

PROVISION OF INTERNATIONAL EDUCATION IN HONG KONG

16 Chambers of Commerce in Hong Kong would like to engage with the Government on the provision of International Education in Hong Kong as we aspire to remain an international education hub, with world-renowned schools and universities, and outstanding research talents.

Education is key to cultivating and conserving top talent, we commend the emphasis placed on tertiary education in this year's Policy Address; however, we believe it is equally important to thoroughly examine the landscape of primary and secondary international education. International education below tertiary level serves two purposes: it helps develop homegrown talent from a young age, and it is linked to talent import scheme, influencing whether skilled individuals with children needing international schooling will choose to relocate and remain here.

Significant effort must be expended to cultivate a thriving and diverse international schooling sector, where shortages in places have been reported at the most key international, private licence, and ESF schools, particularly at the secondary school level. In a survey released in August 2024, it was found that more than 60 percent of people coming to Hong Kong under various talent schemes brought their children with them.¹ Thus, the availability of high-quality international schooling near residential areas and workplaces plays a critical role in the return of foreign talent to Hong Kong. For Hong Kong to continue to attract global talent and businesses, achieve long-term sustainable economic growth and advance Hong Kong's position as an international business hub, it is of utmost importance to foster a supportive educational ecosystem.

To enhance the symbiotic public-private dynamic, we propose several measures:

1. Policy and Regulatory Flexibility:

- **Review and Update Regulations:** Current regulations, such as the Education Ordinance (Cap 279A), should be reviewed to create a more adaptable educational environment. This will enable international schools to expand and innovate as needed.
- **Align School Service Agreements with Market Demands:** Updating school service agreements to reflect market demands and adjusting quotas for local students in international schools will improve educational access for both local and expatriate families, better matching educational offerings with family needs.

2. Land Accessibility for Development:

- **Improve Affordability and Availability of Land:** Addressing the affordability and availability of land for school development will remove significant barriers to expansion.

3. Enhancement of English-Medium Instruction:

- **Increase Access to English Language Teaching:** Expanding access to English language instruction will meet the high demand from both local and expatriate parents, reducing competition for limited school places.

¹ <https://www.scmp.com/news/hong-kong/education/article/3274650/hong-kong-lawmakers-urge-school-placement-help-after-poll-shows-60-expats-bring-children>

4. Proactive Planning:

- **Continuous Investigation and Response:** Implementing ongoing research and responsive measures in the education sector will help fulfill the demand for international school places, ensuring that the needs of the community are catered.

Policy and Regulatory Flexibility

While the Education Bureau's robust screening process ensures the integrity of the education sector, current regulatory practices can sometimes limit the ability of private and international schools to expand and adapt responsibly. To meet the growing demand for quality education and enhance Hong Kong's educational offerings, it is crucial to implement timely, market-responsive solutions.

A survey of employees with current or previous employment visas revealed that 57.7% fully agreed or agreed that having international schools preferred by parents is very important for Hong Kong as an international business hub.² Additionally, 55.6% of respondents believed that having such schools would help attract talent from outside Hong Kong.³ Despite high utilisation rates of over 90% in international schools, restrictions on enrollment by passport limit available places, while local schools face closures due to declining birth rates. To better cater to the diverse needs of Hong Kong's international population, easing regulations to provide a variety of quality educational options is essential. This will help maintain Hong Kong's appeal to multinational corporations, international investors, and top global talent.

The recent Education Bureau (EDB) imposition of a 30% quota for local passport holders in international schools, along with the limited capacity of these schools, hampers access on demand. We recommend that the Government consider offering multiple curriculum options to support Mainland and foreign workers with children. In terms of talent supply on education, we also note that with the new talent initiatives implemented by the Government, some international schools still find it difficult to attract or retain some trained English teachers in Hong Kong due to stricter approval process of working visas, which could also impact existing students who are planning to become English tutors. A review of working visa approval procedures will be appreciated to make sure we can capture the best talent available in the market.

Moreover, the regulation of school debentures and 'Other Charges' presents significant legal and practical challenges for Hong Kong's private and international schools. The new EDB approval mechanism,⁴ which prohibits schools from collecting 'Other Charges,' disrupts the common practice of using debentures and capital fees to fund staff expenses, rent, and other recurring costs.⁵

Ensuring the availability of suitable schooling near potential workplaces or homes of non-local workers is also crucial for attracting and retaining top talent. For finance and legal professionals, access to diverse, high-quality education options in Hong Kong can be a significant factor in deciding to pursue a long-term career in the city.

² [https://www.edb.gov.hk/attachment/en/about-edb/publications-stat/research-report-abstracts/Study%20on%20the%20Provision%20of%20International%20School%20Places%20in%20Hong%20Kong%20\(January%202024\)_Executive%20Summary.pdf](https://www.edb.gov.hk/attachment/en/about-edb/publications-stat/research-report-abstracts/Study%20on%20the%20Provision%20of%20International%20School%20Places%20in%20Hong%20Kong%20(January%202024)_Executive%20Summary.pdf)

³ [https://www.edb.gov.hk/attachment/en/about-edb/publications-stat/research-report-abstracts/Study%20on%20the%20Provision%20of%20International%20School%20Places%20in%20Hong%20Kong%20\(January%202024\)_Executive%20Summary.pdf](https://www.edb.gov.hk/attachment/en/about-edb/publications-stat/research-report-abstracts/Study%20on%20the%20Provision%20of%20International%20School%20Places%20in%20Hong%20Kong%20(January%202024)_Executive%20Summary.pdf)

⁴ <https://www.edb.gov.hk/en/student-parents/sch-info/fees-charges-in-sch/private-sch/index.html>

⁵ <https://www.kwm.com.hk/en/insights/latest-thinking/publication/applications-due-soon-under-the-edbs-new-mechanism-for-approval-of-International-school-debentures.html>

Affordability and Availability of Land for School Development to be Improved

While we would like to commend the Government for launching several School Allocation Exercises (SAEs) to develop school places to serve the dramatically increasing demand, we believe that consideration must be given to the furthering of operational autonomy if we want to maximise the evident potential of Hong Kong's outstanding network.

The prohibitively expensive property costs and extreme land shortage in Hong Kong have always been a barrier to setting up, renovating and expanding campuses. The cost of buying and renovating a school or creating a new building to international standards now tops HKD 1-2 billion,⁶ and the sizes of sites and available green areas for sports fields and facilities have shrunk significantly. Our Chambers share the view that considerations should be made to ease access to land allocations and licenses, as well as resolve the regulatory constraints on fee charging defined in CAP 279A, to support the growth in the sector in order to meet the education demand.

Emphasis on English-medium Instruction

Hong Kong has an excellent education sector spanning from well-regarded local schools to schools in the small private sector and the even smaller international school sector, many international schools here offer instructions in other languages including French, German etc. as bilingual offering is appealing to both international and local families. This results in a pool of strong multilingual or trilingual talent in Hong Kong.

However, in recent Education First's 2023 English Proficiency Index,⁷ Hong Kong was ranked 29th worldwide and 4th in Asia behind Singapore, the Philippines, and Malaysia. With the top performing age group in Hong Kong being 31-40, high English proficiency may be in danger of aging out of the local workforce without further policy measures, English-medium instruction in schooling is crucial to maintaining Hong Kong's status as an international business hub. Our Chambers believe that by improving the standard of English in local schools, pressure on private and international school places will be reduced and the competitiveness of the future workforce will strengthen, due to English's status as the first language for international trades and businesses.

We recommend considering several initiatives aim to create a more responsive and dynamic educational landscape in Hong Kong, effectively attracting and retaining global talent and businesses critical to the region's economic growth and stability. We commend the set up of a new Committee on Education, Technology and Talents in the recent Policy Address and we understand it aims to promote Hong Kong as an international hub or high-calibre talent. We suggest EDB and this Committee to partner with existing international school and university sectors alongside multinational businesses in Hong Kong to devise new models for integrating real world skills, overseas study opportunities, and global exposure at local, private and international schools.

Devising a more Coordinated and Transparent Plan under a more Accountable Office

We commend efforts by the Government to facilitate better support of the unique needs of international school communities in response to requests from schools and Chambers, i.e. appointing IRSD as the single point of contact for international schools in 2020 and recognising IRSD's functions and renamed it to IISSD which united most international schools under one regulator in 2022. This positive initiative does however

⁶ [https://www.thestandard.com.hk/section-news/section/4/208819/ESF-to-start-building-new-\\$1-billion-Island-School-campus](https://www.thestandard.com.hk/section-news/section/4/208819/ESF-to-start-building-new-$1-billion-Island-School-campus)

⁷ <https://www.ef.com/assetscdn/WIBIwq6RdJvcD9bc8RMd/cefcom-epi-site/reports/2023/ef-epi-2023-english.pdf>

contain some anomalies whereby private school license, and establishments with internationalised curricula remain outside of this structure.

In order to ensure greater efficiency in operations for private and international schools, we recommend the creation of a dedicated high-level International Education Office to oversee schools offering international curricula, they can work with key stakeholders, such as international chambers, industry experts and government offices like OASES and Talent Engage Office, to conduct reviews into free market and regulation of private and international schools but work alongside closely with the Education Bureau to provide regular progress reports. This could be done through the establishment of a yearly indicator of the number of existing private and international school operators submitting growth and expansion bids, or the number of international school operators establishing schools in Hong Kong etc..

With the setup of Talent Engage Office, we also suggest setting specific targets relating to education as the Office will engage with and have joint action amongst Education Bureau, Immigration Department and other relevant Government bureaus, this will help to ensure that suitable quotas, regulations and plans are developed across bureaus.

We welcome any dialogue with you and your team anytime at your convenience. We stand ready to work with the Government to ensure that Hong Kong continues to be one of the best hubs in the world for education.

Participating Chambers in Hong Kong:

The American Chamber of Commerce in Hong Kong
Austrian Chamber of Commerce Hong Kong & Macau
Belgium Luxembourg Chamber of Commerce
The British Chamber of Commerce in Hong Kong
The Canadian Chamber of Commerce in Hong Kong
Danish Chamber of Commerce Hong Kong
Dutch Chamber of Commerce in Hong Kong
The French Chamber of Commerce and Industry in Hong Kong
German Chamber of Commerce
The Hong Kong General Chamber of Commerce
The Irish Chamber of Commerce in Hong Kong
New Zealand Chamber of Commerce in Hong Kong
Norwegian Chamber of Commerce in Hong Kong
The Spanish Chamber of Commerce in Hong Kong
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