

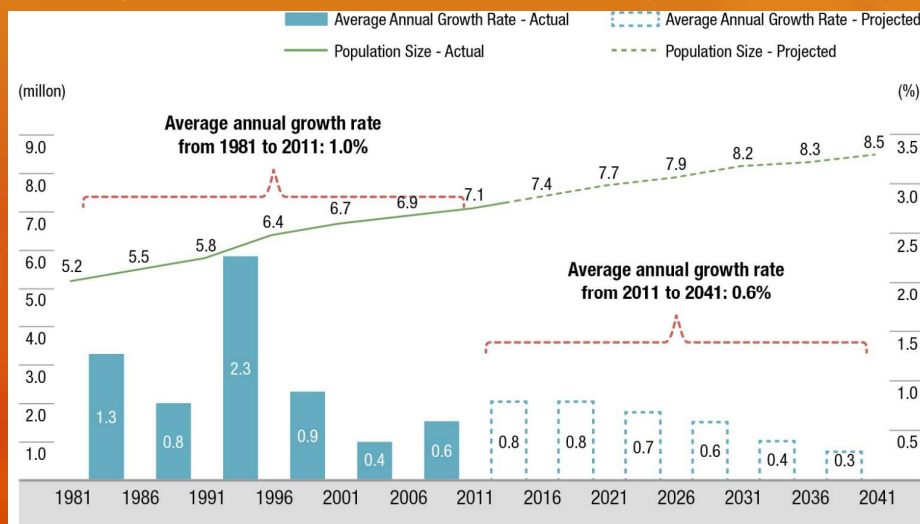
# 2015 Policy Address Population Policy Press Conference

15 January 2015

## Slow population growth; population reaching 8.47 million by 2041

- Total population expected to grow at moderate pace from the present 7.23 million to 8.47 million in 2041 – average annual growth rate of 0.6% only. According to Census and Statistics Department's projection based on the 2011 Census, total population will be 8.16 million in 2031, lower than the earlier projection of 8.36 million based on the 2006 By-census.

Diagram 1: Very moderate population growth in future



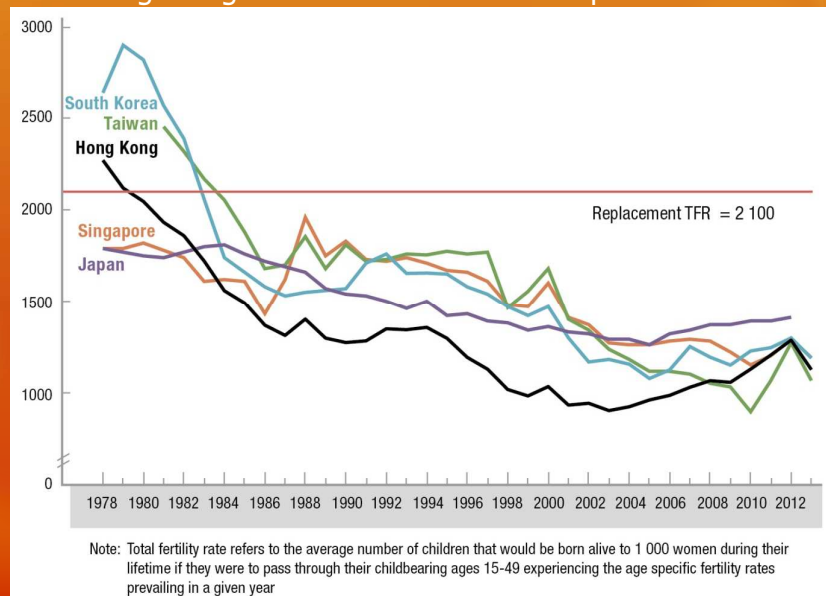
Note: Including foreign domestic helpers

Source: Demographic Statistics Section, Census and Statistics Department

## Low fertility rate, remaining at 0.9 to 1.3 for the last decade

- Similar to other Asian developed economies, Hong Kong's total fertility rate has been staying low (1.1 in 2013), and is expected to remain at 1.2 from now to 2041.

Diagram 2: Low fertility rates in Hong Kong and other Asian developed economies

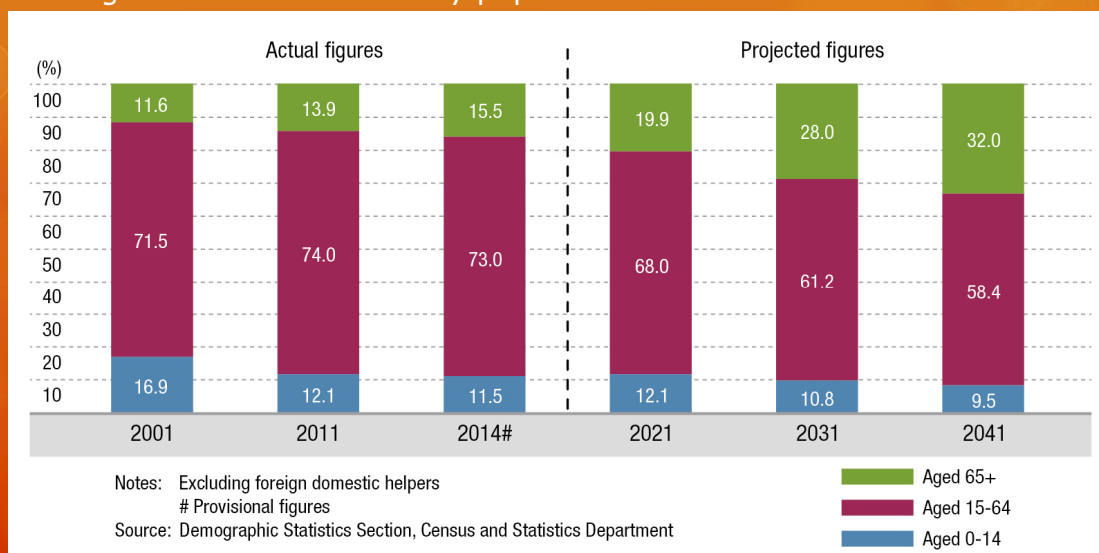


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## Population is ageing fast; one in three persons will be elderly in 2041

- Hong Kong's population is ageing. The share of persons aged 65 or above is expected to increase from the current 15.5% to 32% by 2041; "old-old" (aged 75 or above) to increase from the current 7.7% to 18.9% in 2041. Rising demand for healthcare and elderly services will increase burden on public finance.

Diagram 3: Share of elderly population more than double in 2041

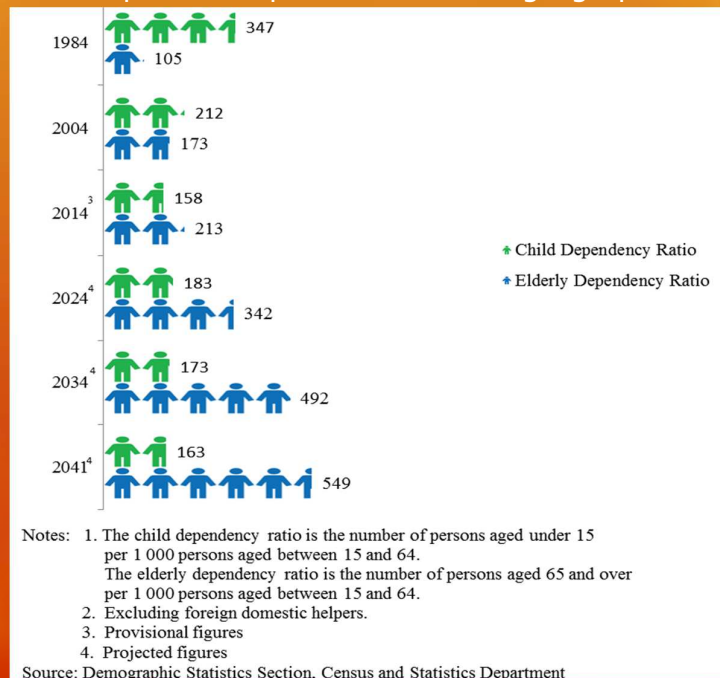


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## Worsening dependency ratio

- Dependency ratio deteriorates rapidly, from the current 213 elderly persons and 158 children per 1 000 working-age persons to 549 elderly persons and 163 children per 1 000 working-age persons.

Diagram 4: Increasing number of elderly and child dependents per 1 000 working-age persons

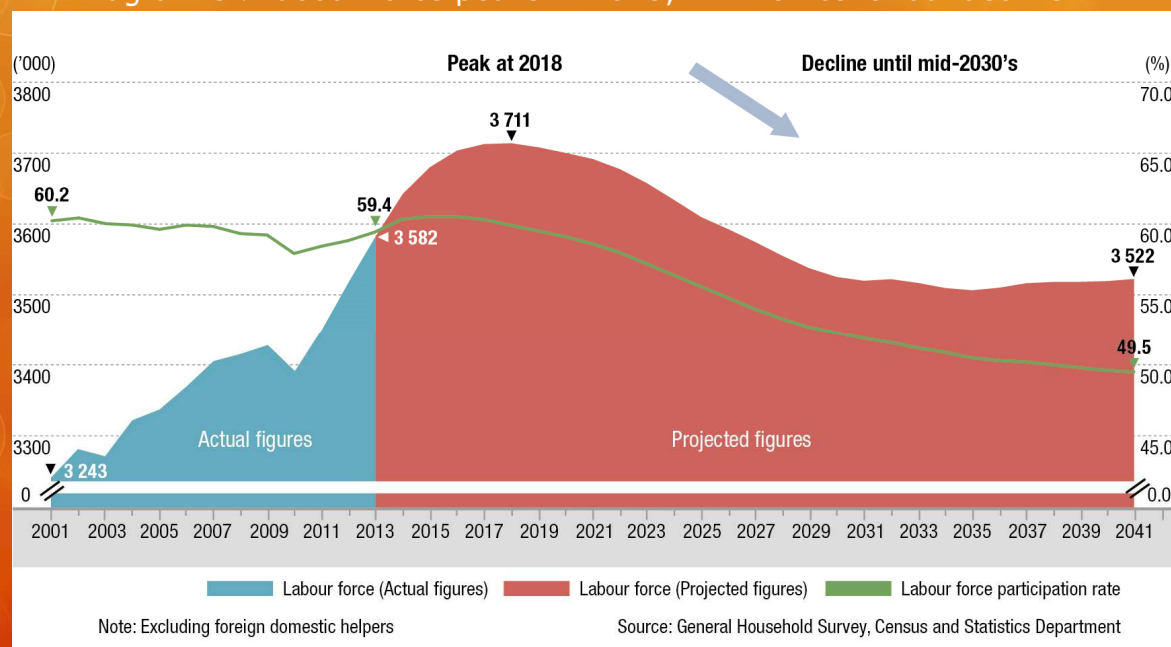


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## Labour force will decline after 2018

- Labour force will decline from 3.71 million in 2018 to 3.51 million in 2035 before stabilising from then onward. Labour force participation rate (LFPR) will drop from 59.4% in 2013 to 49.5% in 2041.

Diagram 5 : Labour force peaks in 2018; LFPR on continual decline

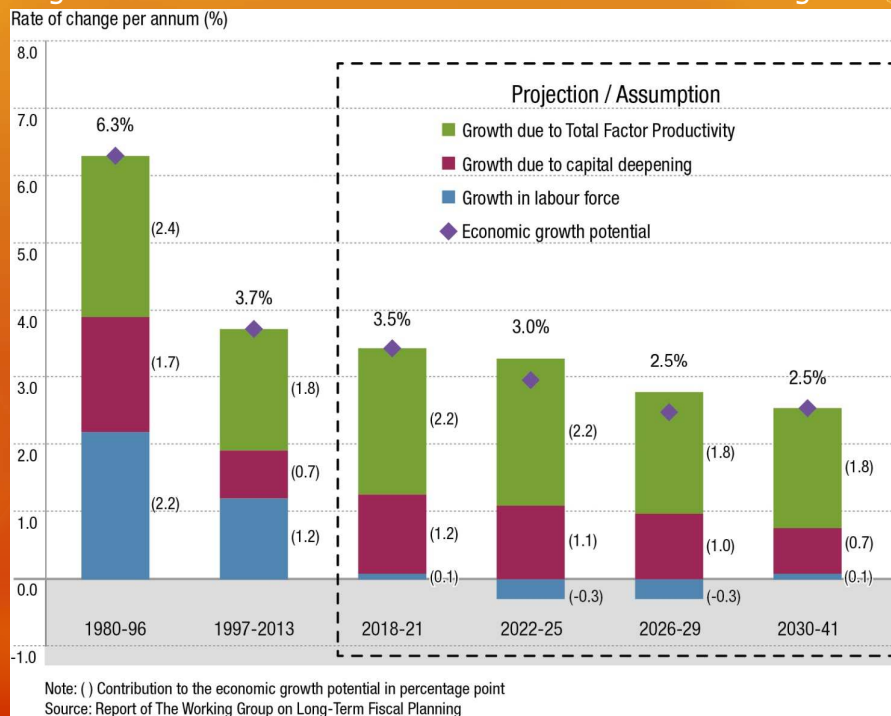


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# Changes in labour force and economic growth

- Insufficient labour slows down economic growth; annual economic growth drops from 3.7% in the past to around 2.5% in 2041.

Diagram 6 : Insufficient labour slows down economic growth



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## Female LFPR stays low

- LFPR of females rose modestly from 48.3% in 2003 to 50.6% in 2013, but still far lower than 69.1% for males.

Diagram 7 : Female LFPR notably lower than that of males (2013)



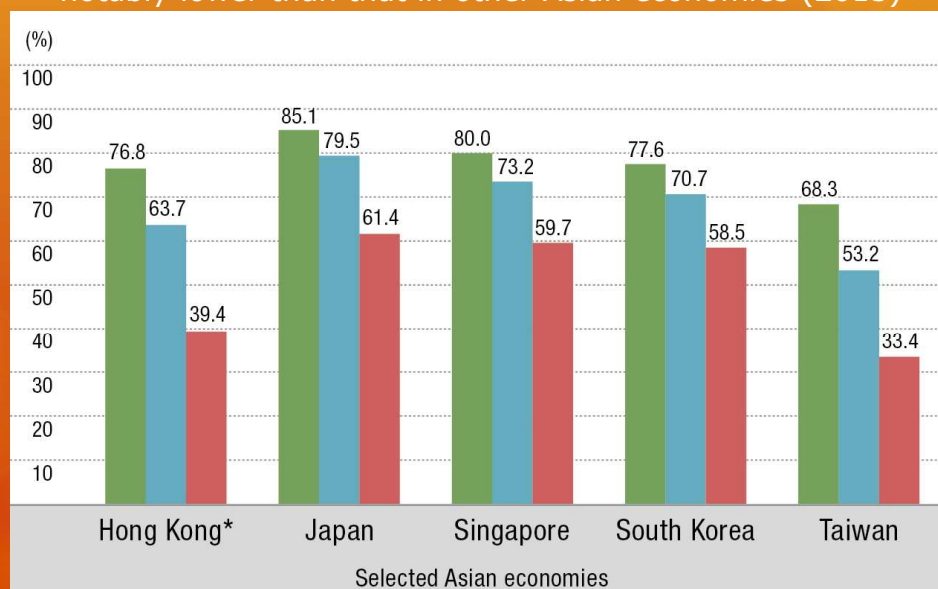
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## LFPR of mature persons stays low

- Though the LFPR of mature persons aged 50 or above increased from 56.3% in 2003 to 62.3% in 2013, still on the low side compared to economies like Japan, Singapore and South Korea.

Diagram 8 : LFPR of mature persons notably lower than that in other Asian economies (2013)



Note: \*Excluding foreign domestic helpers

Aged 50-54

Aged 55-59

Aged 60-64

## OWP holders will be major source of population growth

- In the 17 years since the reunification till June 2014, around 0.83 million new arrivals have settled in Hong Kong. Vast majority (98%) are spouses or children of Hong Kong residents.
- As fertility rate remains low, OWP holders will continue to be a major source of our population growth.
- In 2013, the median age of OWP holders was 33, notably lower than the median age of 43 of entire local population. 88% of new arrivals aged 15 or above attained secondary education level or above. Most of them have come to join the local workforce and worked hard to support themselves and their families. They are valuable human resources.

Diagram 9 : OWP holders continue to be major source of population growth

	Population estimates			Population projections		
	2003	2013	2014#	2024	2034	2041
Base population	6 744 100	7 154 600	7 187 500	7 777 800	8 236 300	8 446 500
Add: natural growth (birth minus death)	12 500	33 400	13 300	4 500	-15 700	-30 200
OWP holders	50 300	47 900	43 500	54 800	54 800	54 800
Other net movement (including migration, moving in or out for studying or working, etc.)	-76 100	-48 400	-9 600	-3 800	-3 900	-1 900
Total	6 730 800	7 187 500	7 234 800	7 833 200	8 271 400	8 469 000

Notes: # Provisional figures  
There may be a slight discrepancy between the sum of individual items and the total due to rounding

## Cross-boundary marriages are common; continued need for OWP Scheme to facilitate orderly family reunion in Hong Kong

- For the past five years, cross-boundary marriages registered in Hong Kong consistently made up more than 30% of all marriages registered in Hong Kong. The share was almost 40% in 2013. Besides, during the same period, an average of about 5 600 Certificate of Absence of Marriages Records for the purpose of getting married in the Mainland were issued each year.
- Share of cross-boundary marriages registered in Hong Kong involving Mainland males and Hong Kong females also rose from 16% in 2009 to 25% in 2013.

Diagram 10 : Cross-boundary marriages made up almost 40% of locally registered marriages in 2013



## The Steering Committee on Population Policy (SCPP)

- In the two-year tenure completed recently (December 2012 to November 2014), the Chief Secretary for Administration was the Chairman, with members comprising 6 Directors of Bureaux and 11 professionals and academics.

## Population policy public engagement exercise

- Between October 2013 to February 2014 (four months); discussion forums and focus groups held; meetings of the Legislative Council, District Councils and other organisations attended.
- The Social Sciences Research Centre of the University of Hong Kong conducted an independent analysis of the 1 898 submissions. The report was released in July 2014. Major views included support raising LFPR of females, support extending the retirement age, attract outside talents more proactively while giving priority to sectors with specific demands, etc.



## Objective of population policy

*To develop and nurture a population that will continuously support and drive Hong Kong's socio-economic development as Asia's world city, and to engender a socially inclusive and cohesive society that allows individuals to realise their potential, with a view to attaining quality life for all residents and families.*

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## Population policy should be integrated with other policies

- Population policy straddles different policy areas. Involvement of all 12 policy bureaux is necessary.
- Population policy is a long-term and on-going commitment. To be effective, the population policy cannot depend solely on periodic reviews conducted once every several years. It should be integrated into the day-to-day responsibilities of all bureaux, and there should be a good interface among various policy areas.
- In the past two years, the SAR Government has announced, or is taking actions on, policies related to our objective of population policy, including:
  - Long Term Housing Strategy
  - Land supply strategies (including North East New Territories New Development Areas, the Lantau Development, updating "HK 2030: Planning Vision and Strategy")
  - Long-term Fiscal Planning
  - Voluntary Health Insurance Scheme
  - Free Kindergarten Education
  - Future Development of Retirement Protection in Hong Kong
  - Elderly Services Programme Plan
- To avoid duplication of efforts, the SCPP decided to focus on other policy issues, such as extending working life, unleashing the potential of our labour force, building up human capital stock, etc.

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## Population policy's five-pronged strategy

- Creating a conducive environment to draw more women and mature persons into the labour market to avoid our future socio-economic development being impeded by insufficient manpower.
- Sustaining economic development to provide more diversified job opportunities with promising prospects for our younger generation. We should also improve education and training to equip our young people with skills needed by our economy and help them achieve their career aspirations.
- Adopting a more proactive and targeted approach to attract more outside talent to work and settle in Hong Kong to build up our human capital stock. We should also consider more effective importation of labour arrangements for industries suffering from persistent manpower shortage without jeopardising the interests of local workers.
- Fostering a supportive environment for our people to form and raise families.
- Building an age-friendly environment, promoting active ageing and tapping the valuable pool of elderly resources.

## Population policy action agenda

- In 2014 Policy Address and Policy Agenda, a range of measures for enhancing the quality of our home-grown talent were announced, including strengthening career planning for secondary school students, enhancing vocational education and developing the Qualifications Framework, as well as providing an additional 2 120 subsidised places in higher education.
- In 2015 Policy Address and Chapter 6 of Policy Agenda, the following measures are announced:
  - ◆ Sustainable growth as our development strategy (2 measures)
  - ◆ Extending working life (4 measures)
  - ◆ Strengthening employment support for mature persons (4 measures)
  - ◆ Helping women balance family and work commitments (11 measures)
  - ◆ Providing better support for young couples who wish to have children (6 measures)
  - ◆ Building an inclusive society (6 measures)
  - ◆ Attracting talent from outside (7 measures)
  - ◆ Strengthening training for local workers and importation of labour (4 measures)
  - ◆ Active Ageing (4 measures)
  - ◆ Implementing the initiatives and monitoring their effectiveness (1 measure)



## Next step

- The population policy document, released today, has set out the objective, the five-pronged strategy and the some 50 measures to proactively respond to the challenges brought about by the changing demographic structure.
- The next step will focus on implementing the initiatives and monitoring their effectiveness. SCPP will continue to be responsible for the related work.
- To cope with the next phase of work, the SCPP was restructured on 1 December 2014 – the Chief Secretary for Administration continues to chair the committee with membership comprising relevant Directors of Bureaux and Heads of Departments. The SCPP would be responsible for monitoring the implementation of the initiatives and cross-departmental collaboration.
- To gauge the views of experts, academics, service organisations and other stakeholders, the SCPP will organise seminars to report the effectiveness of the population policy initiatives and to seek views on how various initiatives can be enhanced in light of the latest developments.