



[For Immediate Release]

The Chartered Institute of Management Accountants Makes Four Suggestions to Improve Employment in Hong Kong

(15 June 2021, Hong Kong) The Chartered Institute of Management Accountants (CIMA), the world's largest body of management accountants, proposes four suggestions to improve the rate of employment hit by the coronavirus outbreak.

Paulus Chau, Associate Director, Hong Kong and Emerging markets, said: "While Hong Kong's economy and unemployment are yet to recover from the pandemic, the efforts of The Hong Kong SAR Government to address this are much welcomed. There is opportunity to do more to help prepare the economy for the next expansion by encouraging and facilitating the businesses to invest in technology and people talents, and the professionals in developing a continuing learning for skills and knowledge".

The full recommendations were set out in a letter sent to Mrs Carrie Lam, Chief Executive of The Government of the Hong Kong Special Administrative Region.

<https://www.cimaglobal.com/Global/CIMA%20Letter%20to%20Hong%20Kong%20Government%20June%202021%20Final%201.pdf>

A summary of the recommendations can be found below:

1) Cost pressure – Introduce a plan to support employment and adaption of new technology

Many businesses have increasing pressure to reduce their cost base. One of the mechanisms that they turn to, is increased mechanization and automation and the expense of increased headcount and labour. This puts lower skilled jobs at risk. Higher skills levels will be required to work in a more technology driven environment. We would welcome the government introducing a plan across all sectors for how to support employment while businesses drive their business to be more profitable and productive by use of new and emerging technologies.

The cost of introducing new technology and processes is usual upfront and can be very high. Alongside a plan for supporting employment while businesses introduce new technology, we believe if the government could help support small businesses with these upfront costs it would mean more Hong Kong



businesses would invest in new technology and become more competitive. One way this could be achieved is by Government providing tax relief on SMEs adoption on new technology such as AI, automation, cloud computing and spending on cybersecurity to name a few.

2) Introduce Skilled and Professional Apprenticeships

We recommend that the government look to apprenticeship and traineeships schemes run by countries, with economies similar to Hong Kong's, such as the United Kingdom and United States. In these countries, apprenticeships and/or traineeships are beyond traditional trade apprenticeships and have been redesigned to include occupations and professions. They have proved a valuable resource for both companies and school leavers and graduates to access the labour market. The Hong Kong government should look to introduce such a programme which takes account of the market, economic and education system and structures here.

3) Reskilling for existing staff

Existing staff will need to reskill themselves in order to remain competitive and employable in the face of increasing technology and artificial intelligence changes. In order to promote staff and job retention we would suggest the government introduces tax incentives for companies who are retaining and investing in skills development. This could be through micro-credentialling.

Another way this could be achieved is by creating a Lifetime Skills Fund/Guarantee that post-graduation Hong Kong residents can use while they are of working age to fund retraining and upskilling. This could be funded by either tax breaks for employees or via a loan system where those who decide to use the fund have a top-up on their taxes to pay back what they have spent on skills training.

This could also be achieved by modifying the Continuous Education Fund (CEF) that already exists in Hong Kong to motivate more people to engage in upskilling and reskilling training and education. One way this could be achieved through the CEF scheme is allowing for 100% claims through the scheme.



4) Support for women

Hong Kong has, like the rest of the world, from a gender disparity and research has shown that women have been disproportionately harder hit by the economic effects of Covid-19. We would recommend increased incentives to companies to employ and re/upskill female employees. Incentives into Science, Technology and Finance professions where there is already a shortage of senior women would make a huge difference.

- END -

About The Chartered Institute of Management Accountants

Founded in 1919, The Chartered Institute of Management Accountants® (CIMA®) is the world's leading and largest professional body of management accountants. As part of the Association of International Certified Professional Accountants®, CIMA and its members and students operate in 192 countries and territories, working at the heart of business — in industry, commerce, the public sector and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its professional qualification and professional experience requirements to ensure it remains the employer's choice when recruiting financially trained business leaders.

About the Association of International Certified Professional Accountants, and AICPA & CIMA

The Association of International Certified Professional Accountants® (the Association) represents AICPA® & CIMA®. We advance the global accounting and finance profession through our work on behalf of 696,000 AICPA and CIMA members, students and engaged professionals in 192 countries and territories. Together, we are the worldwide leader on public and management accounting issues through advocacy, support for the CPA license, the CGMA designation and specialised credentials, professional development and thought leadership. We build trust by empowering our members and engaged professionals with the knowledge and opportunities to be leaders in broadening prosperity for a more inclusive, sustainable and resilient future.

Media Enquiries:

Vivian Fung

Senior Manager, PR and Communications, North Asia

The Association of International Certified Professional Accountants

Contact number: 3547 2804 / Email: vivian.fung@aicpa-cima.com