



Mid-term Update of Manpower Projection



Labour and Welfare Bureau

The Government of the
Hong Kong Special Administrative Region
of the People's Republic of China

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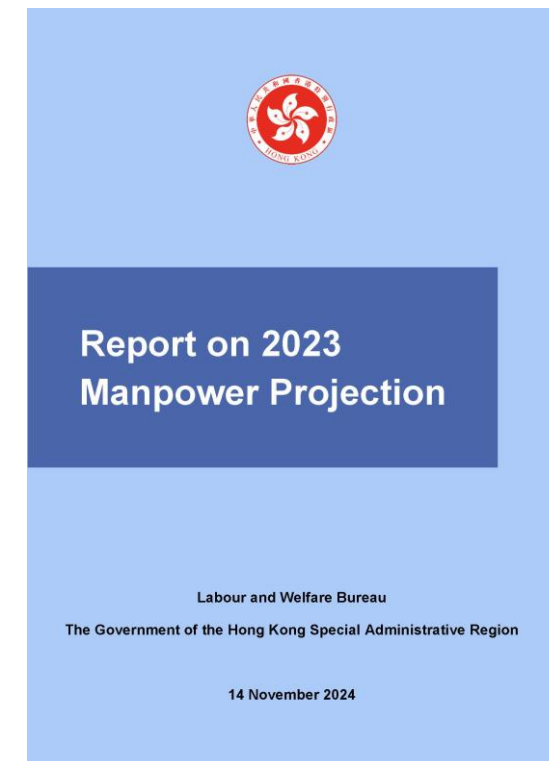
Factors affecting manpower demand and supply in the next three years – including artificial intelligence (AI)

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Manpower situation, and occupations and skills in demand in 2028

Introduction

- **2023 Manpower Projection (MP):** Released in November 2024, the 2023 MP projected an overall manpower shortage of 180 000 in Hong Kong by 2028, with an acute shortfall in “skilled technical workers”.
- **Government Policy Responses:** Including updating the Talent List, introducing dedicated admission schemes for young non-degree technical professionals, reforming the Employees Retraining Board (ERB) to drive “skills-based” training, and importing labour on an appropriate scale, etc.
- **Mid-term Update:** Enhancing the 2023 MP framework and updating the 2028 projections to assess the implications of recent economic restructuring, accelerated AI adoption, business digitalisation, and the prevailing manpower measures on the labour market.



Enhancing the 2023 MP framework

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“Service industry workers” adopted in 2023 MP has been segmented into two distinct occupation groups: “Clerical support workers” and “Service and sales workers”. In addition, “Manufacturing and new industrialisation-related industries” has also been redefined according to the latest coverage of economic activities.

Five occupation groups

Eight Centres ⁽¹⁾

Nine Significant Sectors ⁽¹⁾



Managers, supervisors and professionals
[1 493 900]



Clerical support workers
[443 700]



Services and sales workers
[690 900]



Skilled technical workers
[371 200]



Manual labourers
[326 800]



East-meets-West centre for international cultural exchange (EICE centre)
[228 700]



International financial centre (Financial centre)
[271 900]



International legal and dispute resolution services centre (Legal & ADR centre)
[23 700]



International transportation centre (Transportation centre)
[228 000]



International aviation hub (Aviation hub)
[69 200]



International innovation and technology centre (I&T centre)
[63 800]



International trade centre (Trade centre)
[538 700]



Regional intellectual property trading centre (IP trading centre)
[57 100]



Accommodation and food
[244 300]



Education
[177 300]



Retail
[246 800]



City operation ⁽²⁾
[535 300]



Healthcare services
[172 600]



Social services
[77 700]



Construction industry
[289 300]



Manufacturing and new industrialisation-related industries ⁽³⁾
[195 200]



Tourism
[170 500]



Collectively covering over 2.8 million employed persons, or 80% of total employment, and contributing more than 70% of the Gross Domestic Product

Notes: [] The figures in square brackets refer to the employment (excluding foreign domestic helpers) in 2025 in the relevant industries or occupation groups.

(1) As certain economic activities are pertinent to multiple selected industries, the relevant manpower figures would overlap.

(2) City operation includes seven specific categories: automobile, beauty care and hairdressing, electrical and mechanical services, electronics and telecommunications, information technology, real estate services and security services.

(3) According to the ‘Revision to domain of economic activities comprising “Manufacturing and New Industrialisation-related Industries” and update of corresponding statistics’ announced by the Government on 28 May 2026, “Manufacturing and new industrialisation-related industries” encompasses manufacturing and economic activities related to technological and industrial innovation.

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Hong Kong population

Demographic Shift: Structural Ageing and Manpower Challenges

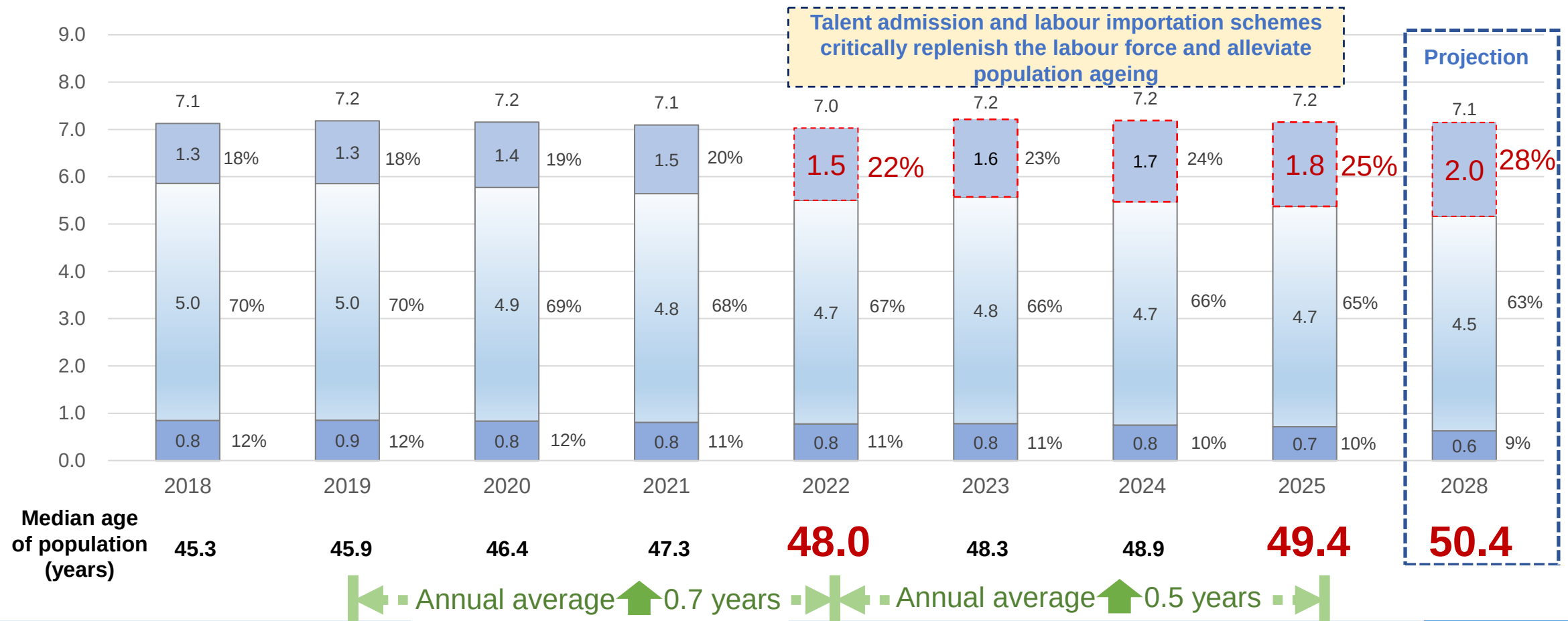
Population and Age Structure (excluding foreign domestic helpers)

Mid-year
population (million)

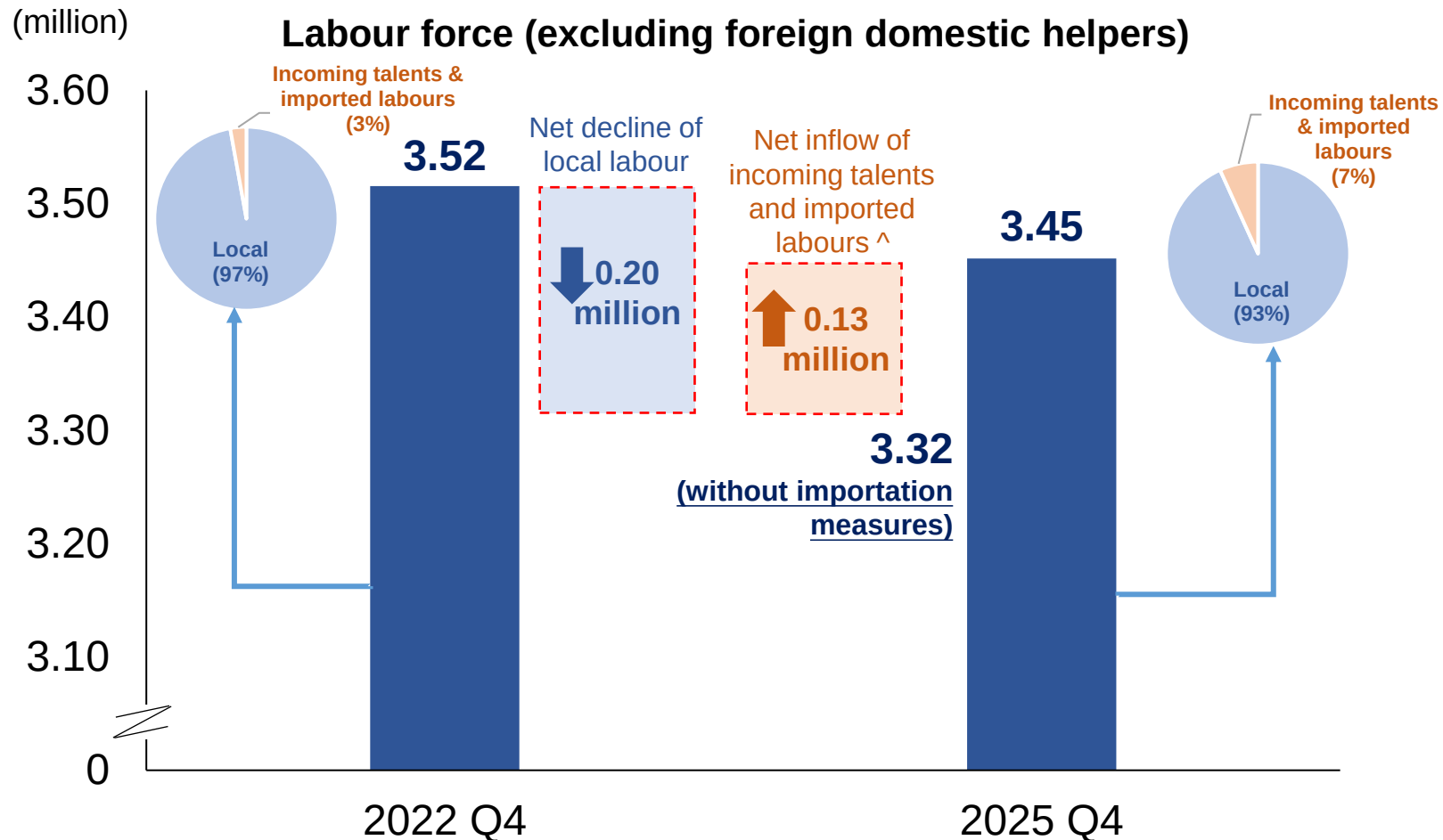
■ Aged below 15

■ Aged 15-64

■ Aged 65 and over



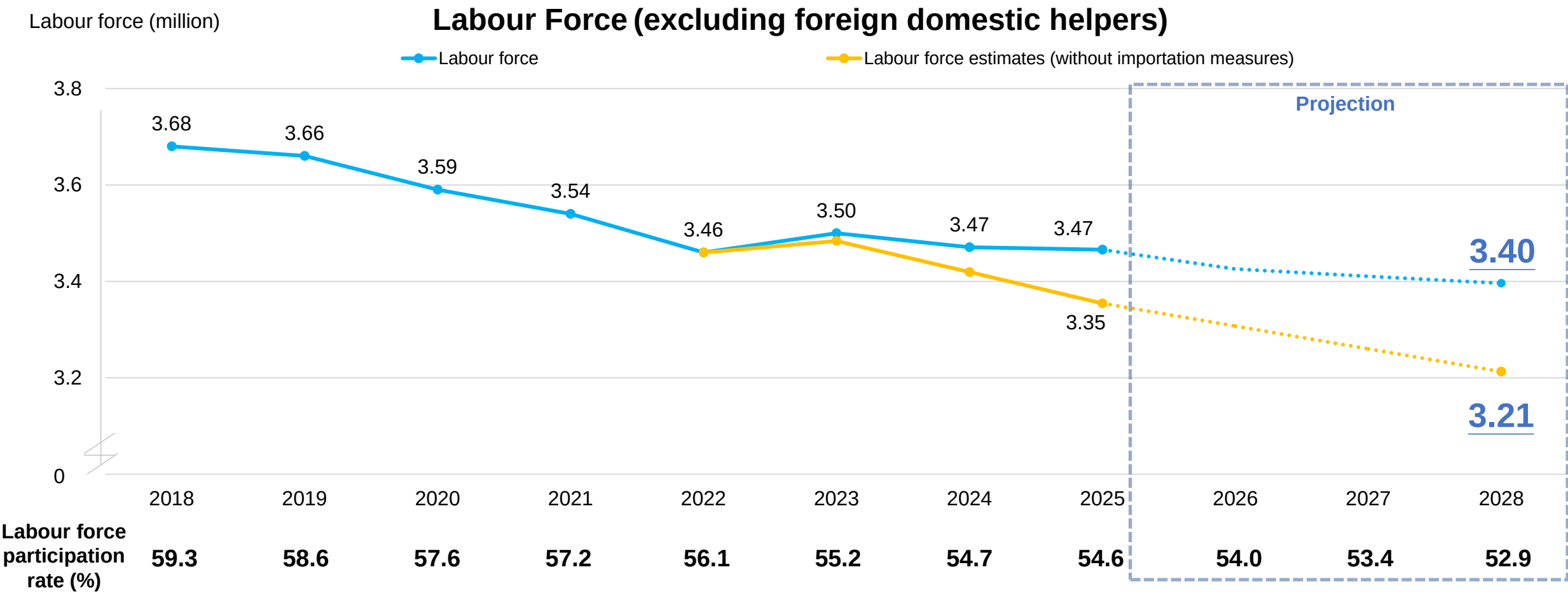
Our labour force would have declined significantly without the replenishment of incoming talents and imported labours



- Between Q4 2022 and Q4 2025, the decline in the local labour force was partially offset by the admission of incoming talents and imported labours. Proportion of incoming talents and imported labours in the overall labour force increased from merely around 3% (approximately 100 000 persons) in Q4 2022 to 7% (nearly 250 000 persons) in Q4 2025.
- In the absence of this external replenishment, the labour force is estimated to contract to a mere **3.32 million** in Q4 2025.

Projections of labour force

Even factoring in new local and incoming labour supply, the overall labour force is projected to ease by over 20 000 workers annually to 3.40 million by 2028. Without the supplementary impact of various talent and labour importation schemes, it would contract to around 3.21 million.



Sources: C&SD; Estimates compiled by LWB based on statistical data from C&SD and administrative data from other B/Ds.

Broadly balanced manpower market in 2025

Overall manpower is broadly balanced in 2025.

However, manpower shortage would have widened to some 100 000 without the supplementary contribution of prevailing talent admission and labour importation schemes.

Overall manpower situation		
	2023	2025
 Manpower Balance	- 50 000	Broadly balanced [^]
		- 100 000 (without importation measures)



While the overall labour market remains broadly balanced in 2025, certain industries continue to face acute manpower shortages:

- I&T centre
(4 000)



- Healthcare services
(9 000)



- City operation
(4 000)



- Social services
(1 000)



~ 20 000
Total manpower shortage of the FOUR industries

Notes: [^] The manpower balance is within $\pm 0.5\%$ of the total manpower requirement.

() The figures in brackets refer to the manpower shortage in 2025 in the relevant industries.

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Factors affecting manpower demand and supply in the next three years

Demand side



AI, automation and digitalisation in business operation



Domestic economic growth and structural shifts



National development strategies and integration with the Mainland



Geopolitical tensions and global economy



Government policies and measures on development of industries

Supply side



Ageing population



Labour force participation and skills mismatch



Talent and labour movements



Increasing education level of the labour force

Factors affecting manpower demand and supply in the next three years

Demand side



AI, automation and digitalisation in business operation



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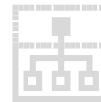


Government policies and measures on development of industries

Supply side



Ageing population



Labour force participation and skills mismatch



Talent and labour movements



Increasing education level of the labour force

Labour force ageing :

520 000 (16%) employed persons are aged 60 or above

Older persons would gradually retire and leave the job market, with the trend being particularly severe among “Skilled technical workers” and “Manual labourers”.

Occupation group		Median age of employed persons in 2025	Number and proportion of employed persons aged 60 and over	Number and proportion of employed persons aged 70 and over
	Managers, supervisors and professionals	42	151 000 (10%)	27 000 (2%)
	Clerical support workers	43	47 000 (11%)	4 000 (1%)
	Services and sales workers	46	126 000 (18%)	14 000 (2%)
	Skilled technical workers	50	95 000 (26%)	10 000 (3%)
	Manual labourers	54	101 000 (31%)	16 000 (5%)
Overall		45	520 000 (16%)	71 000 (2%)

Note: () Figures in brackets refer to the percentages of the total number of employed persons in the relevant occupation group.

Labour force ageing : by selected conventional sector

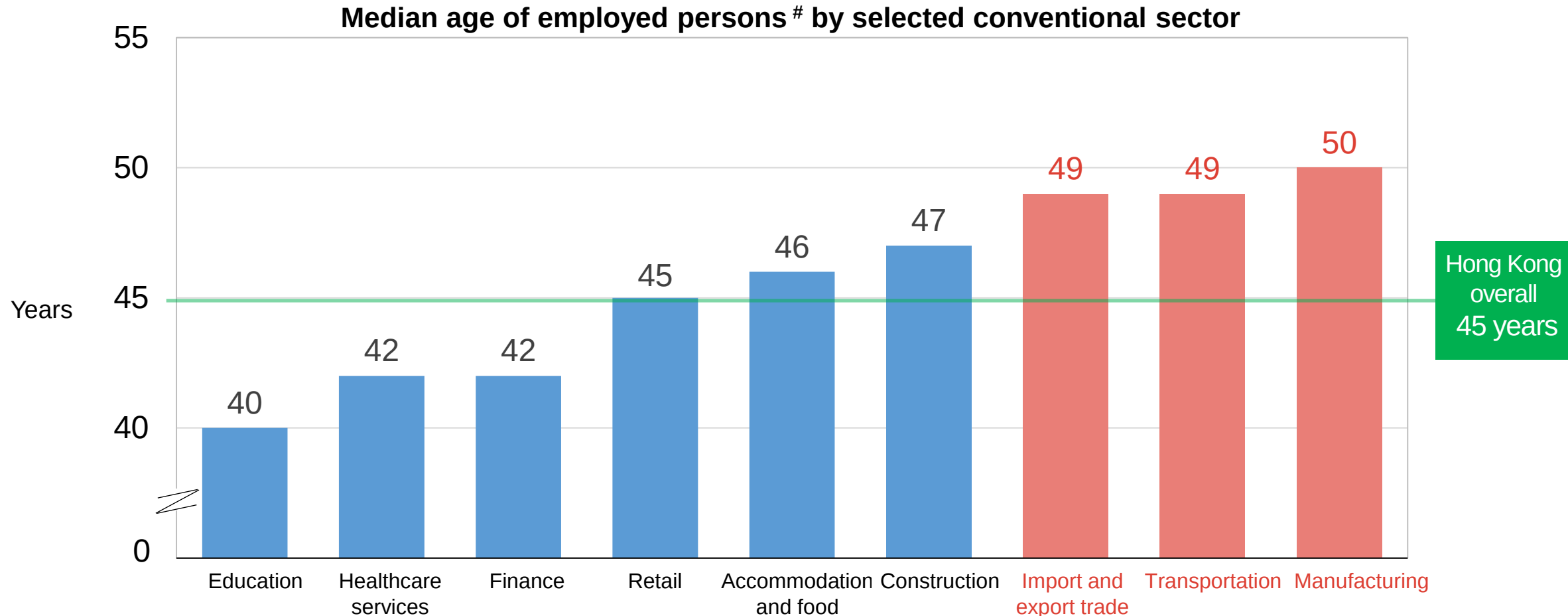
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Median age of practitioners in manufacturing, transportation, and import and export trade sectors nears 50, reflecting severe impending challenges from an ageing workforce and retirement wave.



Note : # Excluding foreign domestic helpers.
Source: C&SD.

Factors affecting manpower demand and supply in the next three years

Demand side



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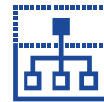


Government policies and measures on development of industries

Supply side



Ageing population



Labour force participation and skills mismatch



Talent and labour movements



Increasing education level of the labour force

Job mismatch

An estimated 30 000 to 40 000 unemployed persons are currently facing difficulties in re-entering the labour market. This is mainly due to two reasons: (1) skill mismatch, as their previous experience and skills are no longer sufficient to secure employment; and (2) expectation gap regarding available job vacancies.

Most Affected Occupations



Food and beverage (senior chefs/waiters/waitresses), retail (general sales personnel) and general clerical staff.



Proportion of Long-Term Unemployment Increased

The proportion of individuals unemployed for 6 months or longer has climbed significantly from approximately 20% pre-pandemic to currently over 30%. This covers around 40 000 individuals, reflecting structural difficulties in career transitioning.



Significant Extension of Job-Hunting Cycles

The time required to find jobs in the retail, food and beverage, and import/export trade sectors has increased by 50% to nearly 100% compared to pre-pandemic levels, with middle-aged clerical support workers being particularly affected.



Anomalous Decoupling of Market Supply and Demand

Simultaneous rise in both unemployment rates and wages in the food and beverage and retail sectors highlight a severe mismatch between job seekers' skills and existing market vacancies.

Factors affecting manpower demand and supply in the next three years

Demand side



AI, automation and digitalisation in business operation



Domestic economic growth and structural shifts



National development strategies and integration with the Mainland



Geopolitical tensions and global economy

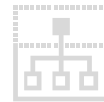


Government policies and measures on development of industries

Supply side



Ageing population



Labour force participation and skills mismatch



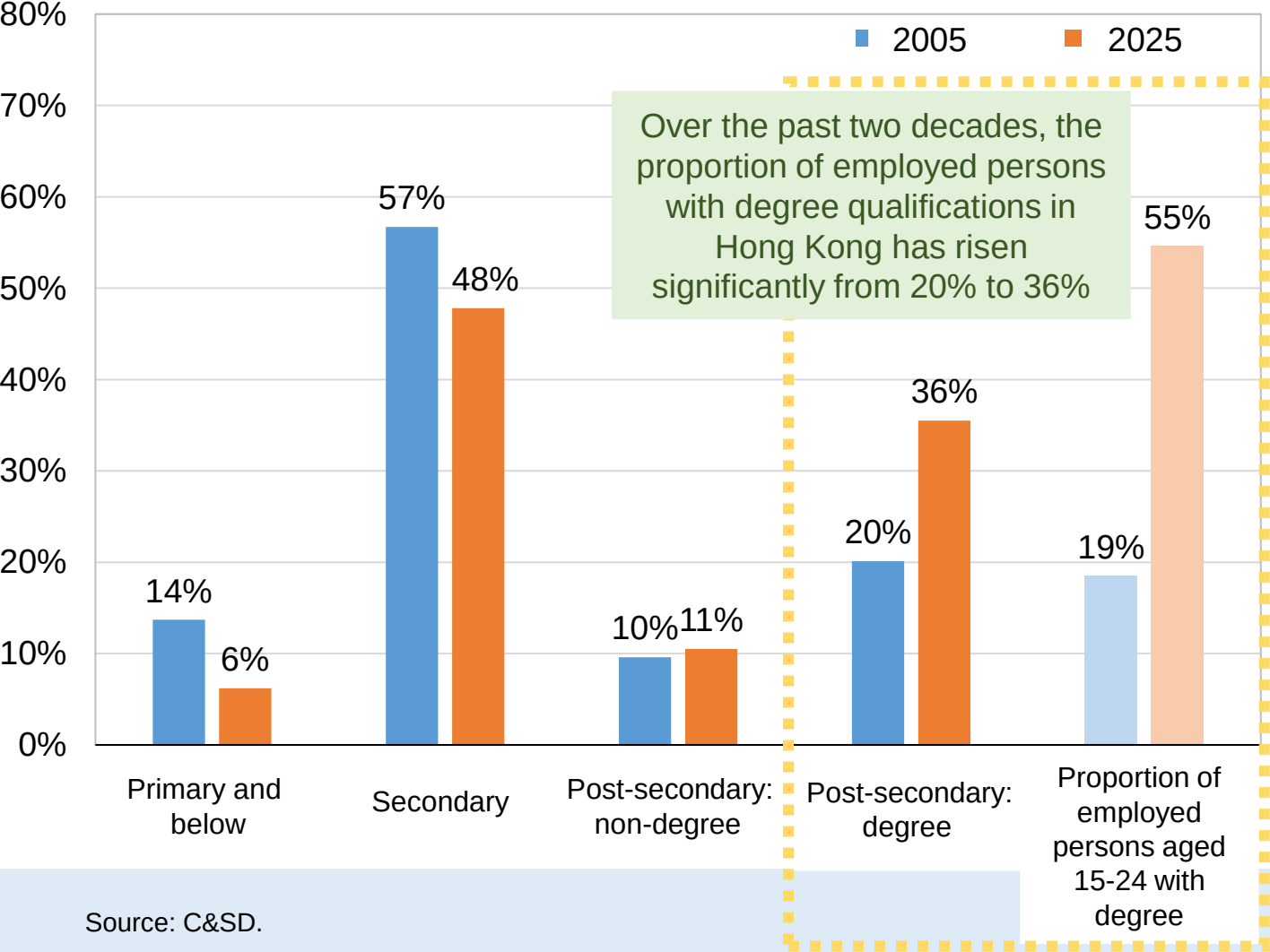
Talent and labour movements



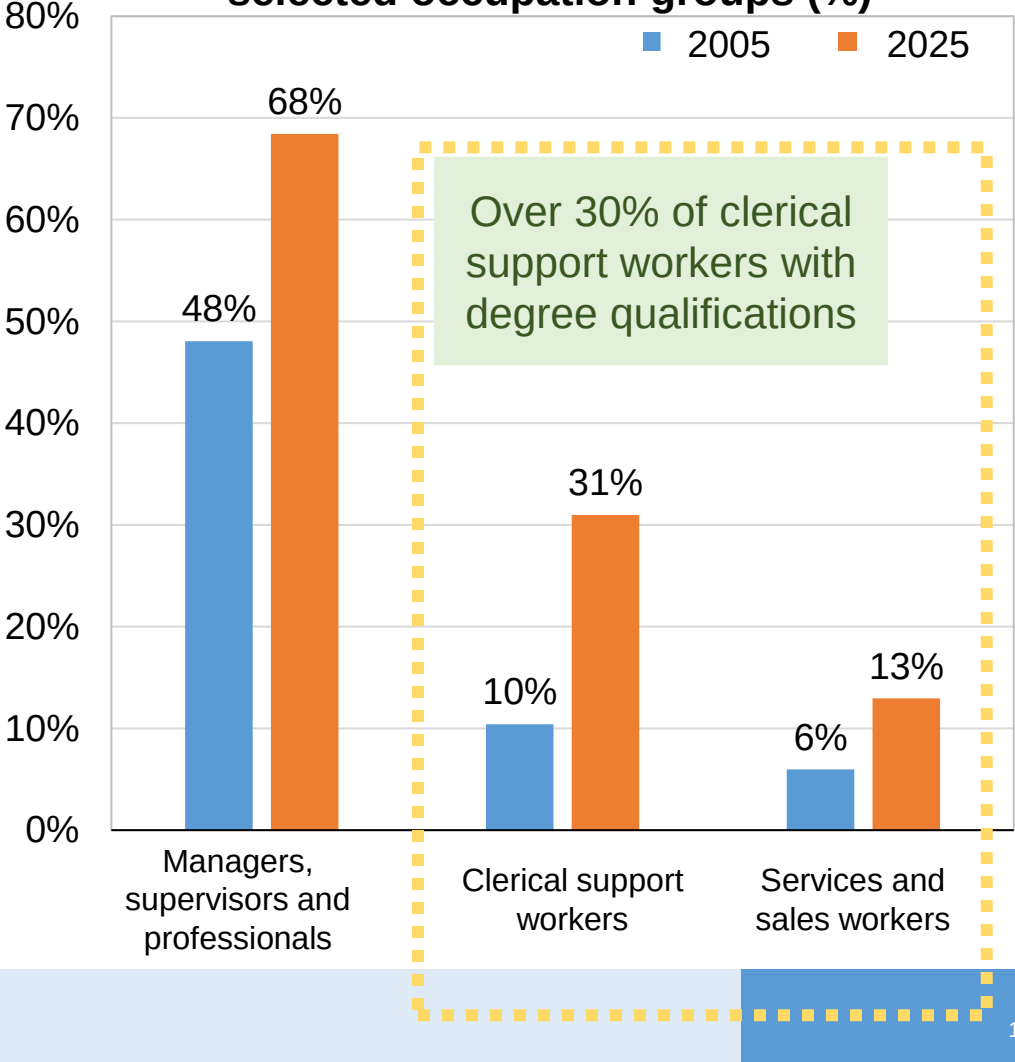
Increasing education level of the labour force

Increasing prevalence of post-secondary education putting supply of technical personnel under pressure

Employed persons by educational attainment (%)



Employed persons with degree in selected occupation groups (%)



Factors affecting manpower demand and supply in the next three years

Demand side



AI, automation and digitalisation in business operation



Domestic economic growth and structural shifts



National development strategies and integration with the Mainland



Geopolitical tensions and global economy

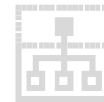


Government policies and measures on development of industries

Supply side



Ageing population



Labour force participation and skills mismatch



Talent and labour movements



Increasing education level of the labour force

Current state of AI adoption in Hong Kong

Hong Kong is entering a critical transition phase in AI adoption.



International Institute for
Management Development (IMD)
World Digital Competitiveness
Ranking (WDCR) 2025



4th in the world

Reflects Hong Kong's high international competitiveness in digital technology, research and development (R&D), and its talent ecosystem.

Enterprise AI Adoption Rate



~70%

Some 70% of surveyed medium- to large-scale companies (50 workers or above) from sectoral consultation used AI for business operation over the past year, with adoption being more prevalent among I&T and finance sectors.

AI Adoption Rate for Employed
Persons



> 70%

The prevalence of AI adoption in daily operations is on par with other advanced economies such as Singapore, demonstrating widespread adoption of AI tools among both frontline and middle-management staff.

Enterprise Plan to Integrate AI into
Workflows



> 90%

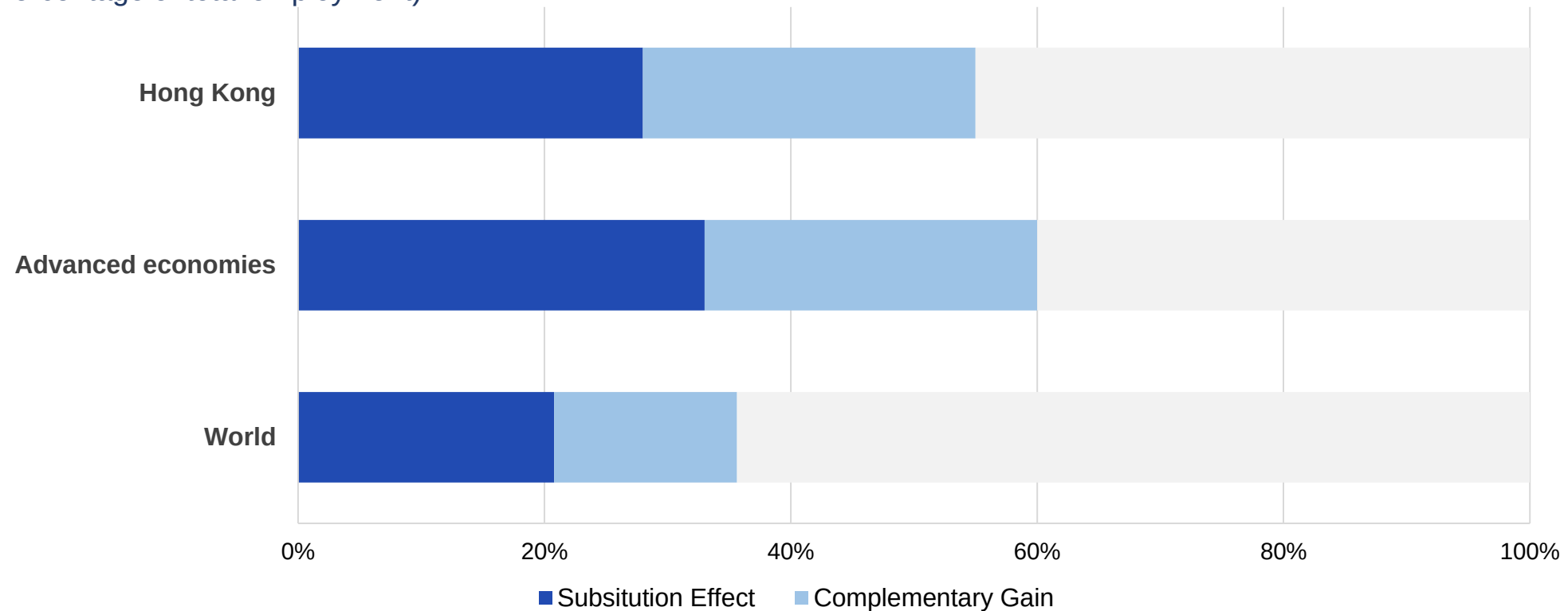
Over 90% of surveyed enterprises plan to integrate AI into related workflows, with 24% aiming for full implementation within one year, signaling a powerful momentum toward digital transformation.

Source: "AI Readiness in Workplace Survey 2025" by The Hong Kong Productivity Council

AI's impact on manpower is not unique to Hong Kong

Based on International Monetary Fund (IMF)'s estimates, AI would impact over 50% of employed positions in Hong Kong, split between “substitution effects” and “complementary gains”, similar to overall advanced economies.

Degree of potential impacts of AI across different economies
(Percentage of total employment)



Impact and trends of AI adoption on Hong Kong's labour market

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Productivity Leap

20% - 30%

Job productivity enhancement

Adoption of AI in applicable roles is projected to boost individual **productivity by 20% to 30%** and drive widespread commercial application.

Freed-up personnel strategically redeployed to higher value-added functions.

Headcount adjustments managed primarily through natural attrition. **Short-term risk of large-scale layoffs remains relatively low.**



Shift in Core Duties

20% - 30%

Jobs with major shift in their core duties

Broadening commercial application of AI is driving significant transformation in daily tasks for certain job roles in Hong Kong.

Changes are expected to materialise gradually **over the next three years.**



Surging Demand for AI Practitioners

AI Practitioners*

Explosive growth in manpower demand

*** Professional and technical personnel whose core job duties directly involve the R&D, design, training, deployment, maintenance, or management of AI systems and algorithms.**

Explosive growth in demand for AI practitioners is projected over the next 3 to 5 years.

Acute shortages identified for:

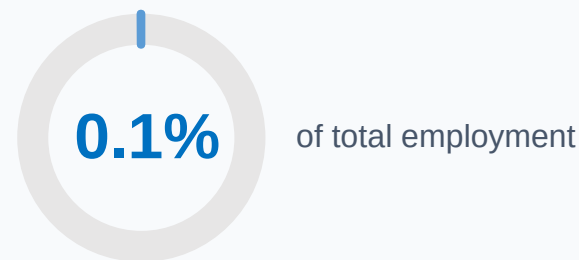
- **“Composite Talents”** who possess both sector-specific knowledge and AI technical skills
- **“AI Strategists”** and **“AI Risk Management Specialists”** etc.

Manpower demand for AI practitioners in Hong Kong

Hong Kong's Current Number of AI Practitioners

Estimated AI practitioners currently employed in Hong Kong:

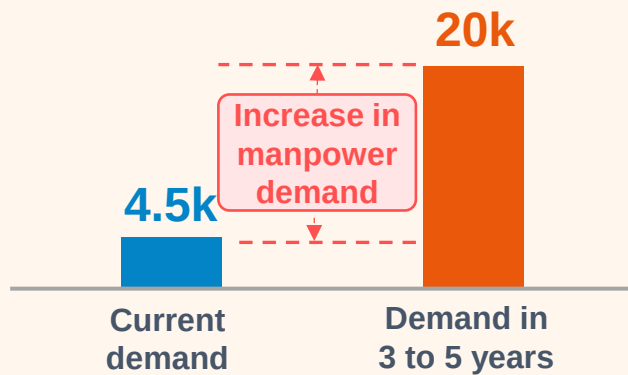
~ 3.5k - 4.5k



Future Demand for AI Practitioners in Hong Kong

Projected potential demand for AI practitioners within the next 3 to 5 years:

~ 15k - 20k



Drawing reference from neighboring economies actively developing AI technologies such as Singapore and South Korea, the proportion of AI practitioners to total employment would double from the current 0.1% to 0.2% to the estimated 0.4% to 0.7% over the next three to five years.

Impact of AI application by occupation and industry

Service and sales workers and skilled technical workers are experiencing less impact from AI but projected to face increasingly severe manpower shortages over the next three years, driven by workforce ageing and a lack of new entrants.

Occupation Group	
Clerical Support Workers	4
Associate Professionals	3
Managers	2
Professionals	1
Service & Sales Workers	1
Craft & Related Trades Workers	1
Plant & Machine Operators and Assemblers	1
Elementary Occupations	1

Eight Centres	
 Trade Centre	4
 Finance Centre	3
 EICE Centre	2
 Legal & ADR Centre	2
 IP Trading Centre	2
 Transportation Centre	2
 Aviation Hub	1
 I&T Centre	1

Nine Significant Sectors	
 Manufacturing and New-Ind.	2
 Retail	2
 Healthcare Services	1
 Education	1
 Social Services	1
 Tourism	1
 Accommodation and Food	1
 Construction	1
 City Operation	1

DEFINITION: AI APPLICATION & POTENTIAL IMPACT

- Score 1: Minimal Potential Impact**
 Limited potential to change the existing work operations due to AI applications.
- Score 2: Lower Potential Impact**
 Low potential for AI substitution, offering assistance without noticeable changes to the core work scope.
- Score 3: Medium Potential Impact**
 Significant potential for AI substitution, leading to noticeable changes to work scope.
- Score 4: Higher Potential Impact**
 High potential for AI substitution, bringing a transformative impact on work scope.



Risk and challenges of AI adoption on Hong Kong's labour market



Risks and Challenges

- **High-Exposure Sectors:** Import and Export Trade and Finance (clerical support workers account for around 20% - 30% of sector employment).
- **Substitution Risk on Occupation:** Clerical Support Workers and Associate Professionals.
- **Two Major Groups Facing Challenges:**



Young Graduates

- Enterprises have become cautious regarding entry-level hiring, leading to a substantial drop in available job vacancies from around 80 000 in 2022 to around 31 000 in 2025 (decreased by over 60%).

14.4%

Unemployment rate for youths (aged 15-24)
in June - August 2026
(higher than the typical rate of ~10%)



Middle-Aged Clerical Support Workers

- Transition pressure is pronounced particularly for around 70 000 clerical support workers aged 45 to 54 who do not have post-secondary education qualifications and require targeted support for career redirection.

~ 70 000

Middle-aged clerical support workers
without post-secondary education

Future employment landscape: Key preparatory actions by occupation

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(A) Routine & Clerical Staff

Transformation and Repositioning

4

3

- **Shift from Execution to Management:** Transitioning from routine data processing to “integrated administration”.
- **Digital Upskilling:** Acquiring proficiency in operating and overseeing AI tools to act as “human supervisors” of AI.
- **Cross-Sector Mobility:** Undertaking retraining to transition into emerging industries or occupations with robust manpower demand.



(B) Professionals & Management

Elevating to High-Value Skills

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2

- **Focus on High-Value Cognitive Tasks:** Delegating standard data compilation tasks to AI and leverage AI insights to augment professional judgment and accelerate complex problem-solving.
- **Cultivate “Human-Only” Skills:** Directing core value towards areas AI cannot easily replicate, including complex strategy formulation, nuanced risk assessment, and empathetic client relationship management.



(C) Human-Centric & Skilled Trades

Embracing Digital Augmentation

1

- **Augmentation over replacement:** Adopting digital tools to augment essential human expertise while core manpower demand in healthcare, social services, and skilled trades remains robust.
- **Tech-Enabled Craftsmanship:** Integrating digital tools into daily physical operations to enhance service delivery, safety, and overall operational efficiency.



(D) Tech & AI Practitioners

Cultivating Composite Expertise

1

- Surging demand for AI practitioners, covering three key segments:
 - **Technical Development:** System integration and machine learning experts;
 - **Change Management:** AI Strategy, business transformation and internal reskilling specialists; and
 - **Data Governance:** AI compliance officers possessing both legal and technological expertise.

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Update on manpower situation for 2028

Manpower shortage in 2028 is projected to narrow down to 130 000 as compared to 180 000 in 2023 MP. This is primarily driven by economic transformation and AI adoption moderating annual manpower requirement growth from 1.1% to 0.7%, alongside various importation measures actively bolstering the domestic workforce. In the absence of such measures, the manpower shortage would be projected to exceed 300 000.

Updated manpower projection for 2028	
	Mid-term update
 Manpower Requirement	3.53 million
 Manpower Supply	3.40 million
 Manpower Balance	- 130 000
	- 300 000 (without importation measures)

Manpower balance by occupation group for 2028

Most occupations would face persistent manpower shortages in 2028, with clerical support workers projected to record a manpower surplus driven by accelerated AI adoption and ongoing digitalisation.

Projected manpower balance by occupation group for 2028

	<u>Projected annual change in manpower requirement</u>	<u>Projected manpower balance</u>
 Managers, supervisors and professionals	+ 2.0%	- 33 000 to - 38 000
 Clerical support workers	- 3.3%	+ 25 000 to + 30 000
 Services and sales workers	+ 0.4%	- 28 000 to - 33 000
 Skilled technical workers	+ 1.3%	- 48 000 to - 53 000
 Manual labourers	- 0.3%	- 36 000 to - 41 000
Overall	+ 0.7%	- 130 000

Shortages would be seen in most of selected industries

Construction industry, City operation, Healthcare services, I&T centre and Aviation hub are particularly vulnerable.

Eight centres ⁽¹⁾	Projected annual change in manpower requirement	Projected manpower balance in 2028
 I&T centre	+ 9.4%	- 12 000 to - 17 000
 Aviation hub	+ 5.0%	- 8 000 to - 13 000
 Transportation centre	- 1.3%	- 6 000 to - 9 000
 Financial centre	+ 2.6%	- 4 000 to - 7 000
 EICE centre	+ 0.6%	- 3 000 to - 6 000
 IP trading centre	+ 0.7%	§
 Legal & ADR centre	+ 1.5%	§
 Trade centre	- 1.3%	+ 5 000 to + 8 000

Nine significant sectors ⁽¹⁾	Projected annual change in manpower requirement	Projection manpower balance in 2028
 Construction industry	+ 4.2%	- 30 000 to - 40 000
 City operation	+ 1.7%	- 20 000 to - 25 000
 Healthcare services	+ 3.2%	- 13 000 to - 18 000
 Manufacturing and new industrialisation-related industries	+ 1.9%	- 5 000 to - 10 000
 Education	+ 0.3%	- 4 000 to - 7 000
 Tourism	+ 3.2%	- 3 000 to - 6 000
 Accommodation and food	+ 0.1%	- 3 000 to - 6 000
 Social services	+ 1.7%	- 2 000 to - 5 000
 Retail	‡	- 500 to - 3 500

Notes: § denotes manpower balance within ± 500.

‡ Estimates within ± 500 or related rates of change derived based on such estimates.

(1) As certain economic activities are pertinent to multiple selected industries, the relevant manpower figures would overlap.

Scenario analysis

Hong Kong is projected to face manpower shortages by 2028 under all of the following scenarios, mainly attributable to the structural impact of population ageing.

Scenario on economic growth		Projected manpower balance in 2028
	High-case scenario (GDP growth by 5.3% per annum)	- 180 000
	Base-case scenario (GDP growth by 3.3% per annum)	- 130 000
	Low-case scenario (GDP growth by 1.3% per annum)	- 80 000

Core Workforce Competencies under the AI Economy

A Strategic Shift to “Human-Machine Collaboration”

Skills & Knowledge

HARD & SOFT SKILLS



AI Application & Fluency

Mastering prompt engineering and acting as the ultimate gatekeeper for data security, compliance, and AI output verification.



Critical Thinking & Problem-solving

Shifting core value to high-level analysis, evaluating AI solutions against commercial contexts, industry regulations, and ethical standards.



Cross-disciplinary Integration

Emerging as multi-disciplinary talents capable of synergising technological applications with domain expertise (e.g. law, finance) to drive commercial value.

Workplace Attitude & Resilience

MINDSET & ADAPTABILITY



The “Human-Machine Collaboration” Norm

Embracing AI as an assistive tool to automate repetitive tasks, thereby unlocking capacity for strategic planning, innovation, and high value-added duties.



Learning Agility & Lifelong Learning

Cultivating a proactive mindset for continuous upskilling to keep pace with rapid technological cycles and evolving labour market demands.

The End

