

**Summary of Views Expressed at
the Sixth Meeting of
the Committee on Economic Development and
Economic Cooperation with the Mainland
of the Commission on Strategic Development
held on 31 October 2006**

The Chairman welcomed Members to the meeting.

I. Matters Arising from the Last Meeting

2. The Chairman reported that the summary of views of the fifth meeting of this Committee had been issued to Members and relevant bureaux and departments and uploaded to CSD's webpage in October.

**II. Creation of Employment
(Paper Ref: CSD/EDC/7/2006)**

General

3. Members noted the continued improvement of the employment situation in Hong Kong. However, the unemployment rate was still considered high, in particular among the low-skill workers, with reference to the local historical level and overseas experience. Some Members attributed that to the economic restructuring and the transition to knowledge-based economy of Hong Kong.

4. In the face of globalization, Members acknowledged that the growth of job opportunity for low-skill workers would likely be reduced. Some considered that with the major public investment in education and training/re-training, the skill level of our younger generation would gradually improve, and the proportion of low-education and low-skill workers would probably be reduced over time. However, some other members were concerned about the employment prospect of the middle-aged and construction-related workers.

Economic Development

5. Members generally agreed that the employment opportunity of a society was a reflection of its economic conditions. To improve the employment situation in Hong Kong, the Government had to promote a favourable environment for business. In parallel, the Government should endeavour to strengthen the competitiveness of Hong Kong by improving air quality, promoting Hong Kong Brand, and attracting more talents from both overseas and the Mainland. Individual Members had proposed that creative industry, medical service, educational service, automobile spare parts sector, etc. could have the potential to create employment for the local workforce.

6. A number of Members commented that the Government should expedite implementation of infrastructure projects such as the Hong Kong-Macao-Zhuhai Bridge for the well being of the economy and the creation of employment. The public investment should be seen as building up the social assets rather than just expenditure. A Member highlighted that the Government should give priority to the maintenance works related to buildings, slopes, water-pipes, salt-water pipes, etc. that could be kick-started quickly and would have immediate effect on creating the badly needed local construction-related jobs.

7. A Member noted that the Singapore government had been quite active in encouraging their firms to bid for overseas contracts and assignments resulted in opening up more job opportunity for their workers. He suggested that the Singaporean experience might also be relevant to Hong Kong.

Education

8. Members had a consensus that education was critical to the long term improvement of employment opportunity in a society. Some Members suggested further expanding the tertiary education in Hong Kong and increasing the number of places for local students in tertiary institutions. This could help build up a strong pool of high-education and high-skill talents in Hong Kong.

9. Members generally agreed that for a globalised economy, it was necessary to build up a workforce with creativity, broad-based skills, and high level of education attainment. They opined that the proposed “3-3-4” education reform was on the right track. Some members further suggested improving the curriculum of tertiary education with a view to strengthening university students with good communication skills, international outlook and creativity.

Training

10. Members from various sectors, including the financial and film-making industries, reflected that there was a lack of talents to sustain the development of the industries. It was therefore considered that provision of adequate training should be strengthened to equip the new blood with necessary job-related knowledge and skills. Apart from the general training provided by the mainstream curriculum in local education institutions, Members pointed out the importance of vocational training to equip young people with practical experience and job-specific training. They urged the Government to increase the resources and broaden the variety of subjects of the vocational training courses provided by the local institutions.

11. Specifically, a Member supported the establishment of “qualifications framework”, which could help enhance the mutual recognition of qualifications and the exchange of talents from overseas as well as the Mainland and Hong Kong.

Employment for Low-skill Workers

12. Some Members suggested that the Government should strengthen the development of tourism, catering and retail industries in Hong Kong, which could provide employment opportunities for low-skill and low-education workers.

13. Members also considered that the development of local economy at district level could provide opportunities for low-skill workers and small entrepreneurs. Some members in particular supported

a district-based approach to tackle the areas, e.g. in Yuen Long and Tin Shui Wai, where there were concentrations of unemployed young and / or middle-aged workers. It has been suggested that a number of job opportunities could be generated through development of community-based enterprises, e.g. recycling industry, second-hand shops, co-operatives, etc. A Member opined that some of the existing public rental housing estates e.g. Tin Shui Wai, had not provided with adequate facilities such as local convenience stores and a favourable environment for the development of community-based economy.

14. The Government Economist noted that as compared with some other overseas countries, the level of youth unemployment rate in Hong Kong was not particularly high. He also observed that the pace of local employment creation was generally linked to the pace of economic expansion. As a ballpark indication, a 3% growth in real gross domestic product would broadly give rise to 1% growth in total employment rate.

15. The Chairman made the following comments -

- (i) It would not be easy for Hong Kong, as a developed economy, to sustain a high economic growth rate in order to continue to reduce the unemployment rate. However, in the past few years, the Government had launched major initiatives to promote employment, in particular for the low-skill workers. Notable efforts included the Individual Visit Schemes and the CEPA. Job creation was also a major consideration in formulating relevant policy initiatives. For example, the abolition of estate duties and profits tax exemption for offshore funds had been implemented with a view to promoting financial services and employment of the sector. The launching of “Personalized Vehicle Registration Marks Scheme” was to provide the extra financial resources in need for poverty alleviation efforts;
- (ii) The job creation potential of infrastructure projects was duly recognised. In fact, there were a number of development

projects and construction work at various stages of active planning, including the South-East Kowloon development, West Kowloon Cultural District, and Central-Wanchai Bypass, etc. However, the implementation of these projects would require due consultations and would have to go through statutory and administrative procedures;

- (iii) The suggestion that further improvement could be made to increase the proportion of university graduates to the general population so as to increase the quality of our workforce was noted. ;
- (iv) The Secretariat would liaise with relevant department regarding the provision of local convenience stores in the public rental housing estates in Tin Shui Wai; and
- (v) The relatively high unemployment situation of the youth, the low-skill and low-education workforce was recognised. The Government would continue its efforts to address the problem.

16. The Chairman said that the Secretariat would prepare a summary of views expressed at the meeting, and distribute to Members as well as relevant bureaux and departments for reference. Members were invited to submit to the Secretariat their further comments by post or by email, which would be circulated to other Members to facilitate exchanging of opinions. The date of the next meeting had been rescheduled for 14 December 2006 (Thursday).

17. The attendance list is attached.

Secretariat to the Commission on Strategic Development
November 2006

策略發展委員會
經濟發展及與內地經濟合作委員會第六次會議
2006年10月31日

Sixth Meeting of
the Committee on Economic Development and
Economic Cooperation with the Mainland
of the Commission on Strategic Development
31 October 2006

出席人士

Attendance List

主席 :

Chairman :

The Financial Secretary

財政司司長

官方委員 :

Official Member :

Head, Central Policy Unit

中央政策組首席顧問

非官方委員 :

Non-Official Members :

Prof CHAN Ka-keung, J.P.

陳家強教授, J.P.

Dr CHAN Man-hung, J.P.

陳萬雄博士, J.P.

Prof CHEN Kwan-yiu, Edward, G.B.S., J.P.

陳坤耀教授, G.B.S., J.P.

Ms CHIANG Lai-wan, Ann

蔣麗芸女士

Mr CHUNG Chi-ping, Roy, J.P.

鍾志平先生, J.P.

Prof ENRIGHT, Michael John

恩萊特教授

Mr FUNG Hau-chung, Andrew

馮孝忠先生

The Hon LEUNG Kwan-yuen, Andrew, S.B.S., J.P.

梁君彥議員, S.B.S., J.P.

Mr LIU Changle, J.P.

劉長樂先生, J.P.

Mr LO Wing-hung, B.B.S.

盧永雄先生, B.B.S.

Dr LUK Tei, Lewis

陸地博士

Mr MA Fung-kwok, S.B.S., J.P.

馬逢國先生, S.B.S., J.P.

Mr MOK, Charles P.
Mr NG Hak-kim, Eddie, J.P.
Mr NG See-yuen, B.B.S., J.P.
Mrs NGAN NG Yu-ying, Katherine
Prof SIT Fung-shuen, Victor
Mr WAN Sui-lun, Raymond
Mr WONG Ho-ming, Augustine
Ms WONG Ying-kay, Ada, J.P.
Prof YEUNG Yue-man, S.B.S., J.P.
Mrs YUEN SO Siu-mai, Betty
Dr ZEMAN, Allan, G.B.S., J.P.

莫乃光先生
吳克儉先生, J.P.
吳思遠先生, B.B.S., J.P.
顏吳餘英女士
薛鳳旋教授
尹瑞麟先生
黃浩明先生
黃英琦女士, J.P.
楊汝萬教授, S.B.S., J.P.
阮蘇少湄女士
盛智文博士, G.B.S., J.P.

列席

In Attendance

Mr KWOK Kwok-chuen, B.B.S., J.P.
Government Economist

政府經濟顧問
郭國全先生, B.B.S., J.P.

Mr CHING Chung-cham, Dennis
Administrative Officer (Employment)
Labour Department

勞工處政務主任(就業)
程中湛先生

因事未能出席

Apologies

官方委員 :
Official Member :

Director, Chief Executive's Office

行政長官辦公室主任

非官方委員 :
Non-Official Members :

Mr CHAN Mo-po, Paul, M.H.
Mr CHAN Yu-ling, Abraham
Mr CHANG Ka-mun
Mr CHOI Koon-shum, Jonathan, J.P.
Mr CHUI Yik-chiu, Vincent

陳茂波先生, M.H.
陳宇齡先生
張家敏先生
蔡冠深先生, J.P.
徐亦釗先生

Mr FENG Xiaozeng
Dr HUI Cheuk-kuen, Desmond
Mr HUI Ho-ming, Herbert, J.P.
Mr LAU Siu-hong, Freeman, B.B.S.
Prof LIU Pak-wai, S.B.S., J.P.
Ms LO Kai-yin
Prof LUNG Ping-yee, David, S.B.S., J.P.
Mr TAM Wai-ho, Samson, J.P.
Prof WONG Yue-chim, Richard, S.B.S., J.P.
Dr WOON Yi-teng, Eden, J.P.
Prof YUEN TSANG Woon-ki, Angelina, J.P.
Dr ZHANG Junsen

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許焯權博士
許浩明先生, J.P.
劉小康先生, B.B.S.
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羅啟妍女士
龍炳頤教授, S.B.S., J.P.
譚偉豪先生, J.P.
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翁以登博士, J.P.
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張俊森博士