

Developments in
demographic trends of Hong Kong
and their implications for public policies

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Contents

- Population size and composition by age and sex
- Population ageing
- Birth and fertility
- Marriage—in particular, cross – boundary marriages
- In-migration and Out-migration
- Deaths
- Labour Force and “participation” in the labour force
- Population structure and labour supply/demand
VS socio-economic development and public policies

The population of Hong Kong

1. Size of the HK population (Millions).

1961 3.2

1981 5.2

2001 6.7

(2016 7.34)

2021 7.6

2. Average Annual Rate of growth :

- 50's - 60's : high -- 2-3%
- 70's and 80's : lower -- 1.5 - 2 %
- 1990's and 2000's : lower and lower -- 1-1.5%
- Now : low - less than 1%
- The future : continues to be low -- less than 1%

The population of Hong Kong-- Size

Mid-year	Size of population	Increase in number (20-year period)	% increase (20-year period)
1961	3 168 100	--	--
1981	5 183 400	2 015 300	63.6
2001	6 714 300	1 530 900	29.5
<i>(2016)</i>	<i>(7 336 600)</i>	--	--
2021	7 625 900	911 700	13.6
2041	8 220 000	594 100	7.8
2061	7 889 000	-331 100	-4.0

Pop estimates and pop projections

- **Population Estimates:**

- Statistical data.

- Cannot be expected to be 100% precise,
but should meet some quality standard

- Hong Kong Data:

- Good quality;

- Trusted locally and elsewhere;

- Census and Statistics Department has been
standing firm in applying --

- scientific principles,

- professional ethics and

- international standards

Population Projections

- Not the same as “forecasts”
- In producing projections, the following are assumed :
 1. continuation of existing/imminent trends
 2. continuation of existing public policies and/or implementation of announced ones.
- Upon release of the projections, the community will **note** whether there are significant issues/problems that will be arising.
 - **There may accordingly be change in behaviour and/or in public policies to cope with the situation**
 - this is exactly the *desired* function of projections.

Naturally, projections have to be updated from time to time.

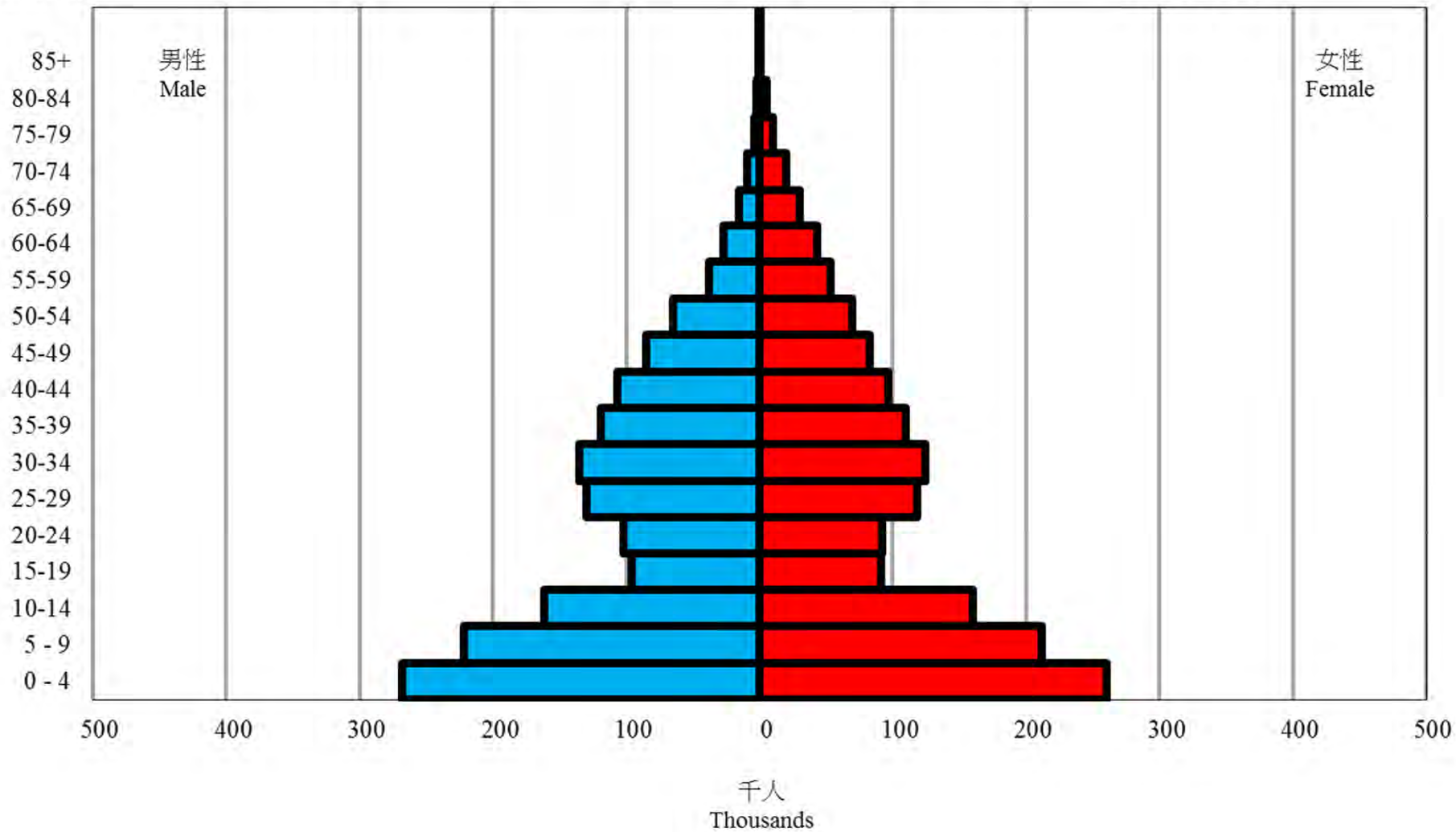
Overview of the population structure :

Population pyramids

年齡組別
Age group

1961

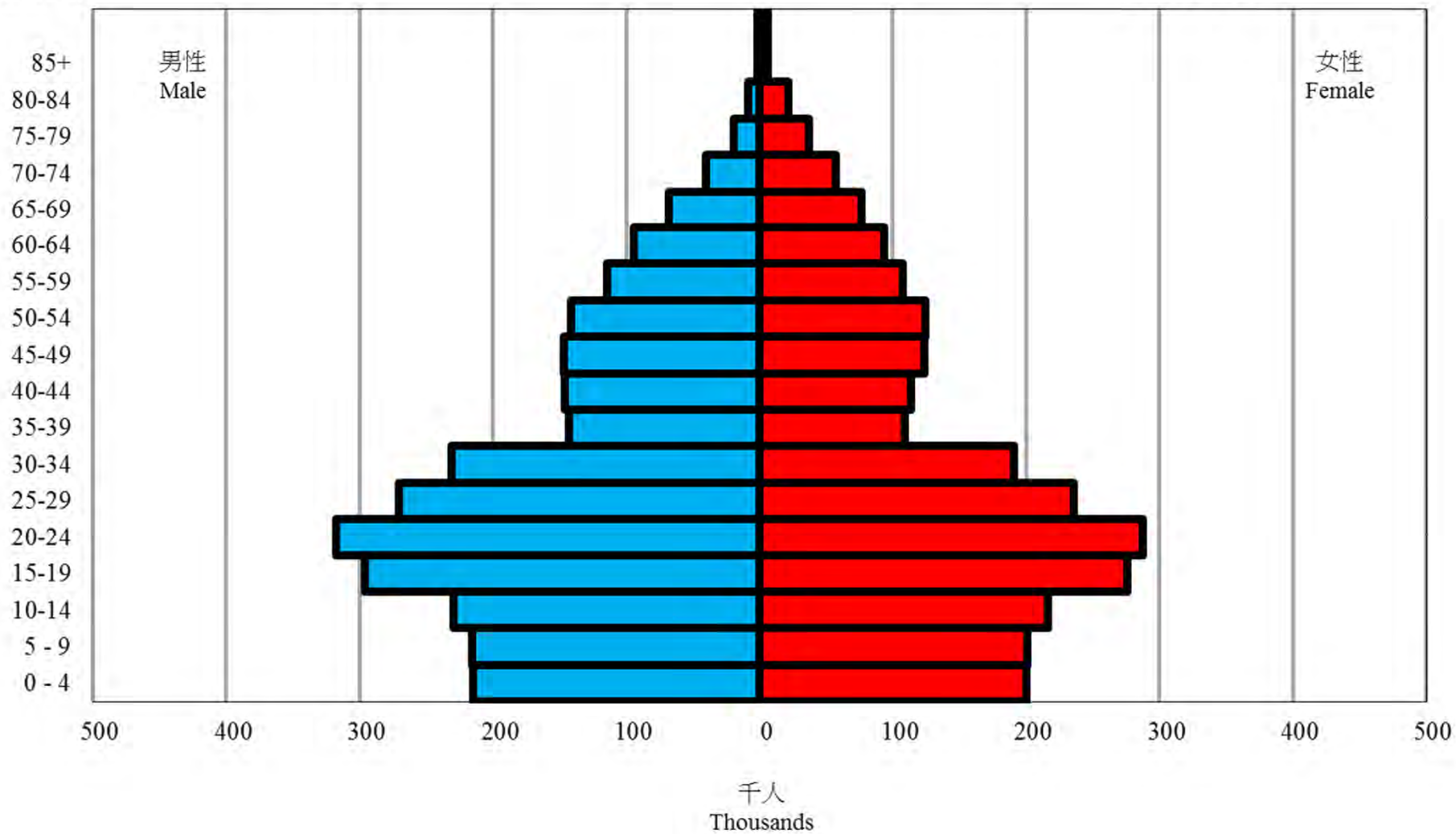
人口 Population Size:
3 168 100



年齡組別
Age group

1981

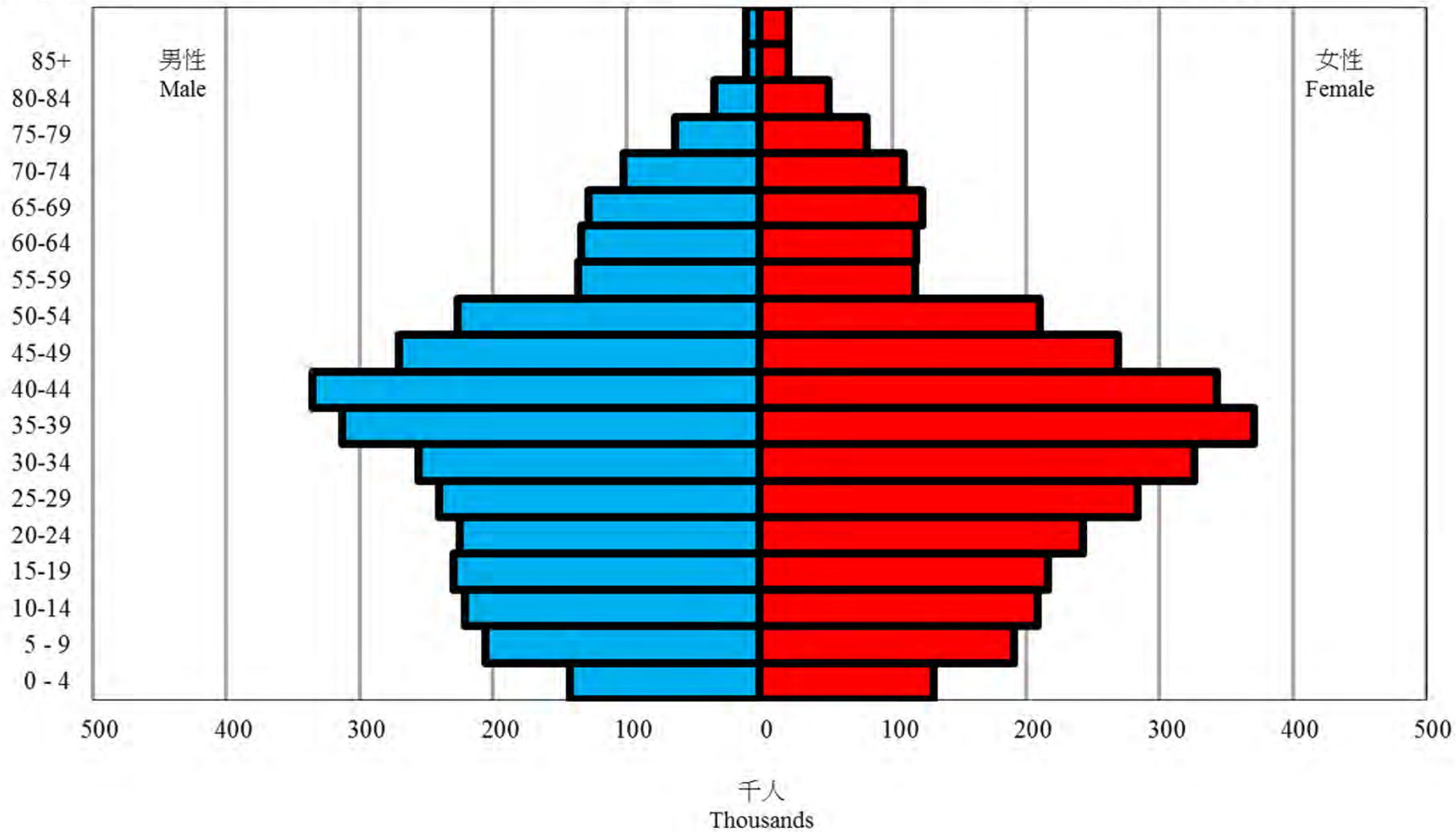
人口 Population Size:
5 183 400



年齡組別
Age group

2001

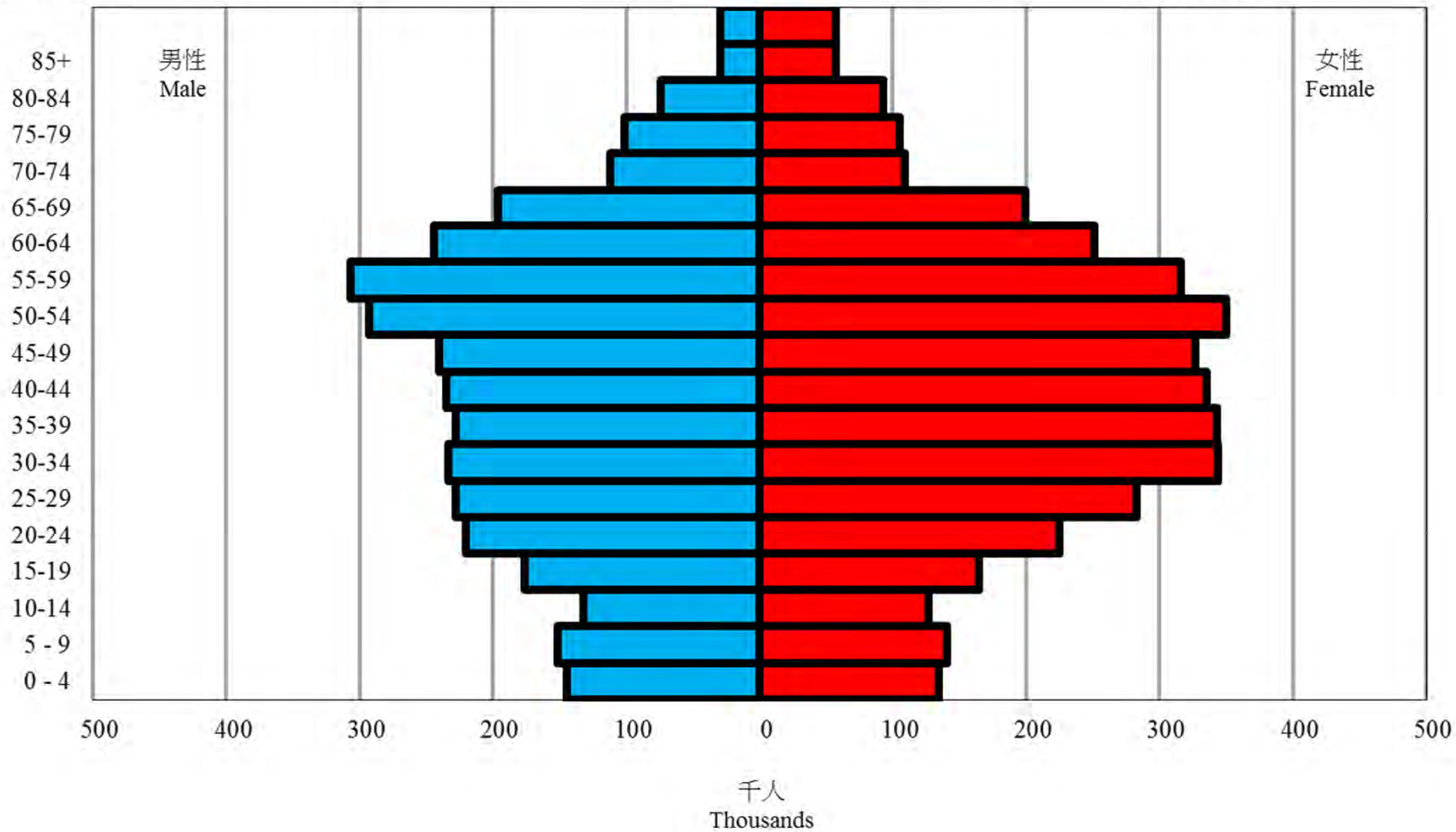
人口 Population Size:
6 714 300



年齡組別
Age group

2016

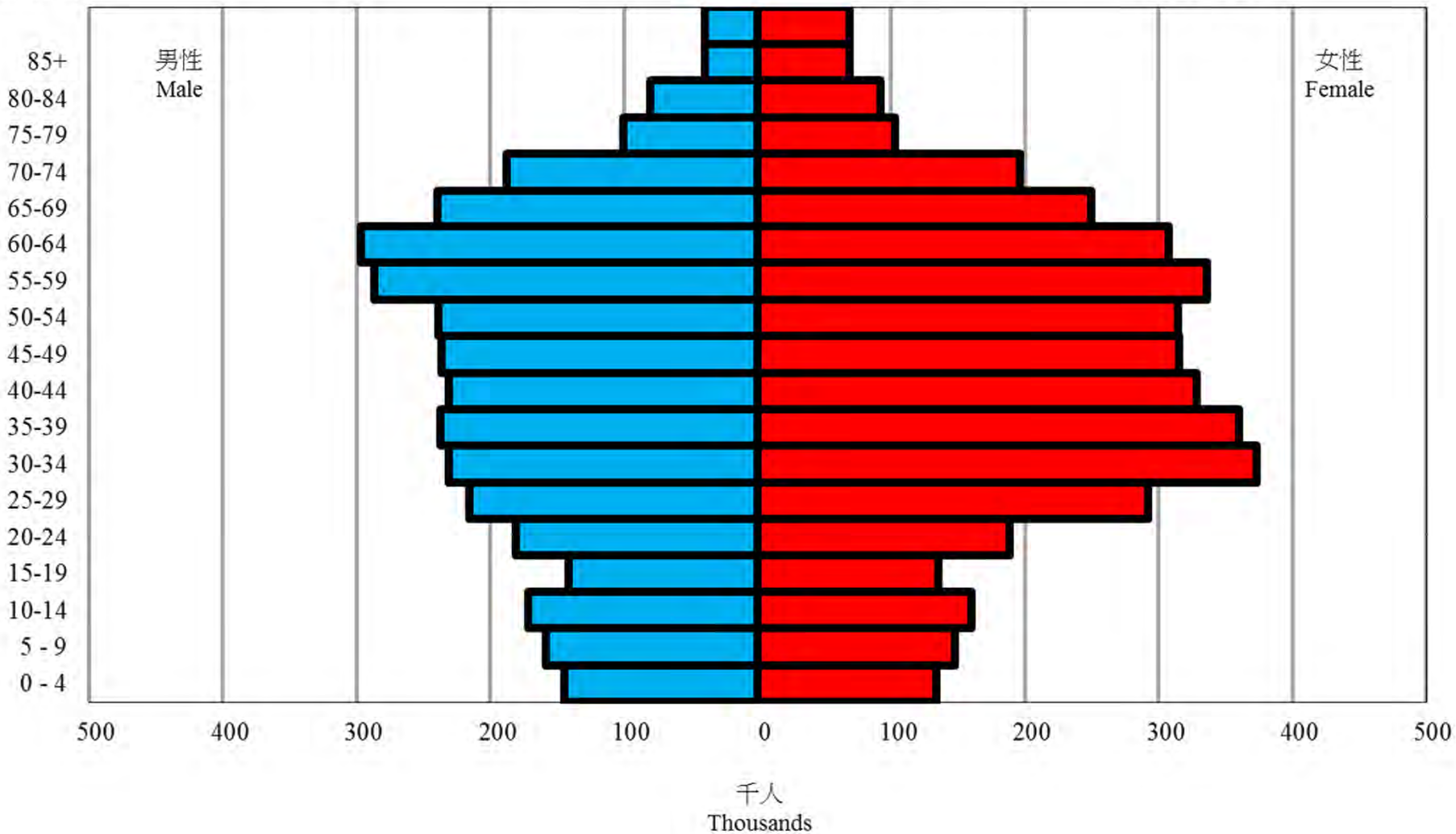
人口 Population Size:
7 336 600



年齡組別
Age group

2021

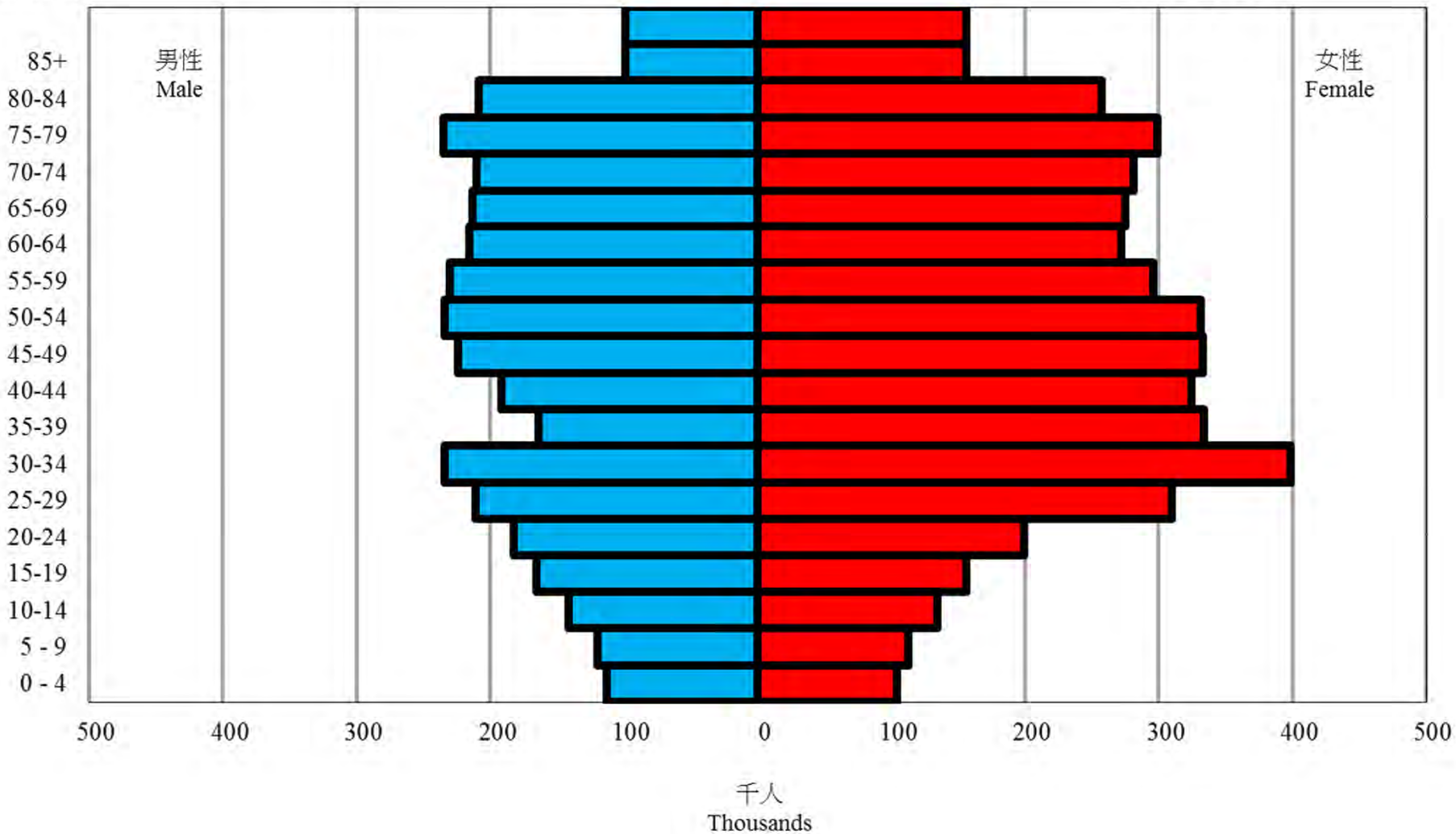
推算人口 Projected Population Size:
7 625 900



年齡組別
Age group

2041

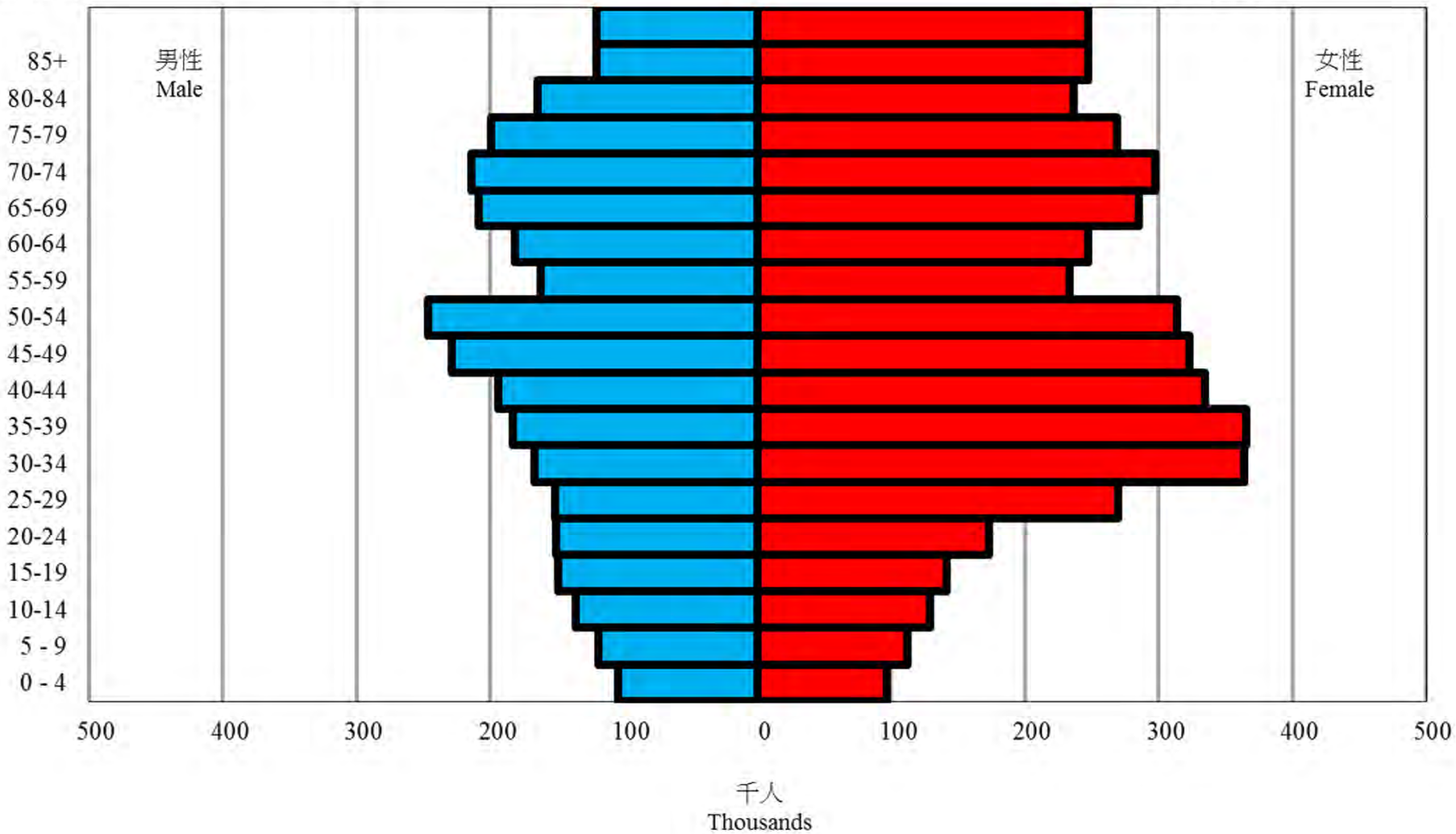
推算人口 Projected Population Size:
8 220 000



年齡組別
Age group

2061

推算人口 Projected Population Size:
7 889 000



Factors of changes in population size and composition

- **Births**
- **Deaths**
- **In-migration**

Persons coming from the Mainland of China to settle in HK under the “One Way Permit Scheme” (a quota of maximum 150 persons a day; essentially for family reunion—spouses and children)

Special schemes (satisfying certain conditions to come in for staying and upon getting renewal of permission to stay on)

Imported labour

(without the intention / the right to settle in HK;

Foreign Domestic Helpers being the dominant group)

Factors for changes in population size and composition

- **Out-migration** : HK people leaving HK to settle elsewhere (overseas or Mainland of China)
 - → HK people are quite mobile in regard to settling:
 - many leave HK to settle elsewhere
 - and then returning to settle in HK
 - (and perhaps engage in further cycles of leaving and returning)

Age composition of the Hong Kong Population

	Aged below 15 (%)	Aged 15-64 (%)	Aged 65 and over (%)	Median age (years)
1961	40.5	56.3	3.2	23.1
1981	24.6	68.7	6.6	26.3
2001	16.4	72.4	11.2	36.8
<i>(2013)</i>	<i>11.1</i>	<i>74.7</i>	<i>14.2</i>	<i>42.5</i>
<i>(2016)</i>	<i>11.3</i>	<i>72.8</i>	<i>15.9</i>	<i>43.4</i>
2021	12.0	68.8	19.2	44.8
2041	8.8	60.9	30.3	49.6
2061	8.8	58.1	33.1	50.4

- Note: Aged 65+ at 2015 :

China = 10%

Korea = 13%

UK= 18%

Singapore= 12%

Japan = 26%

France= 19%

Ageing of the population

- The population was very young in the 50's, 60's and 70's .
Postwar babyboom: 1948-1965.
The **proportion** of elderly persons (65 or over) rose
ONE percentage point every five years.
This proportion was below 7% up to the end of the 1970's
- Initial ageing started in early 80's , the **proportion** of elderly persons rose (still) at the speed of **just ONE percentage point every five years.**
- By 2013 or so, Hong Kong reached the stage of an “aged” society (i.e., the proportion reached 14%). It took some **35** years for that proportion to rise **from 7% to 14%**
[[The significance of Year 2013: the postwar-babyboomers beginning to enter the “elderly” age bracket [aged 65 or over]]]

→ From 2013 or so onwards, that proportion increases **3-4 percentage points every five years.**

A very **drastic acceleration**. And this high speed of increase will continue for a **lengthy** 15-20 years.

→ A very aged society by the 2040's (around 30%).

The percentage will continue to go up, though not intensively. A long duration of having a big elderly population will have significant implications.

→ But as of now, the **drastic acceleration mentioned above** is a ***particularly difficult*** problem to deal with right ahead of us.

Ageing of the population

1) There has been a *mild and gradual* ageing process over the last 20-30 years ;

It was more gradual than many other economies—

[[→there was a rather long post-war baby boom ;

→by the time it finishes, the post-war babies have

begun to reach adulthood and become parents themselves]]

2) Significant acceleration of ageing from 2013 or so onwards;

3) Continuation of high speed ageing for the ensuing 15-20 years; and

4) The population will be at a **very high level of ageing by 2040** (about 30% of the population in the elderly group) and this will continue on for the years beyond

- Many people (especially the media) often just emphasize on point (4), thus there is a tendency to feel there is still much time to get prepared.

This is problematic. **Society tends to lose *the required* sense of urgency.**

The Dependency ratio

Definitions:

Child dependency ratio is

the number of persons aged under 15
per 1 000 persons aged 15–64.

Elderly dependency ratio is

the number of persons aged 65 and over
per 1 000 persons aged 15–64.

Overall dependency ratio is

the number of persons aged under 15 and
those aged 65 and over
per 1 000 persons aged 15–64.

It is also equal to

Child dependency ratio + Elderly dependency ratio

Dependency Ratio

Mid-year	Child Aged below 15	Elderly Aged 65 and over	Overall
1961	720	56	776
1981	358	97	455
2001	226	155	381
<i>(2013)</i>	<i>149</i>	<i>190</i>	<i>339</i>
<i>(2016)</i>	<i>155</i>	<i>218</i>	<i>373</i>
2021	174	279	454
2041	145	497	642
2061	152	570	722

Demographic Window

- Look closely at data on the **dependency ratio**.
It was rather low for some 20 years—up to quite recently .
It has begun to rise after 2013 --- and quite **speedily**.

→ There was this **“demographic window”**
(from mid-1990’s to 2013).
(decreasing no. of children to rear
but the elderly population was not expanding very quickly yet)

→ **It would have been much better if this “window” has been used well.**

→ **The situation was actually not unknown. Population projections
were available many years ago for people to look ahead and work on.**

→ **Unfortunately this did not happen and we must really
hurry up now and work very hard to make up.**

Births

- Births 1961 : 110 000 1981 : 87 000
2001 : 48 000
- A special period (2003-2012) : following a court ruling, a vast no. of babies were born in HK to Mainland women whose husbands were Mainland Men (i.e. **both** parents were **not** HK Permanent Residents).
At the peak, it was 95 000 (2011)
- The intensive inflow stopped in mid-2012 after the implementation of some administrative arrangements.
- The no. of births came down to 57 000 in 2013

Birth statistics (with breakdown for births in HK to Mainland women)

Reference period	Number of live births	Of whom number of live births born in Hong Kong to Mainland women:			
		whose spouses are Hong Kong Permanent Residents	whose spouses are not Hong Kong Permanent Residents	Others	Sub-total
1999	51 281	6 621	559	-	7 180
2000	54 134	7 464	709	-	8 173
2001	48 219	7 190	620	-	7 810
2002	48 209	7 256	1 250	-	8 506
2003	46 965	7 962	2 070	96	10 128
2004	49 796	8 896	4 102	211	13 209
2005	57 098	9 879	9 273	386	19 538
2006	65 626	9 438	16 044	650	26 132
2007	70 875	7 989	18 816	769	27 574
2008	78 822	7 228	25 269	1 068	33 565
2009	82 095	6 213	29 766	1 274	37 253
2010	88 584	6 169	32 653	1 826	40 648
2011	95 451	6 110	35 736	2 136	43 982
2012	91 558	4 698	26 715	1 786	33 199
2013	57 084	4 670	790	37	5 497
2014	62 305	5 179	823	22	6 024
2015	59 878	4 775	775	16	5 566

Fertility

- **Age-specific Fertility Rate:**
Number of live births occurring among 1 000 women in a given age group during a given year
- The **Total Fertility Rate (TFR)** in a given year refers to the **average number of children** that would be **born alive to 1 000 women during their lifetime** based on the age-specific fertility rates prevailing in that year.
- For a population to replace itself, each woman would have to produce on average a sufficient number of children. → A Total Fertility Rate of **2 100 children per 1 000 women** is considered to correspond to the **replacement level**.
- HK's TFR in 2015: 1 196 per 1 000 women

Fertility

- The fertility of Hong Kong women is ***apparently*** low owing to the fact that a lot of Hong Kong men marry Mainland women and children are born in the Mainland out of such marriages rather than to Hong Kong women in Hong Kong, many of whom remain single.
- ***Marital fertility*** of HK women is actually **not low** when compared with women in other advanced economies.
- It has to be noted that the children of HK men born in the Mainland to the latter's Mainland wives will sooner or later come to settle in Hong Kong. (**These children get counted as in-migrants**)
- As regards the men, they have actually done their "task" of **producing offsprings** for themselves **and** for Hong Kong.

**Cross-boundary marriages of HK people (2005) —
including both marriages
registered in HK and in the Mainland**

HK men who married during 2005 = (a) + (b) = 45 971
[[b/(a+b)= 54% of them married Mainland women]]

HK women who married during 2005 = (a) + (c) = 26 061
[[c/(a+c) = 18.9% of them married mainland men]]

HK = from HK ML = from Mainland China

Bridegroom	HK	HK	ML
Bride	HK	ML	HK
	21 102 (a)	24 869(b)	4 919(c)

**Cross-boundary marriages of HK people (2015) —
including both marriages
registered in HK and in the Mainland**

HK men who married during 2015 = (a) + (b) = 44 513

[[b/(a+b)= 36% married Mainland women {38.2% (2014), 54% (2005) }]]

HK women who married during 2015 = (a) + (c) = 35 495

[[c/(a+c) =20.1% married mainland men {20.3% (2014), 18.9% (2005) }]]

HK = from HK ML = from Mainland China

Bridegroom	HK	HK	ML
Bride	HK	ML	HK
	28 359 (a)	16 154(b)	7 136 (c)

Cross-boundary marriages

Reasons for -- large no. of cross-boundary marriages
-- **many more** [HK Men + Mainland Women] marriages
than [HK Women + Mainland Men] marriages

>> increasingly close exchanges HK \leftrightarrow Mainland
→ Many HK men work, go for duty visits, attend meetings in the Mainland
(as shown by survey data)
→ Many opportunities of meeting colleagues/friends of the opposite sex; and
falling in love; followed by marriage
→ **Far less** HK women in similar situation

>> the marriages are NOT “economic” marriage, but natural ones

>> Subsequently, many wives (and children) to come to settle in HK
(matched by rather fewer husbands to come)

::: This is one main cause for more Women than Men in the HK Population

No. of deaths AND Expectation of Life

Deaths : 2001- 33 000 2011: 42 000
2021- 52 000 2041: 81 000

Expectation of life at Birth

	Male (Years)	Female (years)
1981	72.3	78.5
2001	78.4	84.6
<i>(2015)</i>	<i>81.4</i>	<i>87.3</i>
2021	82.5	88.1
2041	85.0	90.5
2061	86.7	92.3

Expectation of life at Age 65

	Male (Years)	Female (years)
1981	14.2	18.4
2001	17.7	22.1
<i>(2015)</i>	<i>19.8</i>	<i>24.5</i>
2021	20.6	25.0
2041	22.5	27.0
2061	23.9	28.4

Sex ratio

- Definition :

Sex ratio refers to the ratio of the number of males
per 1 000 females.

To Note:

- 1) There are some 330,000 foreign domestic helpers (FDHs) in HK.
Most are females.
 - 2) Many HK men marry in the mainland and
their wives come subsequently to HK for permanent settlement
 - 3) Life expectation of women is longer than that of men.
- → In 2016, the Sex Ratio in HK was 850 : 1000 (with FDHs *included*) and
925 : 1000 (with FDHs *excluded*)

Labour Force and “participation” in the labour force

Labour Force Participation Rate (LFPR) –
(percentage of persons aged over 15 being in the Labour Force)

2000 – Male – 73.5%; Female – 49.9%;
Overall – 61.4%

2016 (4th Quarter) – Male – 68.0%; Female – 54.6%;
Overall – 60.6%

Relevant factors (causing increase/decrease in the LFPR):

Much increased education opportunity during the period
at post-secondary level for both young men and women
(age group 15-24)

Women-- marital status;
family role;
technological advances

Labour Force and “participation” in the labour force

Labour Force (LF) -- size (thousand persons)

- 2000 M - 1 964 F- 1 410 T- 3 374
- 2016 (4th Quarter) M - 1 984 F- 1 930 T- 3 914

.....

Labour Force Projection –

- LF is projected to start decreasing around 2018/19
- All the way to 2030, LF is projected to come down gradually, by some 200,000 persons, then stabilizing.

Population structure and labour supply/demand VS socio-economic development and public policies

Much concern **around the world** on **population issues**,
especially in the developed countries and territories.

Main concerns are:

- Low birth rate and low fertility rate; ageing of the population; inadequate labour supply
- Possible to change the expected population size and its composition?
- How to increase birth and fertility (no ready-made measures, few feasible solutions)?
- Deaths – ethical and legal issues on **not** trying the *hardest* to rescue the very old when they are very sick

Population structure and labour supply/demand
VS socio-economic development and public policies:

- Getting immigrants of the “right” description and/or imported workers (resistance from the existing citizens -- for fear of diluting existing welfare or competition for good jobs ?)
 - Geographic distribution (within country; within regions)-better spread
- Population issues/Population Policies are closely related to many other public issues and policies.
- Close co-ordination** is most important among various fields (labour, education, economic/industrial structure, medical/health, land-use/housing, welfare, public finance).
- In HK, official statistics plays its role of supporting such endeavours and helps in the **holistic approach to problem- solving and policy-making.**

Population structure and labour supply/demand
VS socio-economic development and public policies:

Ageing of the Hong Kong Population and rise in the dependency ratio

- Encouraging childbearing ?(Can try, but few feasible measures and not likely to be very effective)
- Spouses and children of the cross-boundary marriages: the earlier they come to HK to settle, the better
- Attracting (suitable) in-migrants

Population structure and labour supply/demand
VS socio-economic development and public policies:

Changes in demand for goods and services
(and consequently demand for manpower)

- Significant increase in the elderly population – the local demand for goods and services will change; some of the services needed by this sector can be particularly labour intensive
- External demand – we may have to restrict a bit on our export of services in view of the point above

Population structure and labour supply/demand
VS socio-economic development and public policies:

Labour supply

Labour Force is going down (not greatly in term of numbers but then the population size keeps on growing in the meantime)

Need for:

- improvement in productivity: improvement in skills, increased machine/equipment aid
- more effective utilisation of manpower ; better targeted training; re-training to fit people into new jobs (otherwise, the worst scenario of “jobs without workers and workers without jobs”)

Population structure and labour supply/demand
VS socio-economic development and public policies:

- retiring at an older age

It may be noted that the Labour Force Participation Rate is relatively low in HK for the “younger” elderly persons:

	Hong Kong	Singapore	Japan
60-64	44.8%	62.8%	65.8%
65 and over	10.5%	26.5%	22.7%
(65-69)	(21.8%)	(43.2%)	(44.0%)

Population structure and labour supply/demand
VS socio-economic development and public policies:

Industrial structure and labour income

With the need to address the issue of insufficient manpower, there is the need to adjust the industrial structure—

- More high technology industries to be developed
- Construction industry has been going down. (Its share in GDP went down substantially in the 2000's. This should be revived to cater to needs – especially provision of land and housing (-- industrial reform; staff training)

Salaries and wages structure should be adjusted to attract people to jobs which are not popular / not welcomed

- Parents and society at large should adjust their views on the status and prestige of certain categories of occupations

Population structure and labour supply/demand
VS socio-economic development and public policies:

Education and manpower

- An apparent obsession to acquire academic qualifications and paper qualifications. Attitudes need to be changed. Meanwhile, student loans (from post-secondary education) are accumulating speedily and this has become an issue of concern
- New arrivals from the Mainland :
 - (the spouses) - they may have work skills and even qualifications awarded in the mainland; but they cannot work in the right positions for lack of HK qualifications
 - (the children) – research has shown that the earlier they come the better, as they can fit into the education system much more easily

Population structure and labour supply/demand
VS socio-economic development and public policies:

Medical and Health Services

- >> Condition is generally satisfactory
- >> Facilities are however not adequate, as reflected in long waiting by patients for services
- >> Shortage of health workers

Problem going to be very serious with the acceleration of ageing setting in.

Surveys have shown that medical consultation and treatment at the elderly ages are **manifold** that at the younger ages.

Population structure and labour supply/demand
VS socio-economic development and public policies:

Land-use and housing

- Some people say “we have little land in HK and we must restrict the no. of in-migrants, especially the **rather substantial** inflow of the One Way Permit Holders (OWPHs) from the Mainland”. This view is quite incorrect. OWPH are overwhelmingly spouses and children of HK people from the cross-boundary marriages coming for **family reunion**.
- **In fact , HK is not “too many people, too little land”.**
Only **7%** of our 1140 square kilometres are used for residential purposes, and another **17 %** for commerce and industry; infrastructures; Government purposes; and educational, social and recreational services. We should really try to use a bit more of **the rest 76%**.
We should ask : why are we crowding our residential accommodation and economic activities into just some limited areas in the Territory ?
- With better arrangements for land use, more housing supply can be achieved and the issues of poor housing condition and high price of housing may also be addressed.

Population structure and labour supply/demand
VS socio-economic development and public policies:

Government Finance and Welfare

- >> The population developments call for very prudent management of government finances
- >> Government spending on - infrastructures building and maintenance
- services provision
- >> Government -- catering in particular to the financial needs of the elderly
(by way of social security arrangements)
- >> Citizens must also play their own part---
 - Personal finance:
 - Current income;
 - Savings (private savings, provident funds);
 - Other Assets;
 - Support by other family members

Thank You

28 April 2017