

**Speech by Mr Frederick W H HO,
Commissioner for Census and Statistics
at the Press Conference on 30 June 2004
announcing the Hong Kong Population Projections 2004–2033**

Ladies and Gentlemen,

1. Population projections of Hong Kong are compiled by the Census and Statistics Department (C&SD) at intervals of two to three years. Population projections are compiled after each population census or by-census; and an updating will be performed 2 or 3 years later as deemed necessary after analysis of the latest available data. The last set of population projections was published in May 2002 covering the 30-year period 2002 to 2031. A new set of population projections, covering 2004 to 2033, has been compiled.
2. Population projections form a common basis for Government planning in various programme areas such as education, housing, transport, social services, medical and health services and infrastructural facilities. They are also widely used by the private sector.
3. The publication “Hong Kong Population Projections 2004–2033”, which contains the projection results and a description of the projection methodology and assumptions, is on sale as from today.

Projection methodology

4. The Hong Kong Population is measured by the “Hong Kong Resident Population”, which comprises “Usual Residents” and “Mobile Residents”. In simple terms, “Usual Residents” are Residents who stay all the time or the majority of their time in Hong Kong and “Mobile Residents” are Residents who only spend the minority of their time in Hong Kong.
5. In more strict statistical definitions, “Usual Residents” refer to two categories of people: (1) Hong Kong Permanent Residents who have stayed

in Hong Kong for at least three months during the six months before or for at least three months during the six months after the reference time-point, regardless of whether they are in Hong Kong or not at the reference time-point; and (2) Hong Kong Non-permanent Residents who are in Hong Kong at the reference time-point.

6. As for “Mobile Residents”, they are Hong Kong Permanent Residents who have stayed in Hong Kong for at least one month but less than three months during the six months before or for at least one month but less than three months during the six months after the reference time-point, regardless of whether they are in Hong Kong or not at the reference time-point.

7. The “component method”, which is commonly used internationally, is adopted for making the population projections. Under this method, the population of a base year is brought forward by age and sex under separate projections of fertility, mortality and movement, year after year until the end of the projection period.

8. The starting point for the projections is the population situation in 2003. Statistical studies using modelling methods as far as possible are made on the past trends and recent developments pertaining to the socio-economic conditions in Hong Kong to generate the fertility, mortality and movement assumptions. Where government policies are involved, it is taken that existing policies will continue to apply. For example, the existing policy of a daily quota of 150 One-way Permit Holders entering Hong Kong from the mainland of China is taken to apply in the projection period.

Projection assumptions

9. Hong Kong’s fertility has experienced a marked and continuous decline in the past two decades. Fertility is measured by the total fertility rate, which is the number of children born to 1 000 women during their life time. The total fertility rate decreased significantly over the last 20 years from 1 722 births per 1 000 women in 1983 to 925 in 2003. This decline was very significant compared with the experience of developed economies with low fertility. The current fertility level of Hong Kong is already well

below those experienced in low fertility economies such as Japan and Germany. The total fertility rate is projected to remain at 925 births per 1 000 women from 2004 to 2006, to increase gradually to 993 by 2011 and then to remain at that level for the rest of the projection period.

10. Hong Kong experienced a continuous decline in mortality during the past two decades, with a corresponding increase in life expectancy. In 2003, the expectation of life at birth was 78.6 years for males and 84.3 years for females. Compared with other economies, Hong Kong enjoys a very low mortality. Further medical advancement and continuing socio-economic development might lead to further decline in mortality, though the rate of decline would be smaller. The expectation of life at birth is expected to increase to 82.5 years for males and 88 years for females in 2033.

11. The recent trends of the residency and mobility patterns of the Hong Kong population provide the basis for formulating the assumptions on the movement components.

12. Assumptions on fertility, mortality and movement entail a certain degree of uncertainty. These assumptions will hence be revised in a roll-forward manner in each round of population projections conducted at intervals of two to three years.

Projection results

13. The Hong Kong Resident Population is projected to increase at an average annual rate of 0.7%, from 6.80 million in mid-2003 to 8.38 million in mid-2033. Between mid-2004 and mid-2011, the annual growth rate of the population would accelerate somewhat, from 0.6% in mid-2004 to 0.9% in mid-2011. Yet with an increased number of deaths upon aging of the population, the annual growth rate is expected to slacken to 0.4% towards the end of the projection period.

14. Within the Hong Kong Resident Population, the number of Usual Residents is projected to increase at an average annual rate of 0.6% from 6.62 million in mid-2003 to 8.02 million in mid-2033, and the number of Mobile

Residents at a faster rate of 2.3% from 185 000 to 365 000. This is mainly related to the increasing trend of Hong Kong residents working and staying for more of their time in the Mainland, along with closer economic ties between the two places.

15. The population is expected to remain on an aging trend. The proportion of the population aged 65 and over is projected to rise markedly, from 11.7% in 2003 to 27% in 2033, though the rise would be gradual up to around 2015 (when the proportion would reach 14.3%) and would be at a much faster pace thereafter. Meanwhile, the proportion of the population aged under 15 would decrease gradually from 16% in 2003 to 11% by the end of the projection period.

16. The aging trend is also revealed by the increasing median age of the population, from 38 in 2003 to 49 in 2033.

17. The changing age structure of the projected population can also be seen from variation in the age dependency ratio. This is a demographic indicator reflecting the age composition of the population. It is defined as the number of persons aged “under 15” and “65 and over” per 1 000 persons aged 15–64. The ratio is projected to fall slightly, from 378 in 2003 to 334 in 2011, and then to rise continuously to 598 in 2033.

18. The sex ratio (i.e. the number of males per 1 000 females) of the population is projected to fall noticeably, from 939 in 2003 to 698 in 2033. There will be variations in the sex ratio by age group. In particular, the sex ratio for the age group 25–44 is expected to be much affected by the presence of foreign domestic helpers comprising mostly younger females. Also relevant is the continued entry of One-way Permit Holders in the coming years, many being Hong Kong men’s wives living in the Mainland. Making reference to data which exclude foreign domestic helpers, the sex ratio of the population is higher, but still will come down from 997 in 2003 to 749 in 2033. The movement of mainland wives into Hong Kong and the fact that females live longer than males are main reasons.

19. The change in population size involves increase and decrease factors. Increase arises from birth and in-movement whereas decrease arises

from death and out-movement.

20. The number of births is projected to remain at about 46 000 per annum.

21. The number of deaths is projected to increase from about 37 000 per year currently to about 71 000 at the end of the projection period. The increase in the number of deaths is mainly attributable to the growing proportion of older persons in the population despite a longer life expectancy (which implies a lower mortality rate).

22. It is projected that, by around 2016, the annual number of deaths will exceed the annual number of births.

23. Over the entire period from mid-2003 to mid-2033, the overall population is projected to increase by 1.58 million. There is a negative natural increase of 0.16 million (indicating 0.16 million more deaths than births) and a net in-movement (i.e. inflow less outflow) of 1.74 million.

24. Both One-way Permit Holders and births are important constituents of population growth. The ratios of the inflow of One-way Permit Holders and number of births to the overall population increase are 104% and 88% respectively. Besides, not counting the arrival of One-way Permit Holders mentioned above, there will be a net inflow of 100 000 persons, bearing a ratio of 6% to the overall population increase.

25. Deaths offset part of the population increase. The ratio of the number of deaths to the overall population increase is 98%.

26. The population pyramid is a commonly used chart for presenting the population structure concisely. Putting the population pyramids of 2003, 2013, 2023 and 2033 side by side facilitates comparison. For the lower age groups, the number of males is slightly more than the number of females; and this is related to the biological phenomenon that there are more male births than female births. For the middle age groups, there are more females than males owing to the presence of foreign domestic helpers comprising mostly females and the continued entry of One-way Permit Holders envisaged in the coming years with a high proportion of females. As for the higher age

groups, females have a longer life expectancy than males.

27. Compared with the last set of population projections, there is some downward adjustment. The extent of adjustment is around 2-3% for 3-5 years from the start of the projection period; and by the end of it, the figure for the year 2031 is adjusted from the previous 8.72 million downwards to 8.32 million, i.e. about 4.5%.

28. Different data users make different uses of population projections. They may require analysis and study to be conducted on different sectors of the population. For example, some studies only concern Usual Residents. Some would require analysis with foreign domestic helpers excluded. The presentation above shows the overall picture about the population projections. Different data users, especially different government departments, may need more detailed computations done on the basis of the basic projections, and the Census and Statistics Department will render the required service.

Implications of the projection results for the work of the Task Force on Population Policy

29. Before the Task Force on Population Policy published its report in February 2003, it had examined the then population projections and identified the major problems and challenges facing Hong Kong in terms of demographic trends and characteristics. It formulated a set of recommendations to address the problems and challenges; and these were set out in the Task Force's report.

30. Since the publication of the Report, there have been appropriate follow-up actions in respect of all the recommendations through a concerted effort among the responsible Bureaux and Departments.

31. The latest projections confirm that the some trends of major concern, such as aging and low fertility, will persist.

32. When the Task Force's report was published, the Administration undertook to review annually the implementation of the relevant decisions and programs, with a view to publishing a report every two to three years.

The current set of population projections together with all the supporting details will serve as important input into further studies and deliberations of the Task Force.

33. The Task Force will commission in-depth studies and present study findings and analyses to the community, with a view to engaging the Legislative Council and the public in informed discussion on the challenges to our population policy and working out possible new policies to meet them. And, as a basic principle, policy formulation will have full regard of Hong Kong's long-term social and economic development, family values and the aspirations of different sectors in the community.

34. If you have any questions relating to the population projections, my colleagues and I will be pleased to answer them.

35. Thank you.