



19 August 2025

The Hon John Lee Ka-chiu, GBM, SBS, PDSM, PMSM
Chief Executive
Hong Kong Special Administrative Region
Chief Executive's Office
Tamar, Hong Kong

Dear Chief Executive,

HKIHRM's Policy Address Submission 2025
“Navigating Changes: Adapting Policies for a Resilient Hong Kong”

Introduction

Hong Kong's workforce is at a pivotal juncture, marked by economic transformation, talent shortages in critical sectors, and rapid technological advancements. The **Hong Kong Institute of Human Resource Management (HKIHRM)** acknowledges the pressing economic challenges, particularly as the seasonally adjusted unemployment rate has risen to 3.7% from May to July 2025.

Furthermore, the labour force participation rate remains low at 57%, significantly below global averages for developed cities. This statistic highlights the untapped potential within various groups, including women, young retirees, and individuals with disabilities.

The rapid digital transformation and the artificial intelligence (AI) revolution are fundamentally reshaping skill requirements and employment dynamics. Manpower policies need to remain adaptive and responsive to address these challenges and leverage workforce potential effectively.

In light of these issues, HKIHRM presents the following cornerstone proposals for the 2025 Policy Address, aimed at ensuring the agility and sustainability of our workforce.



1. Enhanced Jobs Matching and Internship for Young Jobseekers

- 1.1 We recognise the challenges faced by fresh graduates in securing employment in today's rapidly changing work environment. In response, we have been advocating for mandatory work placements for university and tertiary students.
- 1.2 We call on the Government to provide targeted funding to employers, especially Small and Medium Enterprises (SMEs), which face greater limitation in resources, to create internships, attachments, and job testing roles for tertiary students. This support would facilitate young job seekers' entry into industries within the "Eight Centres" and positions listed under the Talent List.
- 1.3 By investing in this funding initiative, we can create meaningful employment opportunities and encourage young people to pursue careers in these vital sectors, which can also lower the youth unemployment rate amongst the 20-29 year-olds.

2. Flexible and Strengthened Training to Upskill Workforce

- 2.1 The rapid digitalisation and adoption of AI across sectors have made workforce digital readiness a critical priority. HKIHRM recently published the *2024/2025 Training and Development Needs Survey* which reveals 73% of companies in Hong Kong allow employees to utilise AI in their work. AI training has also surged into the top five priorities for employee development in 2025.¹
- 2.2 An additional HKIHRM survey titled "*Quick Poll on AI Training 2025*" found that approximately 65% of companies have implemented some AI-based learning programmes, primarily motivated by efficiency gains (61%) and cost savings (41%). Nearly two-thirds of companies currently using AI intend to expand its application in employee learning initiatives by 2025.²

¹ The "2024/2025 Training and Development Needs Survey" was conducted from January to April 2025, covering 115 companies across 17 different industries, involving approximately 62,100 full-time employees. This annual survey aims to understand the overall training and development needs of Hong Kong's workforce and the key training initiatives for the year.

² The "Quick Poll on AI Training 2025" was conducted from 12 March to 3 April 2025, among 111 companies. For more information of the two reports, please visit [HKIHRM's press release](#).



- 2.3 However, some employers, particularly SMEs, face challenges in keeping up with AI training due to a lack of resources and knowledge. To address this challenge, we propose a multi-level approach.
- 2.4 HKIHRM recommends that the Government develop a comprehensive AI upskilling roadmap, inspired by international best practices. For example, Singapore's national AI strategy includes effective apprenticeship schemes that provide practical skills through industry placements, resulting in measurable impacts.
- 2.5 Employers would benefit from dedicated funding to support digital adoption in the workplace. Simultaneously, employees could have greater flexibility in utilising the Continuous Education Fund (CEF), including the option for family members to share the fund. Furthermore, promoting micro-credentials can enhance accessibility, affordability, and flexibility in learning.
- 2.6 Institutions such as the Vocational Training Council, the School of Professional Education and Executive Development at the Hong Kong Polytechnic University (PolyU SPEED), the HKU School of Professional and Continuing Education (HKU SPACE), the Employees Retraining Board, and St. Francis University are already offering short courses designed for bite-sized learning pathways. These programmes help individuals keep pace with rapidly evolving AI technologies. Expanding these bite-sized learning opportunities is crucial for employees to adapt to the fast-changing landscape of AI.

3. Evaluation of the Impact of Talent and Manpower Policies

- 3.1 We appreciate the Government's ongoing efforts to address labour shortages through various talent and manpower policies. Recent data indicates that by June 2025, nearly 220,000 talents and their families have arrived in Hong Kong, significantly exceeding the three-year target of 105,000.
- 3.2 For the continuous improvement of the policies and related schemes, we recommend that the schemes being implemented, such as the Top Talent Pass Scheme, Quality Migrant Admission Scheme, and the Technical Professionals List, should come with clear metrics for evaluation.
- 3.3 These metrics can provide insights into how well these schemes address genuine skill shortages without displacing local workers, the employment outcomes and integration success of both local and imported talent, and the satisfaction levels of involved employers and employees.



- 3.4 Additionally, assessments should consider the schemes' contributions towards enhancing Hong Kong's strategic development priorities, especially in the designated "Eight Centres" industries and narrowing the talent gaps.
- 3.5 HKIHRM also calls on the Government to enforce against the abuse of the labour importation schemes. It is essential to strengthen protections for the local workforce, and the Government should take prompt action to deter any abuse or loopholes to uphold public confidence in the schemes.

4. Enhanced Protection for Gig and Platform Workers

- 4.1 HKIHRM recognises the significant growth and importance of gig and platform-based work in Hong Kong's economy. While the Government's recent proposal to regulate ride-hailing aims to improve service quality, these efforts do not yet comprehensively address the welfare of gig workers.
- 4.2 It is imperative that regulatory frameworks evolve to protect the rights of these workers while safeguarding passenger interests. We welcome the passing of the "468 Rule" under the Employment Ordinance, effective from 18 January 2026. We call on a clearer definition of gig workers so the society as a whole can provide them with more protection.
- 4.3 By lowering the threshold and introducing an hours-aggregation mechanism, the "468 Rule" ensures that more gig workers are entitled to statutory benefits, thereby enhancing job security and promoting fair employment conditions.
- 4.4 We at the same time acknowledge the need to balance worker protections with maintaining employers' entrepreneurial spirit and innovation in workforce management. From an HR management perspective, providing enhanced protections for gig and platform workers will lead to greater workforce stability, higher job satisfaction, and fairer workplace practices. These outcomes benefit workers and help employers reduce turnover and foster a more engaged and productive workforce.



5. Other Recommendations for a Sustainable Workforce

Apart from the above recommendations, we believe that the following measures would help enhance the agility of our workforce:

- 5.1 **Foster Mutual Recognition of Qualifications within the Greater Bay Area (GBA)** – prioritising sectors with the highest labour shortages will facilitate the movement of skilled workers across borders.
- 5.2 **Promote Diversity, Equity, and Inclusion (DEI)** – the Government should consider implementing tax incentives to encourage employers to hire the groups with low labour participation, including women and people with disabilities. More social support and childcare services should be provided to relieve women of family duties, enabling their return to the labour market.
- 5.3 **Support the Silver Economy** – increase investment in retraining and hiring of elderly workers and create pathways for elderly workers to remain engaged, this can enrich the talent pool and leverage the valuable contributions of all members of society.

Conclusion

The current economic transformation presents a significant opportunity for Hong Kong to adapt and thrive. HKIHRM is committed to contributing actively to these efforts and believes that, through collaboration with relevant Government bodies and stakeholders, the Institute can play a vital role in shaping policies that benefit Hong Kong's workforce and economy.

Yours sincerely,

Ian Choy
President
Hong Kong Institute of Human Resource Management
cc. Policy Address Team