

**Consolidated Summary Report**  
**of the**  
**2013 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 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/hq2/mpsac2013.pdf>

Manpower Survey on the Banking and Finance Industry: <http://www.vtc.edu.hk/hq2/mpsbf2013.pdf>

Manpower Survey on the Insurance Industry: <http://www.vtc.edu.hk/hq2/mpsin2013.pdf>

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## SECTION I

### MAJOR SURVEY FINDINGS & RECOMMENDATIONS

#### Major Survey Findings

1.1 The manpower demand of the Financial Services Sector (the Sector) has increased by 8.7% between 2011 and 2013. The increase in demand is an indication of sector growth and a confirmation of the positive outlook of the Sector as indicated in the 2011 manpower survey. Managerial level positions experienced the highest growth of 17.8% versus that of supervisory and clerical level positions each reporting a growth of 8.0% and 2.8% respectively. 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 (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 2013, 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 2015 manpower demand by employers. Employers of the accountancy sector and the insurance industry projected a steady manpower demand growth of 0.9% and 2.0% while the banking and finance industry projected a 0.4% growth in manpower demand (para. 3.11 - Table 4).

1.3 The minimum years of experience required for employees of the Sector at managerial and clerical levels remained the same as that reported in the 2011 survey, with the exception of supervisory staff which would require over 2 to 6 years of working experience. The minimum years of experience required for supervisory staff in the 2011 survey was 1 to 6 years (para. 3.13 – Table 7).

1.4 Staff turnover for 2012 at 10.1% for the Sector is slightly lower than the 10.8% turnover rate reported for 2010 in the 2011 manpower survey. A relatively more stable workforce in the Sector was reported during the period (para. 3.14 – Table 8).

1.5 “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. 3.16 – 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 was supported by only 0.5% 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 Meetings held with various industry leaders in the third quarter of 2013 indicated that despite the uncertainty of the future prospect of the US economy 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**

1.8 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 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.

1.10 The 2013 manpower surveys asked the employers to identify 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 various job levels, some common topics were observed.

1.11 On managerial level training, topics such as “Marketing Management” and “Risk Management” were considered to be important by respondents. Training Boards were of the view that such preferences indicated the importance of marketing in developing successful business strategies and a more balanced focus on risk and return under the current economic environment. 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”, Anti-Money Laundering Compliance and “General 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.

1.13 On 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 Standards”. Employers in the banking and finance industry and the insurance industry reported the need for training in communication skills such as “Spoken English” 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.

1.14 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 2013 training budget for most establishments in the Sector would remain the same as that for 2011 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.

1.15 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. The financial crisis has exposed the deficiencies of training on the standard of work ethics and code of practice, which are important to the industries' public image and standing. 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.

1.16 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.

### ***Strategies to Attract and Retain Talents***

1.17 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 26 000 for the next 24 months (para. 3.17 – Table 10). 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.

1.18 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.

1.19 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.

1.20 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**

1.21 Because of the predominant external uncertainties which include the future prospect of the US economy and the 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 2013 Manpower Surveys (MPSs) for these three industries were conducted in the first half of 2013 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 (82.3% to 94.2%) 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
		2011	2013	Change	2011	2013	Change	2013
Accountancy	4	38 060	39 181	2.9%	1 469	1 473	0.3%	92.7%
Banking and Finance	10	8 744	6 996	-20.0%	1 053	1 056	0.3%	82.3%
Insurance	7	2 546	3 101	21.8%	745	748	0.4%	94.2%

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 and subvented organisations;
  - (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 in early January 2013 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. 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 August, 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, 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 organised 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 respective industries. Each focus group comprised industry leaders, representatives from professional bodies and academics.

## 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	2 321	255	11.0%
	50 - 499	25	25	100%
	500 and over	6	6	100%
		<u>2 352</u>	<u>286</u>	
		-----	----	
Government Departments and Subvented Organisations	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	17 793	114	0.6%
	20 - 99	13 001	190	1.5%
	100 - 199	1 171	102	8.7%
	200 - 499	578	166	28.7%
	500 and over	382	382	100%
		<u>32 925</u>	<u>954</u>	
		-----	----	
Industrial Establishments	10 - 19	2 050	38	1.9%
	20 - 99	1 580	76	4.8%
	100 - 199	135	23	17.0%
	200 - 499	73	30	41.1%
	500 and over	32	32	100%
		<u>3 870</u>	<u>199</u>	
		-----	-----	
Total		<u>39 181</u>	<u>1 473</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	74	74	100%
	20-49	38	38	100%
	50-99	30	30	100%
	100-499	39	39	100%
	500-999	10	10	100%
	1000 & Above	22	22	100%
	Sub-total	213	213	
#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	1 068	76	7.1%
	20-49	24	8	33.3%
	50-99	6	6	100%
	100-499	3	3	100%
	500-999	-	-	
	1000 & Above	-	-	
	Sub-total	1 101	93	
4. Personal loans and related companies	1-19	614	80	13.0%
	20-49	20	20	100%
	50-99	7	7	100%
	100-499	3	3	100%
	Sub-total	644	110	
5. Securities brokerage firms	1-19	490	59	12.0%
	20-49	80	32	40.0%
	50-99	11	11	100%
	100-499	15	15	100%
	Sub-total	596	117	
6. Commodity futures & precious metals brokers / dealers	1-19	199	96	48.2%
	20-49	19	19	100%
	50-99	5	5	100%
	100-499	1	1	100%
	Sub-total	224	121	
7. Stock, bullion & commodity exchanges and statutory bodies in the banking and finance industry	20-49	2	2	100%
	50-99	-	-	-
	100-499	1	1	100%
	500-999	4	4	100%
	Sub-total	7	7	
8. Money changers & foreign exchange brokers / dealers	1-19	716	93	13.0%
	20-49	6	6	100%
	50-99	-	-	-
	100-499	5	5	100%
	Sub-total	727	104	
9. Investment advisory/ asset management companies	1-19	712	71	10.0%
	20-49	94	28	29.8%
	50-99	17	17	100%
	100-499	18	18	100%
	1000 & Above	2	2	100%
	Sub-total	843	136	
10. Other financial companies	1-19	2 516	81	3.2%
	20-49	65	14	21.5%
	50-99	16	16	100%
	100-499	16	16	100%
	500-999	4	4	100%
	1000 & Above	3	3	100%
	Sub-total	2 620	134	
Total		6 996	1 056	

# 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	47	47	100%
2. General Insurers	All	90	90	100%
3. Composite Insurers	All	20	20	100%
4. Brokers	1-9	465	93	20.0%
	10 & over	129	129	100%
	Sub-total	594	222	
5. Company Agencies - Insurance	1-4	994	100	10.1%
	5-9	77	62	80.5%
	10 & over	40	40	100%
	Sub-total	1 111	202	
6. Company Agencies - Alternative distribution	1-9	928	74	8.0%
	10 & over	272	54	19.9%
	Sub-total	1 200	128	
7. Bancassurer	1-9	-	-	-
	10 & over	39	39	100%
	Sub-total	39	39	
	Overall Total	3 101	748	

## 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 Focus Group Members were incorporated in the 2013 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 2013 Survey*

3.2 The surveys revealed that there was a total of 294 431 persons engaged in the Sector in 2013 with 62 283 at managerial level, 94 982 at supervisory level, 104 743 at clerical level and 32 423 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. 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	6 931	4 854	9 316	-	<b>21 101</b> (7.2)
Banking & Finance and Insurance Services	2 575	1 592	2 963	-	<b>7 130</b> (2.4)
Others**	12 063	17 329	43 750	-	<b>73 142</b> (24.8)
<b>Accountancy</b>	<b>21 569</b>	<b>23 775</b>	<b>56 029</b>	-	<b>101 373#</b> (34.4)
Banks, DTC and Rep. Offices	22 768	36 000	30 191	-	<b>88 959</b> (30.2)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	5 651	8 086	7 238	-	<b>20 975</b> (7.1)
Others***	6 886	12 033	7 258	-	<b>26 177</b> (8.9)
<b>Banking and Finance</b>	<b>35 305</b>	<b>56 119</b>	<b>44 687</b>	-	<b>136 111</b> (46.2)
Life Insurance	2 614	5 427	1 526	29 445	<b>39 012</b> (13.2)
General Insurance	2 795	9 661	2 501	2 978	<b>17 935</b> (6.1)
<b>Insurance</b>	<b>5 409</b>	<b>15 088</b>	<b>4 027</b>	<b>32 423</b>	<b>56 947</b> (19.3)
<b>Total (%)</b>	<b>62 283</b> (21.2)	<b>94 982@</b> (32.3)	<b>104 743</b> (35.6)	<b>32 423</b> (11.0)	<b>294 431^</b> (100.0)

# The total figure may be higher than the actual total number of persons engaged, as those 7 130 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 294 431 persons engaged excluded 11 625 other supporting staff in the Sector (9 672 in the banking and finance industry and 1 953 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 1 061 Trainers/Teachers engaged in the accountancy sector and 9 525 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 subvented organisations, commerce and services and industrial establishments with ten or more employees and exclude establishments providing banking and finance and insurance services.

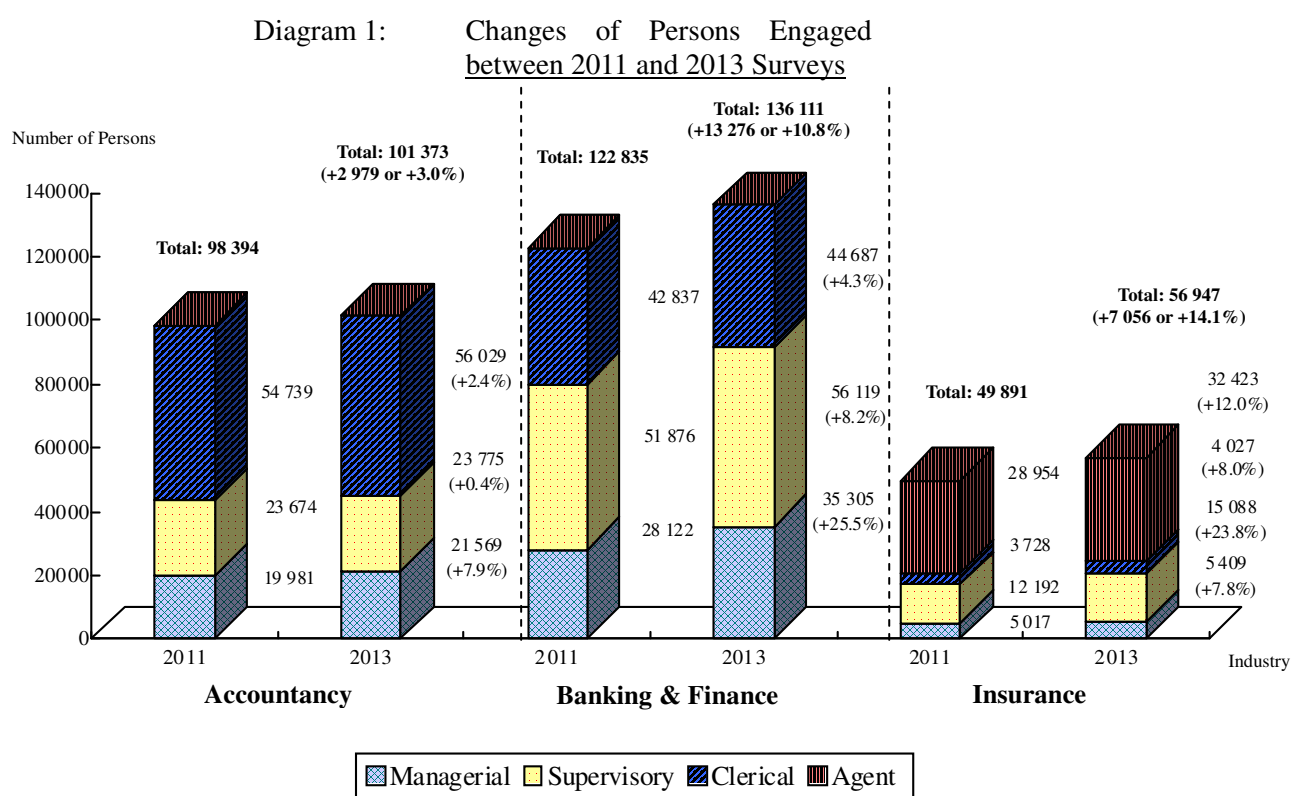
Others\*\*\* - include investment and holding companies; personal loans and related companies; commodity futures and precious metals brokers/dealers; stock, bullion and commodity exchanges and statutory bodies in the banking and finance industry; money changers and foreign exchange brokers/dealers and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

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

## Comparison of Persons Engaged between the 2011 and 2013 Surveys

3.5 Total persons engaged in the Sector have increased by 23 311 or 8.6% between 2011 and 2013 as detailed in Diagram 1.

3.6 The banking and finance industry had the largest number of employees at 136 111 constituting 46.2% of the total number of persons engaged in the Sector. This industry also reported the second largest increase of 13 276 persons or 10.8% when compared with 2011. The accountancy sector had the second largest number of employees at 101 373 constituting 34.4% of the total number of persons engaged in the Sector. Persons engaged have increased by 2 979 persons or 3.0% between 2011 and 2013. The insurance industry had 56 947 personnel and constituted 19.3% of the total number of persons engaged in the Sector. This industry reported the largest increase of 7 056 persons or 14.1% when compared with 2011.



## Vacancies

3.7 There were a total of 4 209 vacancies in the Sector, representing an increase of 685, i.e. 19.4% from 3 524 vacancies reported in 2011. 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	44 (5.2)	90 (10.6)	268 (31.6)	-	<b>402</b> <b>(47.5)</b>
Banking & Finance and Insurance Services	4 (0.5)	3 (0.4)	11 (1.3)	-	<b>18</b> <b>(2.1)</b>
Others	70 (8.3)	78 (9.2)	279 (32.9)	-	<b>427</b> <b>(50.4)</b>
<b>Accountancy</b>	<b>118</b> <b>(13.9)</b>	<b>171</b> <b>(20.2)</b>	<b>558</b> <b>(65.9)</b>	-	<b>847</b> <b>(100.0)</b>
Banks, DTC and Rep. Offices	298 (19.0)	258 (16.4)	185 (11.8)	-	<b>741</b> <b>(47.2)</b>
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	65 (4.1)	172 (10.9)	42 (2.7)	-	<b>279</b> <b>(17.8)</b>
Others	157 (10.0)	245 (15.6)	149 (9.5)	-	<b>551</b> <b>(35.1)</b>
<b>Banking and Finance</b>	<b>520</b> <b>(33.1)</b>	<b>675</b> <b>(43.0)</b>	<b>376</b> <b>(23.9)</b>	-	<b>1 571</b> <b>(100.0)</b>
Life	23 (1.3)	272 (15.2)	11 (0.6)	1 294 (72.3)	<b>1 600</b> <b>(89.3)</b>
General	26 (1.5)	110 (6.1)	55 (3.1)	-	<b>191</b> <b>(10.7)</b>
<b>Insurance</b>	<b>49</b> <b>(2.7)</b>	<b>382</b> <b>(21.3)</b>	<b>66</b> <b>(3.7)</b>	<b>1 294</b> <b>(72.3)</b>	<b>1 791</b> <b>(100.0)</b>
<b>Total (%)**</b>	<b>687</b> <b>(16.3)</b>	<b>1 228</b> <b>(29.2)</b>	<b>1 000</b> <b>(23.8)</b>	<b>1 294</b> <b>(30.7)</b>	<b>4 209</b> <b>(100.0)</b>

(%)\* 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	118	0.5	171	0.7	558	1.0	-	-
	No. of Persons Engaged	21 569	23 775	56 029		-		101 373			
Banking and Finance	No. of Vacancies	520	1.5	675	1.2	376	0.8	-	-	1 571	1.2
		No. of Persons Engaged		35 305		56 119		44 687		-	
Insurance	No. of Vacancies	49	0.9	382	2.5	66	1.6	1 294	4.0	1 791	3.1
		No. of Persons Engaged		5 409		15 088		4 027		32 423	
<b>Total</b>	<b>No. of Vacancies</b>	<b>687</b>	<b>1.1</b>	<b>1 228</b>	<b>1.3</b>	<b>1 000</b>	<b>1.0</b>	<b>1 294</b>	<b>4.0</b>	<b>4 209</b>	<b>1.4</b>
	<b>No. of Persons Engaged</b>	<b>62 283</b>		<b>94 982</b>		<b>104 743</b>		<b>32 423</b>		<b>294 431</b>	

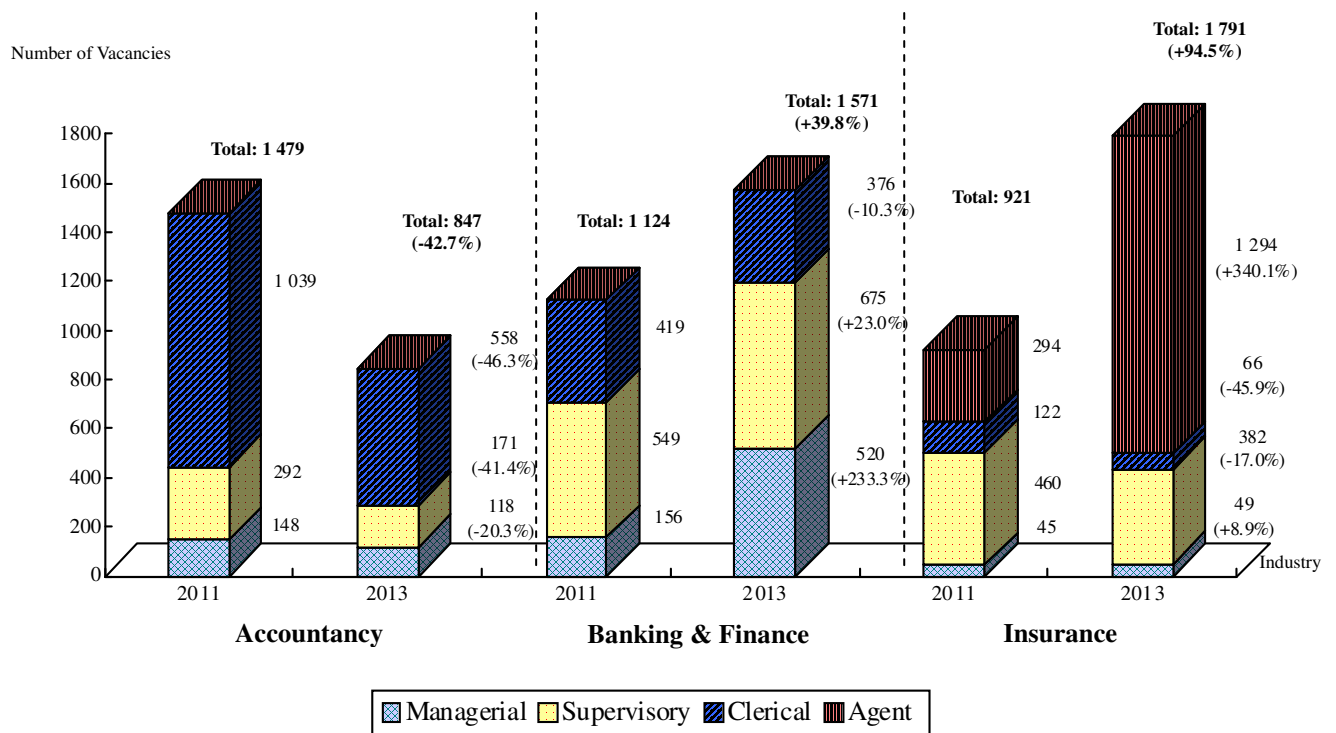
$$(\%)# \text{ Vacancy Rate} = \frac{\text{Number of vacancies at the job level}}{\text{Total number of employees at the job level}} \times 100\%$$



### Comparison of Vacancies between 2011 and 2013 Surveys

3.8 The banking and finance industry and insurance industry experienced an increase in the number of vacancies of 39.8%, and 94.5% respectively with clerical level jobs reporting the largest increment. The accountancy sector experienced a decrease in the number of vacancies of 42.7% with the managerial level reporting the largest decline. The comparison of the distribution of vacancies by job levels in the three industries between 2011 and 2013 Surveys is shown in Diagram 2.

Diagram 2: Distribution of Vacancies between 2011 and 2013 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 23 996 or 8.7% between 2011 and 2013. The distribution of manpower demand by industry and by job level is summarised in Table 3.

Table 3: Distribution of Manpower Demand in 2013

Industry	Managerial	Supervisory	Clerical	Agent	Total (%)**
Accountancy Firms	6 975	4 944	9 584	-	21 503 (7.2)
Banking & Finance and Insurance Services	2 579	1 595	2 974	-	7 148 (2.4)
Others	12 133	17 407	44 029	-	73 569 (24.6)
<b>Accountancy (%)*</b>	<b>21 687 (21.2)</b>	<b>23 946 (23.4)</b>	<b>56 587 (55.4)</b>	-	<b>102 220 (34.2)</b>
Banks, DTC and Rep. Offices	23 066	36 258	30 376	-	89 700 (30.0)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	5 716	8 258	7 280	-	21 254 (7.1)
Others	7 043	12 278	7 407	-	26 728 (8.9)
<b>Banking and Finance (%)*</b>	<b>35 825 (26.0)</b>	<b>56 794 (41.3)</b>	<b>45 063 (32.7)</b>	-	<b>137 682 (46.1)</b>
Life Insurance	2 637	5 699	1 537	30 739	40 612 (13.6)
General Insurance	2 821	9 771	2 556	2 978	18 126 (6.1)
<b>Insurance (%)*</b>	<b>5 458 (9.3)</b>	<b>15 470 (26.3)</b>	<b>4 093 (7.0)</b>	<b>33 717 (57.4)</b>	<b>58 738 (19.7)</b>
<b>Total (%)**</b>	<b>62 970 (21.1)</b>	<b>96 210 (32.2)</b>	<b>105 743 (35.4)</b>	<b>33 717 (11.3)</b>	<b>298 640 (100.0)</b>

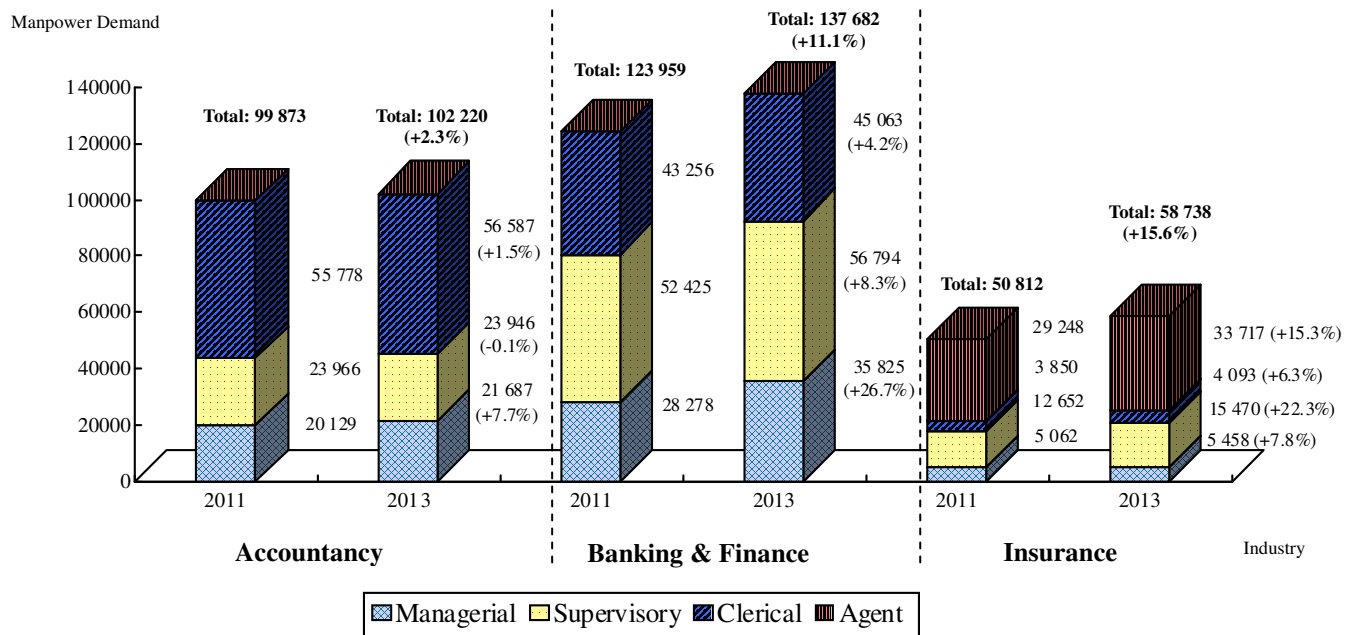
(%)\* As a percentage of the total manpower demand in the same industry and the total may not equal 100% due to rounding.

(%)\*\* 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 2011 and 2013 Surveys**

3.10 All three industries reported an increase in manpower demand. A comparison of manpower demand between 2011 and 2013 Surveys is shown in Diagram 3.

**Diagram 3: Comparison of Manpower Demand between 2011 and 2013 Surveys**



### *Forecast of Manpower Demand in the Next 24 Months*

3.11 Based on employers' projection, manpower is forecasted to increase by 2 633 or 0.9% for the Sector in the next 24 months. Employers of the accountancy sector and the insurance industry projected a growth of 0.9% and 2.0% respectively while employers of the banking and finance industry estimated a growth of 0.4%. 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 2015 (%)*	Manpower Demand in 2013	Forecasted Manpower Growth (%)**
Accountancy Firms	7 054	5 000	9 847	-	21 901 (7.3)	21 503	398 (1.9)
Banking & Finance and Insurance Services	2 583	1 597	2 975	-	7 155 (2.4)	7 148	7 (0.1)
Others	12 129	17 415	44 504	-	74 048 (24.6)	73 569	479 (0.7)
<b>Accountancy</b>	<b>21 766</b>	<b>24 012</b>	<b>57 326</b>	<b>-</b>	<b>103 104 (34.2)</b>	<b>102 220</b>	<b>884 (0.9)</b>
Banks, DTC and Rep. Offices	23 080	36 384	30 438	-	89 902 (29.8)	89 700	202 (0.2)
Securities Brokerage Firms and Investment Advisory/Asset Management Companies	5 767	8 410	7 333	-	21 510 (7.1)	21 254	256 (1.2)
Others	7 038	12 427	7 398	-	26 863 (8.9)	26 728	135 (0.5)
<b>Banking and Finance</b>	<b>35 885</b>	<b>57 221</b>	<b>45 169</b>	<b>-</b>	<b>138 275 (45.9)</b>	<b>137 682</b>	<b>593 (0.4)</b>
Life Insurance	2 646	6 019	1 560	31 507	41 732 (13.9)	40 612	1 120 (2.8)
General Insurance	2 820	9 800	2 563	2 979	18 162 (6.0)	18 126	36 (0.2)
<b>Insurance</b>	<b>5 466</b>	<b>15 819</b>	<b>4 123</b>	<b>34 486</b>	<b>59 894 (19.9)</b>	<b>58 738</b>	<b>1 156 (2.0)</b>
<b>Total (%)*</b>	<b>63 117 (21.0)</b>	<b>97 052 (32.2)</b>	<b>106 618 (35.4)</b>	<b>34 486 (11.4)</b>	<b>301 273 (100.0)</b>	<b>298 640</b>	<b>2 633 (0.9)</b>

(%)\* As a percentage of the total forecasted manpower demand for 2015 in the Financial Services Sector and the total may not equal 100% due to rounding.

(%)\*\* Manpower growth rate was based on 2013 manpower demand and 2015 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 77.9% of managerial staff should possess university degrees or above, 40.0% of supervisory staff should possess university degrees or above and 31.0% of them should possess higher diploma/associate degree/diploma/higher certificate/certificate or equivalent. 65.2% 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 67.8% of managerial staff and 29.3% of supervisory staff should possess professional qualification, while the percentage for agents and 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	48 510 (77.9)	5 204 (8.4)	982 (1.6)	762 (1.2)	195 (0.3)	0 -	6 630 (10.6)	<b>62 283</b> <b>(100.0)</b>
Supervisory	37 994 (40.0)	10 168 (10.7)	19 272 (20.3)	8 676 (9.1)	8 439 (8.9)	8 (<0.1)	10 425 (11.0)	<b>94 982</b> <b>(100.0)</b>
Clerical	8 523 (8.1)	5 454 (5.2)	9 619 (9.2)	19 762 (18.9)	48 484 (46.3)	1 254 (1.2)	11 647 (11.1)	<b>104 743</b> <b>(100.0)</b>
Agent	788 (2.4)	210 (0.6)	0 -	4 228 (13.0)	12 938 (39.9)	0 -	14 259 (44.0)	<b>32 423</b> <b>(100.0)</b>
<b>Total</b>	<b>95 815</b>	<b>21 036</b>	<b>29 873</b>	<b>33 428</b>	<b>70 056</b>	<b>1 262</b>	<b>42 961</b>	<b>294 431</b>

@ Respondents who did not disclose information concerning minimum education requirements 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.

**Table 6 : Minimum Professional Qualification Requirement  
of Personnel by Job Level**

Job Level	Professional Qualification Required (%)*	Professional Qualification Not Required (%)*	Unspecified@ (%)*	<b>Total</b>
Managerial	18 299 (67.8)	6 343 (23.5)	2 336 (8.7)	<b>26 978</b> <b>(100.0)</b>
Supervisory	11 382 (29.3)	23 905 (61.5)	3 576 (9.2)	<b>38 863</b> <b>(100.0)</b>
Clerical	4 091 (6.8)	51 794 (86.2)	4 171 (6.9)	<b>60 056</b> <b>(100.0)</b>
Agent	2 893 (8.9)	16 698 (51.5)	12 832 (39.6)	<b>32 423</b> <b>(100.0)</b>
<b>Total</b>	<b>36 665</b>	<b>98 740</b>	<b>22 915</b>	<b>158 320<sup>^</sup></b>

@ Respondents who did not disclose information concerning minimum education requirements 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.

<sup>^</sup> The 2013 Survey of the Banking and Banking 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

### ***Staff Turnover in the Past Twelve Months***

3.14 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 8 below.

Table 8 : **Number of Personnel Resigned  
in the Past Twelve Months by Job Level**

Job Level Industry		Managerial	(%)#	Supervisory	(%)#	Clerical	(%)#	Agent	(%)#	Total	(%)#
		Accountancy	Persons Resigned	1 174	(5.4)	1 640	(6.9)	6 555	(11.7)	-	-
No. of Persons Engaged	21 569		23 775	56 029		-		<b>101 373</b>			
Banking and Finance	Persons Resigned	1 978	(5.6)	5 264	(9.4)	6 174	(13.8)	-	-	<b>13 416</b>	<b>(9.9)</b>
	No. of Persons Engaged	35 305		56 119		44 687		-		<b>136 111</b>	
Insurance	Persons Resigned	400	(7.4)	1 436	(9.5)	877	(21.8)	4 219	(13.0)	<b>6 932</b>	<b>(12.2)</b>
	No. of Persons Engaged	5 409		15 088		4 027		32 423		<b>56 947</b>	
<b>Total</b>	<b>Persons Resigned</b>	<b>3 552</b>	<b>(5.7)</b>	<b>8 340</b>	<b>(8.8)</b>	<b>13 606</b>	<b>(13.0)</b>	<b>4 219</b>	<b>(13.0)</b>	<b>29 717</b>	<b>(10.1)</b>
	<b>No. of Persons Engaged</b>	<b>62 283</b>		<b>94 982</b>		<b>104 743</b>		<b>32 423</b>		<b>294 431</b>	

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

3.15 During the past twelve months, 29 717 personnel left their companies for various reasons, such as resignation, further studies, emigration and retirement, etc, which has increased by 370 or 1.3% from 29 347 in 2011. The overall staff turnover rate was 10.1% for the Sector. The results showed that staff turnover was the highest in the insurance industry which was 12.2%, followed by the banking and finance industry which was 9.9% whereas the percentage of the accountancy sector was 9.2%.



## 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 58.7% and 23.8% of the cases of recruitment difficulties. The reasons of recruitment difficulties were more or less the same as the previous survey. 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 9 below.

Table 9 : 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	14 (6.3)	2 (0.9)	109 (48.9)	94 (42.2)	-	1 (0.4)	3 (1.3)	<b>223</b> <b>(100)</b>
Supervisory	19 (2.1)	6 (0.7)	627 (69.1)	166 (18.3)	3 (0.3)	10 (1.1)	77 (8.5)	<b>908</b> <b>(100)</b>
Clerical	5 (0.3)	6 (0.3)	994 (54.7)	442 (24.3)	2 (0.1)	7 (0.4)	360 (19.8)	<b>1 816</b> <b>(100)</b>
<b>Total</b> <b>(%)**</b>	<b>38</b> <b>(1.3)</b>	<b>14</b> <b>(0.5)</b>	<b>1 730</b> <b>(58.7)</b>	<b>702</b> <b>(23.8)</b>	<b>5</b> <b>(0.2)</b>	<b>18</b> <b>(0.6)</b>	<b>440</b> <b>(14.9)</b>	<b>2 947@</b> <b>(100)</b>

# 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 9 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

3.17 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 of the Sector in the next 24 months would be about 320 000 (294 000 + 26 000) persons. Table 10 shows the total manpower requirements by industry and by job level.

Table 10 : 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	21 569	1 440	23 775	1 546	56 029	3 493	-	-	101 373	6 479
Banking and Finance	35 305	3 004	56 119	4 925	44 687	5 090	-	-	136 111	13 019
Insurance	5 409	414	15 088	1 732	4 027	362	32 423	4 215	56 947	6 723
<b>Total</b>	<b>62 283</b>	<b>4 858</b>	<b>94 982</b>	<b>8 203</b>	<b>104 743</b>	<b>8 945</b>	<b>32 423</b>	<b>4 215</b>	<b>294 431</b> Say 294 000	<b>26 221</b> Say 26 000

## Manpower Supply in the Financial Services Sector

3.18 Based on the manpower projections for next 24 months made by the Training Boards (about 26 000 as shown in Table 10 of para. 3.17) and taking into account the education/qualification requirements of various job levels preferred by employers in the three industries, about 11 729 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 Hong Kong Institute of Vocational Education (IVE) 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 2013/2014 and 2014/2015 would be 12 475 and 10 725 respectively. 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 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	2 376	1 376	<b>3 752</b>
Banking and Finance	4 537	2 207	<b>6 744</b>
Insurance	707	526	<b>1 233</b>
<b>Total</b>	<b>7 620</b>	<b>4 109</b>	<b>11 729</b>

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

Discipline	Estimated Number of Graduates			
	Degree		Sub-degree#	
	2013/14	2014/15	2013/14	2014/15
Accountancy and related disciplines	1 995	1 770	2 711	2 172
Finance, Business Administration and related disciplines	3 153	3 013	2 139	1 655
Insurance and related disciplines	1 295	1 224	1 182	891

Note: The Training Board wrote to course providers requesting for their estimated number of degree and sub-degree graduates in 2013/14 and 2014/15. 25.7% of the course providers replied. The estimated number of graduates reported by these course providers has been included in the figures shown in Table 11B. 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.

3.19 As shown in Table 10 of para. 3.17, the projected additional manpower requirements for the next 24 months are about 26 000. 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

3.20 In the 2013 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 12.

Table 12: Topics of Training for Manpower Development

Topics of Training Job Level	Accountancy	Banking and Finance	Insurance
Managerial	Updates of Accounting Standards	Risk Management	General Insurance
	Principles & Practice of Management	Crisis Management	Risk Management
	Marketing Management	Securities & Futures Regulation	Law Relating to Insurance
	Risk Management	Compliance of Various Ordinances	Problem Solving and Decision Making
	Strategic Management	Marketing Management	Executive Leadership
Supervisory	Updates of Accounting Standards	Securities & Futures Regulation	General Insurance
	Financial Accounting	Anti-Money Laundering Compliance	Interpersonal Skills
	Cost and Management Accounting	Securities Analysis	Effective Communication Skills
	Financial Management	Financial Markets Operations	Presentation Skills
	Accrued-based Accounting	Financial Statement Analysis	Law Relating to Insurance
Clerical	Updates of Accounting Standards	Communication Skills	Effective Communication Skills
	Financial Accounting	Putonghua	General Insurance
	Cross-exposure to Other Accounting Functions	Anti-Money Laundering Compliance	Use of Computer
	Cost and Management Accounting	Securities & Futures Regulation	IT Enabling Systems
	Accrued-based Accounting	Spoken English	Presentation Skills
Agents	n/a	n/a	General Insurance
			Time Management
			Life Insurance
			Interpersonal Skills
			Effective Communication Skills

3.21 In general, employers considered training topics such as Marketing Management, Risk Management, etc should be offered to managerial staff, while more trade-related training topics such as Updates of Accounting Standards, Anti-Money Laundering Compliance and General 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

3.22 In the 2013 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 2013 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

3.23 The 2013 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 13.

Table 13: 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%	89.3%	75.8%	26.1%
	>49% - 100%	10.7%	24.2%	73.9%
Supervisory	0% - 49%	94.2%	63.5%	19.3%
	>49% - 100%	5.8%	36.5%	80.7%
Clerical	0% - 49%	93.1%	72.8%	66.8%
	>49% - 100%	6.9%	27.2%	33.2%
Agent	0% - 49%	-	-	47.6%
	>49% - 100%	-	-	52.4%

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 2013 and Training Expenses in 2012

3.24 Table 14 shows the training expenses and training budgets of establishments in 2012 and 2013. The majority of establishments indicated that their training budgets in respect of in-house training and external training for 2013 would remain the same as those of 2012.

Table 14: Comparison of Training Budgets in 2013  
and Training Expenses in 2012

Changes of Training Budgets in 2013 compared to Training Expenses in 2012	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	93.9%	93.1%	88.0%	83.9%	96.3%	95.5%
Increase	1.5%	2.3%	2.0%	4.6%	1.0%	1.4%
Decrease	<0.1%	0.1%	0.0%	<0.1%	0.1%	0.1%
Unspecified	4.5%	4.5%	10.0%	11.5%	2.7%	2.9%

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

## SECTION IV

### CONCLUSIONS

#### **Business Outlook**

4.1 With several doses of quantitative easing, the US economy has shown signs of recovery. The economic outlook of Europe is somewhat less promising when compared with the US though. 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. Nevertheless, various rounds of monetary easing measures in major advanced economies have generated some capital inflow pressures for the Asian economy. On the other hand, spurred by talks of the US Federal Reserve of the plan to taper its monetary stimulus, there seems to have occurrences of the reversal of capital flows back to developed nations. In this connection, the business outlook is difficult to predict which in turn leads to the conservative projection of the 2015 manpower demand by employers.

4.2 Even though there are still uncertainties in the external environment, the global financial conditions are less volatile than the previous few years. Banks in Hong Kong have built the goodwill of strong capital positions by international standards with a sound asset base so as to meet the new capital requirements under the Basel III framework. Other financial institutions have also been diversifying their businesses into areas like fund and asset management.

4.3 On the other hand, under Supplement X to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), Hong Kong professionals who have obtained the Chinese Certified Public Accountants qualification will be allowed to become partners of partnership firms in Qianhai on a pilot basis. In fact, Supplement X to CEPA signed on 29 August 2013 further encourages the liberalization of trade in services in the Mainland for Hong Kong, strengthening cooperation in the areas of finance, trade and investment facilitation.

4.4 In Mainland China, the central bank sent global markets reeling when it attempted to tighten credit and rein in the shadow banking system. These efforts may bring short-term pain to the market. However, it is encouraging that the central government is making effort to reform the market. Moreover, Hong Kong is regarded as the most efficient offshore Renminbi (RMB) business hub with a large offshore pool of RMB. In fact, Supplement X to CEPA has stipulated that Hong Kong bank's operating institution in the Mainland, after obtaining approval to conduct RMB business for serving Hong Kong enterprises, may provide service to enterprises in the Mainland that are recognized as owned by Hong Kong investors in accordance with relevant rules and regulations, despite investors of those enterprises are based in a place other than Hong Kong. Supplement X also allows Hong Kong-funded securities companies to make reference to the securities assets being managed by the respective group when applying for QFII status. It also allows qualified Hong Kong-funded financial institutions to set up joint venture fund management companies in the Mainland in accordance with relevant Mainland requirements.



4.5 For the insurance industry, even though the local insurance market is a mature one, market growth does not lose its momentum with the help of an ageing population and a rise in the general affluence of the local people. In fact, many insurers have already venturing into areas like retirement planning and wealth management, etc.

4.6 The Mainland continues to be viewed by global insurers and reinsurers as the region of opportunities. Hong Kong insurance companies are able to take advantage of the opportunities by entering the market through setting up business institutions or capital participation so as to participate and share in the development of the mainland insurance market under CEPA. In fact, Supplement X actively supports qualified Hong Kong insurers to take part in compulsory traffic accident liability insurance business in the Mainland. Applications made by Hong Kong insurers will be actively considered and facilitation will be provided in accordance with relevant rules and regulations. In fact, there is a growing trend that life insurance policies are on the shopping list of mainland visitors besides jewelry, watches and cosmetic products. Customers from the Mainland have become one of the driving forces to support the growth of the life insurance industry.

### **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 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 future economic outlook of the US economy and the economic growth of the Mainland would have impacts on the local manpower requirements with varying degrees;
- (iii) A change in the manpower structure is also expected that most of the work of the back office might be relocated to countries with lower labour cost in order to minimise operation costs. On the other hand, more resources are expected to be spent on recruiting frontline personnel as financial institutions need to provide customers with more client-focused financial services;
- (iv) The trend of shifting towards investment related insurance business could be spotted which led to an expansion of the sector of independent financial advisors. It is foreseeable that manpower demand for independent financial advisors will be getting high and more people will join this sector;
- (v) Owing to the increasing emphasis on compliance, more resources are expected to be put in recruiting personnel related to compliance so as to fulfill regulatory requirements set by the

government; and

- (vi) Last but not least, in view of the close business relationship between Hong Kong and the Mainland, more and more practitioners would be entering into the business market of the Mainland. The business and commercial knowledge about the Mainland and related regulations would be in great demand.