



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

operated by Hong Kong Institute of Human Resource Management Limited

17 December 2019

The Hon Paul Chan Mo Po, GBM, GBS, MH, JP
Financial Secretary
Government Secretariat
25/F, Central Government Offices
2 Tim Mei Avenue, Tamar
Hong Kong

Dear Financial Secretary,

Consultation on 2020-21 Budget

The Hong Kong Institute of Human Resource Management (HKIHRM) would like to thank you once again for offering us the opportunity to share our opinions on the 2020-21 Budget Consultation.

The views the HKIHRM presented at the consultative meeting on 27 November 2019 are consolidated below for consideration by the Financial Secretary and relevant policy secretaries.

1. Safeguard Employment in the Economic Downturn

1.1 According to the HKIHRM's Pulse Check on Business & Manpower Outlook conducted in October, 37% of the interviewed organisations said their 2019 business is expected to fall behind budget. Also, over half of the responding organisations stated they will freeze headcount for Q4. These findings revealed a cautiously optimistic stance adopted by organisations in the face of the city's financial uncertainties.

1.2 As Hong Kong's labour market, the catering, retail and hotel sectors in particular, is impacted by an uncertain global economic outlook, China-US trade tensions and the ongoing social unrest, the HKIHRM recommends the government to dedicate more resources to alleviate the situation.

香港銅鑼灣怡和街六十八號一五〇三室

Suite 1503, 15/F., 68 Yee Wo Street, Causeway Bay, Hong Kong.

電話：二八八一五一一三 圖文傳真：二八八一六〇六二

Web Site: <http://www.hkihrm.org> E-mail: info@hkihrm.org Tel: (852) 2881 5113 Fax: (852) 2881 6062



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

operated by Hong Kong Institute of Human Resource Management Limited

- 1.3 We welcome the government's relief measures, such as supporting the operation of travel agencies by safeguarding the jobs of over 6,000 tour guides and 17,000 more tour managers. This will help protect and further solidify Hong Kong's international reputation as a tourism hub.
- 1.4 As small and medium enterprises (SMEs), both hard hit by the financial headwinds, form the backbone of the economy, we believe the recently launched Banking Sector SME Lending Coordination Mechanism by the Hong Kong Monetary Authority will help revitalise them, and show them the way forward.
- 1.5 The widely anticipated Human Resources Planning Commission's Manpower Information Portal was launched in early December. We urge the government to make wise use of the Portal to offer the workforce solid advice throughout their talent lifecycle in a company, and also the different stages in their career.
- 1.6 The Greater Bay Area (GBA) provides stimulus to the local economy as it encourages the flow of labour, capital and goods, thus the HKIHRM considers it a tactical move to open up job opportunities in Mainland China to Hong Kong talents, thereby sharpening our city's competitive edge as a financial hub.

2. Talent Development across the Generations

2.1 Hong Kong's elderly, defined as those aged 65 or above, are projected to constitute around 35.9 percent of the population by 2064. We hold the view that the city should consider postponing the retirement age and providing the elderly with incentives to keep working. For instance, economic powerhouse Germany sets an inspiring precedent for Hong Kong, with its Initiative 50 Plus programme which provides financial support to their older workforce with lower salaries.

2.2 In view of the aging population, the HKIHRM hopes the government can tackle the urgent need of providing the elderly with upskilling/ retraining, especially on the technological front, for them to adapt and contribute to the multi-generational workforce. Subsidies can also be provided to employers as motivation for them to hire these young-olds, who can inspire generations Y and Z with their wealth of work-life experience.

2.3 Last year's budget announced the scheme for nurturing talents which involves the government's allocation of \$500 million to implement the IT Innovation Lab in the

香港銅鑼灣怡和街六十八號一五〇三室

Suite 1503, 15/F., 68 Yee Wo Street, Causeway Bay, Hong Kong.

電話：二八八一五一三 圖文傳真：二八八一六〇六二

Web Site: <http://www.hkihrm.org> E-mail: info@hkihrm.org Tel: (852) 2881 5113 Fax: (852) 2881 6062



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

operated by Hong Kong Institute of Human Resource Management Limited

coming three school years. We trust that this talent development initiative will speed up Hong Kong's growth as a smart city.

2.4 Another talent development scheme involves spending \$200 million to expand the Apprenticeship Scheme for the Construction Industry and increase the allowances for trainees. While this move can provide fresh impetus to the construction industry, we advocate the adoption of similar measures for other industries deeply affected by the economic downturn, such as the logistics and transportation sector.

2.5 According to our HR Pulse Check on GBA Development released this April, "tax incentives" was registered as the most important factor that facilitates the movement of talents between Hong Kong and the other GBA cities. We embrace the policy of not requiring Hong Kong residents to meet conditions on the payment of individual income tax for them to be treated as local citizens in buying properties in GBA cities, as set out in one of the new 16 measures of the development plan. Yet with the GBA gaining more importance, we recommend the enhancement of tax incentives to unleash its full potential.

3. Protect Employees' Mental Wellbeing

As the challenging social situation persists and shows no signs of abating, taking care of employees' mental wellbeing has become an even bigger priority for organisations in these emotionally volatile times. We look forward to the Department of Health's launch of the first phase of the Mental Health Workplace Charter, which is targeted at building a mental health-friendly society. We advise the government to provide subsidies to SMEs for their employee psychological wellness programmes.

4. Tax Relief Measures

The HKIHRM welcomes the relief measure of installment payments for taxpayers to settle their 2018/19 profit tax, salaries tax or personal assessment tax payments within a year, launched in early December. However, in light of the rising unemployment rate, we would propose the release of more comprehensive tax relief measures, to widen the spectrum of affected workers who can benefit from the scheme.

香港銅鑼灣怡和街六十八號一五〇三室

Suite 1503, 15/F., 68 Yee Wo Street, Causeway Bay, Hong Kong.

電話：二八八一五一一三 圖文傳真：二八八一六〇六二

Web Site: <http://www.hkihrm.org> E-mail: info@hkihrm.org Tel: (852) 2881 5113 Fax: (852) 2881 6062



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

operated by Hong Kong Institute of Human Resource Management Limited

We hope the above views and suggestions will be useful for formulating the 2020/2021 Budget.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Margaret Cheng', written in a cursive style.

Margaret Cheng
President

香港銅鑼灣怡和街六十八號一五〇三室

Suite 1503, 15/F., 68 Yee Wo Street, Causeway Bay, Hong Kong.

電話：二八八一五一一三 圖文傳真：二八八一六〇六二

Web Site: <http://www.hkihrm.org> E-mail: info@hkihrm.org Tel: (852) 2881 5113 Fax: (852) 2881 6062