



Manpower Update Report

Import / Export / Wholesale Trades

2019

Import / Export / Wholesale Trades Training Board

ACKNOWLEDGEMENT

The Import / Export / Wholesale Trades Training Board (IEWTB) would like to express gratitude to industry experts who participated as focus group members and contributed their precious time and valuable insights on the various manpower issues, their inputs are an integral part of this update report.

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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.

Following a rationalisation exercise in 2017, a new approach for conducting manpower survey was adopted to enhance the effectiveness and better reflect the dynamic of the manpower situation. The new approach is to conduct a full manpower survey once every four years, supplemented by periodic information updates through

focus group meeting(s) and desk research.

The IEWTB completed a full manpower survey in 2016. Two manpower update reports will be prepared in 2019 and 2020. The IEWTB conducted a focus group meeting of the import / export / wholesale trades on 25 January 2019 to collect views about the latest manpower situation and training needs from industry practitioners.

Desk research had also been done to capture recruitment information from major recruitment channels for the period from October 2017 to September of 2018.

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 difficulties; and
- (iv) Suggestions on easing the manpower shortage

Methodology

Overview

This update report provides qualitative description of the latest developments of the import / export / wholesale trades through a focus group interview supplemented quantitatively by a desk research, i.e. recruitment advertisements collected from October 2017 to September 2018.

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.

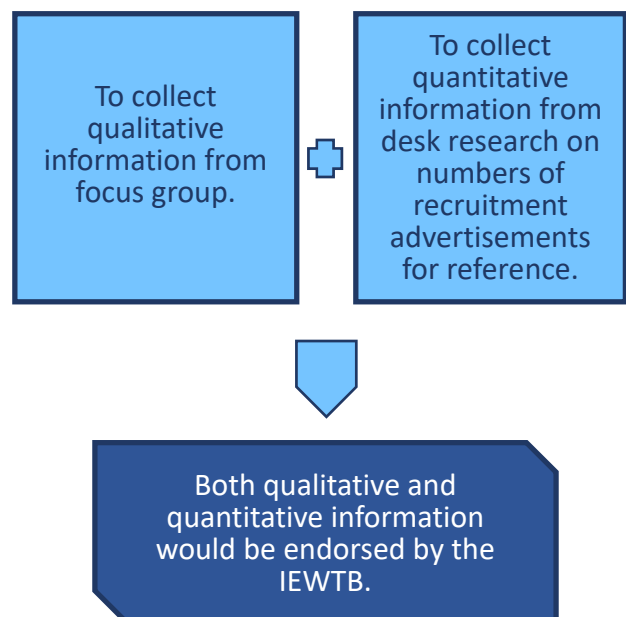
Focus Group Meeting

The focus group meeting was intended to collect experts' insights on the latest trends of the industry's manpower, training needs and recruitment difficulties encountered. Focus group members were selected from the import / export / wholesale trades and renowned trade organizations with good professional knowledge of the industry. To enhance the efficiency in collecting views, the size of the focus group was limited to eight. The meeting was recorded and transcribed to facilitate analysis.

Desk Research

Over 15,500 recruitment records were collected during the research period from October 2017 to September 2018. 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 mainly 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 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 only as a reference supplementary to the discussions of the focus group.

Key Findings

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

Technology

E-commerce and On-line Shopping

With the fulmination of e-commerce and on-line shopping, the market structure has been changed significantly. The highly connected digital world enables buyers to research, configure and purchase products directly from a seller via their self-service portals and sellers could showcase and market products directly to their eventual customers via a virtual marketplace. This growing trend towards direct dealing between customers and manufacturers has diminished the intermediary role of middleman and thus rendered the business environment becoming more challenging.

It is of paramount importance for companies to integrate e-commerce into their traditional export channels for achieving a competitive advantage. In addition, companies have to adopt value-added business strategy including to make their products / services unique and create a higher perceived value in the customer's mind. Hence, Enterprises should put their focus on a solution selling, not just a product selling. This is vital to survival in the global business environment.

Artificial Intelligence

With the recent rapid technological development in big data, artificial intelligence technology offers more sophisticated solutions in the supply chain to improve the delivery of products and services to customers. Artificial intelligence determining supply chain superiority, driving customer service excellence and continually improving operational efficiency, but it might replace part of the manpower in the organisations.

Global Political and Economic Influence

The market for the import / export / wholesale declined in recent years due to the global economic downturn. The trade flow in Hong Kong is expected to decrease amid the US-China trade tension. It will definitely have an impact on Hong Kong if the trade tension has no sign of easing.

Mainland Development

Belt and Road Initiative

The initiative of the “Belt and Road” aims at promoting economic and social cooperation among countries along the belt and road corridors. This development will certainly lead to an expansion in the volume of international trade and create fresh demand and business opportunities for Hong Kong traders. SMEs recognised the potential business opportunities but they have little knowledge of what is required in exporting directly to overseas markets. Hence, more information about the different market environment, cultures, languages and sales conditions are indispensable for developing business in such markets.

Greater Bay Area

The development of the Greater Bay Area will bring Hong Kong new areas of economic growth. It will become one of the world’s major city clusters and definitely bring precious opportunities and prospects for Guangdong, Hong Kong and Macao by deepening their collaboration.

Closer Economic Partnership Arrangement

The Mainland and Hong Kong Closer Economic Partnership Arrangement opens up huge markets for Hong Kong goods and services, greatly enhancing

the already close economic cooperation and integration between the Mainland and Hong Kong. It provides a window of opportunity for Hong Kong business to gain great access to the Mainland market.

Public Policy

As unveiled in the 2018 Policy Address, the following initiatives were made to support the SMEs in Hong Kong:

Cope with the Rise of Trade Protectionism

To assist SMEs in the market development and risk diversification through strengthening various funding schemes, Hong Kong Export Credit Insurance Corporation provided the special enhanced measures to protect Hong Kong exporters from being affected by the US tariff measures. The Government would keep a close watch on the impacts of the US-China trade tensions on Hong Kong and formulate response plans accordingly.

Convention and Exhibition

The Convention and Exhibition industry is vital to Hong Kong as an international business and trading center. The Government will increase the supply of convention and exhibition venues by re-developing the sites of the three government towers in Wan Chai North into a convention and exhibition hub in Asia.

Future Manpower Demand

Looking ahead, the external environment is still challenging and the global economy may encounter increasing uncertainties. With anticipated escalation in US-China trade conflicts, a contraction in world trade could drag down the global economy. The trade war would push many Hong Kong entrepreneurs to look beyond the US market and branch into new markets with free trade deals such as The Association of Southeast Asia Nations (ASEAN).

With the government's keen support in launching various funding schemes for SMEs, developing new initiatives to boost the Hong Kong trade performance, a continuous pool of quality manpower will be on demand.

Realising the importance of enhancing the competitiveness in an increasingly digital marketplace, there is an emerging demand for talents in IT applications, big data analysis, business analysis, social media, app development, digital marketing and e-commerce.

With technology continues to evolve and advance, today's consumers are always looking for new products that are innovative and stylish. They appreciate innovation in every aspects of their lives. Creative ideas and unique design are the leading force behind the brand. The more innovative of the business, the

bigger of client base will grow. Hence, employers are also keen to look for talents in product design. To ensure a long-term success and viability of a business, there is also an emerging demand for talents in business development for identifying rising business opportunities and building long-term relationship with prospects, including business-to-business and business-to-customer.

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 manpower at the clerical / operative level was noted, which might due to the replacement by technology or duties absorbed by supervisory staff. 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.

As revealed in the desk research results, the following top five principal jobs recorded a higher turnover rate:

**Import/Export Trade
(13,932 advertisements)**

- 1) Merchandiser (15%)
- 2) Sales Executive (12.8%)
- 3) Sales Manager (8.5%)
- 4) Assistant Merchandiser (7.5%)
- 5) Marketing Executive (7.2%)

**Wholesale Trade
(1,595 advertisements)**

- 1) Sales Executive (20.4%)
- 2) Sales Representatives (14.0%)
- 3) Marketing Executive (13.7%)
- 4) Sales Manager (8.4%)
- 5) Marketing Manager (3.9%)

Details on the number of vacancies collected in the 2016 Manpower Survey, an overview on the manpower demand and monthly salary derived from the desk research are given in Appendices 1, 2, 3 and 4 (pages 13-16).

Training Needs

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

Trade Specific Skills

- 1) Big Data Analysis
- 2) Digital Marketing
- 3) Market Intelligence
- 4) Design and Illustration
- 5) Sourcing
- 6) Business Continuity Management
- 7) Project Management

Generic Skills

- 1) Digital Literacy
- 2) Interpersonal Skill
- 3) Diversity Management
- 4) Adversity Quotient
- 5) Leadership
- 6) Problem Solving
- 7) Global Mindset

*Details on the skill requirements are given in the Appendix 5 (pages 17-18).

Recruitment Challenges

Unwillingness to Work Across the Border

The huge market in Mainland provided a plenty of business opportunities for Hong Kong traders. Many SMEs have established their businesses in the Mainland and need to deploy their staff to work there. Nevertheless, many youngsters are still not ready to work across the border as they have doubt over the Mainland's quality of life, rule of law and held a negative image of the Mainland society.

Many Career Choices

Owing to the socio-economic changes, the new generations have higher education attainment and therefore more career choices. In addition, parents could afford their children to pursue higher education rather than joining the workforce after secondary school education.

Limited Manpower

The aging population coupled with low birth rate contributed to an overall shortage of manpower. With the unemployment rate at 2.8%, the lowest jobless rate in more than 20 years, different industries are competing for manpower.

Misconception About the Industry

A professional image and a clear career path with a competitive remuneration package are the key determinants in selecting careers. The image of the import / export / wholesale industry can be further enhanced by promoting its bright prospects with positive career advancement opportunities. The misconception about the career prospects did affect the talents' interest in joining the industry.

Lack of Relevant Skills and Knowledge

Recruitment difficulties are reported in some sectors requiring talents with specific technical skills and knowledge. In addition, talents with proven knowledge and understanding of the digital development and e-business with strong data analytics skills are also scant in the market.

Recommendations

Government

To join hands with the industry and education institutions to market and promote the image and bright prospect of the industry for attracting young talents.

In addition, government support should be strengthened by providing more guidance and advice to the millennials during their career journey including start-up support.

To strengthen the apprenticeship training programs with the aim of improving the quality of the workforce and helping industries to nurture skilled personnel for development, such as to extend the “Earn and Learn Scheme” to the import / export / wholesale trades.

Education Institutions

In order to keep track of the changing technology and customer demands locally, and internationally, the training curriculum and syllabus of training providers should be reviewed and updated to keep abreast of the latest trend and development. Industrial attachments are also suggested for serving teaching staff to refresh their industrial skills and knowledge.

It is also essential to promote the success stories and prospect of the industry to the career masters and students in the secondary schools or tertiary institutions with a view to nurturing students’ aspirations about their career path as well as broaden their global perspectives.

Training providers should provide youngsters with more diversified opportunities, such as to offer more training programmes in foreign languages and entrepreneurial skills with flexible learning modes, arrange more international exchange programmes and visits to renowned enterprises as well as strengthen their ethnic awareness and integrity for forging closer bonds with people in different cultures and organisations.

Employers

Other than a competitive remuneration package, business leaders are encouraged to create a caring and innovative and stylish working environment for attracting and retaining youngsters. As the workplace becomes more diverse, it is important to provide opportunity for interaction with and between various groups.

Employers could also consider offering flexible working arrangements as it allows companies to meet challenges by creating choices, accommodating

generations, enabling complexity and creating agility.

Employers should develop and maintain thoughtfully structured career path systems. Top performers should take part in advanced training that may be associated with career advancement. Offering of progressive advancement for employees can show confidence in staff and facilitate succession planning.

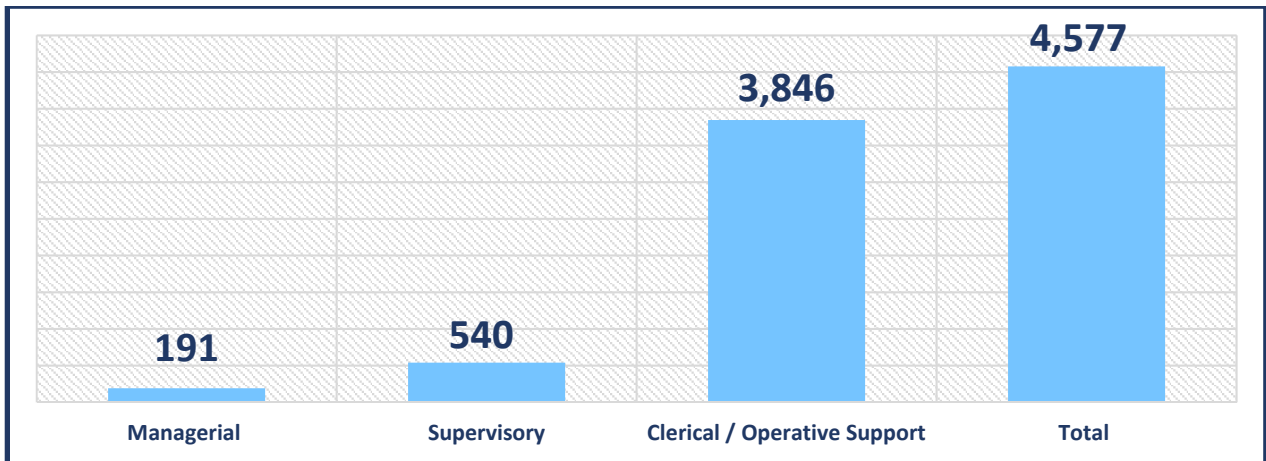
Employees

Employees should strive to develop a global vision and be aware of the importance of life-long learning. They have to maintain a competitive edge in the volatile business environment. In the digital world, big data analytics and e-commerce business are the key development in business. Hence, employees are encouraged to learn more digital and analytical skills on how to transform data into insights and intelligence.

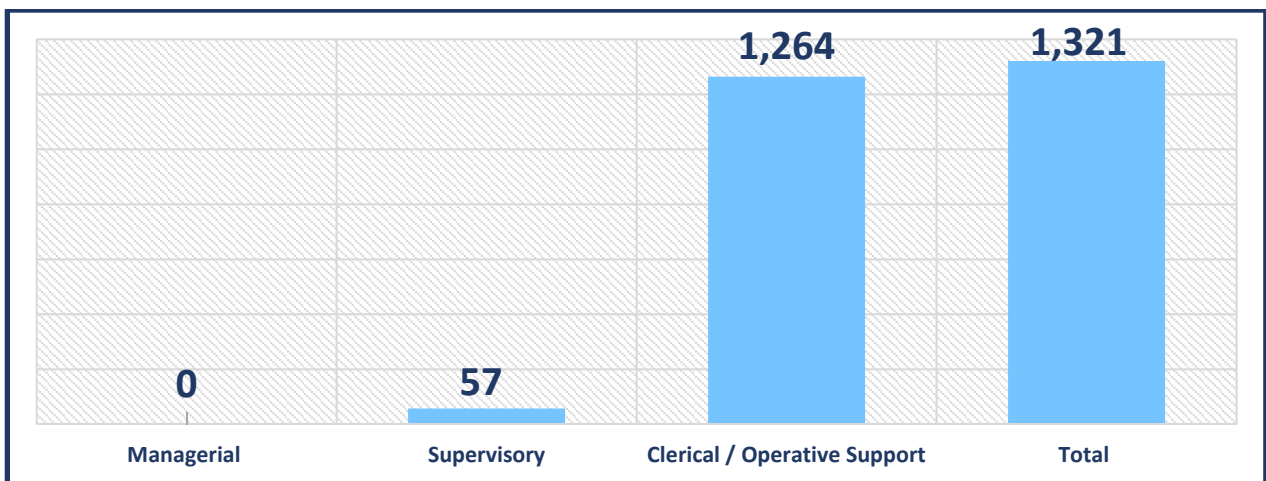
Other than technical knowledge and skills, employees are also encouraged to enhance their adversity quotient, leadership skill, problem solving skill and interpersonal communication skills for building good relationship and working more effectively with people from different backgrounds. They are also encouraged to make use of the subsidies provided by the Government such as the Continuing Education Fund for life-long learning.

2016 Manpower Survey

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

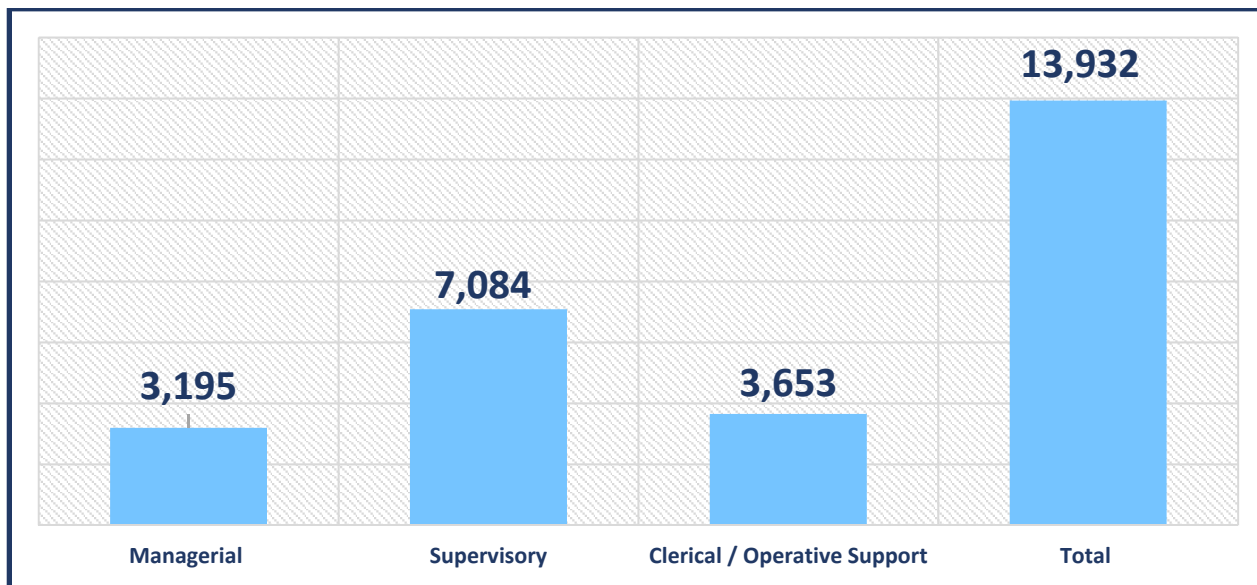


**Wholesale Trade – Number of Vacancies
(By Job Level)**

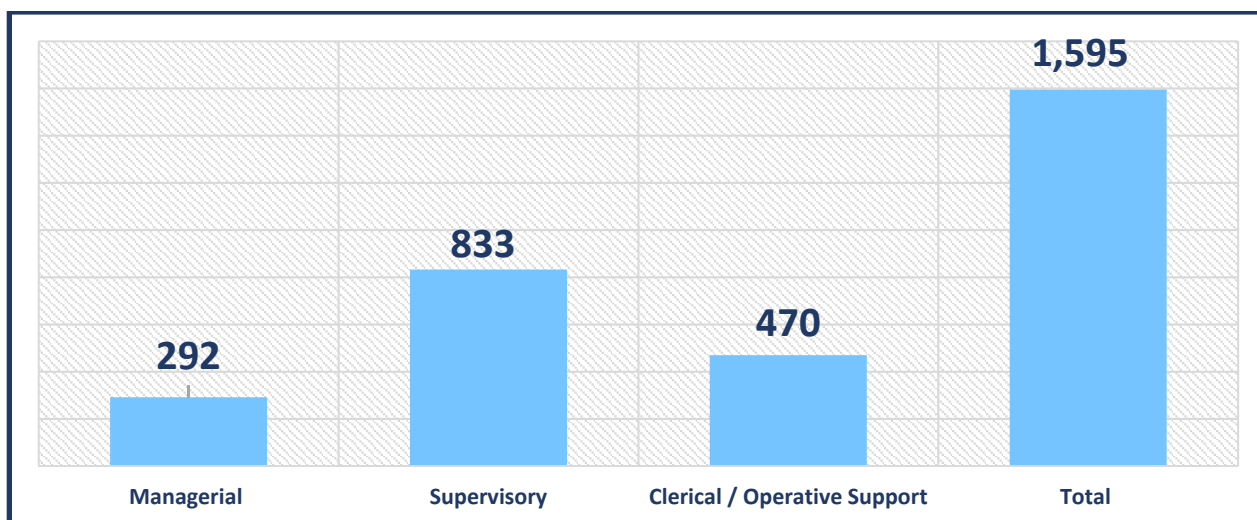


Desk Research
From October 2017 to September 2018

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

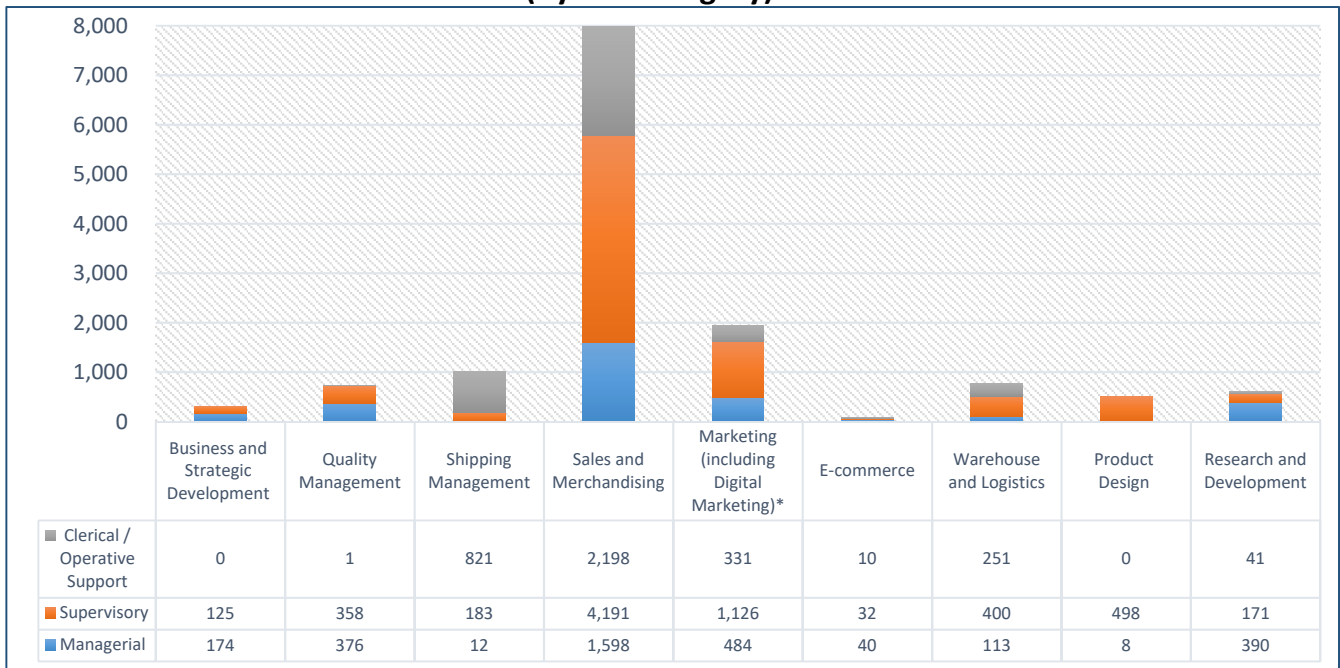


**Wholesale Trade - Number of Recruitment Advertisements
(By Job Level)**



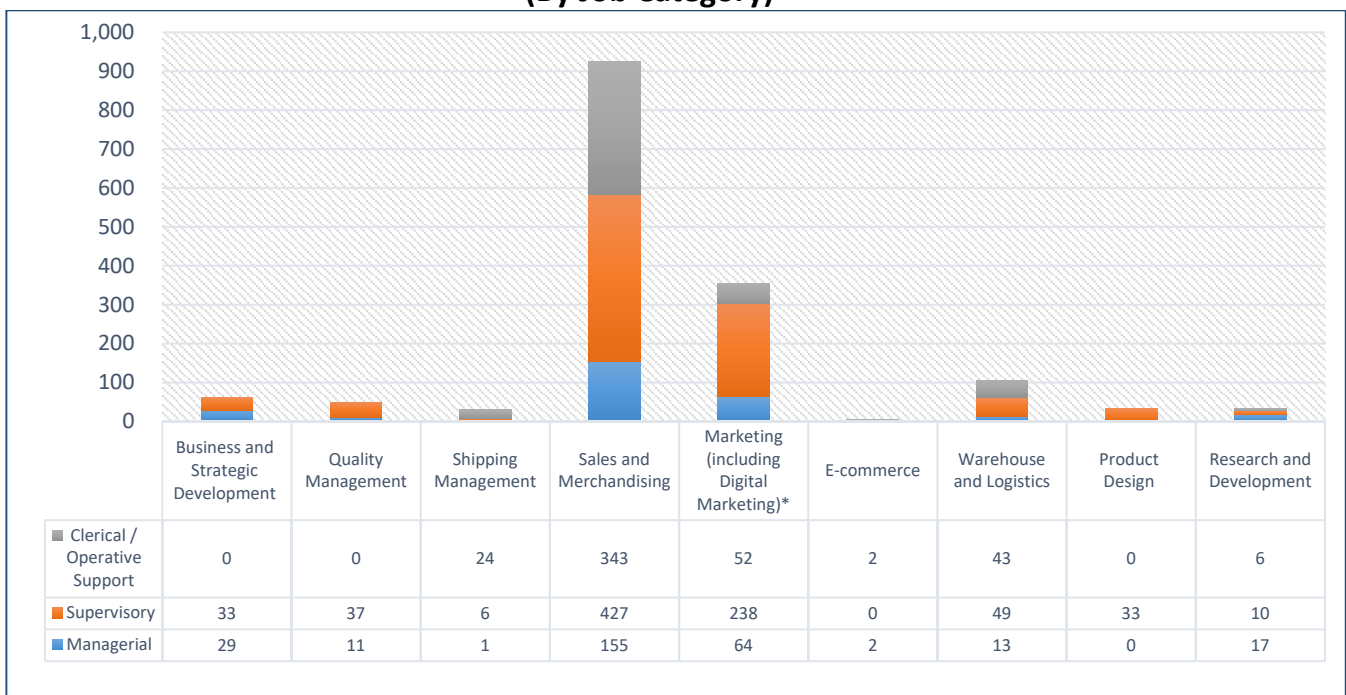
**Desk Research
From October 2017 to September 2018**

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



* A total of 198 recruitment advertisements on Digital Marketing

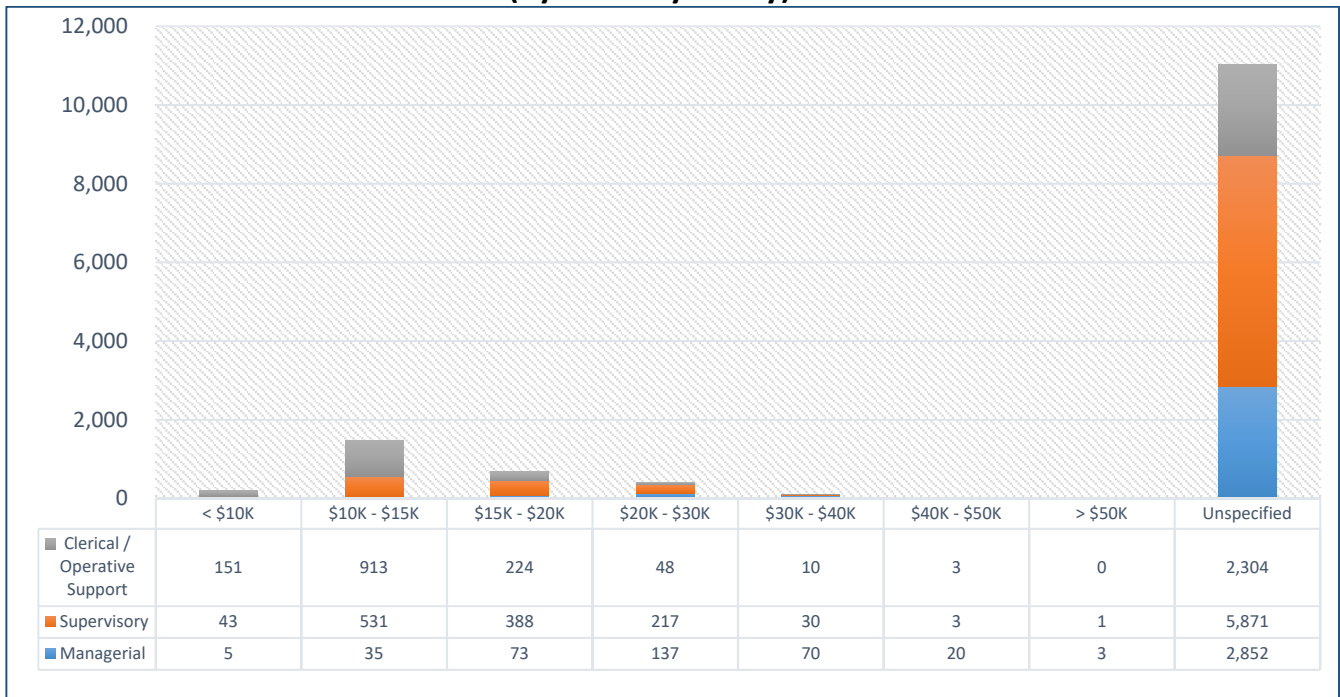
**Wholesale Trade - Number of Recruitment Advertisements
(By Job Category)**



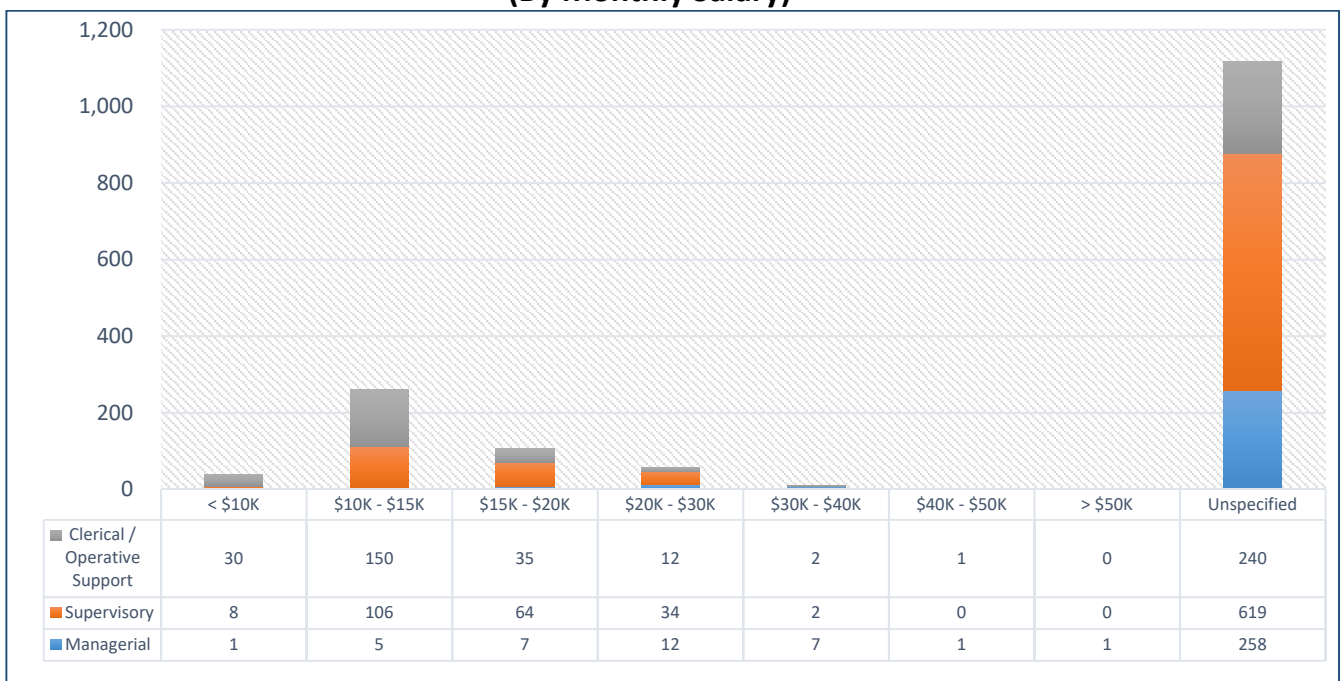
* A total of 21 recruitment advertisements on Digital Marketing

Desk Research
From October 2017 to September 2018

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



**Wholesale Trade - Number of Recruitment Advertisements
(By Monthly Salary)**



Skill Requirements

No.	Trade Specific Skill	Generic Skill
1	<p>Big 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>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.
2	<p>Digital Marketing</p> <ul style="list-style-type: none"> - To understand different digital tactics including search engines optimization, social media marketing, content marketing and email marketing in order to make a close connection with current and potential customers. 	<p>Interpersonal Skill</p> <ul style="list-style-type: none"> - To manage relationships efficiently and handle others' emotions/conflicts effectively for achieving instrumental relationships and mutual consensus.
3	<p>Market Intelligence</p> <ul style="list-style-type: none"> - To analyse data pertaining to the business landscape and environment, including competitor analysis and develop the positioning strategies 	<p>Diversity Management</p> <ul style="list-style-type: none"> - To understand how to work well with people from different ethnic, social, cultural and educational backgrounds and manage conflicts arising from different ethnic or cultural groups.

4	<p>Design and Illustration</p> <ul style="list-style-type: none"> - To build ideas on innovative design concepts and different ways to address needs and opportunities of target stakeholders. 	<p>Adversity Quotient</p> <ul style="list-style-type: none"> - To enhance the ability to manage own adversities in both work and family situations through developing a proactive mind-set, the power to change, grow and move to the direction of improvement.
5	<p>Sourcing</p> <ul style="list-style-type: none"> - To develop and implement merchandise buying plan according to market and consumer trends, to evaluate the profitability and make appropriate adjustment on the range of merchandise and maintain a good relationship with the suppliers. 	<p>Leadership</p> <ul style="list-style-type: none"> - To inspire, lead and motivate others to make changes or take action and cultivate an open and cooperative learning culture.
6	<p>Business Continuity Management</p> <ul style="list-style-type: none"> - To recognise potential crises and associated impacts and develop business continuity plans and contingency plans with the aim of responding effectively to unplanned business disruption and reduce adverse effect. 	<p>Problem Solving</p> <ul style="list-style-type: none"> - To generate efficient and feasible solutions to solve problems and turn them into opportunities.
7	<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>Global Mindset</p> <ul style="list-style-type: none"> - To aware the diversity across the global cultures and markets, seek opportunities to adopt successful practices and ideas and build the organisation's capabilities to compete in the global environment.