



Manpower Update Report

Import / Export / Wholesale Trades

2020

Import / Export / Wholesale Trades Training Board

ACKNOWLEDGEMENT

The Import/Export/Wholesale Trades Training Board (IEWTB) would like to express gratitude to industry experts who contributed their precious time and valuable insights on various manpower issues at the Focus Group Meetings as well as CTgoodjobs and CPjobs for providing recruitment database for manpower analysis.

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Introduction

Background

The Import / Export / Wholesale Trades Training Board (IEWTB) of the Vocational Training Council (VTC) is appointed by the Government of Hong Kong Special Administrative Region to be responsible for, among other duties, determining the manpower situation and training needs of the industry.

The IEWTB released a manpower survey in 2016 and the first manpower update report in 2019. To prepare for the 2020 manpower update report, the IEWTB conducted two focus group meetings on 27 May 2020 to collect the views from industry experts on the latest manpower situation, training needs, recruitment challenges and recommendations on supporting the industry developments.

Desk research had also been done to capture recruitment information from major recruitment channels during the period from October 2018 to September of 2019.

Objectives

The objectives of the manpower update report of the import / export / wholesale trades are to understand the following issues:

- (i) Latest trends and developments;
- (ii) Manpower demand and training needs;
- (iii) Recruitment Challenges; and
- (iv) Recommendations on supporting the industry development

Methodology

Overview

This update report provides qualitative description of the latest developments of the import / export / wholesale trades through focus group meetings supplemented quantitatively by a desk research, i.e. recruitment advertisements collected from October 2018 to September 2019.

The information of the desk research was obtained on a quarterly basis from major recruitment channels commonly used by the public. An integrated database was developed from different sources such as the Hong Kong Government and prominent advertising agencies.

Focus Group Meeting

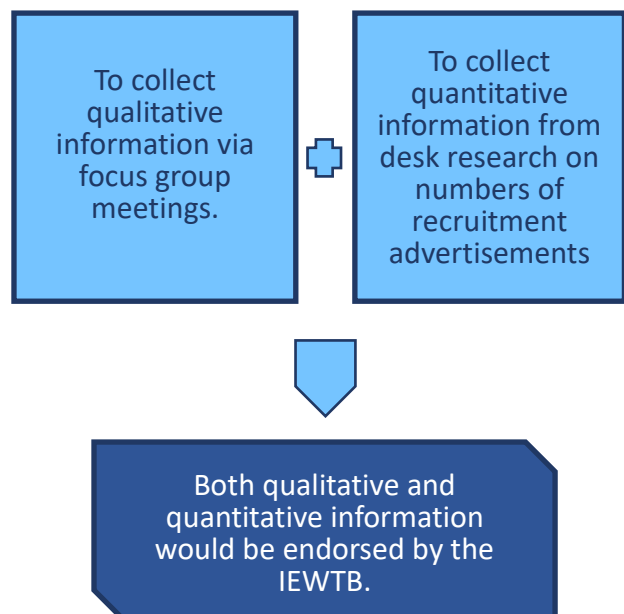
The focus group meeting was intended to collect the industry experts' insights on the latest manpower situation, training needs, recruitment challenges, and recommendations on supporting the industry development. The meeting was recorded and transcribed to facilitate analysis.

Desk Research

About 12,000 recruitment records were collected during the research period from October 2018 to September 2019.

Mapping was made with the list of related companies under the Hong Kong Standard Industrial Classification for removal of any duplicated records. An overview of manpower demand, monthly salary offered and competence required in the industry could be obtained.

The analysis consists of the following three steps:



Limitations

Unlike the extensive quantitative manpower survey conducted in 2016, the update report aims to discover the emerging trend in the manpower development of the industry. The insights on the industry trend and recruitment difficulties were collected from a selection of industry experts, which might not be generalised to the entire

working population. Desk research information obtained from major recruitment channels also might not be exhaustive for a complete analysis. In addition, the data collected were snapshots of a particular period, which were used to supplement the views of the focus group.

Key Findings

Factors Affecting the Development of the Import / Export / Wholesale Trades

COVID-19

The slowdown in economic activity following the outbreak of the COVID-19 pandemic has severely weakened the global trade. In response to the increasing spread of the virus, a series of containment measures were introduced to cease businesses temporarily, restrict travel and mobility. These measures led to supply chain disruption, sharp contractions in the economic output, domestic spending, investment and trade performance. Many companies have continued to experience supply challenges as a result of the suspension of manufacturing activity, decreased production and labour shortages. The pandemic has therefore tested the ability of businesses to adjust swiftly.

However, spurred by social distancing and stay-from-home requirements, demand for e-commerce rose sharply. This “new normal” could potentially make businesses and people more accustomed to on-line services both in working and personal setting.

In order to stay afloat during the pandemic outbreak, businesses strived not just to survive but thrive through enhanced websites and digital tools such as mobile applications and advanced product

configurations to serve customers. The pandemic also sparks a new era of live video technology that a variety of industries all now depend on it.

Technology Advancements

New age innovations and technology advancements facilitate a quick flow of information, process vast quantities of data at speed and perform mundane tasks or even dangerous tasks, resulting in greater efficiencies and release of people to focus more on value-added tasks that help propel their organisations moving forward for success.

More and more future-oriented enterprises are pursuing new and efficient ways to innovate and make their products outshine their competitors. E-shops associated with the technologies of augmented reality and virtual reality are expected to be the mainstream in the business world. It changes the way of enterprises doing business, increases productivity and reduce overall expenses. An early adopter of new technologies could definitely help facilitate this process.

Nevertheless, the booming of internet and growing trend towards direct dealing between customers and manufacturers have diminished the intermediary role of

middleman.

Though technology displaces some jobs, it cannot replace human when it comes to collaboration, empathy, creative problem solving and the ability to build innovative ideas and trust.

Global Political and Economic Influence

Having started the US-China trade war in July 2018, the prolonged conflict reached a turning point in January 2020 with the signing of the phase one trade deal. Nevertheless, this phase one trade deal could be jeopardised by the increasing tension between US and China since US puts the blame on China for the coronavirus pandemic. The near-term trade performance is anticipated to face downward pressure from the coronavirus pandemic. Many Hong Kong entrepreneurs may turn to look beyond the US market and branch into new markets with free trade deals such as The Association of Southeast Asia Nations (ASEAN).

Mainland Development

Belt and Road Initiative

The “Belt and Road” aims at promoting economic and social cooperation among countries along the belt and road corridors. This development could lead to an expansion of international trade and create business opportunities for Hong Kong traders. To enhance the

understanding of SMEs on developing the unexplored markets along the Belt and Road corridors, more information such as the market assessment, business environment and sales conditions are essential for them.

Greater Bay Area

The development of the Greater Bay Area will bring Hong Kong new areas of economic growth. The policy measures announced by the Central Government in November 2019 offer further convenience to Hong Kong people in terms of their career development, working and living in the Mainland cities of the Greater Bay Area as well as convenient flow of talents, goods and capital within the Greater Bay Area. It would bring precious opportunities and prospects for Guangdong, Hong Kong and Macao by deepening their collaboration.

Public Policy

As unveiled in the 2019 Policy Address and the 2020-21 Budget, a series of measures were introduced to explore market opportunities for Hong Kong companies and help re-affirm support for Hong Kong as the Asia's business hub:

Trade and Investment

The government injects HK\$1 billion each to the “Dedicated Fund on Branding, Upgrading and Domestic Sales” and the “Export Marketing and Trade and Industrial Organisation Support Fund”. It also provides 100% guarantee under the SME Financing Guarantee Scheme for

approved loans and allows enterprises to apply for principal moratorium of up to 6 months, during which only interest repayments have to be made.

In the face of challenges posed by the COVID-19, the government launched a Distance Business (D-Biz) Programme to help small businesses to operate online and remotely. It provides a range of IT solutions with 100% funding support to qualified enterprises (up to HK\$300,000).

Convention and Exhibition

The government allocates additional funding of HK\$150 million to the Hong Kong Trade Development Council (HKTDC) for organising various initiatives to promote Hong Kong, setting up Hong Kong pavilion, Hong Kong Design Gallery and pop-up shops in major overseas cities and organising trade delegations.

In addition, enterprises receive subsidies from the Anti-epidemic Fund for attending conferences and exhibitions organised by the HKTDC, and the conferences and exhibitions to be held at the Hong Kong Convention and Exhibition Centre and the Asia World-Expo.

Future Manpower Demand

Looking ahead, the anticipated escalation in US-China trade conflicts associated with the coronavirus pandemic cast a shadow over the global economy. Nevertheless, with the government's keen support in launching various funding schemes for SMEs, developing measures to boost the Hong Kong trade performance, a continuous pool of quality manpower will be in demand.

To adapt successfully to the changing business environment in the digital era, there is a rising demand for talents in data analysis, digital marketing, e-commerce, computer programming and project management.

In addition, tasks demanding talents with critical thinking, design thinking and multi-lingual skills are sought-after.

Desk Research Findings

The number of the recruitment advertisements collected during the research period cannot be directly compared with the number of vacancies collected in the 2016 Manpower Survey. Nevertheless, a downward trend in the demand for clerical/operative staff is noted as they might be replaced by artificial intelligence and automation due to its routine and repetitive work nature. In addition, an upward trend in the demand for manpower at the supervisory

and managerial level might due to the need of developing and executing more new initiatives to cope with the emerging trend of the industry.

Realising the on-line experience has become more important than ever before, it is anticipated that enterprises would invest more in smart solutions and develop effective e-commerce strategies. In this connection, there is an emerging demand for talents in e-commerce for helping enterprises stay ahead of their competitors.

Since sustainability is imperative and a key part of the industry, there is also an emerging demand for talents to balance the economic, environmental and social needs during the process of development.

As reflected in the desk research results, the following five principal jobs are having the highest turnover rate:

Import/Export Trade (10,440 advertisements)

- 1) Sales Executive (12.1%)
- 2) Merchandiser (12.0%)
- 3) Sales Representative (10.7%)
- 4) Sales Manager (8.4%)
- 5) Marketing Executive (7.2%)

**Wholesale Trade
(1,442 advertisements)**

- 1) Sales Executive (17.3%)
- 2) Sales Representative (14.5%)
- 3) Sales Manager (12.3%)
- 4) Logistics Assistant (8.1%)
- 5) Marketing Executive (8.0%)

Details on the number of vacancies collected in the 2016 Manpower Survey, an overview on the manpower demand and monthly salary drawn from the desk research during the period from October 2018 to September 2019 are shown in Appendices 1, 2, 3 and 4 (pages 14-17).

Training Needs

Based on the fore-mentioned trends and development of the industry coupled with the views from the focus groups, the skill requirements of the industry are listed below:

Trade Specific Skills

- 1) Computer Programming
- 2) Data Analysis
- 3) Digital Marketing
- 4) E-commerce
- 5) Project Management

Generic Skills

- 1) Change Management
- 2) Design Thinking
- 3) Digital Literacy
- 4) Emotional Intelligence
- 5) Multi-languages Proficiency

*Details on the skill requirements are given in the Appendix 5 (pages 18-19).

Recruitment Challenges

Many Career Choices

Owing to the socio-economic changes, the young generations have more learning opportunities to attain higher academic qualifications and therefore more career choices. Furthermore, many parents could afford their children to pursue higher education rather than joining the workforce after secondary school education.

Professional Image of the Industry

A professional image with a positive career prospect and competitive remuneration package are the key determinants in selecting careers. The lack of understanding on the industry and the misconception about the industry prospect did affect the talents' interest in joining the industry.

Lack of Talents with Multi-skills and Digital Skills

Enterprises are keen to look for talents with multi-skills and sound digital skills for developing their e-business. Nevertheless, talents with multi-skills, proven knowledge and understanding of the digital development with strong data analysis and exploration are scant in the market. This emphasizes the need to

address skills shortages in the market and the importance of addressing skill gaps within the existing workforce.

Resistant to Work Across the Border

Many SMEs have established their businesses in the Mainland and need to deploy their staff to work there. Nevertheless, many youngsters are unwilling to work across the border as they have doubt over the Mainland's quality of life, rule of law and a negative image of the Mainland society.

Recommendations

Government

Support to SMEs

To encourage SMEs to “go outside” for exploring more business opportunities under the initiatives of the “Belt and Road” and “Greater Bay Area”, the government should provide enterprises with more essential information and funding support.

Establishment of Data Centre

The government is also recommended to establish a cloud computing and big data centre with the support from renowned e-platforms such as Google and Facebook, where customers could have access to a wide range of service providers and business partners.

Job Attachment Opportunities and Industry Image Promotion

To upskill the workforce and fulfil the talent needs in a rapidly changing economy, the government should also provide more job attachment opportunities to students and subsidies to educational institutions in launching new info-technology-related training programmes.

To join hands with the educational institutions and employers to promote

the industry professional image with positive prospects to students at early childhood for nurturing their interest and deepening their understanding on the industry.

Educational Institutions

Updated Programme Curriculum

In order to keep track with the changing technology and customer demands locally, and internationally, training curriculum and syllabus of training providers should be reviewed and updated to keep abreast of the latest trend and development.

Since the scientific and technological innovations have become increasingly important in the 21st Century, STEM education should be reinforced for enhancing science literacy, nurturing critical thinkers and the next generations of innovators.

Diversification of Learning Opportunities

Training providers should provide more diversified learning opportunities to the new generations. Apart from strengthening the basic knowledge about incoterms of the industry, other trade specific skills such as computer programming, data analysis, digital marketing, e-commerce, project

management are recommendable.

For generic skills, change management, design thinking, digital literacy, emotional intelligence, multi-languages proficiency, are the key training areas.

Furthermore, more tours to trade shows/exhibitions should be organised for students to broaden their horizons. These are the ideal places for them to observe innovative demonstrations and experience all about the business.

Employers

Adaptability to Change

In a data-driven environment, employers should aware of all the possible ways for improvement and growth. They are required to enhance their adaptability to change and implement their digital plans in phases with the help of a sound strategy to replace mundane, repetitive tasks. This help to unlock time for more valuable and creative works such as the adoption of crossover business model for evolving new business and generating profitability.

Provision of Training Incentives and Clear Career Path

Other than a competitive remuneration package, they are advised to sponsor their employees to attend cross-training programmes for learning multi-skills and knowledge, create a caring, innovative and stylish working environment with structured career path systems for attracting and retaining youngsters.

Employees

Importance of Continuous Self-Development

Employees should strive to develop a global vision and be aware of the importance of life-long learning. Workers without the instincts to learn new skills consistently are threatened by obsolescence when the new technology changes the way of working and production.

Possession of Emerging Skills

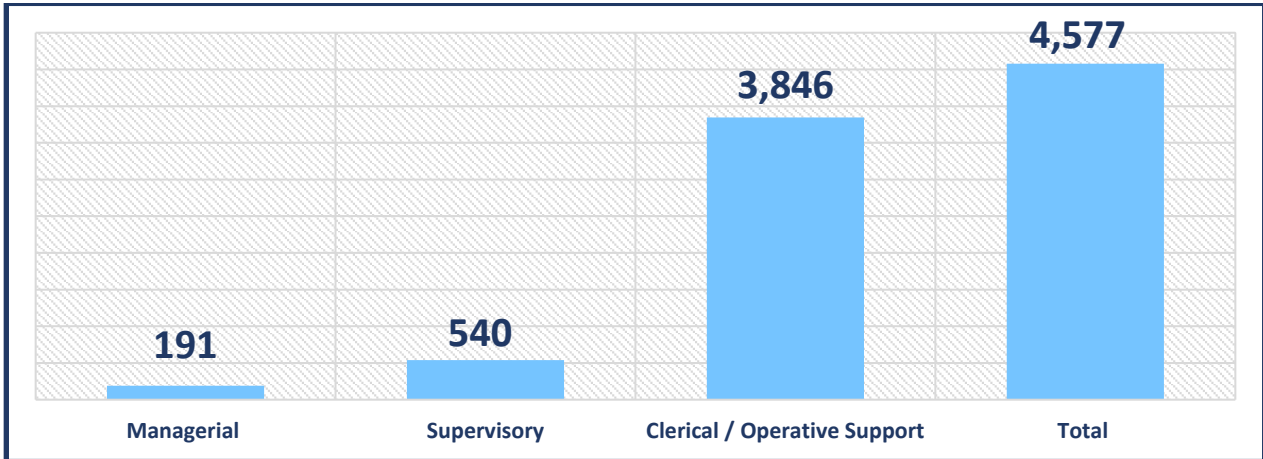
In the digital world, e-commerce business would be the focal development in the future. Hence, employees are encouraged to learn more digital skills and capitalise on the efficiency of new technologies for getting more tasks done swiftly.

In view of the growing international business in a different client base, work partners for companies, employees are encouraged to master multi-lingual skills. It is not only valuable in establishing relationships with clients or co-workers in a multi-cultural business environment, but also provides chance to expand possibilities to work in the world.

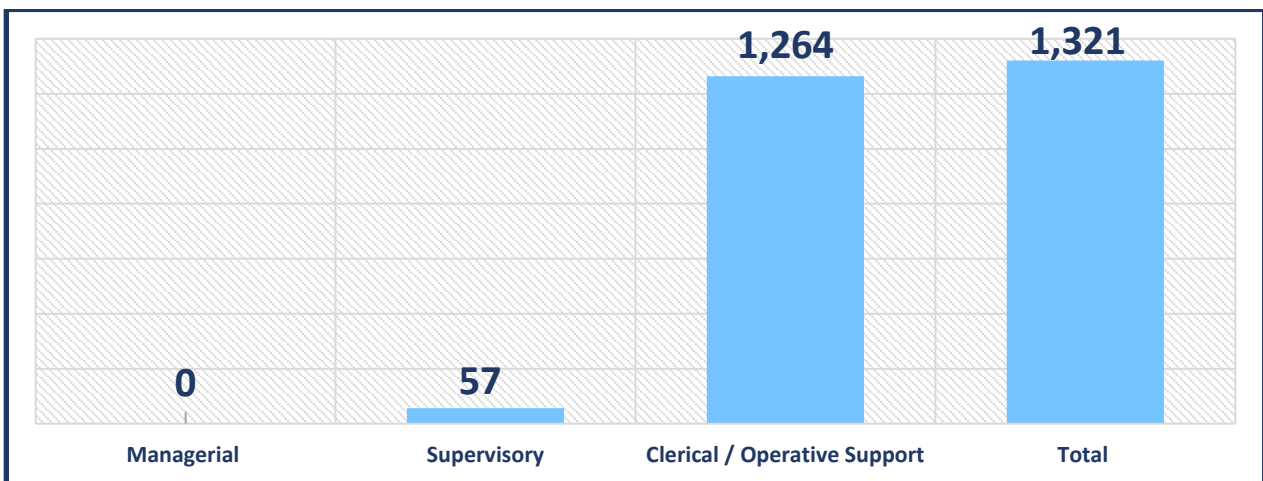
Finally, employees should also enhance their emotional quotient and exhibit a high degree of compliance. This can help in maintaining a balanced workplace, promoting workplace wellness and adding value to the organisations.

2016 Manpower Survey

**Import / Export Trades – Number of Vacancies
(By Job Level)**

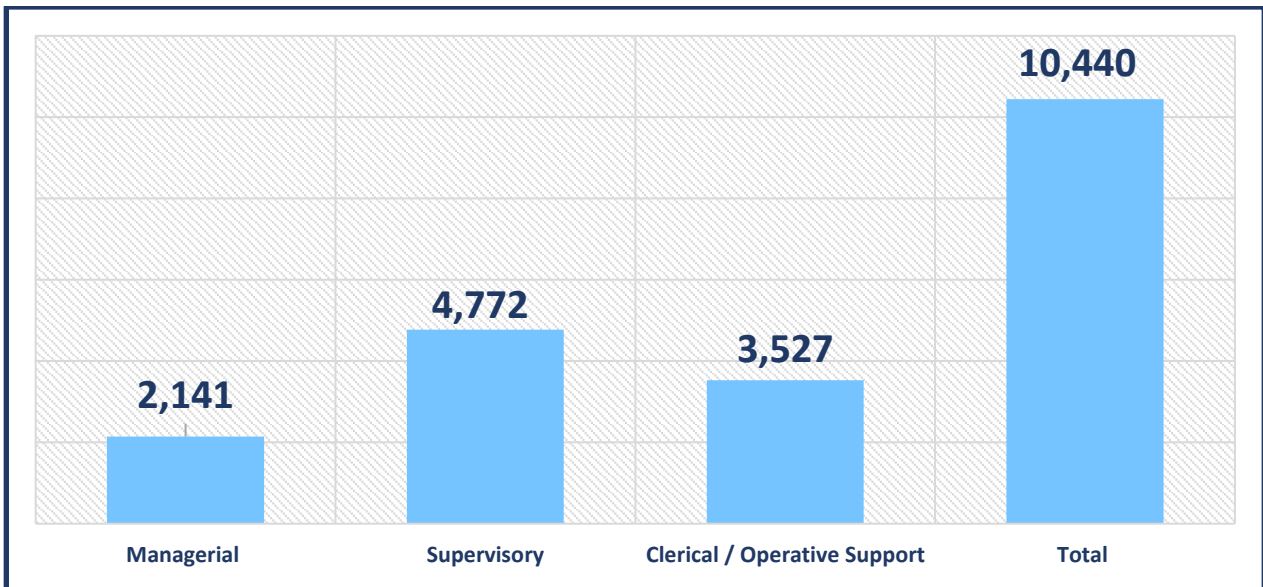


**Wholesale Trade – Number of Vacancies
(By Job Level)**

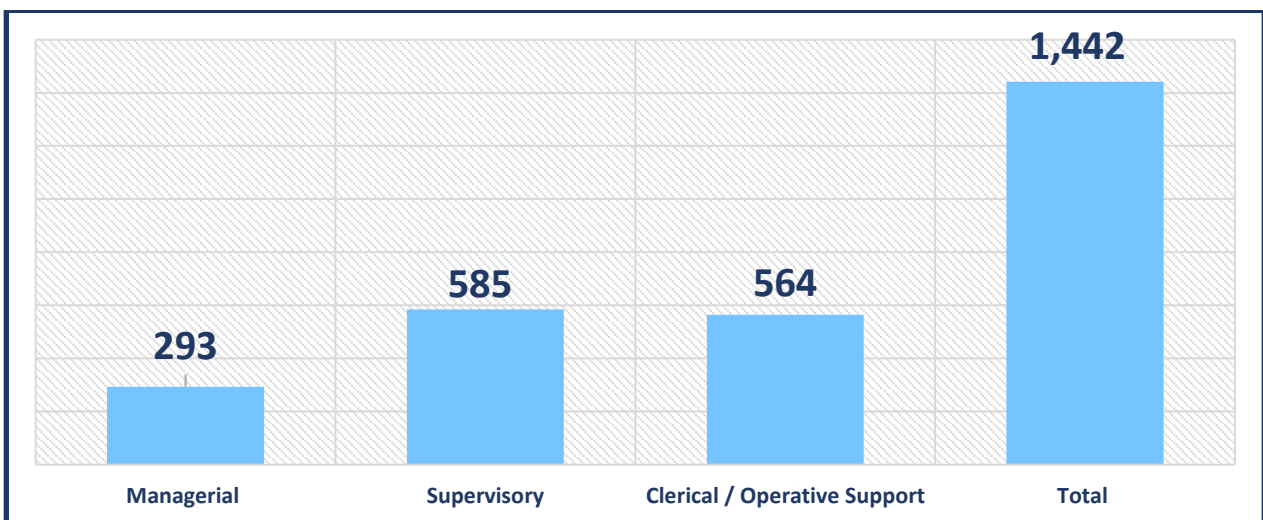


Desk Research
From October 2018 to September 2019

**Import / Export Trades - Number of Recruitment Advertisements
(By Job Level)**

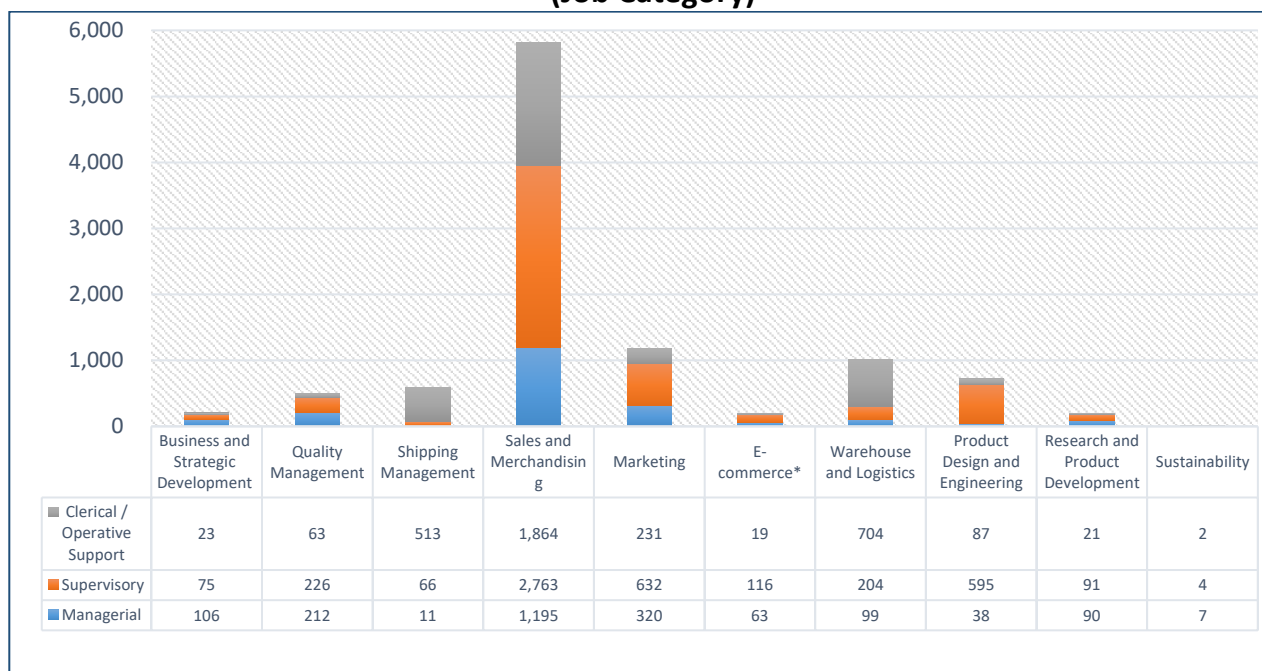


**Wholesale Trade - Number of Recruitment Advertisements
(By Job Level)**



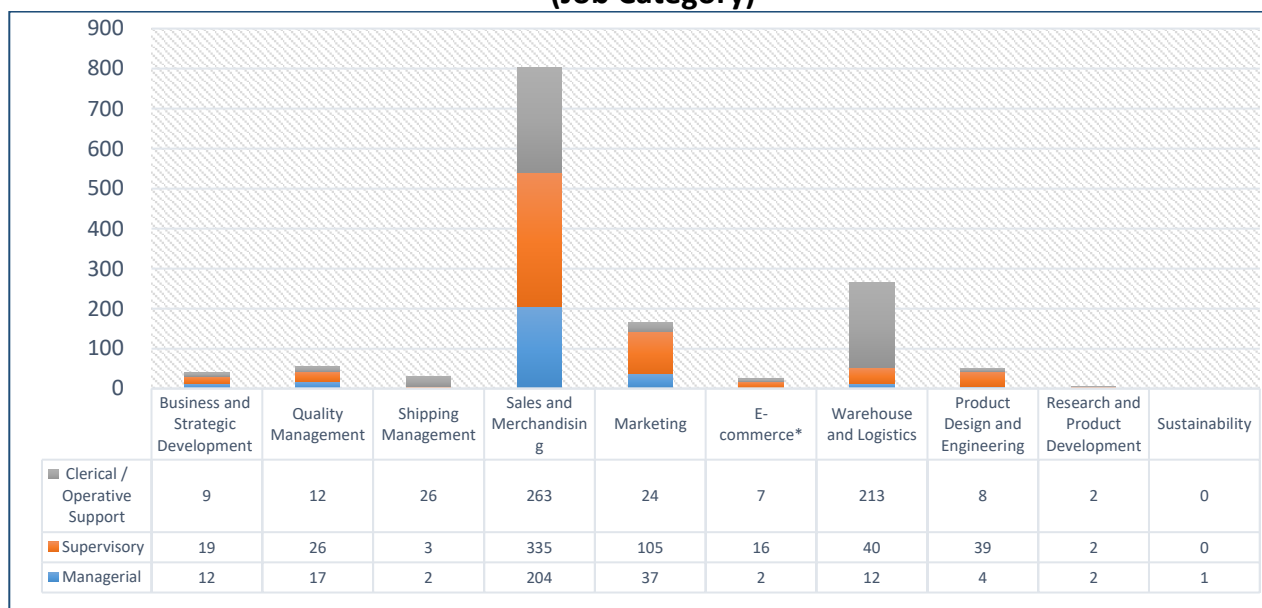
Desk Research
From October 2018 to September 2019

**Import / Export Trades - Number of Recruitment Advertisements
(Job Category)**



* E-commerce include Digital Marketing, Sales, Merchandising, Business Development, Warehouse and Logistics.

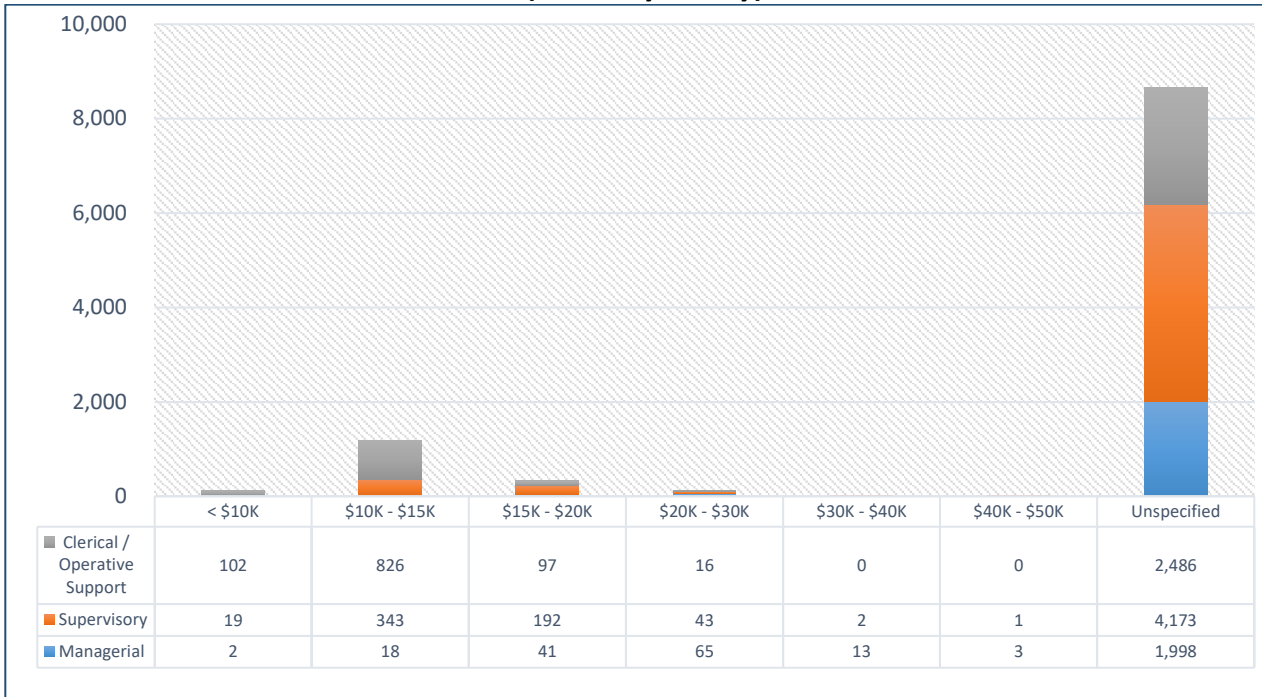
**Wholesale Trade - Number of Recruitment Advertisements
(Job Category)**



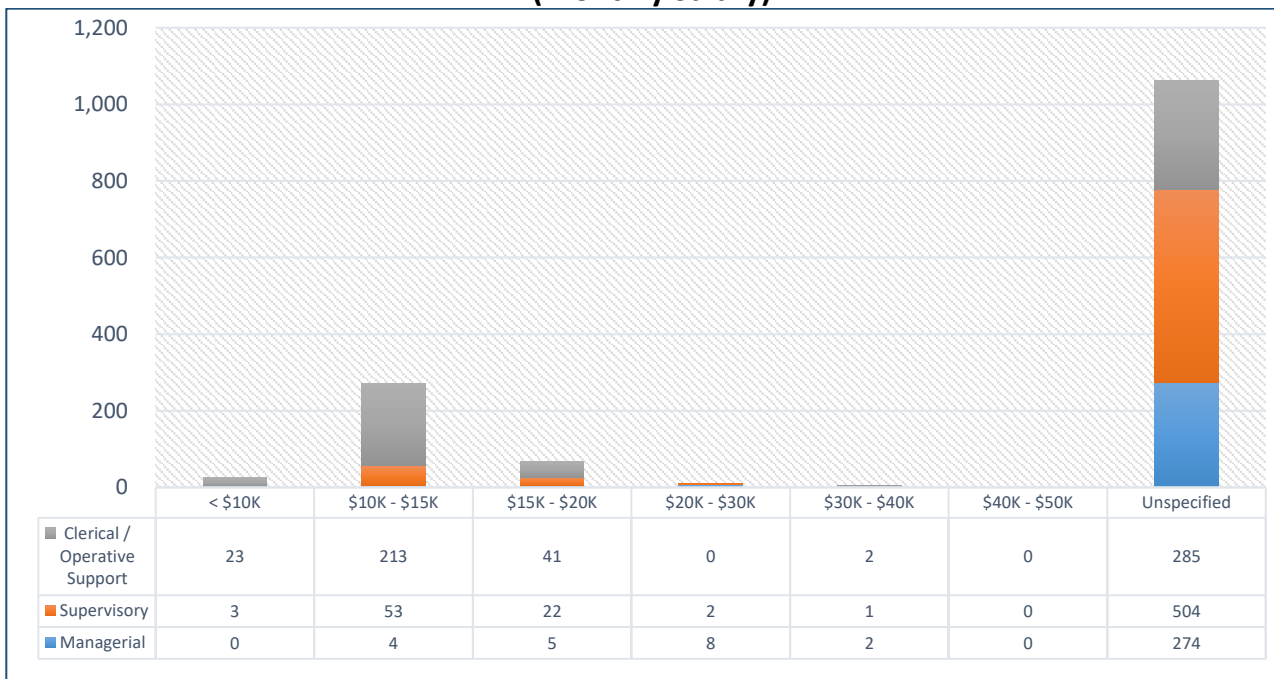
* E-commerce include Digital Marketing, Sales, Business Development, Warehouse & Logistics

Desk Research
From October 2018 to September 2019

Import / Export Trades - Number of Recruitment Advertisements
(Monthly Salary)



Wholesale Trade - Number of Recruitment Advertisements
(Monthly Salary)



Skill Requirements

| No. | Trade Specific Skill | Generic Skill |
|-----|---|--|
| 1 | <p>Computer Programming</p> <ul style="list-style-type: none"> - To acquire technical knowledge and skills in the fast-emerging mobile computing environments, including python computer programming language, databases and network and information security. | <p>Change Management</p> <ul style="list-style-type: none"> - To deal with the transition or transformation of an organisation's goals, processes or technologies through a systematic approach with structured procedure to implement strategies for effecting changes. |
| 2 | <p>Data Analysis</p> <ul style="list-style-type: none"> - To examine large and varied data sets to uncover hidden patterns, unknown correlations, market trends and customer preferences that can help organisations make more-informed business decisions. | <p>Design Thinking</p> <ul style="list-style-type: none"> - To generate efficient, feasible and creative solutions to solve problems and turn them into opportunities. |
| 3 | <p>Digital Marketing</p> <ul style="list-style-type: none"> - To understand different digital tactics including search engines optimization, social media marketing, content marketing for making a close connection with current and potential customers. | <p>Digital literacy</p> <ul style="list-style-type: none"> - To use available software features to create and edit documents, evaluate online information, analyse data and use information communications system tools and equipment to share information digitally with others. |

| | | |
|---|---|---|
| 4 | <p>E-commerce</p> <ul style="list-style-type: none"> - To understand the buying and selling of goods or services via internet or mobile applications, and to target ideal customers as well as reaching a global audience for making higher profitability. | <p>Emotional Intelligence</p> <ul style="list-style-type: none"> - To understand and manage one's emotions in positive ways to relieve stress, communicate effectively, empathize with others and overcome challenges in the international business world. |
| 5 | <p>Project Management</p> <ul style="list-style-type: none"> - To determine project requirements and development timelines to ensure timely project delivery such as coordinating sourcing decisions, production deadlines and finished-product deliveries with marketing promotions for each line of merchandise. | <p>Multi-languages Proficiency</p> <ul style="list-style-type: none"> - To know a second and third languages is vital to deepen connection with other cultures, open opportunities to advance career, compete and succeed in the global economy. |