

Consolidated Summary Report
of the
2015 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 demand and supply of three industries, namely, 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 Sector: <http://www.vtc.edu.hk/hqip/mpsac2015.pdf>

Manpower Survey on the Banking and Finance Industry: <http://www.vtc.edu.hk/hqip/mpsbf2015.pdf>

Manpower Survey on the Insurance Industry: <http://www.vtc.edu.hk/hqip/mpsin2015.pdf>

Vocational Training Council
October 2015

CONTENTS

<u>Section</u>		<u>Paragraph</u>	<u>Page</u>
I	Major Survey Findings & Recommendations	1.1 – 1.21	1 – 4
II	Background, Methodology and Coverage of the Manpower Surveys	2.1 – 2.11	5 – 7
	<i>Appendix 1 – Accountancy Sector 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 – 32

SECTION I

MAJOR SURVEY FINDINGS & RECOMMENDATIONS

Major Survey Findings

1.1 The manpower demand of the Financial Services Sector (the Sector) has increased by 5.1% between 2013 and 2015. The increase in demand is an indication of sector growth and a confirmation of the positive outlook of the Sector as indicated in the 2013 manpower survey. Managerial level positions experienced the highest growth of 16.6% versus that of supervisory positions reporting a growth of 5.8%. The growing need for the provision of high-end services was probably a reason for the higher demand for managerial level positions over the past couple of years. On the other hand, clerical level positions reported a slight decline of 2.0% which might be due to automation and computerization (para. 3.9 – Table 3 & para. 3.10 – Diagram 3).

1.2 At the time of the survey which was held in the first quarter of 2015, the financial market was full of uncertainties though the business environment was less volatile than the previous few years. This might lead to a conservative projection of 2017 manpower demand by employers. Employers of the accountancy sector and the banking and finance industry projected a steady manpower demand growth of 1.9% and 0.3% while the insurance industry projected a slight decline of less than 0.1% in manpower demand (para. 3.11 - Table 4).

1.3 The minimum years of experience required for employees of the Sector at all levels remained the same as that reported in the 2013 survey. Employers preferred managerial staff to have a minimum of five to ten years or more of working experience while supervisory staff would require a minimum of two to six years of working experience in their respective industries. Clerical personnel were normally required to have less than three years of working experience. (para. 3.13 – Table 7).

1.4 The majority of employees at the job levels of “Managerial” and “Supervisor/Officer” ranged from 35 to 50 years old whereas over 45% of clerical staff were below 35. (para. 3.15 – Table 9).

1.5 Staff turnover for 2014 was 11.8% for the Sector which is higher than the 10.1% turnover rate reported for 2012 in the 2013 manpower survey. (para. 3.16 – Table 10).

1.6 “Lack of candidates with relevant experience and training” and “Working conditions/remuneration package could not meet recruits’ expectations” remained to be the two top reasons reported for recruitment difficulties as reported by respondents of the Sector (para. 3.18 – Table 11).

1.7 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 was supported by only 3.6% of total cases of recruitment difficulties reported “insufficient supply of graduates in relevant disciplines from tertiary institutions” as the reason for recruitment difficulties (para. 3.18 – Table 11 & para. 3.20 – Table 13A&B).

1.8 Meetings held with various industry practitioners in the third quarter of 2015 indicated that despite uncertainties over the timing and pace of interest rate rises in the United States and the economic growth of Mainland China, the steady growth in manpower demand as shown in the survey findings is considered to be consistent with the actual economic situation in Hong Kong where the labour market is basically stable and supported by a modest growth in the local economy.

Recommendations

1.9 Having studied the results of the manpower surveys and the views of the working parties, the Training Boards have made a number of recommendations to improve the manpower demand and supply of 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

1.10 Staff training needs to be treated as an investment rather than cost and training programmes should aim at improving organisational 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 should be developed together with appropriate training to better equip company personnel with the ability to capture business opportunities when they arise.

1.11 The 2015 manpower surveys asked the employers to identify important training topics for different job levels (para. 3.22 – Table 14). While the order of importance might differ amongst the three industries in the Sector at various job levels, some common topics were observed.

1.12 For managerial level training, topics such as “Principles & Practice of Management”, “Marketing Management”, “Problem Solving & Decision Making” and “Strategic Management” were considered to be important by respondents. Training Boards were of the view that such preferences indicated the importance of management skills in making business decision and marketing skills in developing successful business strategies. Managers or potential Managers are advised to equip themselves with such skills for career advancement.

1.13 For supervisory level training, technical knowledge such as “Updates of Accounting Standard”, “Anti-Money Laundering Compliance” and “General / Life Insurance” were considered important training topics by employers. In consideration of the growth in persons engaged at this level over the past two years, this could indicate that employers perceived the need for more in depth knowledge in such areas by their supervisory level staff.

1.14 For clerical level training, employers’ preference differed. Employers of the accountancy sector required training in technical skills and knowledge such as “Financial Accounting” and “Updates of Accounting Standard”. Employers in the banking and finance industry and the insurance industry reported the need for training in language skills such as “Spoken English”, “English Writing” and “Putonghua”. In view of these findings, trainers

are advised to manage the content of training courses / programmes in accordance with the needs and levels of target participants to enhance training effectiveness.

1.15 The Survey revealed that establishments in the Sector would sponsor their staff to take training courses provided by external course providers. It is encouraging to note that the 2015 training budget for most establishments in the Sector would remain the same as that for 2014 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 position as an international financial services centre.

1.16 Regardless of industries, Professional Examination serves as a basic requirement to ensure the professional standard of practitioners and to protect the interests of the public. In addition to the 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 employers.

1.17 The majority of establishments considered that the most effective way to encourage employers to provide training to their employees was 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 Plus. On the other hand, the Vocational Training Council also offers services to help employers organise their training schemes. For example, the New Technology Training Scheme provides financial assistance to local companies up to a maximum of 50% of the training cost for their employees to be trained in new technologies. The Scheme covers various types of training mode including overseas training courses or industrial attachment, local training courses, and tailor-made local training courses/ industrial attachments for individual companies.

Strategies to Attract and Retain Talents

1.18 In view of the volatility of the market and after taking staff attrition into consideration, the Training Boards have projected additional manpower demand for the Sector to be 21 000 for the next 24 months (para. 3.19 – Table 12). Thus, it is essential that employers should 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.

1.19 Employers are more than happy to recruit graduates with a certain amount of working experience and preferably relevant working experience so that employers do not need to spend much time to train. In this connection, there is room for training institutions and the industry to collaborate in such a way that practical and updated industry knowledge would be incorporated into the curricula. On the other hand, employers should seriously consider offering attachment opportunities for students. Industrial attachment programmes enable students to experience real-life workplace challenges through attachment to different organisations. The programme can facilitate students' transition from study to work by developing their team work spirit, problem solving abilities, practical skills, and appropriate work attitudes and value. Through the programme, employers can identify the right talent for future full-time employment and also source suitable candidates to meet the seasonal or part-time manpower needs.

1.20 The fact that establishments of the Sector encountered difficulty in recruiting personnel might be due to keen competition with other companies and entities of other business sectors. In order to retain staff with good performance and maintain competitiveness of the business, establishments are suggested that an effective talent management system should be developed to provide employees with a clear career development plan and opportunities for career advancement.

1.21 Employers play an important role in attracting and retaining talents of the Sector by planning the career path of their employees. Employees will be better motivated if clear messages and specific guidelines on the route of training and development as well as the promotion path can be conveyed to them. The provision of a better prospect to personnel of the Sector would be an effective way to attract and retain talents.

1.22 As per the findings of the Survey, a competitive remuneration package and a good working condition were also crucial for attracting personnel to join the company.

Conclusion

1.23 Because of the predominant external uncertainties which include the timing and pace of interest rate rises in the United States and the future economic growth of Mainland China, the business outlook of the Sector is uncertain and this has affected manpower demand projections in the next 24 months. Notwithstanding this, the steady growth in manpower demand as shown in the survey findings is considered to be consistent with the current economic situation in Hong Kong. The Training Boards are of the view that the training needs of the industries are immense and would not be easily affected by economic cycles. To sustain Hong Kong as an international financial centre, concerted efforts should be made by employers, training institutes and the government in developing appropriate policies to retain and train financial talents for the 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 of the Vocational Training Council (VTC). These include, inter alia, the accountancy sector, banking and finance industry and insurance industry. These are performed as part of the responsibilities of 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 relevant industry, providing a good mix of expertise from enterprises, employers, employees, professional/trade organisations, academics and practitioners, and government bureaux and/or departments. Based on the findings of the biennial manpower surveys, individual training board formulates recommendations on manpower training and development strategies for 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 about the human resources situation for the 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 Financial Services Sector in Hong Kong. For the purpose of this exercise, the "Financial Services Sector" (the Sector) is defined to include the accountancy sector, banking and finance industry and insurance industry.

Purpose of the Surveys

2.3 The 2015 Manpower Surveys (MPSs) for these three industries were conducted in the first half of 2015 with the following objectives:

- (i) To assess the manpower and training needs of principal jobs in the accountancy sector, banking and finance industry and insurance industry;
- (ii) To forecast the growth of manpower in respective industries; and
- (iii) To recommend measures to meet the training needs and manpower demand of 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 respective industries using the stratified random sampling method. The effective response rate of the surveys remained high (89.7% to 95.8%) because Members of Training Boards and Working Parties had taken initiatives in liaising with respective establishments and fieldworkers from the Census and Statistics Department had been mobilised to visit establishments to follow up and assist them in the completion of the mailed questionnaires.

Scope of the Surveys

Industry	Categories of Establishments / Main Activities (Branches)	Total No. of Establishments			Sample Size of Establishments			Effective Response Rate
		2013	2015	Change	2013	2015	Change	2015
Accountancy	4	39 181	40 184	2.6%	1 473	1 552	5.4%	92.9%
Banking and Finance	10	6 996	7 564	8.1%	1 056	1 127	6.7%	89.7%
Insurance	7	3 101	3 242	4.5%	748	764	2.1%	95.8%

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 summarised as follows:

- (I) Accountancy Sector:
 - (i) Accounting firms;
 - (ii) Major government departments, non-governmental organisations and statutory bodies;
 - (iii) Commerce and services establishments with ten or more employees; and
 - (iv) Industrial establishments with ten 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 and related companies;
 - (v) Securities brokerage firms;
 - (vi) Commodity futures (including financial futures) and precious metals 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;
 - (ix) Investment advisory / asset management companies; and
 - (x) 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) Bancassurers

2.6 The distribution of 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 of 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 when designing the survey questionnaire.

2.8 One week before the start of the fieldwork, 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 making reference to individual establishments.

Fieldwork

2.9 Fieldwork of the MPSs commenced on 9 January 2015 for completion in two months. During the survey period, an officer from the Census and Statistics Department (C&SD) will contact the sampled establishment to answer any questions and collect the completed questionnaire for data processing. In order to have more establishments, particularly those bigger ones, to respond to the survey, the fieldwork period took longer than two months. Upon completion of fieldwork, data processing was then undertaken by the C&SD, and by end of July, a full set of the tabulations was 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 selected establishments included: the number of current personnel, number of existing vacancies, employers' forecast of the number of posts in the next 24 months, minimum requirement of education/experience preferred for each principal job/job level, turnover of personnel in the past twelve months, wastage rates and training needs specific to the industries etc, 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.

Appendix 1

Accountancy Sector Distribution of Survey Samples

Branch	Employment Size of Establishment	Total No. of Establishments	Sample Size of Establishments	Percentage to Total No. of Establishments
Accounting Firms	1 - 49	2 449	266	10.9%
	50 - 499	23	23	100%
	500 and over	5	5	100%
		<u>2 477</u>	<u>294</u>	
Government Departments, Non-governmental Organisations and Statutory Bodies	34 representative establishments were specified by the Accountancy Training Board on account of their substantial proportion of accounting staff. Employment size varies.	34	34	100%
Commerce and Services Establishments	10 - 19	18 161	112	0.6%
	20 - 99	13 387	195	1.5%
	100 - 199	1 228	106	8.6%
	200 - 499	631	184	29.2%
	500 and over	400	400	100%
		<u>33 807</u>	<u>997</u>	
Industrial Establishments	10 - 19	2 147	53	2.5%
	20 - 99	1 453	71	4.9%
	100 - 199	141	25	17.7%
	200 - 499	79	32	40.5%
	500 and over	46	46	100%
		<u>3 866</u>	<u>227</u>	
	Total	<u>40 184</u>	<u>1 552</u>	

Appendix 2

Banking and Finance Industry Distribution of Survey Samples

Branch	Employment Size of Establishments	Total No. of Establishments	Sample Size of Establishments	Percentage to Total No. of Establishments
#1. Banks & representative offices of foreign banks	1-19	77	77	100%
	20-49	45	45	100%
	50-99	23	23	100%
	100-499	42	42	100%
	500-999	9	9	100%
	1000 & Above	23	23	100%
	Sub-total	219	219	
#2. Deposit-taking companies	1-19	15	15	100%
	20-49	3	3	100%
	50-99	1	1	100%
	100-499	2	2	100%
	Sub-total	21	21	
3. Investment & holding companies	1-19	978	98	10.0%
	20-49	25	9	36.0%
	50-99	4	4	100%
	100-499	3	3	100%
	Sub-total	1 010	114	
4. Personal loans and related companies	1-19	721	94	13.0%
	20-49	22	22	100%
	50-99	7	7	100%
	100-499	2	2	100%
	Sub-total	752	125	
5. Securities brokerage firms	1-19	480	58	12.1%
	20-49	74	30	40.5%
	50-99	15	15	100%
	100-499	15	15	100%
	Sub-total	584	118	
6. Commodity futures & precious metals brokers / dealers	1-19	197	91	46.2%
	20-49	20	20	100%
	50-99	4	4	100%
	100-499	1	1	100%
	Sub-total	222	116	
7. Stock, bullion & commodity exchanges and statutory bodies in the banking and finance industry	1-19	1	1	100%
	20-49	1	1	100%
	50-99	-	-	-
	100-499	-	-	-
	500-999	3	3	100%
	1000 & Above	1	1	100%
	Sub-total	6	6	
8. Money changers & foreign exchange brokers / dealers	1-19	801	97	12.1%
	20-49	10	10	100%
	50-99	1	1	100%
	100-499	3	3	100%
	Sub-total	815	111	
9. Investment advisory/ asset management companies	1-19	800	80	10.0%
	20-49	106	32	30.2%
	50-99	17	17	100%
	100-499	20	20	100%
	1000 & Above	2	2	100%
	Sub-total	945	151	
10. Other financial companies	1-19	2 875	86	3.0%
	20-49	69	14	20.3%
	50-99	19	19	100%
	100-499	21	21	100%
	500-999	5	5	100%
	1000 & Above	1	1	100%
	Sub-total	2 990	146	
Total		7 564	1 127	

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	Percentage to Total No. of Establishments
1. Life Insurers	All	42	42	100%
2. General Insurers	All	90	90	100%
3. Composite Insurers	All	19	19	100%
4. Brokers	1-9	500	100	20.0%
	10 & over	140	140	100%
	Sub-total	640	240	
5. Company Agencies - Insurance	1-4	1 082	108	10.0%
	5-9	77	62	80.5%
	10 & over	36	36	100%
	Sub-total	1 195	206	
6. Company Agencies - Alternative distribution	1-4	676	54	8.0%
	5-9	262	21	8.0%
	10 & over	282	56	19.9%
	Sub-total	1 220	131	
7. Bancassurer	1-9	-	-	-
	10 & over	36	36	100%
	Sub-total	36	36	
	Overall Total	3 242	764	

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 could generally reflect the overall picture of the manpower situation in the Sector, and highlighted to a large extent its manpower requirements. Comments made by Members of Training Boards and Working Parties were incorporated in the 2015 surveys, such as the views of employers on the importance of different types of training and also the views on the possible incentives to the provision of training programmes by employers.

Manpower Statistics of the Financial Services Sector

Persons Engaged in 2015 Survey

3.2 The surveys revealed that there was a total of 307 470 persons engaged in the Sector in 2015 with 72 423 at managerial level, 99 931 at supervisory level, 101 658 at clerical level and 33 458 insurance agents.

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. In addition to these major job levels, the accountancy sector 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 summarised 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 sector, Branch Operations Managers in the banking and finance industry and Underwriting Managers in the insurance industry;
- (ii) **Supervisory:** supervisory staff generally assist 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 sector, Business Development Officers in the banking and finance industry and Actuarial Assistants and Claims Supervisors 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 sector, Securities and Futures Assistants/ Clerks 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 / herself 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 or she identifies prospective clients to acquire new business and serves existing policy holders.

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

Table 1: Distribution of Persons Engaged

Industry \ Job Level	Managerial	Supervisory	Clerical	Agent	Total (%)*
Accountancy Firms	7 304	5 019	9 521	-	21 844 (7.1)
Banking & Finance and Insurance Services	1 754	1 480	2 083	-	5 317 (1.7)
Others**	15 173	16 285	44 549	-	76 007 (24.7)
Accountancy	24 231	22 784	56 153	-	103 168# (33.6)
Banks, DTC and Rep. Offices	27 765	39 802	26 835	-	94 402 (30.7)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	7 016	8 668	5 809	-	21 493 (7.0)
Others***	7 062	12 700	8 113	-	27 875 (9.1)
Banking and Finance	41 843	61 170	40 757	-	143 770 (46.8)
Life Insurance	3 203	5 812	1 524	31 328	41 867 (13.6)
General Insurance	3 146	10 165	3 224	2 130	18 665 (6.1)
Insurance §	6 349	15 977	4 748	33 458	60 532 (19.7)
Total (%)	72 423 (23.6)	99 931 (32.5)	101 658 (33.1)	33 458 (10.9)	307 470^ (100.0)

The total figure may be higher than the actual total number of persons engaged, as those 5 317 accounting personnel working in the banking, finance and insurance industries were also captured under both banking and finance and insurance surveys.

^ The total number of 307 470 persons engaged excluded 9 424 other supporting staff in the Sector (7 547 in the banking and finance industry and 1 877 in the insurance industry). As the skill sets of these supporting staff are not specific to the Sector, the manpower information of these other supporting staff was not included.

@ The 813 Trainers/Teachers engaged in the accountancy sector and 10 746 Technical Representatives in the insurance industry are accounted for in the supervisory job level for the simplicity of presentation.

Others ** - include some government departments and large non-governmental organisations, commerce and services and industrial establishments with ten or more employees and exclude establishments providing banking and finance and insurance services.

Others*** - include investment and holding companies; personal loans and related companies; commodity futures and precious metals 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.

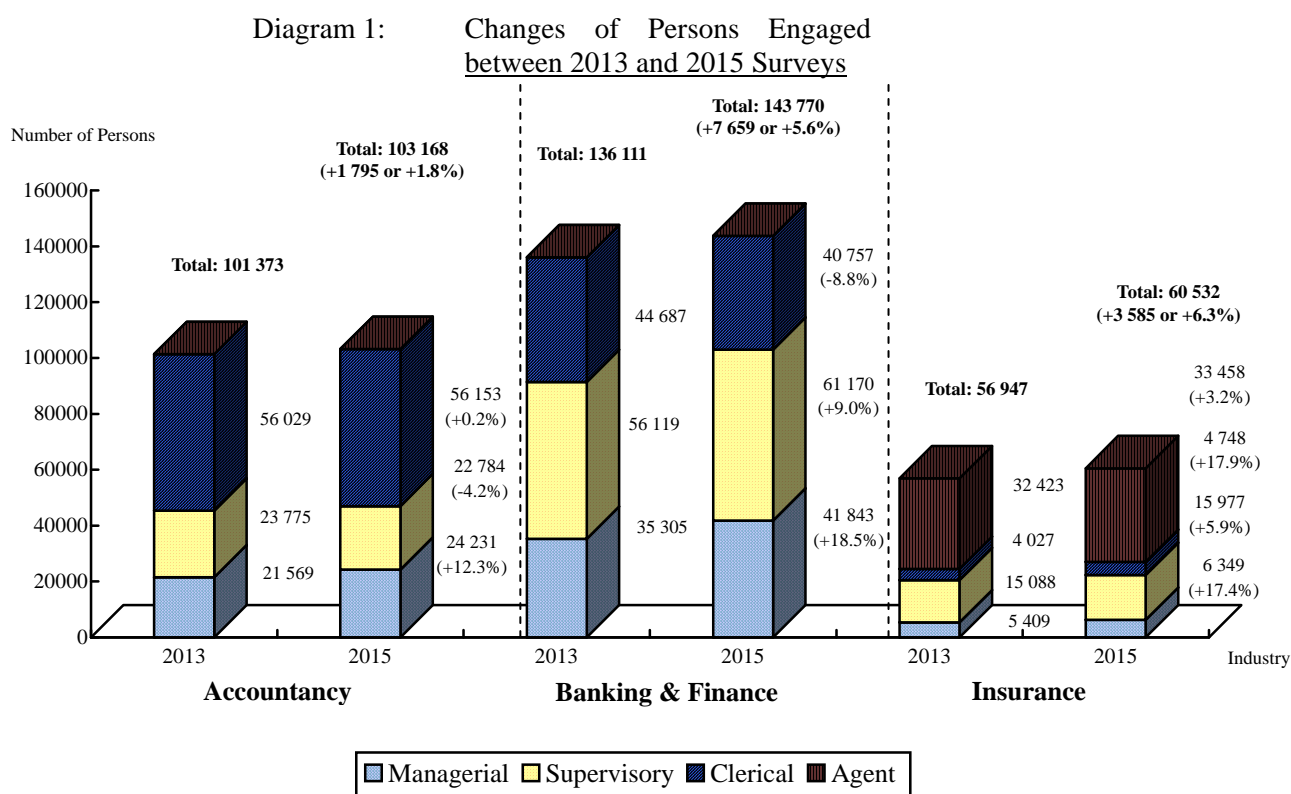
(%)* Percentage of the total persons engaged in the Sector may not equal 100% due to rounding.

§ For the insurance industry, the reported manpower figure might be different from the actual manpower figure because some of the major insurance companies did not respond to the survey.

Comparison of Persons Engaged between the 2013 and 2015 Surveys

3.5 Total persons engaged in the Sector have increased by 13 039 or 4.4% between 2013 and 2015 as detailed in Diagram 1.

3.6 The banking and finance industry had the largest number of employees at 143 770 constituting 46.8% of the total number of persons engaged in the Sector. This industry has also reported the second largest increase of 7 659 persons or 5.6% when compared with 2013. The accountancy sector had the second largest number of employees at 103 168 constituting 33.6% of the total number of persons engaged in the Sector. Persons engaged have increased by 1 795 persons or 1.8% between 2013 and 2015. The insurance industry had 60 532 personnel and constituted 6.3% of the total number of persons engaged in the Sector. This industry has reported the largest increase of 3 585 persons or 6.3% when compared with 2013.



Vacancies

3.7 There were a total of 6 306 vacancies in the Sector, representing an increase of 2 097, i.e. 49.8% from 4 209 vacancies reported in 2013. An analysis of vacancies in Table 2B indicates that the Sector as a whole experienced a relatively higher vacancy rate for agents versus the managerial, supervisory and clerical levels. The distribution of vacancies in the Sector is summarised in Tables 2A and 2B below:

Table 2A: Distribution of Vacancies by Industries

Industry \ Job Level	Managerial (%)*	Supervisory (%)*	Clerical (%)*	Agent (%)*	Total (%)*
Accountancy Firms	39 (2.2)	204 (11.6)	705 (40.1)	-	948 (54.0)
Banking & Finance and Insurance Services	9 (0.5)	35 (2.0)	5 (0.3)	-	49 (2.8)
Others	176 (10.0)	120 (6.8)	463 (26.4)	-	759 (43.2)
Accountancy	224 (12.8)	359 (20.4)	1 173 (66.8)	-	1 756 (100.0)
Banks, DTC and Rep. Offices	439 (18.5)	628 (26.4)	420 (17.7)	-	1 487 (62.6)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	122 (5.1)	124 (5.2)	42 (1.8)	-	288 (12.1)
Others	113 (4.8)	273 (11.5)	216 (9.1)	-	602 (25.3)
Banking and Finance	674 (28.4)	1 025 (43.1)	678 (28.5)	-	2 377 (100.0)
Life	62 (2.9)	206 (9.5)	51 (2.3)	1 411 (64.9)	1 730 (79.6)
General	44 (2.0)	307 (14.1)	82 (3.8)	10 (0.5)	443 (20.4)
Insurance	106 (4.9)	513 (23.6)	133 (6.1)	1 421 (65.4)	2 173 (100.0)
Total (%)**	1 004 (15.9)	1 897 (30.1)	1 984 (31.5)	1 421 (22.5)	6 306 (100.0)

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

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

N.B. Statistics of small magnitude are subject to a 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

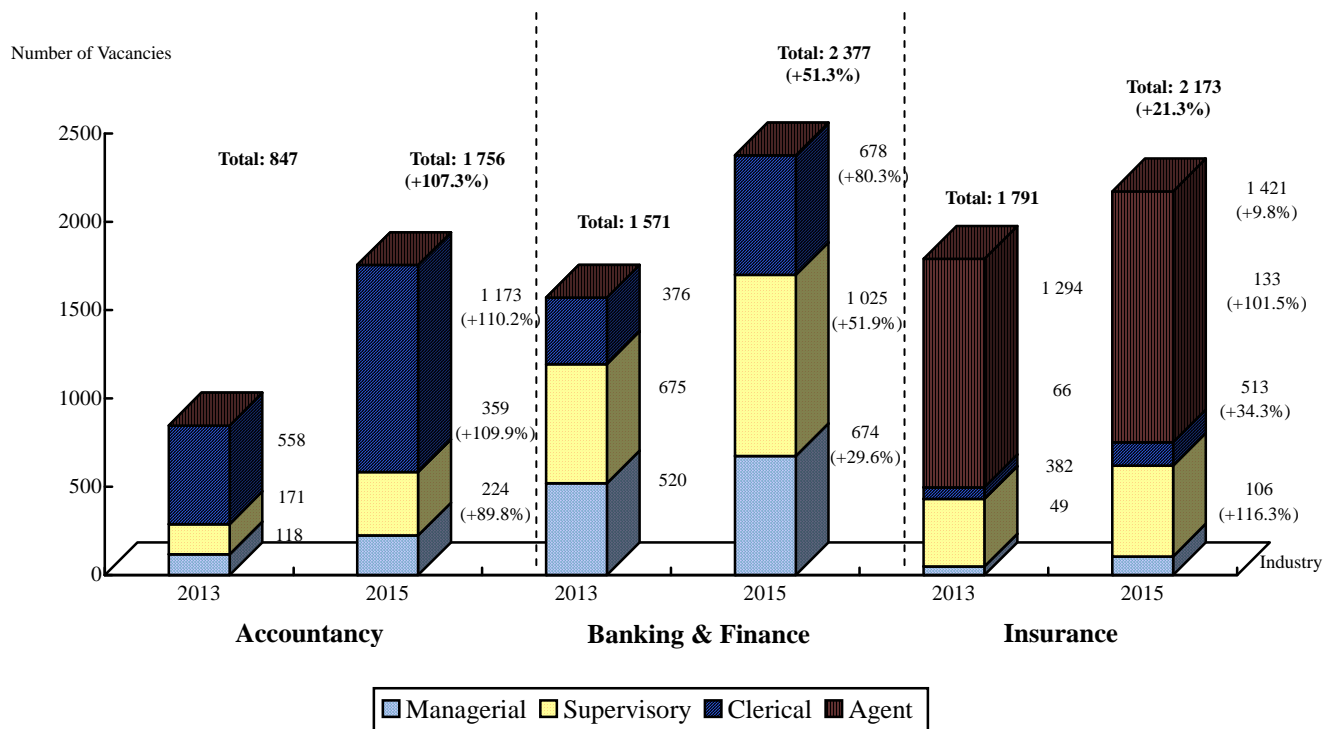
Industry	Job Level	Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
Accountancy	No. of Vacancies	224	0.9	359	1.6	1 173	2.1	-	-	1 756	1.7
	No. of Persons Engaged	24 231		22 784		56 153		-		103 168	
Banking and Finance	No. of Vacancies	674	1.6	1 025	1.7	678	1.7	-	-	2 377	1.7
	No. of Persons Engaged	41 843		61 170		40 757		-		143 770	
Insurance	No. of Vacancies	106	1.7	513	3.2	133	2.8	1 421	4.2	2 173	3.6
	No. of Persons Engaged	6 349		15 977		4 748		33 458		60 532	
Total	No. of Vacancies	1 004	1.4	1 897	1.9	1 984	2.0	1 421	4.2	6 306	2.1
	No. of Persons Engaged	72 423		99 931		101 658		33 458		307 470	

(%)# 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 2013 and 2015 Surveys

3.8 The accountancy sector, banking and finance industry and insurance industry each experienced vacancy increases of 107.3%, 51.3% and 21.3% respectively with the clerical level jobs reporting the largest increment for the accountancy sector and the banking and finance industry. For the insurance industry, managerial level jobs reported the largest increment. The comparison of the distribution of vacancies by job levels in the three industries between 2013 and 2015 Surveys is shown in Diagram 2.

Diagram 2: Distribution of Vacancies between 2013 and 2015 Surveys



Manpower Demand

3.9 The total manpower demand, which is defined as the number of personnel plus the number of vacancies, has increased by 15 136 or 5.1% between 2013 and 2015. The distribution of manpower demand by industry and by job level is summarised in Table 3.

Table 3: Distribution of Manpower Demand in 2015

Industry	Managerial	Supervisory	Clerical	Agent	Total (%)**
Accountancy Firms	7 343	5 223	10 226	-	22 792 (7.3)
Banking & Finance and Insurance Services	1 763	1 515	2 088	-	5 366 (1.7)
Others	15 349	16 405	45 012	-	76 766 (24.5)
Accountancy (%)*	24 455 (23.3)	23 143 (22.1)	57 326 (54.6)	-	104 924 (33.4)
Banks, DTC and Rep. Offices	28 204	40 430	27 255	-	95 889 (30.6)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	7 138	8 792	5 851	-	21 781 (6.9)
Others	7 175	12 973	8 329	-	28 477 (9.1)
Banking and Finance (%)*	42 517 (29.1)	62 195 (42.6)	41 435 (28.4)	-	146 147 (46.6)
Life Insurance	3 265	6 018	1 575	32 739	43 597 (13.9)
General Insurance	3 190	10 472	3 306	2 140	19 108 (6.1)
Insurance (%)*	6 455 (10.3)	16 490 (26.3)	4 881 (7.8)	34 879 (55.6)	62 705 (20.0)
Total (%)**	73 427 (23.4)	101 828 (32.5)	103 642 (33.0)	34 879 (11.1)	313 776 (100.0)

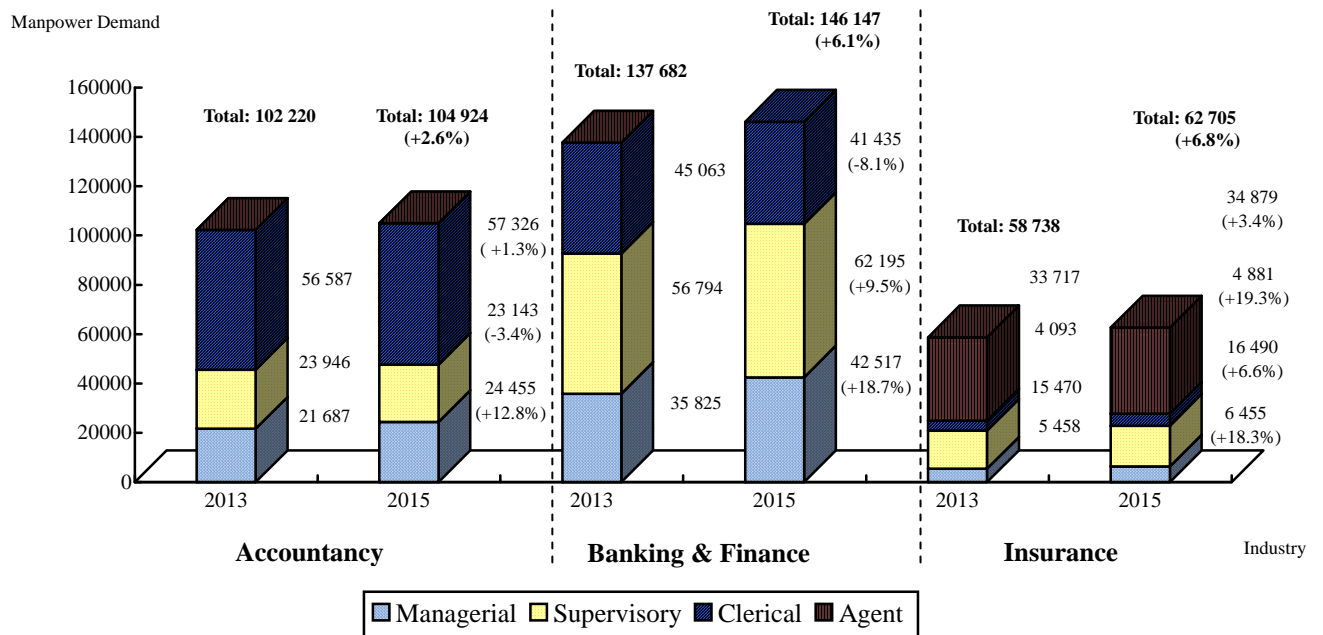
(%)* As a percentage of the total manpower demand in the same industry and the total may not equal 100% due to rounding.

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

Comparison of Manpower Demand between 2013 and 2015 Surveys

3.10 All three industries reported an increase in manpower demand. A comparison of manpower demand between 2013 and 2015 Surveys is shown in Diagram 3.

Diagram 3: Comparison of Manpower Demand between 2013 and 2015 Surveys



Forecast of Manpower Demand in the Next 24 Months

3.11 Based on employers' projection, manpower is forecasted to increase by 2 502 or 0.8% for the Sector in the next 24 months. Employers of the accountancy sector and the banking and finance industry projected a growth of 1.9% and 0.3% respectively while employers of the insurance industry estimated a very slight decline of <0.1%. Table 4 below shows the manpower demand forecast for the Sector in the next 24 months, broken down by industry and by job level.

Table 4: Forecast of Manpower Demand in the Next 24 Months

Industry	Managerial	Supervisory	Clerical	Agent	Manpower Demand Forecast for 2017 (%)*	Manpower Demand in 2015	Forecasted Manpower Growth (%)**
Accountancy Firms	7 400	5 301	10 510	-	23 211 (7.3)	22 792	419 (1.8)
Banking & Finance and Insurance Services	1 763	1 641	2 214	-	5 618 (1.8)	5 366	252 (4.7)
Others	15 492	16 574	46 043	-	78 109 (24.7)	76 766	1 343 (1.7)
Accountancy	24 655	23 516	58 767	-	106 938 (33.8)	104 924	2 014 (1.9)
Banks, DTC and Rep. Offices	28 180	40 447	27 276	-	95 903 (30.3)	95 889	14 (<0.1)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	7 150	8 876	5 899	-	21 925 (6.9)	21 781	144 (0.7)
Others	7 151	13 317	8 320	-	28 788 (9.1)	28 477	311 (1.1)
Banking and Finance	42 481	62 640	41 495	-	146 616 (46.4)	146 147	469 (0.3)
Life Insurance	3 290	6 187	1 580	32 434	43 491 (13.8)	43 597	-106 (-0.2)
General Insurance	3 201	10 579	3 312	2 141	19 233 (6.1)	19 108	125 (0.7)
Insurance	6 491	16 766	4 892	34 575	62 724 (19.8)	62 705	19 (<0.1)
Total (%)*	73 627 (23.3)	102 922 (32.5)	105 154 (33.2)	34 575 (10.9)	316 278 (100.0)	313 776	2 502 (0.8)

(%)* As a percentage of the total forecasted manpower demand for 2017 in the Financial Services Sector and the total may not equal 100% due to rounding.

(%)** Manpower growth rate was based on 2015 manpower demand and 2017 projection and the total may not equal 100% due to rounding.

Minimum Education/Professional Qualification Requirement of Personnel by Job Level

3.12 Most employers surveyed in the Sector preferred their personnel at managerial and supervisory levels to possess a higher level of education as shown in Table 5 below. The survey revealed that 72.2% of managerial staff should possess university degrees or above, 47.1% of supervisory staff should possess university degrees or above and 24.6% of them should possess higher diploma/associate degree/diploma/higher certificate/certificate or equivalent. 59.5% of clerical staff should possess Hong Kong Diploma of Secondary Education/matriculation/secondary 5 education level or equivalent. Regarding professional qualification as shown in Table 6, it was found that 59.1% of managerial staff and 29.5% of supervisory staff and 20.6% of agents should possess professional qualification, while the percentage for clerical staff was relatively low. The distribution of the minimum education requirement and professional qualification requirement by job level is summarised in Tables 5 and 6.

Table 5 : Minimum Education Requirement of Personnel by Job Level

Job Level	University Degree or Above (%)*	Higher Diploma/ Associate Degree or equivalent (%)*	Diploma/ Higher Cert./ Certificate or equivalent (%)*	Hong Kong Diploma of Secondary Education/ Matriculation (%)*	Secondary 5 or equivalent (%)*	Below Secondary 5 (%)*	Unspecified@ (%)*	Total (%)*
Managerial	52 323 (72.2)	8 795 (12.1)	1 204 (1.7)	1 067 (1.5)	561 (0.8)	- -	8 473 (11.7)	72 423 (100.0)
Supervisory	47 063 (47.1)	11 792 (11.8)	12 754 (12.8)	9 875 (9.9)	7 770 (7.8)	177 (0.2)	10 500 (10.5)	99 931 (100.0)
Clerical	9 034 (8.9)	8 329 (8.2)	12 055 (11.9)	14 460 (14.2)	46 004 (45.3)	1 158 (1.1)	10 618 (10.4)	101 658 (100.0)
Agent	821 (2.5)	208 (0.6)	- -	183 (0.5)	20 153 (60.2)	- -	12 093 (36.1)	33 458 (100.0)
Total	109 241	29 124	26 013	25 585	74 488	1 335	41 684	307 470

@ Respondents who did not disclose information concerning minimum education requirements were labeled as “Unspecified”. Caution should be taken when analysing the job level of Agent in view of the relatively high percentage of unspecified responses.

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

N.B. Statistics of small magnitude are subject to a 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 Personnel by Job Level

Job Level	Professional Qualification Required (%)*	Professional Qualification Not Required (%)*	Unspecified@ (%)*	Total
Managerial	18 079 (59.1)	9 234 (30.2)	3 267 (10.7)	30 580 (100.0)
Supervisory	11 452 (29.5)	24 565 (63.4)	2 744 (7.1)	38 761 (100.0)
Clerical	4 846 (8.0)	50 067 (82.2)	5 988 (9.8)	60 901 (100.0)
Agent	6 895 (20.6)	14 470 (43.2)	12 093 (36.1)	33 458 (100.0)
Total	41 272	98 336	24 092	163 700^

@ Respondents who did not disclose information concerning minimum professional qualification requirements were labeled as “Unspecified”. Caution should be taken when analysing the job level of Agent in view of the relatively high percentage of unspecified responses.

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

^ The 2015 Survey of the Banking and Finance Industry did not collect the information regarding the requirement of professional qualifications.

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

Minimum Requirement of Year(s) of Experience of Personnel

3.13 The range of the length of working experience required at various job levels varies among the three industries within the Sector. Employers preferred managerial staff to have a minimum of five to ten years or more of working experience in their respective industries. Supervisory staff would require a minimum of two to six years of working experience in their respective industries and clerical personnel were normally required to have less than three years of working experience. Insurance agents would require less than 1 year to 2 years of working experience. Table 7 shows the minimum year(s) of experience required in the Sector.

Table 7 : **Minimum Requirement of Year(s)
of Experience by Job Level**

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

Distribution of Employees by Average Monthly Income Range

3.14 Table 8 shows the distribution of employees by average monthly income range at different job levels in the Sector. It should be noted that it is not the intention of the survey to collect information on the income of financial services personnel and the following income data only serves to cross-check the reliability of manpower data at various job levels. In addition, as a certain number of respondents did not provide the required data, readers should be mindful of this when they interpret the findings in Table 8.

Table 8: Number of Employees by Average Monthly Income Range by Job Level

Job Level	Number of Employees										Total (%)**
	Below \$8,000 (%)*	\$8,000 to \$10,000 (%)*	\$10,001 to \$20,000 (%)*	\$20,001 to \$30,000 (%)*	\$30,001 to \$40,000 (%)*	\$40,001 to \$60,000 (%)*	\$60,001 to \$80,000 (%)*	\$80,001 to \$100,000 (%)*	Above \$100,000 (%)*	Unspecified@ (%)*	
Managerial	-	20	135	2 236	4 858	13 168	8 481	3 574	2 786	12 934	48 192
	-	(<0.1)	(0.3)	(4.6)	(10.1)	(27.3)	(17.6)	(7.4)	(5.8)	(26.8)	(100.0)
Supervisory	133	1 058	17 420	25 904	7 289	2 477	335	376	596	21 559	77 147
	(0.2)	(1.4)	(22.6)	(33.6)	(9.4)	(3.2)	(0.4)	(0.5)	(0.8)	(27.9)	(100.0)
Clerical	6	4 913	26 565	2 325	235	166	4	-	-	11 291	45 505
	(<0.1)	(10.8)	(58.4)	(5.1)	(0.5)	(0.4)	(<0.1)	-	-	(24.8)	(100.0)
Insurance Agent	-	-	4 739	-	1 403	-	374	-	74	26 868	33 458
	-	-	(14.2)	-	(4.2)	-	(1.1)	-	(0.2)	(80.3)	(100.0)
Total	139	5 991	48 859	30 465	13 785	15 811	9 194	3 950	3 456	72 652	204 302
(%)**	(0.1)	(2.9)	(23.9)	(14.9)	(6.7)	(7.7)	(4.5)	(1.9)	(1.7)	(35.6)	(100.0)

@ Respondents who did not disclose information concerning average monthly income range were labeled as “Unspecified”.

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

Average monthly income range for accountancy sector was excluded in Table 8 as the figures were not captured in the survey.

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

Distribution of Employees by Average Age Range

3.15 Table 9 shows the distribution of personnel by average age range at different job levels. The majority of the personnel at the job levels of “Managerial” and “Supervisor/Officer” ranged from 35 to 50 years old whereas over 45% of clerical staff were below 35. However, as a certain number of respondents did not provide the required data, readers of this report should be mindful of this when they interpret the findings in Table 9.

Table 9: Number of Employees by Average Age Range by Job Level

<u>Job Level</u>	<u>Number of Employees</u>				<u>Total (%)**</u>
	<u>Below 35 (%)*</u>	<u>35 - 50 (%)*</u>	<u>Over 50 (%)*</u>	<u>Unspecified@ (%)*</u>	
Managerial	3 295 (4.5)	42 060 (58.1)	5 118 (7.1)	21 950 (30.3)	72 423 (100.0)
Supervisory/ Officer	24 849 (24.9)	35 267 (35.3)	1 531 (1.5)	38 284 (38.3)	99 931 (100.0)
Clerical	46 607 (45.8)	26 278 (25.8)	1 230 (1.2)	27 543 (27.1)	101 658 (100.0)
Insurance Agent	298 (0.9)	1 887 (5.6)	4 810 (14.4)	26 463 (79.1)	33 458 (100.0)
Total (%)**	75 049 (24.4)	105 492 (34.3)	12 689 (4.1)	114 240 (37.2)	307 470 (100.0)

@ Respondents who did not disclose information concerning average age range were labeled as “Unspecified”.

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

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

Staff Turnover in the Past Twelve Months

3.16 Staff turnover is defined as the total number of personnel who have left the companies in a specified period of time. The staff turnover statistics by industry and by job level are shown in Table 10 below.

Table 10 : Number of Personnel Resigned
in the Past Twelve Months by Job Level

Job Level Industry		Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
		Accountancy	Persons Resigned	1 525	(6.3)	2 662	(11.7)	9 211	(16.4)	-	-
No. of Persons Engaged	24 231		22 784	56 153		-		103 168			
Banking and Finance	Persons Resigned	2 352	(5.6)	7 140	(11.7)	5 975	(14.7)	-	-	15 467	(10.8)
	No. of Persons Engaged	41 843		61 170		40 757		-		143 770	
Insurance	Persons Resigned	533	(8.4)	1 429	(8.9)	1 043	(22.0)	4 385	(13.1)	7 390	(12.2)
	No. of Persons Engaged	6 349		15 977		4 748		33 458		60 532	
Total	Persons Resigned	4 410	(6.1)	11 231	(11.2)	16 229	(16.0)	4 385	(13.1)	36 255	(11.8)
	No. of Persons Engaged	72 423		99 931		101 658		33 458		307 470	

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

3.17 In the past twelve months, 36 255 personnel left their companies for various reasons, such as resignation, further studies, emigration and retirement, etc, which has increased by 6 538 or 22.0% from 29 717 in 2013. The overall staff turnover rate was 11.8% for the Sector. The results showed that staff turnover was the highest in the accountancy sector which was 13.0%, followed by the insurance industry which was 12.2% whereas the percentage of the banking and finance industry was 10.8%.

Recruitment Difficulties

3.18 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 45.8% and 37.4% of the cases of recruitment difficulties. The reasons of recruitment difficulties were more or less the same as previous surveys. Other reasons included the requirement of specific language skills, etc. The analysis of recruitment difficulties experienced in the Sector by reason and by job level is summarised in Table 11 below.

Table 11 : Recruitment Difficulties in the Past Twelve 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	20 (4.3)	5 (1.1)	281 (60.6)	155 (33.4)	1 (0.2)	2 (0.4)	-	464 (100.0)
Supervisory	39 (3.5)	47 (4.2)	488 (44.1)	384 (34.7)	7 (0.6)	11 (1.0)	131 (11.8)	1 107 (100.0)
Clerical	33 (2.3)	58 (4.0)	615 (42.3)	591 (40.7)	9 (0.6)	5 (0.3)	142 (9.8)	1 453 (100.0)
Total (%)**	92 (3.0)	110 (3.6)	1 384 (45.8)	1 130 (37.4)	17 (0.6)	18 (0.6)	273 (9.0)	3 024 (100.0)

Other reasons include “work place too far from home”, “the requirement to possess knowledge about special software was not met” and “candidates should possess specific language skills”, etc.

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

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

@ Reasons of recruitment difficulties for agents were excluded in Table 11 as the figures were not captured in the survey.

N.B. Statistics of small magnitude are subject to a 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

3.19 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 of the Sector in the next 24 months would be about 328 000 (307 000 + 21 000) persons. Table 12 shows the total manpower requirements by industry and by job level.

Table 12 : Total Manpower Requirements of the
Financial Services Sector in the next 24 months

Industry \ Job Level	Managerial		Supervisory		Clerical		Agent		Total	
	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement	Current No. of Persons	Projected Additional Manpower Requirement
Accountancy	24 231	1 368	22 784	1 139	56 153	2 524	-	-	103 168	5 031
Banking and Finance	41 843	2 938	61 170	4 760	40 757	4 521	-	-	143 770	12 219
Insurance	6 349	345	15 977	1 302	4 748	296	33 458	2 185	60 532	4 128
Total	72 423	4 651	99 931	7 201	101 658	7 341	33 458	2 185	307 470 Say 307 000	21 378 Say 21 000

Manpower Supply in the Financial Services Sector

3.20 Based on the manpower projections for next 24 months made by the Training Boards (about 21 000 as shown in Table 12 of para. 3.19) and taking into account the education / qualification requirements of various job levels preferred by employers in the three industries, about 11 139 personnel with degree or sub-degree qualifications would be required. According to the information provided by the University Grants Committee of Hong Kong (UGC), the Vocational Training Council (VTC) and course providers running courses related to accountancy, banking and finance, and insurance, the estimated number of graduates with degree or sub-degree qualifications in related areas in 2015/2016 and 2016/2017 is shown in Table 13B. Concerning the estimated employers' demand for manpower with degree or sub-degree qualifications in the three industries, the data are listed in Table 13A.

Table 13A: Demand for Local Graduates of the Accountancy Sector, Banking and Finance Industry and Insurance Industry

Manpower Demand Industry	Employers' Demand for Personnel with Degree or Sub-degree Qualifications		
	Degree	Sub-degree	Total
Accountancy	1 937	1 056	2 993
Banking and Finance	4 770	2 367	7 137
Insurance	626	383	1 009
Total	7 333	3 806	11 139

Table 13B: Supply of Local Graduates of Accountancy, Finance, Business Administration, Insurance and Related Disciplines

Manpower Supply Discipline	Estimated Number of Graduates			
	Degree		Sub-degree#	
	2015/16	2016/17	2015/16	2016/17
Accountancy and related disciplines	2 607	2 442	1 226	1 252
Finance, Business Administration and related disciplines	4 041	4 018	915	918
Insurance and related disciplines	1 857	1 909	915	918

Note: The Training Board wrote to course providers requesting for their estimated number of degree and sub-degree graduates in 2015/16 and 2016/17. The figure does not represent the total manpower supply in the industry as overseas graduates are not included and only 33.3% of the course providers replied. The estimated number of graduates reported by these course providers has been included in the figures shown in Table 13B. Users of the survey findings should note that the data collected might not be comprehensive.

Readers should note that not all sub-degree graduates would enter the job market immediately after graduation. Quite a number of those graduates would opt for further study.

3.21 As shown in Table 12 of para. 3.19, the projected additional manpower requirements for the next 24 months are about 21 000. In addition to those 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 secondary school graduates might also join the three industries. These graduates will be new blood to the Sector. On the other hand, the Sector is in need of experienced people to take up managerial and supervisory positions. Employers are encouraged 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 level and develop a pool of talents for senior positions.

Training Needs in the Financial Services Sector

3.22 In the 2015 Survey, employers were asked to give ideas on the training types / topics which were important to manpower development in the three industries. The top five types / topics of training mostly chosen by respondents for various job levels in the industry are summarised in Table 14.

Table 14: Topics of Training for Manpower Development

Topics of Training Job Level	Accountancy	Banking and Finance	Insurance
Managerial	Financial Accounting	Risk Management	General Insurance
	Updates of Accounting Standard	Strategic Management	Law Relating to Insurance
	Principles & Practice of Management	Principles & Practice of Management	Marketing Management
	Problem Solving & Decision Making	Problem Solving & Decision Making	Strategic Management
	Marketing Management	Anti-Money Laundering Compliance	Principles & Practice of Management
Supervisory	Financial Accounting	Anti-Money Laundering Compliance	General Insurance
	Updates of Accounting Standard	Financial Markets Operations	Law Relating to Insurance
	Cost and Management Accounting	Compliance of Various Ordinances	Effective Communication Skills
	Principles & Practice of Management	Putonghua	Life Insurance
	Accrued-based Accounting	English Writing	Interpersonal Skills
Clerical	Financial Accounting	Putonghua	English Writing
	Updates of Accounting Standard	Communication Skills	Use of Computer
	Cost and Management Accounting	Spoken English	Putonghua
	English Writing	English Writing	General Insurance
	Accrued-based Accounting	Anti-Money Laundering Compliance	Spoken English
Agents	n/a	n/a	General Insurance
			Life Insurance
			Stress Management
			Time Management
			Financial Planning
			Marketing/Selling Skills

3.23 In general, employers considered training topics such as Principles & Practice of Management, Marketing Management, Problem Solving & Decision Making, etc should be offered to managerial staff, while more trade-related training topics such as Updates of Accounting Standard, Anti-Money Laundering Compliance and General / Life Insurance should be offered to supervisors in their respective industries. For clerical staff, generic skills such as language and communication skills were considered to be important.

Incentives to Encourage Employers to Provide their Personnel with Training

3.24 In the 2015 Survey, employers were also requested to suggest the possible incentives to encourage establishments to provide their personnel with training. Survey findings revealed that effective ways to encourage employers to provide their personnel with training were “Reimbursement of course fees to employers”, “Provision of subsidy to employers” and “Government loan/grant to employers” in the accountancy sector and the banking and finance industry. The 2015 Survey of the Insurance Industry did not collect this piece of information.

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

3.25 The 2015 Survey revealed the percentage of training to be provided by external course providers in the next twelve months. In the accountancy sector and the banking and finance industry, the majority of establishments would have less than 50% of their training programmes to be provided by external course providers. On the contrary, for the insurance industry, except the clerical staff, the majority of establishments would plan to outsource more than 50% of their training programmes from external course providers. The detailed figures are shown in Table 15.

Table 15: Estimated Percentage of Training Provided by
External Course Providers in the Next Twelve Months

Job Level	Percentage of External Training	Percentage of Establishments*		
		Accountancy	Banking and Finance	Insurance
Managerial	0% - 49%	83.6%	58.7%	27.8%
	>49% - 100%	16.4%	41.3%	72.2%
Supervisory	0% - 49%	91.0%	59.2%	24.7%
	>49% - 100%	9.0%	40.8%	75.3%
Clerical	0% - 49%	93.1%	76.7%	57.9%
	>49% - 100%	6.9%	23.3%	42.1%
Agent	0% - 49%	-	-	40.0%
	>49% - 100%	-	-	60.0%

Note: Establishments which did not sponsor personnel to attend external training programmes might not provide their personnel with in-house training as this Survey did not ask for this piece of information.

* The summation of percentage may not equal 100% due to rounding.

Comparison of Training Budget in 2015 and Training Expenses in 2014

3.26 Table 16 shows the training expenses and training budgets of establishments in 2014 and 2015. The majority of establishments indicated that their training budgets in respect of in-house training and external training for 2015 would remain the same as those of 2014.

Table 16: Comparison of Training Budgets in 2015 and Training Expenses in 2014

Changes of Training Budgets in 2015 compared to Training Expenses in 2014	Percentage of Establishments*					
	Accountancy		Banking and Finance		Insurance	
	In-house Training	External Training	In-house Training	External Training	In-house Training	External Training
No Change	95.5%	95.0%	92.7%	91.8%	94.9%	92.7%
Increase	1.5%	2.1%	2.7%	2.9%	0.9%	4.0%
Decrease	<0.1%	<0.1%	0.1%	0.8%	1.8%	0.7%
Unspecified	2.9%	2.9%	4.5%	4.5%	2.4%	2.6%

* Total percentage may not equal 100% due to rounding.

SECTION IV

CONCLUSIONS

Business Outlook

4.1 The financial services sector is paying close attention to the uncertainties over the timing and pace of interest rate rises in the United States which will lead to a higher volatility in the foreign exchange market. In Europe, though Greece and its European creditors announced an agreement in Brussels that aims to resolve Greece's debt crisis and keep it in the eurozone, the agreement requires further budgetary belt-tightening. While the agreement has helped, Greece's economic problems have not been removed. The Greek economy has shrunk by a quarter in five years, and unemployment is above 25 percent. All those issues could pose challenges for financial institutions in managing their funding and liquidity risks. As China is the world's second largest economy and is increasingly playing an important and influential role in the global economy, the world is keeping a close eye on China's "new normal" stage of economic development. Under the circumstances, the business outlook is difficult to predict which leads to the conservative projection of the 2017 manpower demand by respondents.

4.2 The manpower demand of the accountancy sector in the coming two years is believed to remain stable. On the other hand, automation through the use of technology provides auditors with a means to complete tasks in a more efficient and timely manner, while allowing more time to be spent in complex and judgmental areas. Therefore, even though statutory audit work is still a major business for CPA firms, those firms also provide a full range of business advisory services to their clients such as financial planning, corporate management and internal audit. On the other hand, there is a growing trend on increased ESG (Environmental, Social and Governance) disclosure and more companies are incorporating ESG criteria into their strategies and operations. In fact, the Hong Kong Stock Exchange encourages listed companies to identify and disclose ESG issues that are relevant to its business. In order to face the challenge of setting up an ESG reporting system, companies do need to provide training to their accounting personnel as they play a key role in sustainability reporting. In fact, Hong Kong has a stable and reliable stock and financial market which leads to the demand for accounting personnel. Hong Kong has a pool of accounting talents who are able to provide excellent accounting support to enterprises of the Mainland and high net worth clients. Regulatory bodies have been adopting a tighter approach in implementing regulatory measures. Due to tighter rules and regulations imposed by regulatory bodies, the demand for relevant job holders has increased. Tighter control means that accounting personnel will play a more important role in terms of the provision of compliance and regulatory advice to clients.

4.3 The construction of the Asian Infrastructure Investment Bank (AIIB) and the China's one belt, one road initiative are expected to bring opportunities to the local banking and finance industry. According to the Financial Secretary John Tsang Chun-wah, the AIIB intends to make use of Hong Kong as a bond-issuing platform. In fact, Hong Kong has an edge over other places because of its sound financial system and experience in developing bonds. For the one belt, one road initiative, Hong Kong has the expertise and the connections to serve as the fundraising hub. Moreover, Hong Kong is an efficient offshore

renminbi hub. Hong Kong can provide enterprises in the Mainland and investors all over the world with renminbi services ranging from cross-border trade settlement to bond issuance. Last but not least, the Mutual Recognition of Funds Scheme between the Mainland and Hong Kong, the popularity of using e-channels to deliver services to a wide range of customers and the booming of the asset management industry are expected to create more job opportunities for banking and finance personnel. All these are the opportunities that the banking and finance industry could not afford to miss.

4.4 The Mainland continues to be viewed by global insurers and reinsurers as the region of opportunities. Foreign insurers have entered the Mainland market primarily through the formation of joint ventures with local companies. It is estimated that the number of Chinese people aged 60 or above will double by 2030, accentuating the need for more extensive health insurance protection on the Mainland. In fact, the insurance industry has seen an increase in policies sold to visitors from the Mainland. According to the statistics of the Office of the Commissioner of Insurance (OCI), new office premiums amounted to \$6.8 billion for policies issued to Mainland visitors, representing 18.7% of the total new office premiums (\$36.4 billion) for individual business in the first quarter of 2015. Customers from the Mainland have become one of the driving forces to support the growth of the life insurance industry. With the advancement of technology and the growing popularity of the social media, insurance companies are required to keep pace with products and services catering to the consumers' increased use of mobile technology and social media. The trend is calling for the development of new distribution and service channels such as web portals and mobile apps, which supplements the traditional agency channels. Last but not least, after the enactment of the Insurance Companies (Amendment) Ordinance 2015, all insurance companies would be required to employ talents to handle risk management, compliance, internal audit, actuarial matters and intermediary management, etc. Moreover, the industry would change faster after the establishment of an Independent Insurance Authority (IIA).

Impacts on Manpower Requirements

4.5 The manpower requirements of the financial services sector are subject to different stages of the economic cycle as well as fiscal policies. These include:

- (i) The global economic situation as well as the performance of the international financial market, in particular the American, European and PRC markets have significant effects on Hong Kong's economy given the close linkage of business and financial activities of Hong Kong with other financial centres;
- (ii) The potential effects of the timing and pace of interest rate rises in the United States and the future economic growth of the Mainland would have impacts on the local manpower requirements with varying degrees;
- (iii) Hong Kong has a pool of accounting talents who are able to provide excellent accounting support to enterprises of the

Mainland and high net worth clients. Due to tighter control imposed by regulatory bodies, accounting personnel will play a more important role in terms of the provision of compliance and regulatory advice to clients;

- (iv) Probably due to the fact that those back office jobs may be perceived as less attractive by some people, employers of the banking and finance industry have difficulty in finding the right people. In fact, back office jobs like trade finance, settlement and compliance do need talent to fill the vacancies. Practitioners in these job areas need immersion to build up experience. New initiatives like the AIB, the Mutual Recognition of Funds Scheme between the Mainland and Hong Kong, the popularity of using e-channels to deliver services to a wide range of customers and the booming of the asset management industry are expected to bring opportunities to the local banking and finance industry; and
- (v) After the enactment of the Insurance Companies (Amendment) Ordinance 2015, all insurance companies would be required to employ talents to handle risk management, compliance, internal audit, actuarial matters and intermediary management, etc. Moreover, the industry would change faster after the establishment of an Independent Insurance Authority (IIA). In addition to law related to insurance, practitioners also have to pay attention to data privacy and the use of IT and big data to generate business. On the other hand, specialised general insurance areas like marine insurance and employee benefits do need people to fill the existing vacancies.