

Consolidated Summary Report
of the
2009 Manpower Surveys of the Accountancy,
Banking and Finance
and Insurance Industries

This Consolidated Summary Report (Sections I to IV) aims to provide an overview of the manpower supply and demand of the three industries, namely, the Accountancy; Banking and Finance; and Insurance, in the Financial Services Sector, based on the statistics and findings in the manpower surveys undertaken individually on each of these industries. The complete sets of the manpower survey reports may be accessed at the following websites:

Manpower Survey on the Accountancy Industry: <http://www.vtc.edu.hk/hq2/mpsac.pdf>

Manpower Survey on the Banking and Finance Industry: <http://www.vtc.edu.hk/hq2/mpsbf.pdf>

Manpower Survey on the Insurance Industry: <http://www.vtc.edu.hk/hq2/mpsin.pdf>

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CONTENTS

<u>Section</u>		<u>Paragraph</u>	<u>Page</u>
I	Major Survey Findings & Recommendations	1.1 – 1.18	1 – 4
II	Background, Methodology and Coverage of the Manpower Surveys	2.1 – 2.11	5 – 7
	<i>Appendix 1 – Accountancy Industry Distribution of Survey Samples</i>		8
	<i>Appendix 2 – Banking and Finance Industry Distribution of Survey Samples</i>		9
	<i>Appendix 3 – Insurance Industry Distribution of Survey Samples</i>		10
III	Survey Findings	3.1 – 3.24	11 – 29
IV	Conclusions	4.1 – 4.7	30 – 31

SECTION I

MAJOR SURVEY FINDINGS & RECOMMENDATIONS

Major Survey Findings

1.1 The manpower demand of the Financial Services Sector increased by 7.8% between 2007 and 2009 indicative of sector growth and confirmed the positive outlook of the Sector as indicated in the 2007 manpower survey. Supervisory level positions experienced the highest growth of 18.9% versus that of managerial and clerical level positions each reporting growth of 5.3% and 2.4% respectively. The advancement of technologies and outsourcing trend was suspected as a reason for the smaller demand for clerical level positions over the past couple of years. (para. 3.9 – Table 3 & para. 3.10 – Diagram 3)

1.2 At the time of the survey in the first quarter of 2009, the economy was in the middle of a financial crisis and on the down side of the business cycle. Business outlook was uncertain. Employers' surveyed projected zero growth in manpower demand because of uncertain business outlook with the exception of the insurance industry employers which projected moderate manpower demand growth of 4.1%. (para. 3.11 - Table 4)

1.3 The minimum years of experience required for employees of the Sector at managerial, supervisory and clerical levels remains the same as that reported in the 2007 survey. (para. 3.13 – Table 7)

1.4 Staff turnover for 2008 at 12.6% for the Sector is slightly higher than the 11.5% turnover rate reported for 2006 in the 2007 manpower survey. This is reflective of Sector growth and the increased manpower demand over the past two years. (para. 3.14 – Table 8)

1.5 “Working conditions/remuneration package could not meet recruits’ expectations” and “Lack of candidates with relevant experience and training” remains to be the two top reasons reported for recruitment difficulties reported by the Sector. (para. 3.16 – Table 9)

1.6 The survey findings revealed that there should be sufficient fresh graduates to satisfy employers’ demand for positions requiring fresh degree or sub-degree graduates. This is supported by only 3% of total cases of recruitment difficulties reported “insufficient supply of graduates in relevant disciplines from tertiary institutions” as the reason for recruitment difficulties. (para. 3.16 – Table 9 & para. 3.18 – Table 11A&B)

1.7 As previously mentioned, meetings held with various industry leaders in the third quarter of 2009 indicated that the economy showed signs of recovery and many employers were reviewing their manpower plans to prepare for the anticipated economic recovery towards the end of 2009.

Recommendations

1.8 Having studied the results of the manpower surveys and the views of the focus groups, the Training Boards have made a number of recommendations to improve the manpower supply and demand for the accountancy, banking and finance and insurance industries in the Sector. These include strategies for manpower training and development, and for attracting and retaining talents.

Strategies for Manpower Training and Development

1.9 Staff training needs to be treated as an investment rather than cost, training programmes should aim at improving organizational agility – that is, if a workforce has the relevant skills, they could better cope with the fast changing business environment. It is recommended that manpower plan and staff progression paths be developed together with appropriate training especially during economic downturn to better equip company human resources to capture business opportunities when the economy turns around.

1.10 The 2009 manpower surveys asked the employers to identify the 5 most important training topics for different job levels (para. 3.20 – Table 12). While the order of importance might differ amongst the three industries in the Sector at the various job levels, some common topics were observed.

1.11 On managerial level training, topics such as “Problem Solving and Decision Making” and “Risk Management” were common across all three industries. Training Boards were of the views that such preferences which indicated a more balanced focus on risk and return might be the effects of the financial tsunami. Managers or potential Managers are advised to equip themselves with such skills for career advancement.

1.12 On supervisory level training, technical knowledge such as “Financial Accounting”, “Financial Markets Operations” and “General Insurance” were considered important training topics by employers. In consideration of the fast growth in persons engaged at this level over the past 2 years, this could indicate that employers perceived the need for more in depth knowledge in such areas by their supervisory level staff.

1.13 On clerical level training, employers’ preference differed. Accountancy industry employers conveyed the need for training in technical skills and knowledge such as “Cost and Management Accounting” and “Updates of Accounting Standard”. Employers in the banking finance and insurance industry conveyed the need for training in communication skills such as “English Writing” and “Putonghua”. In view of these findings, the trainers are advised to manage the content of training courses/programmes in accordance with the needs and levels of target participants to enhance the training effectiveness.

1.14 The Survey reveals that majority of the in-service practitioners in the finance industry would take the training courses provided by external course providers. It is encouraging to note that the 2009 training budget for most establishments in the Sector remains the same as that for 2008 with some establishments reporting an increase in their training budget. The willingness of the Sector to invest in employee training will help Hong Kong retain financial talents and sustain its International Financial Services Center position.

1.15 Regardless of the industries, Professional Examination serves as the basic requirements to ensure professional standard of the practitioners and to protect the interests of the public. The financial crisis exposes the deficiencies of training on the standard of work ethics and code of practice, which are important to the industries' public image and standing. Apart from active participation in CPD Programmes, practitioners are strongly encouraged to acquire various professional qualifications to further strengthen their professional knowledge to receive positive recognition from the employers.

1.16 Majority of establishments considered that the most effective way to encourage employers to provide training to their employees is the reimbursement of course fees or provision of subsidy to employers. It is suggested that both employers and practitioners should consider participating in training programmes eligible for Government subsidies, for instance, those registered under the Continuing Education Fund and Skills Upgrading Scheme.

Strategies to Attract and Retain Talents

1.17 Despite the financial crisis, taking into consideration staff attrition the Training Boards have projected additional manpower demand for the Sector to be 9 800 for the next 12 months (para. 3.17 – Table 10). Thus, it is essential that employers contemplate plans and strategies to retain talents amidst the global competition for talents in the Financial Services Sector. In this regard, the following strategies are recommended:

(i) Create a fair and impartial high-performance work environment

Employers should carefully review their human resource policies and work flow systems towards the development of fair reward for performance and facilitate internal progression. Appropriate training should be provided for knowledge, skills and aptitude enhancement at different job levels.

(ii) Non-monetary Reward

A reasonably attractive remuneration package is undoubtedly a good method to retain talents, however, non-monetary rewards can also play an important role in talent retention. For example, female executive with children might want to work half day at the office and other half day at home to take care of children. Caring groups and interest classes could help employees relax and foster communication and loyalty. Innovative benefits such as maternity leave for male staff might cultivate employee loyalty.

Conclusion

1.18 Business outlook of the Sector was uncertain and this affected manpower demand projections for the next 12 months. However, the economy is showing signs of recovery and many employers are reviewing their manpower plans to prepare for the anticipated economic recovery towards the end of 2009. The Training Boards are of the views that the training needs of the industries are immense and would not be easily affected by the economic cycles. To sustain Hong Kong as an international financial center, concerted efforts should be made by employers, training institutes and the government in developing appropriate policies to retain and train financial talents for the Financial Services Sector.

SECTION II

BACKGROUND, METHODOLOGY AND COVERAGE OF THE MANPOWER SURVEYS

Background

2.1 Manpower surveys on specific industries are undertaken on a biennial basis by the Training Boards in the Vocational Training Council (VTC). These include, inter alia, the Accountancy, Banking and Finance and Insurance industries. These are performed as part of the responsibilities of the industry-specific training boards appointed by the Government to advise on the manpower development of various industries in support of Hong Kong's economic growth. Each training board comprises a wide cross-section of representatives from the relevant industry, providing a good mix of expertise from enterprises, employers, employees, professional/trade organizations, academics and practitioners, and government bureau and/or departments. Based on the findings of the biennial manpower surveys, individual training board formulates recommendations on the manpower training and development strategies for the relevant industry to meet its short to medium-term manpower supply and demand.

2.2 Since the manpower surveys in 2007, the three responsible Training Boards have agreed to synchronize the timing of the three manpower surveys, so that a more comprehensive assessment can be made of the human resources situation for the Financial Services Sector (Sector) as a whole, identifying possible mismatch in manpower demand and supply, projecting the manpower development needs and formulating effective human resources development strategies to support the Sector in Hong Kong. For the purpose of this exercise, the "Financial Services Sector" is defined to include the Accountancy, Banking and Finance and Insurance industries.

Purpose of the Surveys

2.3 The 2009 Manpower Surveys (MPSs) for these three industries were conducted in the first half of 2009 with the following objectives:

- (i) To assess the manpower and training needs of principal jobs in the Accountancy, Banking and Finance and Insurance industries;
- (ii) To forecast the growth of manpower in the respective industries; and
- (iii) To recommend measures to meet the training needs and manpower demand of the respective industries.

Scope of the Surveys

2.4 The scope of the surveys is given in the table below. Samples were obtained from the total number of establishments in the respective industries using the stratified random sampling method. The effective response rate of the surveys remain high (88% to 93%) because the Training Board Members had taken the initiatives in liaising with the respective establishments and fieldworkers from the Census and Statistics Department were mobilized to visit establishments to follow up and assist them in the completion of the mailed questionnaires. It should be noted that the number of establishments surveyed increased in 2009 in response to the increase in the total number of establishments in the Sector between 2007 and 2009.

Scope of the Surveys

Industry	Categories of Establishments /Main Activities (Branches)	Total No. of Establishments			Sample Size of Establishments			Effective Response Rate
		2007	2009	Change	2007	2009	Change	2009
Accountancy	4	36 345	36 764	1.2%	1 462	1 500	2.6%	92.8%
Banking and Finance	9	6 740	7 344	9.0%	1 039	1 057	1.7%	88.3%
Insurance	7	2 113	2 632	24.6%	726	745	2.6%	93.3%

2.5 To facilitate the assessment of manpower development needs, the main activities or the main types of establishments covered in each industry are categorised into “branches” having regard to the nature of the activities involved, and hence the skills sets required. The branches included in each MPS are summarized as follows:

- (I) Accountancy Industry:
 - (i) All accounting firms;
 - (ii) Some government departments and large subvented organizations;
 - (iii) All commerce and services establishments with 10 or more employees; and
 - (iv) All industrial establishments with 10 or more employees.
- (II) Banking and Finance Industry:
 - (i) Licensed banks, restricted licence banks and local representative offices of foreign banks;
 - (ii) Deposit-taking companies;
 - (iii) Investment and holding companies;
 - (iv) Personal loans, mortgages, installment credits, finance leasing, factoring and bill discounting companies;
 - (v) Stock and share companies;
 - (vi) Commodity futures and gold bullion brokers/dealers;
 - (vii) Stock, bullion and commodity exchanges and statutory bodies in the banking and finance industry;
 - (viii) Money changers and foreign exchange brokers/dealers; and
 - (ix) Other financial companies.
- (III) Insurance Industry:
 - (i) Life insurers;
 - (ii) General insurers;
 - (iii) Composite insurers;
 - (iv) Brokers;
 - (v) Company agencies – insurance;
 - (vi) Company agencies – alternative distribution; and
 - (vii) Bancassurances.

2.6 The distribution of the samples by branch and by employment size is shown in Appendices 1, 2 and 3.

Procedures of the Surveys

Survey Documents

2.7 The questionnaires for the surveys were designed by the Training Boards, taking into consideration the needs of their respective industries. In addition to considering the types of information covered in previous surveys for comparability, the three Training Boards also considered the commonalities among these industries in the design of the survey questionnaire.

2.8 One week before the fieldwork started, the selected establishments were sent a complete set of survey documents, including a letter from the Chairman of the respective Training Board, the questionnaire, explanatory notes and descriptions of the principal jobs covered in the respective branches. Employers were assured that the data and information collected in the surveys would be handled in strict confidence, and published only in the form of statistical summaries without reference to individual establishments.

Fieldwork

2.9 Fieldwork for the MPSs commenced on 12th January 2009 for completion in two months. During the survey period, interviewing officers of the Census and Statistics Department (C&SD) visited each selected establishment to collect the questionnaire and, where necessary, to assist its completion. Fieldwork took longer than two months due to unsatisfactory responses from establishments. Upon completion of fieldwork, data processing was then undertaken by the C&SD, and by end of July, the full sets of the tabulations were available for analysis.

Compilation of the Report

2.10 The data and initial analysis were prepared by the respective Working Parties and submitted to the respective Training Boards for examination. The findings were studied and the manpower survey reports were prepared. Detailed industry-specific information from the selected establishments included: the number of current employees, number of existing vacancies, employers' forecast of the number of posts in the next twelve months, minimum requirement of education/experience preferred for each principal job/job level, turnover of employees in the past 12 months, wastage rates and training needs specific to the industries, broken down by branch. Based on the data collected, the Training Boards then projected the future manpower needs both quantitatively and qualitatively, and advised on the necessary strategies for meeting these needs.

Focus Groups

2.11 To help verify, complement and reinforce the findings of the surveys, three focus groups were organized to collect their expert views and comments on the survey results, and to provide additional information on the longer-term business outlook and manpower demand of the respective industries. Each comprised industry leaders, representatives from professional bodies and academics.

Appendix 1

Accountancy Industry Distribution of Survey Samples

Branch	Employment Size of Establishment	Total No. of Establishments	Sample Size of Establishments	Sampling Fraction
Accounting Firms	1 - 49	2 021	239	0.118
	50 - 499	16	16	1.000
	500 and over	5	5	1.000
		2 042	260	
		-----	---	
Government Departments and Subvented Organizations	34 representative establishments were specified by the Accountancy Training Board on account of their substantial proportion of accounting staff. Employment size varies.	34 ---	34 ---	1.000
Commerce and Services Establishments	10 - 19	16 423	138	0.008
	20 - 99	12 030	228	0.019
	100 - 199	1 099	112	0.102
	200 - 499	547	164	0.300
	500 and over	329	333*	1.012
		30 428	975	
		-----	----	
Industrial Establishments	10 - 19	2 144	52	0.024
	20 - 99	1 823	77	0.042
	100 - 199	159	29	0.182
	200 - 499	98	37	0.378
	500 and over	36	36	1.000
		4 260	231	
		-----	-----	
	Total	36 764	1 500	
		=====	=====	

* Including four new discovery cases.

Appendix 2

Banking and Finance Industry Distribution of Survey Samples

Branch	Employment Size of Establishments	Total No. of Establishments	Sample Size of Establishments	Sampling Fraction
*1. Banks & Representative offices of foreign banks	1-19	89	89	1.000
	20-49	38	38	1.000
	50-99	33	33	1.000
	100-499	28	28	1.000
	500-999	11	11	1.000
	1000 & Above	23	23	1.000
	Sub-total	222	222	
*2. Deposit-taking companies	1-19	12	12	1.000
	20-49	8	8	1.000
	50-99	1	1	1.000
	100-499	3	3	1.000
	Sub-total	24	24	
3. Investment & holding companies	1-19	3 048	91	0.030
	20-49	109	22	0.200
	50-99	31	31	1.000
	100-499	21	21	1.000
	500-999	1	1	1.000
	1000 & Above	1	1	1.000
	Sub-total	3 211	167	
4. Personal loans, mortgages, installment credits, finance leasing, factoring & bill discounting companies	1-19	512	77	0.150
	20-49	18	18	1.000
	50-99	4	4	1.000
	100-499	2	2	1.000
	Sub-total	536	101	
5. Stock & share companies	1-19	598	91	0.150
	20-49	89	37	0.400
	50-99	18	19	1.000
	100-499	15	15	1.000
	Sub-total	720	162	
6. Commodity futures & gold bullion brokers / dealers	1-19	115	92	0.800
	20-49	7	7	1.000
	50-99	3	3	1.000
	Sub-total	125	102	
7. Stock, bullion & commodity exchanges and statutory bodies in the banking and finance industry	20-49	1	1	1.000
	100-499	2	2	1.000
	500-999	2	2	1.000
	Sub-total	5	5	
8. Money changers & foreign exchange brokers / dealers	1-19	464	94	0.200
	20-49	5	5	1.000
	50-99	2	2	1.000
	100-499	1	1	1.000
	Sub-total	472	102	
9. Financial institutions & financial services, n.e.c.	1-19	1 867	94	0.050
	20-49	112	28	0.250
	50-99	17	17	1.000
	100-499	29	29	1.000
	500-999	1	1	1.000
	1000 & Above	3	3	1.000
	Sub-total	2 029	172	
Total		7 344	1 057	

* Establishments counted at company level not at branch level.

**Insurance Industry
Distribution of Survey Samples**

Branch	Employment Size of Establishments	Total No. of Establishments	Sample Size of Establishments	Sampling Fraction
1. Life Insurers	All	42	42	1.00
2. General Insurers	All	91	91	1.00
3. Composite Insurers	All	17	17	1.00
4. Brokers	1-9	333	83	0.25
	10 & over	116	116	1.00
	Sub-total	449	199	
5. Company Agencies - Insurance	1-4	578	58	0.10
	5-9	69	69	1.00
	10 & over	56	56	1.00
	Sub-total	703	183	
6a. Company Agencies - Alternative distribution	1-9	981	98	0.10
	10 & over	312	78	0.25
	Sub-total	1 293	176	
6b. Bancassurance	1-9	1	1	1.00
	10 & over	36	36	1.00
	Sub-total	37	37	
	Overall Total	2 632	745	

SECTION III

SURVEY FINDINGS

Introduction

3.1 The three Training Boards have examined the survey report of the respective industry and concluded that the findings generally reflect the overall picture of the manpower situation in the Financial Services Sector (Sector), and highlighted to a large extent its manpower requirements. Comments made by the FinMan Committee on the previous surveys were incorporated in the 2009 surveys, such as the views of employers on the importance of different types of training and also the views on the possible incentives to provision of training programmes by employers.

Manpower Statistics of the Financial Services Sector

Persons Engaged in 2009 Survey

3.2 The surveys revealed that there is a total of 258 933 persons engaged in the Sector in 2009 with 49 519 at managerial level, 83 950 at supervisory level and 97 531 at clerical level (and 27 933 agents in the insurance industry).

3.3 The principal jobs of each industry in the Sector are classified into three levels: the managerial level, supervisory level and clerical level for analysis and comparison purposes. Apart from these major job levels, the accountancy industry also has a Trainer/Teacher job level, the banking and finance industry has Other Supporting Staff job level and the insurance industry has Other Supporting Staff and Agent job levels. The general descriptions of the various job levels are summarized as follows:

- (i) **Managerial:** managerial staff engage in functions of planning, developing, modifying and implementing company operation policies and procedures. Examples of principal jobs at this job level are Chief Accountants in the accountancy industry, Branch Operations Managers in the banking and finance industry and Underwriting Managers in the insurance industry;
- (ii) **Supervisory:** supervisory staff generally assist the managers in administering the routine duties of a department/section/unit of the company. Examples of principal jobs at this job level are Audit Supervisors and Trainers/Teachers in the accountancy industry, Business Development Officers in the banking and finance industry and Actuarial Officers and Technical Representatives in the insurance industry;
- (iii) **Clerical:** clerical staff are normally engaged in day to day routine operational activities such as preparing vouchers and documents, data entries and answering customer enquiries. Examples of principal jobs at this job level are Junior Audit Staff in the accountancy industry, Credit/Loan Clerk in the banking and finance industry and Claims Clerks in the insurance industry; and

- (iv) **Agent:** an insurance agent is a person who holds himself out to advise on or arrange contracts of insurance in or from Hong Kong as an agent or subagent of one or more insurers. He identifies prospective clients to acquire new business and serves existing policyholders.

3.4 The distribution of manpower by industry and by job level is summarized in Table 1 below:

Table 1: Distribution of Persons Engaged

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Total (%)*
Accountancy Firms	5 403	4 422	9 169	-	18 994 (7.3)
Banking & Finance & Insurance Services	1 131	2 214	2 451	-	5 796 (2.2)
Others**	12 881	16 707	41 140	-	70 728 (27.3)
Accountancy	19 415	23 343	52 760	-	95 518 (36.9)
Banks, DTC and Rep. Offices	18 561	34 629	26 063	-	79 253 (30.6)
Stock & Share Companies	1 453	2 204	6 318	-	9 975 (3.9)
Others***	5 725	13 910	8 570	-	28 205 (10.9)
Banking and Finance	25 739	50 743	40 951	-	117 433 (45.4)
Life Insurance	2 294	4 908	1 490	25 256	33 948 (13.1)
General Insurance	2 071	4 956	2 330	2 677	12 034 (4.6)
Insurance	4 365	9 864	3 820	27 933	45 982 (17.8)
Total (%)	49 519 (19.1)	83 950 (32.4)	97 531 (37.7)	27 933 (10.8)	258 933 (100)

- #1 The total figure may be higher than the actual total number of persons engaged, as the 5 796 accounting personnel working in the banking, finance and insurance industries were also captured under both banking and finance and insurance surveys.
- #2 The total number of 258 933 persons engaged excluded 14 212 other supporting staff in the Sector (11 655 in the banking and finance industry and 2 557 in the insurance industry). As the skill sets of these supporting staff are not specific to the Sector, therefore, the manpower information of these other supporting staff were not included in the following analyses.
- #3 The 856 Trainers/Teachers engaged in the accountancy industry and 4 823 Technical Representatives in the insurance industry are accounted for in the supervisory job level for simplicity of presentation.

Others ** - include some government departments and large subvented organisations, all commerce and services and industrial establishments with 10 or more employees excluding establishments providing banking and finance and insurance services.

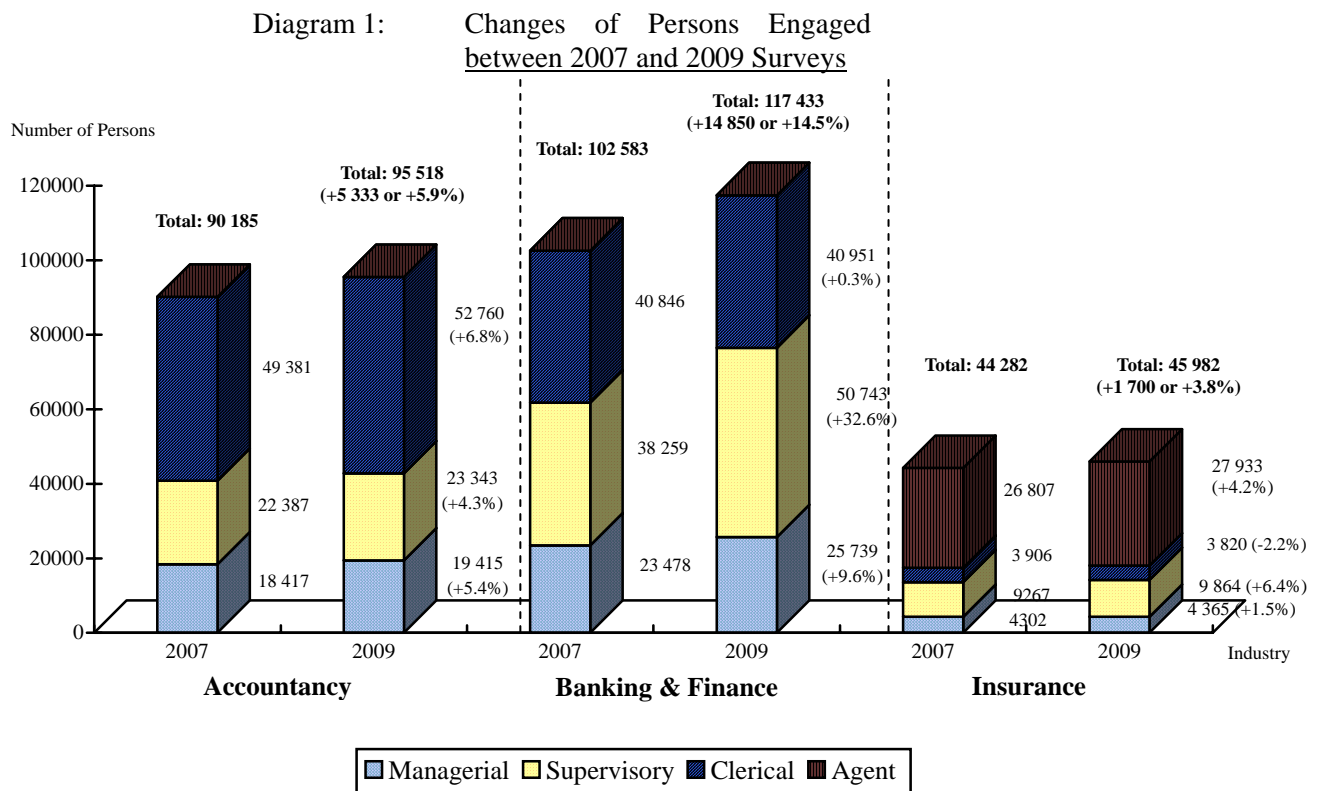
Others*** - include investment and holding companies; personal loans and related companies; commodity futures and gold bullion brokers/dealers; stock, bullion and commodity exchanges and statutory bodies in the banking and finance industry; money changers and foreign exchange brokers/dealers and other financial companies.

(%)* Percentage of the total persons engaged in the Sector may not exactly equal to 100% due to rounding.

Comparison of Persons Engaged between 2007 and 2009 Surveys

3.5 In comparison to the 2007 survey, total persons engaged in the Sector increased by 21 883 or 9.2% between 2007 and 2009 as detailed in Diagram 1.

3.6 The banking and finance industry has the largest number of employees at 117 433 constituting 45.4% of total persons engaged in the Sector. This industry also reported the largest increase in persons engaged since 2007 of 14 850 persons or 14.5%. The accountancy industry has the second largest number of employees at 95 518 constituting 36.9% of the total persons engaged in the Sector. This industry reported the second largest increase in persons engaged since 2007 of 5 333 persons or 5.9%. The insurance industry with total persons engaged of 45 982 constitutes 17.8% of the total persons engaged in the Sector. Persons engaged increased by 1 700 person or 3.8% between 2007 and 2009.



Vacancies

3.7 There were a total of 2 499 vacancies in the Sector, this is a decrease of 2 998, i.e. 54.5% from the 5 497 reported in 2007. Analysis of the vacancies in Table 2B indicates that the Sector as a whole experienced higher vacancy rate for the supervisory level versus the managerial and clerical levels. The distribution of vacancies in the Sector is summarized in Tables 2A and 2B below:

Table 2A: Distribution of Vacancies by Industries

Industry	Job Level	Managerial (%)*	Supervisory (%)*	Clerical (%)*	Agent (%)*	Total (%)*
Accountancy Firms		8 (1.4)	59 (10.2)	161 (27.7)	-	228 (39.2)
Banking & Finance & Insurance Services		7 (1.2)	8 (1.4)	2 (0.3)	-	17 (2.9)
Others		42 (7.2)	150 (25.8)	144 (24.8)	-	336 (57.8)
Accountancy		57 (9.8)	217 (37.3)	307 (52.8)	-	581 (100)
Banks, DTC and Rep. Offices		69 (8.2)	265 (31.4)	125 (14.8)	-	459 (54.4)
Stock & share companies		-	10 (1.2)	25 (3.0)	-	35 (4.1)
Others		32 (3.8)	217 (25.7)	101 (12.0)	-	350 (41.5)
Banking and Finance		101 (12.0)	492 (58.3)	251 (29.7)	-	844 (100)
Life		18 (1.7)	72 (6.7)	12 (1.1)	750 (69.8)	852 (79.3)
General		10 (0.9)	182 (16.9)	25 (2.3)	5 (0.5)	222 (20.7)
Insurance		28 (2.6)	254 (23.6)	37 (3.4)	755 (70.3)	1 074 (100)
Total (%)**		186 (7.4)	963 (38.5)	595 (23.8)	755 (30.2)	2 499 (100)

(%)* As percentage of the total number of vacancies in the same industry and the total may not exactly equal to 100% due to rounding.

(%)** As percentage of the total number of vacancies in the Financial Services Sector and the total may not exactly equal to 100% due to rounding.

N.B. Statistics of small magnitude are subject to relatively large estimation of errors. They are published for rough reference only and should be interpreted with caution.

Table 2B : Distribution of Vacancy Rates by Industries

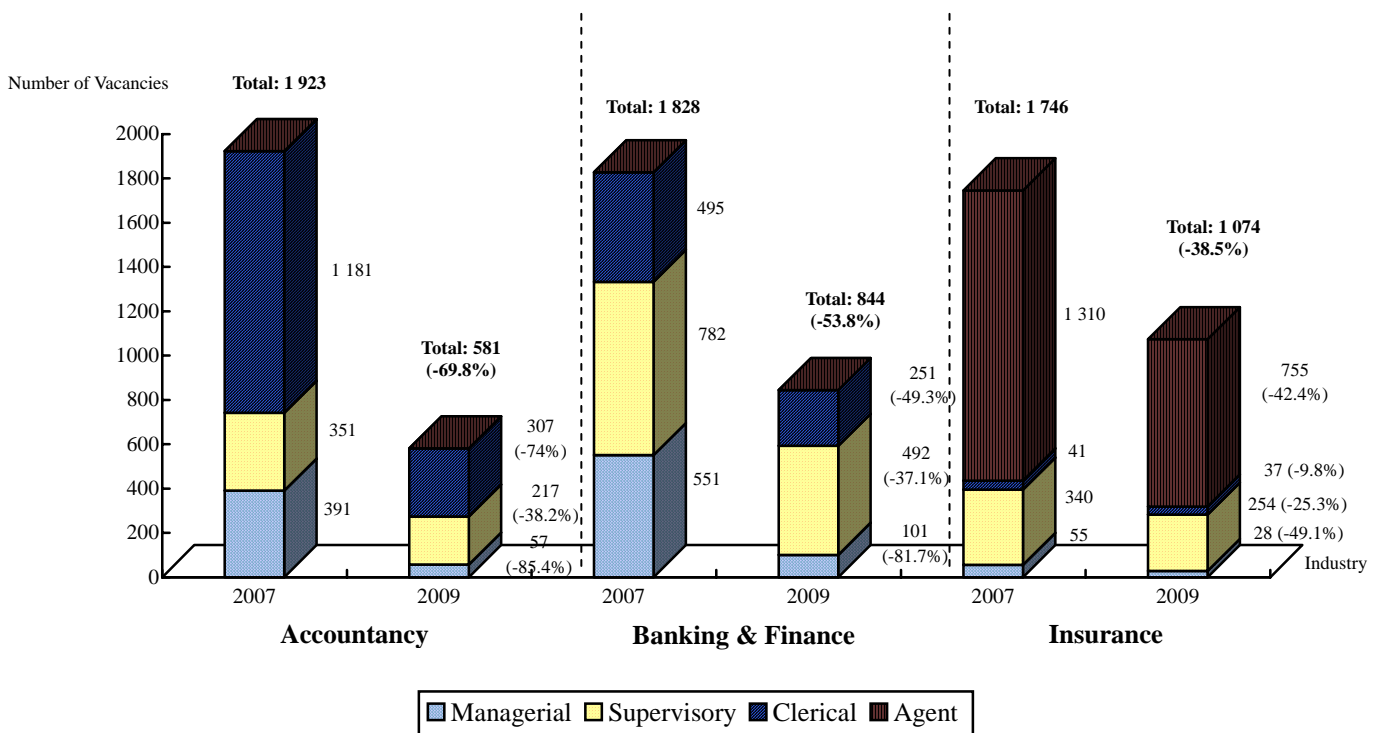
Industry	Job Level	Managerial		Supervisory		Clerical		Agent		Total	
		(%)#	(%)#	(%)#	(%)#	(%)#	(%)#	(%)#	(%)#		
Accountancy	No. of Vacancies	57		217		307		-		581	0.6
	No. of Persons Engaged	19 415	0.3	23 343	0.9	52 760	0.6	-	-	95 518	
Banking and Finance	No. of Vacancies	101		492		251		-		844	0.7
	No. of Persons Engaged	25 739	0.4	50 743	1.0	40 951	0.6	-	-	117 433	
Insurance	No. of Vacancies	28		254		37		755		1 074	2.3
	No. of Persons Engaged	4 365	0.6	9 864	2.6	3 820	1.0	27 933	2.7	45 982	
Total	No. of Vacancies	186		963		595		755		2 499	1.0
	No. of Persons Engaged	49 519	0.4	83 950	1.1	97 531	0.6	27 933	2.7	258 933	

$$(\%)# \text{ Vacancy Rate} = \frac{\text{Number of vacancies at the job level}}{\text{Total number of employees at the job level}} \times 100\%$$

Comparison of Vacancies between 2007 and 2009 Surveys

3.8 The total number of vacancies decreased between the 2007 and 2009 survey reflective of the financial tsunami which commenced in the last quarter of 2008. The accountancy industry, banking and finance industry and insurance industry each experienced vacancy decreases of 69.8%, 53.8% and 38.5% respectively with the managerial level jobs reporting the largest decline for all three industries. The comparison of the distribution of vacancies by job levels in the three industries between 2007 and 2009 Surveys are shown in Diagram 2.

Diagram 2: Distribution of Vacancies between 2007 and 2009 Surveys



Manpower Demand

3.9 The total manpower demand defined as the number of employees plus the number of vacancies has increased by 18 885 or 7.8% between the 2007 and 2009. The distribution of the manpower demand by industry and by job level is summarized in Table 3.

Table 3: Distribution of Manpower Demand in 2009

Industry	Managerial	Supervisory	Clerical	Agent	Total (%)**
Accountancy Firms	5 411	4 481	9 330	-	19 222 (7.4)
Banking & Finance & Insurance Services	1 138	2 222	2 453	-	5 813 (2.3)
Others	12 923	16 857	41 284	-	71 064 (27.1)
Accountancy (%)*	19 472 (20.3)	23 560 (24.5)	53 067 (55.2)	-	96 099 (36.8)
Banks, DTC and Rep. Offices	18 630	34 894	26 188	-	79 712 (30.5)
Stock & Share Companies	1 453	2 214	6 343	-	10 010 (3.8)
Others	5 757	14 127	8 671	-	28 555 (10.9)
Banking and Finance (%)*	25 840 (21.8)	51 235 (43.3)	41 202 (34.8)	-	118 277 (45.2)
Life Insurance	2 312	4 980	1 502	26 006	34 800 (13.3)
General Insurance	2 081	5 138	2 355	2 682	12 256 (4.7)
Insurance (%)*	4 393 (9.3)	10 118 (21.5)	3 857 (8.2)	28 688 (61.0)	47 056 (18.0)
Total (%)**	49 705 (19.0)	84 913 (32.5)	98 126 (37.5)	28 688 (11.0)	261 432 (100)

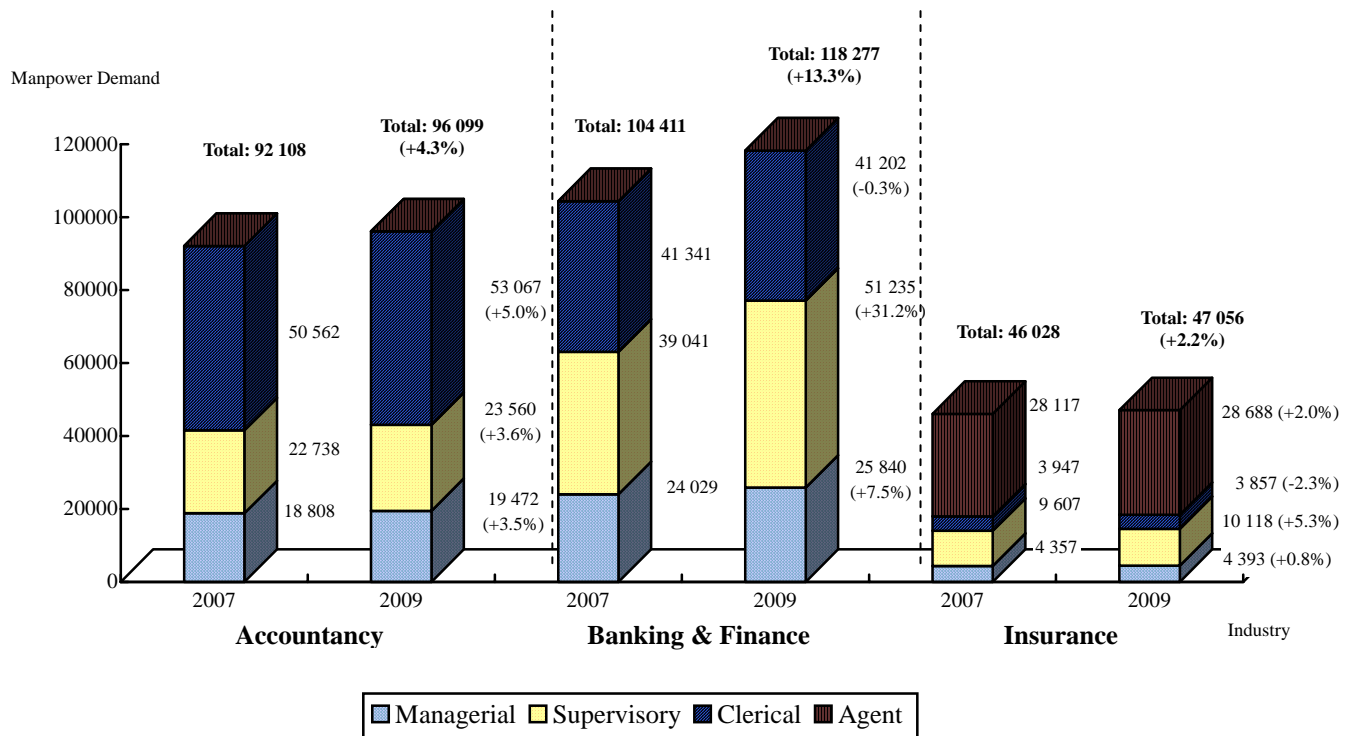
(%)* As percentage of the total manpower demand in the same industry and the total may not exactly equal to 100% due to rounding.

(%)** As percentage of the total manpower demand in the Financial Services Sector and the total may not exactly equal to 100% due to rounding.

Comparison of Manpower Demand between 2007 and 2009 Surveys

3.10 All three industries reported an increase in manpower demand. The comparison of manpower demand between 2007 and 2009 Surveys are shown in Diagram 3.

Diagram 3: Comparison of Manpower Demand between 2007 and 2009 Surveys



Forecast of Manpower Demand in the Next 12 Months

3.11 Based on employers' projection, manpower is forecast to increase by 1 941 or 0.7% for the Sector in the next 12 months. The accountancy and banking and finance industry employers estimated negligible or no growth while the insurance industry expect a 4.1% growth. Table 4 below shows the manpower demand forecast for the Sector for the next 12 months, broken-down by industry and by job level.

Table 4: Forecast of Manpower Demand in the Next 12 Months

Industry	Managerial	Supervisory	Clerical	Agent	Manpower Demand forecast for 2010 (%)*	Manpower Demand in 2009 (%)	Manpower Growth (%)**
Accountancy Firms	5 422	4 501	9 404	-	19 327 (7.3)	19 222	105 (0.6)
Banking & Finance & Insurance Services	1 140	2 230	2 455	-	5 825 (2.2)	5 813	12 (0.2)
Others	12 931	16 902	41 248	-	71 081 (27.0)	71 064	17 -
Accountancy	19 493	23 633	53 107	-	96 233 (36.5)	96 099	134 (0.1)
Banks, DTC and Rep. Offices	18 657	34 809	26 035	-	79 501 (30.2)	79 712	-211 (-0.3)
Stock & Share Companies	1 461	2 217	6 403	-	10 081 (3.8)	10 010	71 (0.7)
Others	5 757	14 139	8 681	-	28 577 (10.9)	28 555	22 (0.1)
Banking and Finance	25 875	51 165	41 119	-	118 159 (44.9)	118 277	-118 (-0.1)
Life Insurance	2 310	4 995	1 502	28 013	36 820 (14.0)	34 800	2020 (5.8)
General Insurance	2 066	5 076	2 337	2 682	12 161 (4.6)	12 256	-95 (-0.8)
Insurance	4 376	10 071	3 839	30 695	48 981 (18.6)	47 056	1 925 (4.1)
Total (%)*	49 744 (18.9)	84 869 (32.2)	98 065 (37.2)	30 695 (11.7)	263 373 (100)	261 432	1 941 (0.7)

(%)* As percentage of the total forecast manpower demand for 2010 in the Financial Services Sector and the total may not exactly equal to 100% due to rounding.

(%)** Manpower growth rate calculated was based on 2009 manpower demand and 2010 projection and the total may not exactly equal to 100% due to rounding.

Minimum Education/Professional Qualification Requirement of Employees by Job Level

3.12 Most employers surveyed in the Sector preferred their employees at managerial and supervisory levels to possess a higher level of education as shown in Table 5 below. The employers' preference revealed that 67.2% of managerial staff possessed university degrees or above, 36.3% of supervisory staff possessed university degrees or above and 19.1% possessed higher diploma/associate degree or equivalent. 79.9% of clerical staff possessed matriculation/secondary 5 or equivalent. Regarding the professional qualification, it was found that 24% of managerial staff and 11.4% of agents are required to possess professional qualification, while the percentage for supervisory and clerical staff is relatively low. The distribution of employers' preference in each education and professional qualifications requirement by job level is summarized in Tables 5 and 6.

Table 5 : Minimum Education Requirement of Employees by Job Level

Job Level	University Degree or Above (%)*	Higher Diploma/ Associate Degree or equivalent (%)*	Diploma/ Higher Cert./ Certificate or equivalent (%)*	Matriculation (%)*	Secondary 5 or equivalent (%)*	Below Secondary 5 (%)*	Not Applicable/ Unspecified@ (%)*	Total (%)*
Managerial	33 256 (67.2)	8 637 (17.4)	1 229 (2.5)	147 (0.3)	39 (0.1)	0 -	6 211 (12.5)	49 519 (100)
Supervisory	30 511 (36.3)	16 000 (19.1)	13 096 (15.6)	8 599 (10.2)	5 656 (6.7)	0 -	10 088 (12.0)	83 950 (100)
Clerical	5 211 (5.3)	2 790 (2.9)	7 335 (7.5)	17 310 (17.7)	60 711 (62.2)	167 (0.2)	4 007 (4.1)	97 531 (100)
Agent	630 (2.3)	8 -	184 (0.7)	444 (1.6)	20 284 (72.6)	0 -	6 383 (22.9)	27 933 (100)
Total	69 608	27 435	21 844	26 500	86 690	167	26 689	258 933

@ New job categories were grouped into the "others" category in each of the surveys and the minimum education of such jobs cannot be meaningfully reclassified for presentation. In addition, out of the 26 689 employees, 19 325 employees (about 7.5% of the 258 933 persons engaged) did not report their minimum education and were labeled as "Unspecified".

(%)* As percentage of the total number of employees at the same job level and the total may not exactly equal to 100% due to rounding.

N.B. Statistics of small magnitude are subject to relatively large estimation of errors. They are published for rough reference only and should be interpreted with caution.

Table 6 : Minimum Professional Qualification Requirement of Employees by Job Level

Job Level	Professional Qualification Required (%)*	Professional Qualification Not Required (%)*	Not Applicable/ Unspecified@ (%)*	Total
Managerial	11 862 (24.0)	32 256 (65.1)	5 401 (10.9)	49 519 (100)
Supervisory	3 855 (4.6)	70 100 (83.5)	9 995 (11.9)	83 950 (100)
Clerical	10 (0.01)	93829 (96.20)	3692 (3.79)	97 531 (100)
Agent	3190 (11.4)	24 743 (88.6)	0 -	27 933 (100)
Total	18 917	220 928	19 088	258 933

@ New job categories were grouped into the “others” category in each of the surveys and the minimum professional qualification of such jobs cannot be meaningfully reclassified for presentation. In addition, out of the 19 088 employees, 11 724 employees (about 4.5% of the 258 933 persons engaged) did not report their minimum professional qualification requirement and were labeled as “Unspecified”.

(%)* As percentage of the total number of employees at the same job level and the total may not exactly equal to 100% due to rounding.

N.B. Statistics of small magnitude are subject to relatively large estimation of errors. They are published for rough reference only and should be interpreted with caution.

Minimum Year(s) of Experience Required of Employees

3.13 The range of the length of working experience required of employees at the various job levels varies among the three industries within the Sector. Generally speaking, employers preferred managerial staff to have a minimum of 5 to 10 years or more of working experience in their respective industries. Supervisory staff would require a minimum of 2 to 6 years of working experience in their respective industries and clerical staff, 4 years or less years of working experience. Insurance agents would require 1 to 2 years of working experience. Table 7 shows the minimum year(s) of experience required of employees in the Sector.

Table 7 : Minimum Requirement of Year(s) of Experience Preferred, Breakdown by Job Level

Job Level	Minimum Requirement of Year(s) of Experience
Managerial (i) Accountancy (ii) Banking and Finance (iii) Insurance	6 – 10 years 5 – 10 years 5 – 10 years
Supervisory (i) Accountancy (ii) Banking and Finance (iii) Insurance	3 – 6 years 2 – 4 years 2 – 4 years
Clerical (i) Accountancy (ii) Banking and Finance (iii) Insurance	Less than 3 years 1 – 4 years 1 – 2 years
Insurance Agents	1 – 2 years

Staff Turnover in the Past 12 Months

3.14 Staff turnover is defined as the total number of employees having left their companies in the specific period of time. The staff turnover statistics by industry and by job level are shown in Table 8 below.

Table 8 : Number of Resignees
in the Past 12 Months by Job Level

Job Level Industry		Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
		Accountancy	No. of Resignees	1 285	(6.6)	1 839	(7.9)	8 976	(17.0)	-	-
No. of Persons Engaged	19 415		23 343	52 760		-		95 518			
Banking and Finance	No. of Resignees	3 089	(12.0)	6 005	(11.8)	8 487	(20.7)	-	-	17 581	(15.0%)
	No. of Persons Engaged	25 739		50 743		40 951		-		117 433	
Insurance	No. of Resignees	292	(6.7)	1 244	(12.6)	568	(14.9)	716	(2.6)	2 820	(6.1%)
	No. of Persons Engaged	4 365		9 864		3 820		27 933		45 982	
Total	No. of Resignees	4 666	(9.4)	9 088	(10.8)	18 031	(18.5)	716	(2.6)	32 501	(12.6%)
	No. of Persons Engaged	49 519		83 950		97 531		27 933		258 933	

$$(\%)# \quad \text{Staff turnover rate} = \frac{\text{Number of resignees in a specific period of time}}{\text{Total number of employees on the reference date}} \times 100\%$$

3.15 During the past 12 months, 32 501 employees had left their companies for various reasons, such as resignation, further studies, emigration and retirement, etc, which has increased by 8 254 or 34% from 24 247 in 2007. The overall staff turnover rate was 12.6% for the Sector. The figures indicate that staff turnover is highest for the banking and finance industry at 15% followed by the accountancy industry at 12.7% and insurance industry at 6.1%.

Recruitment Difficulties

3.16 The reasons of recruitment difficulties given by employers were mainly “Lack of candidates with relevant experience and training” and “Working conditions/ remuneration package could not meet recruits’ expectations” which accounted for 39.0% and 38.4% of the cases of recruitment difficulties. The reasons of the recruitment difficulties remain the same as in 2007. Other reasons included the requirement of special language skills, etc. The analysis of recruitment difficulties experienced in the Sector by reason and by job level is summarized in Table 9 below.

Table 9 : Recruitment Difficulties in the Past 12 Months

Job Level \ Reason	General Labour Shortage in Hong Kong (%)*	Insufficient Graduates in Relevant Disciplines from Tertiary Institutions (%)*	Lack of Candidates with Relevant Experience and Training (%)*	Working Conditions/ Remuneration Package Could Not Meet Recruits’ Expectations (%)*	Lack of Candidates with Good Language Capabilities - English (%)*	Lack of Candidates with Good Language Capabilities - Putonghua (%)*	Other Reasons (%)*	Total (%)*
Managerial	22 (8.4)	1 (0.4)	178 (67.7)	58 (22.1)	1 (0.4)	1 (0.4)	2 (0.8)	263 (100)
Supervisory	37 (6.8)	28 (5.2)	257 (47.3)	138 (25.4)	16 (2.9)	6 (1.1)	61 (11.2)	543 (100)
Clerical	260 (14.6)	49 (2.8)	574 (32.3)	796 (44.7)	12 (0.7)	7 (0.4)	81 (4.6)	1 779 (100)
Total (%)**	319 (12.4)	78 (3.0)	1 009 (39.0)	992 (38.4)	29 (1.1)	14 (0.5)	144 (5.6)	2 585 (100)

(%)* As percentage of the total number of cases of recruitment difficulties at the same job level.

(%)** As percentage of the total number of cases of recruitment difficulties in the Financial Services Sector.

Note: Reasons of recruitment difficulties of agents were excluded in Table 9 as the figures have not been captured in the survey.

N.B. Statistics of small magnitude are subject to relatively large estimation of errors. They are published for rough reference only and should be interpreted with caution.

Manpower Demand of the Financial Services Sector

3.17 Having regard to the survey findings, the projections of manpower demand using the Labour Market Analysis Model where appropriate and the staff attrition factor, the three Training Boards have projected that the manpower demand in the Sector for the next 12 months would be about 268 800 (259 000+ 9 800) employees which has increased by 15 800 or 6.2% when compared to the 253 000 projected manpower demand for 2008. Table 10 shows the total manpower requirements by industry and by job level.

Table 10 : Total Manpower Requirements of the
Financial Services Sector for the next 12 months

Job Level Industry	Managerial		Supervisory		Clerical		Agent		Total	
	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement	Current No. of Employees	Projected Additional Manpower Requirement
Accountancy	19 415	466	23 343	503	52 760	1 149	-	-	95 518	2 118
Banking and Finance	25 739	568	50 743	919	40 951	1 694	-	-	117 433	3 181
Insurance	4 365	83	9 864	559	3 820	94	27 933	3 797	45 982	4 533
Total	49 519	1 117	83 950	1 981	97 531	2 937	27 933	3 797	258 933 Say 259 000	9 832 Say 9 800

Manpower Supply of the Financial Services Sector

3.18 Based on the manpower projections for next 12 months made by the Training Boards (about 9 800 as shown in Table 10 of para. 3.17) and taking into account the education/qualification requirements of the various job levels preferred by employers in the three industries, about 2 633 employees with degree or sub-degree qualifications would be required. According to the information provided by the University Grants Committee of Hong Kong (UGC), Hong Kong Institute of Vocational Education (IVE) and course providers running courses related to accountancy, banking and finance, and insurance, which had been accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ), the estimated number of graduates with degree or sub-degree qualifications in the related areas in 2010 would be 7 814. It would appear that, quantitatively, the supply of degree and sub-degree graduates should be sufficient to meet the market demand. The estimated employers' demand for and supply of manpower with degree or sub-degree qualifications in the three industries are listed in Tables 11A and 11B respectively.

Table 11A: Demand for Local Graduates of
Accountancy, Banking and Finance and Insurance

Manpower Demand Industry	Employers' Demand for Employees with Degree or Sub-degree Qualifications		
	Degree	Sub-degree	Total
Accountancy	699	428	1 127
Banking and Finance	683	458	1 141
Insurance	184	181	365
Total	1 566	1 067	2 633

Table 11B: Supply of Local Graduates of Accountancy, Finance, Business Administration, Insurance and related Disciplines

Manpower Supply Discipline	Estimated Number of Graduates in 2009/2010		
	Degree	Sub-degree	Total
Accountancy and related disciplines	1 364	2 339	3 703
Finance, Business Administration and related disciplines	2 134	1 508	3 642
Insurance and related disciplines	224	245	469
Total	3 722	4 092	7 814

3.19 As shown in Table 10 of para. 3.17, the projected additional manpower requirements for the next 12 months are about 9 800. Apart from the estimated 7 814 local graduates with degree and sub-degree qualifications who might join the Sector, graduates of overseas universities as well as those from other disciplines of studies, and thousands of secondary 5 graduates might also join the three industries. It would appear that there should be no lack of fresh graduates for the Sector. More importantly, the Sector is in need of experienced people to take up managerial and supervisory positions. Employers should be prepared to provide comprehensive training programmes for fresh graduates to equip them with the appropriate skills to carry out their job duties, whilst succession planning strategies are also important for employers to groom good quality and high potential staff for advancement to senior management and develop a pool of talents for senior positions.

Training Needs in the Financial Services Sector

3.20 In response to the comments from the FinMan Committee in 2007, 2009 Manpower Survey of the 3 industries have gauged employers' views on the 5 most important types/topics of training for the manpower development in the next 12 months. The detailed findings by job level are summarized in Table 12.

Table 12: Topics of Training for Manpower Development

Topics of Training Job Level	Accountancy	Banking and Finance	Insurance
Managerial	Problem Solving & Decision Making	Risk Management	Leadership
	Risk Management	Problem Solving and Decision Making	Risk Management
	Crisis Management	Strategic Management	Problem Solving and Decision Making
	Updates of Accounting Standards	Marketing Management	Strategic Management
	Financial Accounting	Principles and Practices of Management	Principles & Practices of Management
Supervisory	Financial Accounting	Financial Markets Operations	General Insurance
	Updates of Accounting Standards	Risk Management	Law Relating to Insurance
	Cost and Management Accounting	Financial Statement Analysis	English Writing
	Auditing	Enhancing Quality Customer Services	Associate of the Chartered Insurance Institute (ACII)
	Tax Compliance and Planning	Financial Risk Management	Interpersonal Skills
Clerical	Financial Accounting	Spoken English	English Writing
	Cost and Management Accounting	Communication Skills	Spoken English
	Cross-exposure to Other Accounting Functions	Interpersonal Skills	Use of Computer
	Updates of Accounting Standards	Putonghua	General Insurance
	Information Systems Application Skills	Marketing/Selling Skills	Putonghua
Agents	---	---	General Insurance
	---	---	Law Relating to Insurance
	---	---	Life Insurance
	---	---	Effective Communication Skills
	---	---	English Writing & Spoken English

3.21 In general, employers consider training topics such as Risk Management, Problem Solving and Decision Making, Strategic Management, etc should be offered to managerial staff, while more trade-related training such as Financial Accounting, Financial Markets Operations and General Insurance should be offered to supervisors in their respective industries. For clerical staff, generic skills such as English writing, spoken English and computer skills are considered as important.

Incentives to Encourage Employers to Provide Training to Their Employees

3.22 In the 2009 Survey, employers were also requested to suggest the possible incentives to encourage establishments to provide training to their employees. Survey findings revealed that most effective ways to encourage employers to provide training to their employees are “Reimbursement of course fees to employers”, “Provision of subsidy to employers” and “Government loan/grant to employers” in all the three industries.

Estimated Percentage of Training to be Provided by External Course Providers in the Next 12 Months

3.23 The 2009 Survey reveals the percentage of training to be provided by external course providers in the next 12 months. In the accountancy and banking and finance industries, majority of the establishments would have less than 50% of training programmes to be provided by external course providers. On the contrary, for the insurance industry, except for the clerical level and agents, majority of the establishments plan to outsource more than 50% of their managerial and supervisory level training to external course providers. The detailed figures are shown in Table 13.

Table 13: Estimated Percentage of Training Provided by External Course Providers in the Next 12 Months

Job Level	Percentage of External Training	Percentage of Establishments*		
		Accountancy	Banking and Finance	Insurance
Managerial	0% - 49%	77.6%	71.1%	30.9%
	50% - 100%	22.4%	28.9%	69.1%
Supervisory	0% - 49%	74.3%	73.2%	21.0%
	50% - 100%	25.7%	26.8%	79.0%
Clerical	0% - 49%	78.9%	78.0%	64.2%
	50% - 100%	21.1%	22.0%	35.8%
Agent	0% - 49%	-	-	66.7%
	50% - 100%	-	-	33.3%

* Percentage may not exactly equal to 100% due to rounding.

Comparison of Training Budget in 2009 and Training Expenses in 2008

3.24 Table 14 shows the training expenses and training budgets of the establishments in 2008 and 2009. Majority of the establishments indicated that their training budgets for 2009 would remain the same as those of 2008.

Table 14: Comparison of Training Budgets in 2009 and Training Expenses in 2008

Changes of Training Budgets in 2009 compared to Training Expenses in 2008	Percentage of Establishments*		
	Accountancy	Banking and Finance	Insurance
No Change	94.3%	90.7%	89.5%
Increase	1.4%	4.4%	2.9%
Decrease	0.6%	2.2%	1.7%
Unspecified	3.7%	2.7%	6.0%

* Percentage may not exactly equal to 100% due to rounding.

SECTION IV

CONCLUSIONS

Business Outlook

4.1 The financial crisis commenced in the second half of 2008. Government statistics indicate business receipts of most service industries dropped in value in the fourth quarter of 2008 compared with a year earlier. Finance-industry business receipts fell 58% while those for banking industries dropped 45%.

4.2 The business outlook as projected by the employers in the survey was uncertain indicative of the financial crisis at the time of the survey in the first quarter of 2009.

4.3 Although the duration of the financial tsunami cannot be estimated, the Sector could lessen the economic impact leveraging on the current economic policies of Mainland China, such as the Closer Economic Partnership Arrangement (CEPA), where lower barriers are set for Hong Kong banks entering the Chinese Mainland market. Since July 2009, Hong Kong banks have been allowed to settle trade transactions between Hong Kong and the Chinese Mainland in Renminbi (RMB).

4.4 According to Supplement VI to CEPA, starting from October 2009, branches of Hong Kong banks in any municipality in Guangdong Province can apply to set up sub-branches in other municipalities within the Province.

4.5 The Government has facilitated the insurance companies who wish to expand business into Mainland China by holding discussion with Mainland authorities. For instance, Office of Commissioner of Insurance (OCI) and the Trade and Industry Department have uploaded onto their website the detailed information and provisions relating to the establishment of wholly-owned insurance agency companies in the Mainland by Hong Kong insurance agency companies under Supplement IV to CEPA.

4.6 It is hoped that through various government and industry efforts leveraging on supportive Mainland China policy can facilitate economic recovery. Focus group meetings held with various industry leaders in the third quarter of 2009 already indicated that the economy showed signs of recovery.

Impacts on Manpower Requirements

4.7 The manpower requirements of the Financial Services Sector are subject to different stages of the economic cycle as well as the fiscal policies. These include:

- (i) The global rather than regional economies. A city such as Hong Kong is most affected by global economic changes because of her open economic model and her position as an international financial centre. The global economic situation as well as the performance of the international financial markets, in particular the American and European markets have significant impacts on Hong Kong's economy given its close linkage with these countries.
- (ii) The implementation of the Closer Economic Partnership Arrangement (CEPA) and the evolution of financial systems in the Mainland strengthen co-operations between Hong Kong and the Mainland. For instance, the expansion of operations of some Chinese banks to Hong Kong enhanced the demand on banking and financial personnel in the Hong Kong community;
- (iii) The outbreak of financial tsunami in the second half of 2008 has negatively affected business activities in Hong Kong. However, signs of economic recovery in the second half of 2009 has sparked company plans to review and recruit more employees to cater for possible business growth towards the end of the year; and
- (iv) The effects of Government policies and regulations are significant to manpower supply and demand. The draft "minimum rate of wages ordinance" if endorsed and came into effect, may affect employment of some employees, in that some employers for the purpose of minimizing staff expenses, may change the terms of employment of their employees to self-employed status. Hence, the overall manpower structure as well as remuneration packages may be adjusted to meet the market demand.