutions from overseas and the Mainland similar to the Top Talent Pass Scheme, allowing direct employment application in Hong Kong for their graduates. Building upon the existing Enhanced Supplementary Labour Scheme, the HKIHRM proposes streamlining the procedures for the graduates to work in Hong Kong, eliminating the requirement for employers to provide accommodation and local training arrangements.

Furthermore, the Government can expand the Vocational Professionals Admission Scheme (VPAS) beyond the current five industries to include other industries like hotel services, catering, hospitality management, elderly and healthcare services, and environmental hygiene services. By bridging the manpower gap in these industries and providing a broader career pathway for the workforce, it will inject new vitality into the local labour market.

### **Youth talent development and upskilling the workforce**

Attracting and retaining talent is one of the major challenges for employers. Research conducted by the HKIHRM indicates that proactive talent engagement, or ‘scouting’, prior to student graduation is essential. Internships have been identified as a highly effective method for aligning employer expectations with student capabilities, helping to prevent mismatches.

As a long-term goal, the HKIHRM suggests constituting a mandatory internship period of 6 to 12 months as a completion requirement for undergraduate degrees funded by the University Grants Committee. This will enable graduates to gain solid work experience and effectively plan their career paths. The Government should work in collaboration with employers and universities to develop a clear roadmap that outlines the phased implementation of mandatory internship.

Furthermore, the Government can play a pivotal role in increasing internship availability by offering subsidies to small and medium enterprises (SMEs). Requiring SMEs to go through the application for the subsidy incentivises them to develop well-structured internship programmes that build the skills graduates need to meet the demands of the current job market.

In terms of lifelong learning, the HKIHRM recommends enhancing the Continuing Education Fund (CEF) scheme, allowing fund transfers within families and considering tangible KPIs for the CEF. The Government may also consider prioritising accreditation and allocating more generous subsidies to courses that align with skills required in the “Eight Centres” outlined in the 14<sup>th</sup> Five-Year Plan, as well as the 51 professions listed on the Talent List.

### **Cultivating a family-friendly environment**

Employers have actively implemented various family-friendly employment practices that help employees balance their work and daily needs. Many employers have extended paid maternity and paternity leave, surpassing the statutory requirements under the Employment Ordinance.

The Government is committed to promoting family-friendly measures and encouraging childbirth. To enable employees to have ample time to care for newborns, the HKIHRM recommends that the Government aligns statutory maternity leave with neighbouring regions by extending it to 16 weeks and paternity leave to 14 days, while maintaining the existing subsidy rate for the additional leave.

“In response to the demographic shift, we suggest that the Government adopts a multi-pronged approach in formulating policies to encourage childbirth, promote work-life balance, and provide support for families. This will ensure a sustainable growth in population, continuously building Hong Kong’s talent pool. Additionally, creating a family-friendly environment will contribute to retaining global talent.” Mr Hung remarked.

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### **About Hong Kong Institute of Human Resource Management**

As the most representative HR professional body in Hong Kong, the Hong Kong Institute of Human Resource Management (HKIHRM) has a membership close to 5,000, of whom around 500 are corporate members. Founded in 1977, the HKIHRM aims at enhancing HR professional standards, and increasing the HR profession’s influence. Serving HR practitioners and SMEs, the Institute organises a wide range of professional programmes, including annual conference, seminars, awards programme, and multi-level training. It also provides various membership services, surveys, and an online journal. The HKIHRM is a member of the Asia Pacific Federation of Human Resource Management.

<http://www.hkihrm.org>