



REPORT ON HONG KONG GOVERNMENT'S LABOUR IMPORTATION POLICY MARCH 2025

Introduction

Since the mid-1990s, Hong Kong foreign labour importation has been regulated under the Supplementary Labour Scheme, a structured framework involving labour representatives, employers, and the government. However, in June 2023, the government abruptly announced a major relaxation of foreign labour import policy without proper consultation, significantly changing local employment dynamics. In addition to the long-standing Supplementary Labour Scheme, three industry-specific labour importation programs were introduced, bypassing the Labour Advisory Board's approval process. These schemes allow importing up to 35,000 workers from mainland China, including carers, construction workers, and transportation workers. Meanwhile, the Supplementary Labour Scheme, which has been in place for nearly 30 years, was rebranded as the "Enhanced Supplementary Labour Scheme," with its eligibility criteria expanded to cover 26 non-skilled and low-skilled job categories, including waiters, sales assistants, and clerks.

The relaxation of foreign labour importation policies has had a direct impact on Hong Kong's job market. This study, published by the Hong Kong Labour Rights Monitor aims to help the public better understand the evolution of the city's foreign labour policies over time. It presents a detailed review of the past and current arrangements, examining their impact on the labour market and the broader societal implications.

With these loosened importation measures in place for over a year and a half, the government has promised to evaluate the Enhanced Supplementary Labour Scheme by September of this year. This report offers key recommendations to ensure that Hong Kong's foreign labour policies genuinely serve the city's best interests—ensuring that the protection of local workers' jobs is more than simply a slogan.

1. Background of the Supplementary Labour Scheme

During the British colonial era, the Hong Kong government introduced multiple foreign manpower importation schemes at different times. As early as 1989, a policy was implemented allowing up to 3,000 technicians, skilled workers, and foremen to enter the city. In the early 1990s, a special foreign labour importation scheme was launched to support the construction of the new airport core development and the Rose Garden Project, bringing in a large number of construction workers. However, due to inadequate government monitoring, numerous worker disputes emerged.

In 1992, the government implemented the General Labour Importation Scheme, which laid the framework for Hong Kong's subsequent foreign labour policies. Unlike previous plans that targeted specific employment positions or industries, this plan was based on

the overall labour market situation and imposed a cap of 25,000 imported workers. That same year, the government passed the *Employees Retraining Ordinance*, requiring firms to pay a monthly levy of HK\$400 for each imported worker to fund local workforce training. This arrangement remains in operation today, requiring all businesses hiring foreign workers to contribute to the retraining fund.¹

After nearly five years in operation, the Hong Kong government officially replaced its previous labour importation program with the Supplementary Labour Scheme (SLS) in February 1996. The introduction of the SLS was driven by rising unemployment at the time, which eased workforce shortages. In response, labour unions urged the government to review its foreign labour policies. In his 1995 Policy Address, then-Governor Chris Patten announced that the SLS would be implemented the following year, initially capping the intake at 5,000 workers to address union concerns.²

The government later promised to evaluate the scheme's effectiveness after distributing 2,000 foreign worker visas before deciding its future direction. In December 1997, a review report concluded that the SLS should generally continue, with an annual review.³ However, despite this commitment, the scheme has undergone few significant changes over the years, and the number of imported labour has steadily increased. What began as Patten's 5,000-worker quota has since evolved into a system with no upper limit.

The elderly care, construction, agriculture and fisheries industries account for the majority of SLS applications. In the early years, only a few hundred foreign workers were permitted each year. However, since the 2010s, this number has gradually increased. Excluding 2022, when loosened rules due to the COVID-19 pandemic led to a surge in care home workers, bringing total foreign labour intake to 5,829, the annual number of permitted workers between 2012 and 2021 ranged from 1,847 to 3,378.⁴ Including 2022 figures, 34,556 foreign workers were admitted over 11 years, averaging 3,141 per year (see Appendix 2).

The Labour Department oversees the implementation of the SLS, with a key principle of prioritising local employment. Employers looking to hire overseas workers under the plan must first conduct a four-week public recruitment process in Hong Kong. Furthermore,

¹ 'Population Policy and Importation of Foreign Domestic Helpers' Paper for the Manpower Panel of Legislative Council 2003 <https://www.legco.gov.hk/yr02-03/english/panels/mp/papers/mpls-83-e.pdf>

² The 1995 Policy Address

³ HKSAR Government Press Release on 'The Government Announces the Review Results of the Supplementary Labour Scheme' (16 December 1997) <https://www.info.gov.hk/gia/general/dib/1216.htm>

⁴ Hong Kong Legislative Council Finance Committee Data from 2012 to 2022

26 job categories, including waiters, sales assistants, and clerks, are barred from hiring foreign workers. Workers recruited through the SLS are limited to a 24-month employment contract and must receive no less than the median monthly income for comparable local positions.

After the recruitment process is done, the Labour Department conducts an initial assessment of each case. The final decision, however, rests with the Labour Advisory Board (LAB), whose members make recommendations on the applications. In the past, the Labour Department has accepted an application only to have it rejected by the LAB's labour sector representatives due to collective resistance.

Table 1: 26 job categories normally excluded from the Supplementary Labour Scheme⁵

Sales Representative	Sales Assistant
Waiter/Waitress	Receptionist
Cashier	Junior Cook
Food Processing Worker	Clerical Worker
Teller	Computer/Key Punch Operator
Telephone Operator	Linen Attendant
Washer	Linen Attendant
Hair Stylist	Warehouse Keeper
Cutter	Cutting Room Operative
Inspection Operative	Delivery Worker
river	Demolition Worker
Mason	pray Paint Worker
Drain Layer	Leakage Worker

⁵ Legislative Council Brief on the Importation of Labour for the Manpower Panel of Legislative Council (13 June 2023) https://www.legco.gov.hk/yr2023/english/brief/ldslc1205c_20230613-e.pdf

Table 2: Number of Imported Workers Approved from 2012 to 2022

Year	No. of imported workers approved
2012	1942
2013	1847
2014	2722
2015	2880
2016	3802
2017	2765
2018	3225
2019	3378
2020	3123
2021	3043
2022	* 5829
Total	34,556

Note: The financial year is calculated from 1 April to 31 March of the following year.

*Between March and May 2022, relaxed foreign labour importation measures were implemented for the care sector, leading to a significant surge in overall figures.

2. Examples of Foreign Labour Disputes and Loopholes in the Supplementary Labour Scheme

As previously stated, the Hong Kong government introduced a special foreign manpower importation scheme in the 1990s to support the core development of the Rose Garden Project's new airport. Over 5,000 foreign workers were recruited through the scheme, primarily from mainland China and Southeast Asian countries. However, several companies were discovered to have engaged in exploitative practices, paying foreign workers market salaries while secretly deducting expenses for accommodation, transport, and other fees. Furthermore, recruitment agencies imposed excessive service charges, lowering workers' take-home pay. Faced with harsh working conditions, some foreign workers began organising industrial action. The largest labour strike occurred in 1995 when around 300 foreign workers at the Tsing Yi Airport Railway construction site

walked off the job to demand unpaid salaries and reduce excessive service fees. The action swiftly grew, with over a thousand airport construction workers joining the strike.⁶

Although foreign workers were meant to be protected by median wage requirements, some employers found ways to illegally deduct wages, effectively lowering the cost of hiring foreign labour compared to local workers. As a result, many companies became less willing to hire local staff, pushing some Hong Kong workers to accept lower pay to keep their jobs. Ultimately, neither foreign nor local workers benefited from the scheme. With the completion of the new airport, the foreign labour importation policy ended, sparking widespread criticism.

At the end of 1997, the Tung Chee-hwa administration announced an ambitious target of creating at least 85,000 housing units per year for the next decade, in addition to launching multiple large-scale infrastructure projects. In response, the government attempted to revive its previous approach by introducing the Construction Sector Labour Importation Scheme in March 1998, which operated independently of the SLS's approval procedure. However, the plan was met with considerable opposition from the labour sector, and the financial crisis of the time aggravated unemployment problems. As a result, the government eventually chose to shelve the scheme.⁷

Apart from the construction sector, the government launched the Manpower Development Plan for the Textiles and Clothing Industry in early 2006. The initial proposal allocated 5,000 foreign labour quotas. Factory owners who had established operations in Hong Kong before the plan were permitted to hire four foreign workers for every local worker hired ("1-to-4" ratio), whereas returning manufacturers were allowed a "1-to-1" ratio. The programme was first marketed as a way to create local jobs, yet only 57 local workers benefited from it. By July 2009, the initiative was scrapped, forcing firms to resume applying for foreign labour through the SLS.⁸ The programme's failure highlighted the government's lack of vision and poor judgement in labour policy formulation.

The SLS and other foreign labour importation schemes have repeatedly been criticised

⁶ 'The Protest of Foreign Workers at Hong Guang Elderly Home Exposes the Dark History of Modern Slavery' by Mak Tak-ching published on InMediahk (26 June 2018) <https://www.inmediahk.net/勞工/麥德正：宏光安老院外勞抗爭-揭現代奴隸血淚史>

⁷ HKSAR Press Release 'Government Delays Implementation of the Construction Sector Labour Importation Scheme' (17 February 1998) <https://www.info.gov.hk/gia/general/dib/0217.htm>

⁸ Legislative Council Brief on the Manpower Development Plan For Textiles and Clothing Industry by Labour and Welfare Bureau (May 2009) [https://www.lwb.gov.hk/en/briefs/MDP-LegCo%20Brief%20\(Eng\)\(final\).pdf](https://www.lwb.gov.hk/en/briefs/MDP-LegCo%20Brief%20(Eng)(final).pdf)

for regulatory loopholes that failed to safeguard local workers while allowing foreign workers to be exploited. In 2018, the Community Care and Nursing Home Workers General Union, a member organisation of the now-defunct Hong Kong Confederation of Trade Unions (HKCTU), uncovered exploitative practices at Wang Kwong Care Limited, a private elderly care home in Ngau Tau Kok. Foreign workers were forced to pay high service fees before and after arriving in Hong Kong. Their contracts specified a monthly wage of HK\$10,000, a standard nine-hour workday and overtime pay for extra hours. However, in practice, they were made to work at least 12 hours every day without receiving any overtime pay. Furthermore, the employer unlawfully denied them statutory holidays and paid annual leave. More egregiously, foreign workers were required to hand over HK\$3,000 in cash to the company every month, with some workers owed up to HK\$500,000 in unpaid wages. The dispute dragged on for months before a settlement was reached, allowing employees to recover only a portion of their outstanding salaries. Despite the clear violations, the Labour Department took no legal action against the employer, raising concerns over the government's commitment to labour rights enforcement.⁹

Since the SLS requires employers to conduct local recruitment before hiring foreign workers, the HKCTU and its affiliates have previously exposed numerous cases in which companies manipulated job postings to facilitate the importation of foreign labour. On multiple occasions, unions conducted undercover investigations and found that certain elderly care homes advertised jobs with an eight-hour workday but later increased the need to 12 hours during interviews. Similarly, some construction workers were offered jobs but were told they could not start until six months later—deliberate tactics intended to discourage local candidates and creating a pretext for hiring foreign workers under the SLS.¹⁰

In 2016, the now-defunct *Apple Daily* also reported that a contractor for the Hong Kong-Zhuhai-Macau Bridge, which applying for the SLS, gave preference to Mandarin-speaking applicants in its local job postings. Labour organisations heavily slammed this as an unreasonable restriction designed to make recruiting foreign workers easier.

Even after the SLS was rebranded, fake recruiting practice remains a major concern. In September 2024, the Retail, Commerce, and Clothing Industries General Union held a

⁹ 'Wang Kwong Care Home Foreign Workers Forced into Settlement' by the Care and Nursing Home Employees General Union published on the Grassmediation. (9 October 2018)
<https://grassmediation.wordpress.com/2018/10/09/宏光外勞無奈和解-政府「放蕉皮」-外勞受害/>

¹⁰ Opposing the Importation of Foreign Labour: HKCTU Urges the Government to Utilise the Local Workforce Potential published on Hong Kong *Economic Times* (12 December 2017)
<https://topick.hket.com/article/1968195/反對輸入外勞職工盟促政府先釋放潛在勞動>

press conference revealing seven to eight local workers had applied for positions under the Enhanced Supplementary Labour Scheme but were all rejected. The union denounced these job postings as mere formality, alleging that employers had no genuine intention of hiring local workers. A female garment worker recounted that during her interview, the employer repeatedly stated that their primary goal was to hire foreign labour. When she reported the issue to the Labour Department, she was told it would be looked into, yet no progress has been made to date.¹¹

3. Imposing Labour Importation Schemes in Three Sectors

For the past 30 years, the business sector has been calling for loosening worker importation laws. In early 2023, shortly after Hong Kong reopened its borders following the pandemic, the government implemented new labour importation schemes for three industries without prior consultation. In June 2023, the Labour and Welfare Bureau began the Special Scheme for Import Care Workers for Residential Care Homes, followed by the Development Bureau and the Transport and Logistics Bureau's labour importation plans for the construction and transport industries in July. Initially, the three schemes shared a quota of 27,000 workers. By the third quarter of the year, the residential care sector's quota had been boosted by 8,000, bringing the total number of imported workers across all three industries to 35,000.¹²

A key distinction between these sector-specific plans and the SLS lies in the approval process. Unlike the SLS, where applications undergo case-by-case review by the Labour Department and Labour Advisory Board, the new scheme allows approval solely by the respective policy bureau. This effectively removes a layer of scrutiny. The government claims this change has shortened the approval time from five months to approximately two months.

Under these new plans, employers can house imported workers either in Hong Kong or across the border in mainland China. To make this easier, the government has converted the Tam Mei Community Isolation Facility in Yuen Long into a designated dormitory for imported workers.

¹¹ Unions Accuse Employers of Fake Local Interviews to Hire Foreign Labour published by InMediaHK (15 September 2024) <https://www.inmediahk.net/node/社運/工會指有僱主「做樣」面試本地工人-以符當局要求聘外勞>

¹² Legislative Brief on Special Scheme to Import Care Workers for Resident Care Homes (14 December 2022) https://www.legco.gov.hk/yr2022/english/brief/lwbc1305100_20221214-e.pdf

Legislative Brief on Importation of Labour (13 June 2023)
https://www.legco.gov.hk/yr2023/english/brief/ldslc1205c_20230613-e.pdf

Similar to the SLS, workers brought in under the new sector-specific schemes must be paid no less than the median monthly wage for their respective job roles in Hong Kong.

While firms are still required to perform local recruitment before applying, the process is far more relaxed than under the SLS. In the construction and transport sectors, companies only need to produce evidence of an open recruitment exercise conducted via the Labour Department or newspaper advertisements within four months of their application to meet the local recruitment criteria. Meanwhile, applicants in the residential care industry must demonstrate that they have conducted a 14-day continuous open recruiting exercise during the month prior to submitting their application.

Unlike the SLS, these new schemes do not necessitate a complete four-week local recruitment procedure, nor do they use the Labour Department's job-matching service, which connects local job seekers with companies for interviews. As a result, the local recruitment criteria are now mostly symbolic.

The following section provides an overview of the background, key details, and application status of the three sector-specific labour importation schemes.

1. Residential Care Services

Previously, the SLS prohibited subvented care homes from hiring imported workers, while private care homes in the Enhanced Bought Place Scheme could only recruit foreign workers for their non-subsidised sections. The industry had long lobbied for these restrictions to be eased.

During the fifth wave of COVID-19 in late 2021, a surge in infections among care home staff led the government to relax restrictions between March and May 2022 temporarily. During this period, all types of care homes were permitted to hire imported workers without going through the standard four-week local recruitment process.

Once the restrictions were lifted, applications skyrocketed. The Labour Department received 736 applications for 3,620 imported care workers. By 31 October 2022, imported care workers in Hong Kong totaled around 4,100, making up two-thirds of all workers brought in under the SLS.

In June 2023, the government made this temporary measure permanent by launching the Residential Care Home Care Worker Importation Scheme, with an initial quota of 7,000 workers - 4,000 of whom were already imported under the SLS. Demand was high, and within the first year, all 3,000 newly allocated quotas were filled.

To further expand the scheme, the government announced in the third quarter of 2023

that an additional 8,000 quotas would be gradually released over the next three years.¹³

2. Construction Industry

The construction industry has long pushed for wider access to imported labour. As early as 2014, the government implemented initiatives to expedite applications for 26 job types identified as facing severe labour shortages.

In 2015, despite a lack of consensus in the Labour Advisory Board, the government unilaterally allowed public works contractors to use imported workers across multiple public construction projects, a policy known as "one permit, multiple workplaces."

The industry has consistently pointed to recruitment difficulties and a shrinking talent pool. In response, the government began the Construction Industry Labour Importation Scheme in July 2023, with a ceiling of 12,000 workers.

Applications are accepted quarterly, with seven submission rounds. In the first four rounds, 9,731 quotas were approved.

During the fifth round (applications opened in July 2023), the government received 18 applications for 1,750 workers. However, the Development Bureau rejected all applications without explanation, later stating through its social media channels that the scheme is not solely concerned with short-term economic conditions or immediate labour shortages, but rather with the long-term supply and demand balance based on projected construction projects.¹⁴

The sixth round saw the government resume approvals, granting 935 quotas across seven applications.

The seventh round has been completed, but as of mid-February, the approval results have not been released.

3. Transport Industry

The Transport Industry Labour Importation Scheme was launched concurrently with the construction scheme and is divided into two categories:

- The aviation sector: Covers 10 frontline non-managerial positions, including

¹³ Legislative Council Panel on Welfare Services 'Special Scheme to Import Care Workers for Residential Care Homes' (8 July 2024)

<https://www.legco.gov.hk/yr2024/english/panels/ws/papers/ws20240708cb2-962-5-e.pdf>

¹⁴ No Construction Labour Import Quotas Approved – Development Bureau Cites Quarterly Review published by RTHK (7 September 2024) <https://news.rthk.hk/rthk/ch/component/k2/1769728-20240907.htm>

ground crew, aircraft maintenance technicians, and customer service agents, with a quota of 6,300 workers.

- Public minibus and coach drivers: Covers drivers for public minibuses, private coaches, and cross-border buses, with a quota of 1,700 workers.

The second batch of applications for both categories closed in March and April 2023, respectively. So far:

- 5,823 quotas have been issued for the aviation sector. A third round of applications has not yet been announced.
- All the 1,700 quotas for public minibus and coach drivers have been fully allocated.¹⁵

Table 3: Number of Imported Workers Under the Three Major Industry Schemes (as of 31st January 2025)¹⁶

Industry	Total Quota	Approved Imported Workers
Residential Care	15,000	7,200*
Construction	12,000	9,109#
Transport	Aviation – 6,300 Public Minibus/Coach – 1,700	Aviation – 5,823 Public Minibus/Coach – 1,700
Total	35,000	23,832

*Includes quotas granted after the plan's launch in June 2023, as well as renewals of care

¹⁵ Government press release, 'Approval for second round of application under Labour Importation Scheme for Transport Sector - Aviation Industry completed' (11 April 2024)
<https://www.info.gov.hk/gia/general/202404/11/P2024041100293.htm?fontSize=1>

Government press release, 'Transport Department approves second round of applications under Labour Importation Scheme for Transport Sector - public light bus/coach trade' (4 July 2024)
<https://www.info.gov.hk/gia/general/202407/04/P2024070400283.htm?fontSize=1>

¹⁶ Government press release, 'LCQ21: Addressing the problem of manpower shortage' (26 February 2025)
<https://www.info.gov.hk/gia/general/202502/26/P2025022600248.htm?fontSize=1>

worker quotas previously imported under the Supplementary Labour Scheme.

#Including the quotas approved in the sixth round, the total number of approved and still valid imported labour quotas is 9,109, which is lower than the previously accumulated total. This is mainly due to the completion of related procedures for some approved cases, and some contractors returning unused quotas after successfully hiring local workers.

4. The "Enhanced Supplementary Labour Scheme" – An Improvement or a Set Back?

On 13 June 2023, the government announced the renaming of the Supplementary Labour Scheme (SLS) to the Enhanced Supplementary Labour Scheme (ESLS), with applications opening on 4 September of the same year. While presented as an "enhancement," the changes have, in fact, worsened the employment prospects for local workers.

The new scheme suspends, for two years, the previous restrictions under the SLS that prohibited the importation of foreign labour for 26 designated job categories and non-skilled/low-skilled positions. These now-eligible roles include waiters, receptionists, cashiers, clerks, sales assistants, drivers, and delivery workers.

While some aspects of the previous scheme remain unchanged, such as the four-week local recruitment process and case-by-case approval by the Labour Advisory Board, the ESLS has made significant changes to the verification process. Previously, labour inspectors from the Labour Department would visit employers' offices and intended workplaces to verify the information provided. Under the ESLS, on-site inspections have been replaced with document reviews, and verification is now conducted through phone calls or written confirmation when necessary. The government claimed that, under these new measures, foreign labour applications can generally be processed within three months.¹⁷

On 26 February this year, Secretary for Labour and Welfare Chris Sun revealed in a written response to a Legislative Council member's question that, as of 31 January, the Enhanced Supplementary Labour Scheme (ESLS) had approved a total of 6,762 applications, involving 47,474 foreign workers. The majority of the positions were in lower-skilled roles such as waiters, junior chefs, sales assistants, dishwashers, and security guards.¹⁸ Within less than a year and a half, the ESLS has approved over 47,000 foreign workers, which is 37% more than the 34,556 foreign workers approved under the previous scheme over 11 years. The numbers are striking.

¹⁷ Same as remarks number 12

¹⁸ Same as remarks number 16

Table 4: Number of Foreign Workers Approved Under the Enhanced Supplementary Labour Scheme (ESLS) (4th September 2023 – 31st January 2025)

(I) 26 job categories generally excluded from the Supplementary Labour Scheme	Number of Quotas of Imported Workers Approved
Waiter/Waitress	8,159
Junior Cook	5,443
Sales Assistant	3,434
Warehouse Keeper	1,948
Food Processing Worker	1,355
Clerical Worker	978
Receptionist	918
Driver	530
Washer	376
Delivery Worker	290
Sales Representative	241
Cashier	216
Telephone Operator	150
Presser	129
Hair Stylist	88
Demolition Worker	36
Spray Paint Worker	26
Inspection Operative	25
Drain Layer	23
Cutter	6
Mason	5
Computer/Key Punch Operator	4
Leakage Worker	2
Linen Attendant	2

Cutting Room Operative	0
Teller	0
(II) Unskilled/ low-skilled posts	No. of quotas of imported workers approved
Dish Washer	2,398
Security Guard	2,224
Cleaner	1,939
Room Attendant	557
Others	352
(III) Other posts	
Cook	4,790
Gardening Worker	1,080
Fitter/Mechanical Fitter	895
Others	8,855
Total:	47,474

5. Impact of New Foreign Labour Importation Schemes on the Employment Market

Over 70,000 foreign workers were imported in 18 months, raising unemployment rates in relevant sectors

The Labour Importation Schemes for the construction and transport industries began accepting applications in July 2023, with the first batch of foreign workers arriving in October of that year. According to data from the Census and Statistics Department, between July and September 2023—prior to the arrival of the first batch of workers—the overall unemployment rate and underemployment rate in Hong Kong were 3% and 1.2%, respectively. By November 2024 to January 2025, these figures rose slightly to 3.1% and 1.1%, with the overall unemployment rate increasing by 0.1 percentage points and the underemployment rate decreasing by 0.1 percentage points. However, during the same period, the unemployment and underemployment rates in the construction industry saw a notable increase. From July to September 2023, the construction industry's unemployment rate was 3.9%, which increased to 4.4% from November 2024 to January 2025, an increase of 0.5 percentage points. The number of unemployed workers in the sector rose from 13,900 to 16,100, a 16% increase. The underemployment rate also

increased by 0.6 percentage points from 3.3% to 3.9%, with the number of underemployed workers growing from 11,800 to 14,400, an increase of 22%.

For the transport sector, the unemployment rate remained at 2.2% from July to September 2023, and this figure stayed the same from November 2024 to January 2025. However, the number of unemployed workers decreased from 4,500 to 4,300, while the underemployment rate for transport workers fell from 1.9% to 1.5%.¹⁹

Regarding the Enhanced Supplementary Labour Scheme, which began accepting applications in September 2023, foreign workers began arriving in January 2024, with the highest number of foreign workers imported into the catering and retail sectors. Data from the Census and Statistics Department shows that between October and December 2023, the unemployment rate in the retail sector was 3.2%, with 8,800 people unemployed. By November 2024 to January 2025, the unemployment rate rose to 4%, with 10,200 people unemployed, representing a 0.8 percentage point increase and a 16% rise in the number of unemployed. The unemployment rate in the catering services sector also rose from 4.3% to 4.7%, with the number of unemployed increasing from 10,200 to 11,000, an increase of 7.8%.

In terms of underemployment, the retail sector's underemployment rate increased from 0.7% to 1.2%, with the number of underemployed workers rising from 1,900 to 3,000, a 58% increase. The underemployment rate for catering services also increased from 1.3% to 1.9%, with the number of underemployed workers rising from 3,200 to 4,500, a 41% increase.²⁰

As of 31st January 2025, at least 71,306 foreign workers have been imported under industry-specific labour importation schemes and the Enhanced Supplementary Labour Scheme (ESLS) in less than a year and a half. The figure 23 times the average number of foreign workers imported each year under the old arrangement, which was approximately 3,100. The importation of nearly 70,000 foreign workers is significant—according to data from the Census and Statistics Department, between November 2024 and January 2025, Hong Kong's overall number of unemployed individuals stood at 110,100. This total number of foreign workers imported over the past 18 months equals

¹⁹ Unemployed persons with a previous job and unemployment rate by detailed previous industry, Census and

Statistics Department (as of 4th March 2025)https://www.censtatd.gov.hk/en/web_table.html?id=210-06405

Underemployed persons and underemployment rate by detailed industry of main employment, Census and Statistics Department (as of 4th March 2025)
https://www.censtatd.gov.hk/en/web_table.html?id=210-06503

²⁰ Same as remarks number 19

62% of Hong Kong's entire unemployed population. While there are various reasons for the worsening unemployment situation in some sectors, such as economic downturn and the tendency of Hong Kong residents shopping on the mainland, the impact of relaxing foreign labour importation policies cannot be overlooked.

Table 5A: Changes in Unemployment Rates in Some Affected Industries After Relaxation of Foreign Labour Importation

Industry	July-September 2023	November 2024- January 2025	Change
Construction	Unemployment rate: 3.9% Unemployed: 13,900	Unemployment rate: 4.4% Unemployed: 16,100	Increase of 0.5 percentage points 16% increase
Transport	Unemployment rate: 2.2% Unemployed: 4,500	Unemployment rate: 2.2% Unemployed: 4,300	No change Decrease of 4.4%
	October-December 2023	November 2024- January 2025	
Retail	Unemployment rate: 3.2% Unemployed: 8,800	Unemployment rate: 4% Unemployed: 10,200	Increase of 0.8 percentage points 16% increase
Catering Service	Unemployment rate: 4.3% Unemployed:10,200	Unemployment rate: 4.7% Unemployed: 11,000	Increase of 0.4 percentage points 7.8% increase

Table 5B: Changes in Underemployment Rates in Some Affected Industries After Relaxation of Foreign Labour Importation

Industry	July-September 2023	November 2024- January 2025	Change
Construction	Underemployment rate: 3.3% Underemployed: 11,800	Underemployment rate: 3.9% Underemployed: 14,400	Increase of 0.6 percentage points 22% increase
Transport	Underemployment rate: 1.9% Underemployed: 3,700	Underemployment rate: 1.5% Underemployed: 3,000	Decrease of 0.4 percentage points 19% decrease
	October-December 2023	October-December 2024	
Retail	Underemployment rate: 0.7% Underemployed: 1,900	Underemployment rate: 1.2% Underemployed: 3,000	Increase of 0.5 percentage points 58% increase
Catering Services	Underemployment rate: 1.3% Underemployed: 3,200	Underemployment rate: 1.9% Underemployed: 4,500	Increase of 0.6 percentage points 41% increase

Suppressing Wage Growth: Existing Employees Bear the Brunt

The government requires that the foreign workers' wages not be lower than the market median, believing that this will eliminate the incentive for employers to replace local workers with foreign labour, thereby protecting employment for local workers and preventing the suppression of local wage levels. In truth, since the easing of foreign labour imports, the greater supply of workers has dramatically slowed pay increase in relevant job categories. Employees can no longer rely on labour shortages to force businesses to increase salaries.

The Labour Department updates the list of common positions under the SLS every year around May and November, indicating the market wage median for positions eligible for foreign labour importation. In September 2023, the government officially renamed the SLS to the ESLS. The wage levels under the new scheme are based on data from May 2023. According to the Census and Statistics Department, the median wage for employees (excluding foreign domestic workers) was HKD 20,100 for the period from

April to June 2023. By September to November 2024, it had increased to HKD 22,000, a 9.5% increase. However, during the same period, wages for many positions where the importation of foreign workers was relaxed saw much slower wage growth compared to the market. For example, the median wage for telephone operators rose from HKD 14,140 to HKD 14,370, an increase of only 1.6%, while warehouse managers' wages increased from HKD 13,610 to HKD 14,180, a 4.2% rise. For positions with the highest number of foreign workers, such as waiters in non-Chinese restaurants, their monthly salary rose from HKD 14,260 to HKD 15,500, an increase of 8.7%. Another popular position, salespeople, saw their salary rise from HKD 13,120 to HKD 14,120, a 7.6% increase.²¹

The situation in the construction industry is far worse. For more than 40 positions open to foreign workers, the wage median levels updated in November 2024 were exactly the same as in July 2023, with no rise or reduction. For example, the monthly salary for bar benders has stayed at HKD 37,800 for the past year and a half, demonstrating wage stagnation in construction industry.²² In fact, since the implementation of the construction labour importation scheme, a number of workers have reported exploitation. According to a Photon Media story from April 2023, a barman with ten years of experience indicated that since the liberalisation of foreign labour immigration, many people have been laid off or have had insufficient work. "Work one day, rest several days," he stated. He also saw that some employers were using various excuses to reduce salaries. For example, one employer lowered the compensation of the most experienced bar bender, decreasing their daily wage from HKD 2,730 to HKD 1,800, a more than 30% decrease.²³

²¹ Enhanced Supplementary Labour Scheme – List of Common Posts by the Labour Department (5th November 2024) [https://www.labour.gov.hk/common/public/pdf/std/ESLS_LCP\(Eng\).pdf](https://www.labour.gov.hk/common/public/pdf/std/ESLS_LCP(Eng).pdf)

²² Construction Industry Labour Importation Scheme – Eligible Job Types for Importing Skilled Workers (General Trades), Relevant Employment Terms, and the Latest Median Local Wage Levels for Corresponding Job Types and Qualifications by the Development Bureau (2024) [https://www.devb.gov.hk/filemanager/tc/content_1345/DEVB-CSS-Eligible%20List%20\(1A-11-2024\)_c.pdf](https://www.devb.gov.hk/filemanager/tc/content_1345/DEVB-CSS-Eligible%20List%20(1A-11-2024)_c.pdf)

²³ 'Impact of Foreign Labour | Only 50% of Steel Workers Work Over 30 Hours a Week; Unemployed Wah: Life Will Become Harder for Hong Kong Locals' published by Photon media (30th April 2024) <https://photonmedia.net/bar-bender-unemployment/>

Table 6: Changes in the Median Monthly Wages of Some Positions with Relaxed Foreign Labour Importation

Position	May 2023 (Monthly Salary)	November 2024 (Monthly Salary)	Change
Waiter (Non-Chinese Restaurants)	HKD 14,260	HKD 15,500	+8.7%
Food Processing Worker	HKD 12,440	HKD 13,460	+8.2%
Salesperson	HKD 13,120	HKD 14,120	+7.6%
Floor Receptionist (Chinese Restaurants)	HKD 14,920	HKD 15,910	+6.6%
General Clerk	HKD 14,090	HKD 15,000	+6.5%
Laundry Worker	HKD 10,950	HKD 11,540	+5.4%
Bank Teller	HKD 17,500	HKD 18,280	+4.5%
Warehouse Manager	HKD 13,610	HKD 14,180	+4.2%
Telephone Operator (Wholesale, Retail and Import/Export Trade)	HKD 14,140	HKD 14,370	+1.6%

Note: The median wage in Hong Kong increased by 9.5% during the same period.

Disputes over exploiting foreign labour frequently arise, highlighting policy gaps.

In September of last year, the U.S. Department of State issued its *2024 Trafficking in Persons Report*, which placed Hong Kong on the "Tier 2 Watch List," down one level from the previous year, alongside countries such as Laos, Congo, and Rwanda. The report stated that the Hong Kong government had "failed to take appropriate measures to protect foreign workers from exploitation and other illegal activities."²⁴ Although the Hong Kong government quickly issued a statement calling the report false, the facts speak louder than words. Prior to the so-called "enhanced" measures, trade unions had consistently highlighted the abuse of foreign workers by mainland "management companies" or agents who charged illegal service fees. With the government's loosening

²⁴ 2024 Trafficking in Persons Report (2024). U.S Department of State, 24 June 2024, <https://www.state.gov/reports/2024-trafficking-in-persons-report/>

of foreign labour importation policies, these exploitative practices have only gotten worse, with even pro-government newspapers such as *Ta Kung Pao* and *Wen Wei Po* heavily reporting on these incidents.²⁵

In September of last year, the Construction Industry General Union, part of the pro-government Hong Kong Federation of Trade Unions (FTU), held a press conference to reveal that it had received over a hundred complaints from foreign workers about exploitation by management companies since March of the same year. These complaints included demands for workers to hand over their ATM cards, the unlawful deduction of half their earnings, and additional training and transportation expenses that occasionally exceeded HKD 1,000. Some of the cases involved the Three-runway System and Kai Tak Tunnel projects.²⁶

The practice of bringing foreign workers to Hong Kong has become lucrative business, with criminals profiting from the exploitation. The Independent Commission Against Corruption (ICAC) recently convicted a foreman from the Hong Kong International Airport's Three-runway System project for taking bribes totalling HKD 54,000 from ten foreign workers in exchange for assisting them in maintaining their employment. He was sentenced to 17 weeks in prison in November last year. In December, the ICAC discovered two foremen from subcontractors working on the same project who had taken bribes amounting to more than HKD 6 million from 58 foreign workers in order to keep their jobs. The case is still under trial.²⁷

In response to a spate of exploitation cases, Labour and Welfare Secretary Chris Sun first urged overseas workers to apply for jobs in Hong Kong directly through labour companies rather than through intermediaries. This response was obviously useless. The administration did not offer fresh restrictions until February of this year, when it announced that four new requirements would be added to the sixth round of approved foreign labour applications. These include the need that the agent in charge of recruitment and personnel management be employed directly by the applicant or employer and not charge foreign workers any fees.²⁸

²⁵ 'Tragedy of Care Workers Series: Rise of Shady Agencies by Wen Wei Po (3rd November 2023)

²⁶ 'Half-Wages Docked, Bank Cards Confiscated – Hundreds of Foreign Workers Allege Exploitation on Major Projects' by Ming Pao (5 September 2024)

²⁷ ICAC Press release 'Two imported team leaders charged by ICAC with HK\$6m bribery over exploitation of Three-Runway System Project workers, subcontractor duo wanted' (19 December 2024)
https://www.icac.org.hk/en/p/press/index_id_2027.html

²⁸ The Development Bureau's Facebook post 'Ensuring the Fair Use of the Construction Industry Labour

It remains to be seen whether these new arrangements will effectively prevent exploitation, but the delay in addressing the issue only emphasises the government's slow response to the situation.

6. Insights Drawn from the New Foreign Labour Importation Arrangements

Business Interests at the Forefront, with Government Collaboration

The Labour Advisory Board, which approves Supplementary Labour Scheme applications, has long been viewed as an obstacle by the business community. Previously, numerous foreign labour applications were denied due to opposition from labour representatives on the Board. For example, in 2016, a contractor building the Hong Kong-Zhuhai-Macao Bridge attempted to seek a "one visa, multiple workplaces" arrangement for foreign workers. The labour representatives on the Board rejected this, forcing the contractor to do further local recruitment for two weeks before withdrawing the application for the "one visa, multiple workplaces" arrangement.²⁹

As early as October 2011, labour representatives on the Board temporarily delayed the approval of all supplementary labour scheme applications, demanding that the government close loopholes in the foreign labour importation policy. This caused a two-month delay before the approval process resumed.³⁰

Now that the government is implementing industry-specific foreign labour importation plans, the Labour Advisory Board's oversight functions have been effectively dismantled, removing the main barrier to business interests. Furthermore, the approval of applications for industry plans is now handled by the relevant policy bureaus, who have complete control over the approval process, raising concerns about potential transparency issues. Additionally, the relaxation of the policy to allow foreign workers into 26 non-skilled or low-skilled positions demonstrates a clear bias toward business interests. Previously, the catering industry had repeatedly failed to obtain approval for

Importation Scheme' (6th February 2025)

https://www.facebook.com/story.php?story_fbid=1034244368737475&id=100064557645168&mibextid=wwXlfr&rdid=oGPPafmoLQsigJH8#

²⁹ 'Hong Kong-Zhuhai-Macao Bridge Seeks More Foreign Workers as "Multiple-Entry Permit" is Scrapped' published by Ming Pao (10 May 2016) https://www.mingpaocanada.com/Van/htm/News/20160510/HK-gmb1_r.htm

³⁰ 'Labour Representatives in LAB Suspend Approval of Foreign Worker Importation Scheme' Recapped by HK Yahoo News from Hong Kong Commercial Radio (31st December 2011) <https://hk.news.yahoo.com/勞顧會勞方代表暫停審批輸入外勞計劃-103800015.html>

foreign labour, but now, they can import foreign workers almost without restriction.

The most concerning aspect is the government's unilateral introduction of foreign labour schemes for sectors such as construction and transport. Similar schemes for other industries may be introduced without consultation, setting a dangerous precedent with far-reaching consequences.

Ineffective Action from Pro-Government Unions

In the past, both the government and business sectors have repeatedly proposed increasing foreign workforce import, however, the proposal was ultimately defeated due to strong opposition from trade unions and the Legislative Council. For example, before the end of 1997, the Education and Manpower Bureau had already created a labour importation plan for the construction industry. Everything was set for its official launch the next year, but labour unions and several elected Legislative Council members fiercely opposed it. In January 2013, shortly after taking office, Chief Executive Leung Chun-ying suggested importing foreign labour for the construction industry, prompting a heated reaction from trade unions. They kept protesting against the plan, and under Leung's tenure, the government never dared to pursue a foreign labour importation plan for the construction industry.³¹

The Hong Kong Federation of Trade Unions (HKFTU), which claims to have over 400,000 members, has frequently leveraged its union status while betraying workers' interests on labour issues. For example, in 2014, when pro-democracy legislators proposed an amendment in the Legislative Council to extend paternity leave from three days to seven days and ensure full pay during the leave period, HKFTU members abstained from voting, resulting in the amendment's failure to pass. After the HKCTU disbanded, the pro-government unions became increasingly supportive of the government, dismissing workers' difficulties. While HKFTU issued a press release criticising the government's lack of consultation before the official announcement, once the plan was finalised, the union only advised establishing a time limit for its implementation and did not call for its removal. It is important to remember that former HKFTU Legislative Council representative Ho Kai-ming is now the Under Secretary for Labour and Welfare, responsible for formulating Hong Kong's foreign labour policies, and the union's president, Ng Chau-pei, serves on the Executive Council and is involved in the policy implementation. The HKFTU has effectively served as an accomplice in the smooth rollout of the expanded foreign labour importation plan.

³¹ 'Protest Against Importation of Foreign Construction Workers' reported by Now TV News (20 January 2013) <https://news.now.com/mobile/local/player?newsId=57271>

Legislative Council's Failure to Scrutinise

The National Security Law went into effect on 30 June 2020, and the 2021 Legislative Council election was the first under Hong Kong's so-called "improved electoral system." As a result, all the elected candidates were from the pro-establishment camp. While the government promotes the idea of "patriots governing Hong Kong," the pro-establishment camp has monopolised the seats, worsening governance standards. Legislative Council members largely support the administration, with any opposition being mostly symbolic—serving to legitimise policies rather than genuinely challenge them.

The legislature's function in scrutinising the government has been effectively neutralised, with measures pushed through without proper debate. Take this example: on June 13, 2023 the Executive Council approved the expansion of the labour importation scheme without first consulting the Legislative Council. The Legislative Council's Manpower Panel met only once on June 20 before approving the scheme's full implementation.

Independent Trade Unions Suppressed Under the National Security Law

The National Security Law has been used to target trade unions. Since the forced disbandment of major independent unions such as the HKCTU and the Hong Kong Professional Teachers' Union (HKPTU), smaller independent unions have faced even greater challenges, further silencing the workers' voices.

When social distancing regulations were lifted in 2023, the pro-establishment Federation of Hong Kong and Kowloon Labour Unions (HKFLU) requested permission from the police to stage a May Day march. However, during his visit to Hong Kong, Xia Baolong, director of the State Council's Hong Kong and Macao Affairs Office (HKMAO), emphasised that rallies were not the only way to make demands and claimed that livelihood issues are easily 'hijacked'. HKFLU subsequently withdrew its application. HKFTU, which had been a regular participant in past May Day marches, likewise agreed with Beijing's stance and chose not to hold a rally.

Two former HKCTU members, Wong Nai-yuen and To Chun-ho, attempted to file for a May Day march in 2023 under their names but were eventually forced to withdraw owing to police harassment. There have been no demonstrations on May Day in Hong Kong for the past two years.

Historically, independent trade unions battled for workers' rights through mass collective actions and large-scale public opinion campaigns, collaborating with elected representatives in the Legislative Council. With increasing political repression, workers now lack normal ways to voice their concerns, and even staging demonstrations may result in accusations of breaking the National Security Law.

During the debate over the expanded labour importation scheme, a rebar worker took to social media to urge affected workers to visit the training centre of the HKFTU-affiliated Hong Kong Construction Industry Employees General Union (HKCIEGU) and sign a petition highlighting unemployment and underemployment figures as a way to express dissatisfaction with the scheme. However, the HKCIEGU issued a statement condemning the call as the spread of false information, labelling it an act of disruption, and even reported the matter to the police.³²

Rather than listening to workers' complaints, pro-government unions ignored and aggressively suppressed them, demonstrating a blatant contempt for workers' welfare.

7. Recommendations

1. The foreign labour importation scheme which began in June 2023, has had a significant impact on the employment market after over a year and a half of implementation. As the programme was implemented without prior consultation, the government must immediately suspend any related schemes. This includes ending the foreign labour importation programmes for the three selected industries and resuming restrictions on importing foreign workers for the 26 job categories, rather than waiting until this September for a review. Furthermore, the government should immediately resume public consultations on the entire foreign labour importation policy, soliciting feedback from trade unions in the affected sectors to design a strategy that meets Hong Kong's needs.
2. Until the public consultation provides concrete findings, applications for foreign workers in residential care, construction, and transport industries should be subject to approval by the Labour Advisory Board. The four-week local recruitment process should also be reinstated. While we do not oppose the government's efforts to expedite the approval process, we believe this should be accomplished by allocating more staff and resources, rather than compromising established scrutiny procedures. Trade unions have found incidents under the former Supplementary Labour Scheme and the present Enhanced Supplementary Labour Scheme in which businesses allegedly participated in fraudulent recruitment to create the false impression of labour shortages, allowing them to apply for foreign workers. The government must increase supervision and impose strong penalties on firms that

³² 'Bar Benders Launch Petition Over Job Shortages; HKFTU Condemns "Disruptive Action" and Reports to Police' published by Photon media (29th April 2024) <https://photonmedia.net/oppose-import-worker-bar-bender>

violate regulations.

3. Hong Kong's labour protections fall significantly short compared to other developed economies. The long-debated legislation on standard working hours stays halted, collective bargaining rights are out of reach, and the minimum wage remains low. The latest announcement reveals that the minimum wage will only increase by 5.25% to HK\$42.1 per hour on May 1, marking the smallest increase in history. This creates a deeply unequal environment between employers and workers. The relaxed foreign labour importation increases the labour supply in the market, reducing the bargaining power of local workers, who oppose the new policy. The government must establish a robust safety net for local workers to ensure that foreign labour importation helps the local labour market and promotes a more inclusive employment environment. This can be done by amending labour laws to strengthen the protection of workers' rights and correcting the current significant power imbalance between employers and employees.
4. Hong Kong cannot rely on foreign manpower imports in long term. The government must prioritise local workforce training and rectify labour resource mismatches as early as possible. While the government frequently emphasises labour shortages, a sizeable chunk of the potential workforce goes untapped. According to Census and Statistics Department data, the female(excluding foreign domestic workers) labour force participation rate was 47.5% in the fourth quarter of 2024, more than 15 percentage points lower than the male participation rate of 62.6%.³³ is far lower than the female participation rates in other advanced economies, like Singapore(62.6%), Canada(61.6%), the UK(58.9%), and the US(57.3%)³⁴. The government may be able to ease Hong Kong's labour shortages to some extent by investing more resources and taking the lead in providing a favourable environment for women to enter the workforce.
5. Foreign workers are frequently exploited by recruitment agencies and employers, and the issue has gotten worse since the expansion of foreign labour importation scheme. The issue of foreign worker exploitation has persisted for nearly 30 years since the launch of the Supplementary Labour Scheme, as well as the special labour importation programme introduced in the 1990s for the Rose Garden Project and the new airport core infrastructure development, with policy loopholes remaining

³³ Labour force and labour force participation rate by age and sex (excluding foreign domestic helpers), Census and Statistics Department (4th March 2025)
https://www.censtatd.gov.hk/en/web_table.html?id=210-06201A

³⁴ 'Labour Force Participation Rate – Broken Down by Gender', Ministry of Labour, Taiwan (4th March 2025)
<https://statdb.mol.gov.tw/html/nat/112/1.表1-4.pdf>

unaddressed.

Despite widespread media coverage, the Labour and Welfare Bureau announced the establishment of an interdepartmental task force to tackle the issue till last September. However, no concrete measures have been implemented. The Development Bureau merely imposed new regulations in early February, such as prohibiting employment agents from charging fees to foreign workers, and the effectiveness of these measures remains to be proven.

While protecting local workers' rights and welfare is crucial in foreign labour regulation, foreign workers' rights must also be considered. The government has repeatedly maintained that the Labour Department takes all complaints seriously, and that labour inspectors conduct proactive workplace inspections. However, there is no transparency regarding actual enforcement actions. In a February media interview, Secretary for Labour and Welfare Chris Sun mentioned that the Labour Department had increased inspections but did not elaborate on how these efforts had been reinforced. To serve as an effective deterrent, the government must regularly report on inspection results and enforcement actions, demonstrating its commitment to eliminating the exploitation of foreign workers.