

EXECUTIVE SUMMARY

Introduction

As commissioned by the Commerce and Economic Development Bureau (CEDB), the Vocational Training Council (VTC) conducted this Manpower Survey (Survey) in late 2013 with the support of the Working Committee on Manpower Survey of the Wine Industry. The objectives of the Survey included -

- (a) to collect up-to-date information on the manpower situation of the wine industry in Hong Kong, analysed by sectors, job nature, levels, etc;
- (b) to forecast future manpower demand and training provision;
- (c) to identify the training needs of the wine industry; and
- (d) to make necessary recommendations based on survey findings.

2. The Survey covered a total of 8 477 establishments in 12 sectors of the wine industry from October to December 2013.

Findings

3. At the time of the Survey, there were 54 518 full-time (FT) employees whose major duties were relating to the wine industry (22.5% were in the biggest sector of import trading). 57.2% of them were at the managerial and supervisory level, the rest at clerical and operative level. The wine industry also employed 13 654 part-time (PT) staff.

4. There were 5 009 FT vacancies in the wine industry, representing a vacancy rate of 8.4%. Of them, 64.6% were for clerical and operative positions and the rest for more senior positions. Sector wise, 20.6% of all vacancies were found in western restaurants as the sector with the highest vacancy rate (13.8%).

5. Of all FT positions whose income level was reported, 59.8% earned \$10,001-\$20,000 monthly (56.7% for FT managerial and supervisory staff) and 16.0% earned \$20,001 to \$30,000 (26.9% for FT managerial and supervisory staff).

6. As regards job requirements, 36.4% of FT jobs preferred employees to have one to three years of experience. 47.8% of FT jobs preferred education at Secondary 4-7 level. 5.1% of local FT employees possessed wine-related professional / vocational qualifications.

7. There were 193 wine-related training courses on the market, providing over 32 074 places by 98 training providers. These providers expected themselves to provide 32 802 places in 2014.

8. For a forecast for end of 2014, the number of FT posts would be 47 216; 26.7% of all establishments would provide their staff with / sponsor them for training. A total of 90 057 training places would be so available, 60.3% of which were on trade specific skills (others on language, management, personal development skills and Mainland-related knowledge and world vision). 11% of local FT employees were forecast to possess wine-related professional / vocational qualifications.

Analysis

Position at End 2013

9. The wine industry had grown in employment size as business expanded after the exemption of wine duty in early 2008 (23 884 FT and 10 219 PT at end 2007). It was not a small employer, with a larger proportion of higher-skilled workers (57.2%) than all-industries (40.1%).

10. Despite its more flexible use of PT staff (20.0% vs 7.1% as average of all industries), the wine industry still had a higher FT vacancy rate (8.4%) than industries across-the-board (2.6%). A high vacancy rate might be the results of the interplay of market factors including –

- (a) an overall manpower tightness of the whole economy (as manifested in the low unemployment rate of 3.2% in the last quarter of 2013). The wine industry was in particular competition with other industries for persons with senior secondary education. They were the group most sought after across the whole economy (47.8% for all FT employees) – and would remain so up to 2022 (according to the Government’s Manpower Projection to 2022, there would be a “shortfall” of 94 100 at this level). Competition for manpower should become less keen for persons up the education ladder (e.g. those with diploma / sub-degree would be in “surplus” according to the Manpower Projection to 2022); and
- (b) the relative competitiveness of the income level of jobs in the wine industry vis-à-vis other industries. While the income level of wine industry employees were generally on par with counterparts in other industries, at least 56.7% of the FT managerial and supervisory staff of the wine industry earned less than the median monthly wage of \$24,000 for FT employees of the higher-skilled segment of all industries. A less attractive income level in the wine industry would make it more difficult to retain staff. In fact, 37.4% of employees who left their wine establishments in 2013 went to other industries.

11. As regards professionalisation of the wine industry, only a minority (38.0%) of all establishments had local employees possessed wine-related professional / vocational qualifications. In terms of headcount, only 5.1% of all FT local employees had such qualifications. There was room for more of them, in the interests of long term development of the wine industry.

12. Like wine businesses in general, the market of wine education had actually become more dynamic since wine duty exemption in 2008. Comparing to 12 providers in late 2007, there were 98 as at end 2013. They spread over different wine sectors, meaning that sectors (e.g. wholesale) other than education also ventured into training business. The enhanced vibrancy of wine education was also shown in the quantum leap of number of courses (from 52 in 2007 to 193 in 2013) and the number of students / places (3 016 in 2007 to 32 074 in 2013). There had also been a bigger variety in course type and duration. However, there was not yet a quality assurance mechanism dedicated to the wine industry for the growing number of wine courses nor arrangements to ensure the relevance of training in meeting industry needs.

Forecast for End 2014

13. The manpower shortage facing the wine industry at end 2013 was expected to ease at end of 2014, as employers forecast a decrease of 20.7% of FT posts. The conservative forecast might be owing to a business outlook affected by market uncertainties external and local, the slowing down of business in certain wine sectors, keen competition among wine market players, the increasing reliance of PT staff etc. Whether the forecast cut of FT jobs would create pressure on unemployment / underemployment depends on how many of the displaced workers may be absorbed by other industries. How far the forecast would materialise remains to be seen subject to market developments.

14. Despite falling manpower demand forecast, employers expected a rise in the proportion of FT local employees with wine-related professional / vocational qualifications (from 5.1% at end of 2013 to 11.0% at end of 2014). Wine employers would provide 90 057 training places, or 1.9 places for every FT employee. The emphasis would be on trade-specific skills.

Recommendations

15. It is recommended that –

- (a) **wine industry employers** should -
 - (i) keep in view the labour market situation, and maintain a competitive remuneration package to attract and retain staff;
 - (ii) encourage employees to receive training, and gain wine-related professional and vocational qualifications as far as practicable;
- (b) **providers of wine-related training** should have the qualifications they grant listed on the Qualifications Register (QR) maintained by the Education Bureau, to ensure that current or aspiring wine practitioners may choose from quality assured wine courses;
- (c) **the Government** should -
 - (i) conduct a manpower survey for the wine industry again in due course to provide wine employers with more up-to-date information on the labour market;
 - (ii) suggest post-secondary institutions including the VTC to monitor the medium-term demand for courses from wine employees and to plan in good time ahead to meet the needs; and
 - (iii) consider setting up an Industry Training Advisory Committee (ITAC) for the wine industry in the longer run to ascertain that the wine courses meet the industry needs.