

## 老齡人口的商業意義

陸觀豪先生

恒生銀行常務董事兼副行政總裁

(以下譯文節錄自陸先生的發言)

1. 中國古語謂“人生七十古來稀”。在過往年老不是問題。在歷史上老年是少有和特別的。老年人獲得氏族支援，亦沒有退休這回事。照顧家中長者是被視為責任而非負擔。
2. 一個迅速飆升的老年撫養比率是老年社會的重大挑戰。年長人士將要倚靠自己，而不能完全寄望家庭或老齡化社會的援手。中國古語「養兒防老」在今天已不大適用。今天我們要面對自給自足。
3. 世界主要都會城市的共通點是生活水平偏高。對有賺錢能力的人來說這不是很大的問題，但對倚賴積蓄過活的人則不然。生活水平偏高加上年長人口的社會負擔可能逼使很多公共服務由免費變成用者自付。
4. 年長人士應可選擇在大都會或生活費用較廉宜的地方生活。如果選擇前者，他們應該很清楚要作好準備。好的計劃雖然未必能保證生活無憂，但缺乏計劃則肯定會失措。
5. 社會應以「老有所依、老有所用、老有所養」為目標。兩個重要因素決定這目標能否達到：財富和健康。雖然很多人認為單靠強積金不足以維持一個人退休前的生活水平，尤其當我們日益長壽而生活費用節節上升。但強積金是一個開始，有助於提高人們的警覺性，為退休作好準備。
6. 協助在職人士為退休作準備可帶來商機。好的計劃應能顧及個別人士不同階段的需要、投資市場的回報及生活水平所需。財務策劃及財富管理是一項長遠、持久的工作，是所有人都需要的。配合生活方式所需的理財方案包括儲蓄、投資及保險。這三個元素是財務策劃的基礎，有助年青一代為退休作更好的準備。
7. 對年長人士來說，良好的健康對他們的自我評價是最重要的。健康是一門涵蓋所有年齡的生意。良好健康需要從年少做起。幫助不同年齡人士促進健康和提升健體意識包含很多市場和商機。
8. 能彈性處理業務的商家可以從老齡化社會獲利良多。無論是甚麼行業，成功的經營模式必須能滿足不同年齡顧客在不同階段的需要。

## Ageing Population – Business Perspectives

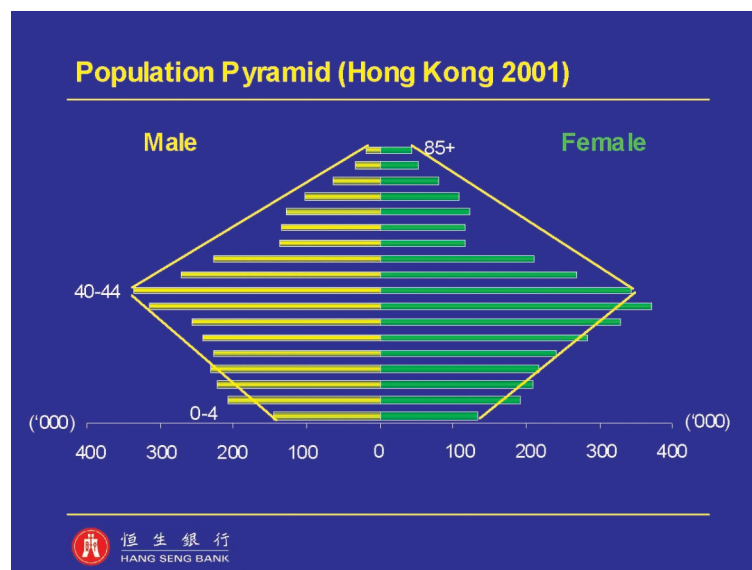
Mr. Roger KH Luk  
Managing Director and Deputy Chief Executive,  
Hang Seng Bank Limited  
(The following is the written speech of Mr. Luk)

1. Good morning, Ladies and Gentlemen. It has always been the concept of an ideal society that the elderly live in sufficiency, receive support and enjoy substantiation. I am sure all of you here know more about the sociology of an ageing population and means of achieving these aspirations. What I would like to share with you this morning are the economic implications of an ageing population and the business opportunities that they might bring about.
2. The theme of today's symposium is "Challenges and Opportunities of an Ageing Population". Why is ageing such a challenge? There is an old Chinese saying: "It has been rare to reach the age of 70." Traditionally, longevity has often been regarded as a blessing from the heavens and a reward for one's good turns. For centuries, people have been searching for the secret of longevity. In Hong Kong, the life expectancy for a new born has passed 70 for decades and it is getting longer.
3. Although I am yet to reach the venerable age of 70, Hang Seng Bank, the Bank where I work will turn 70 next year. This offers me greater courage to share with you my views on the economic challenges and opportunities of an ageing population.

### The Challenges of Longevity

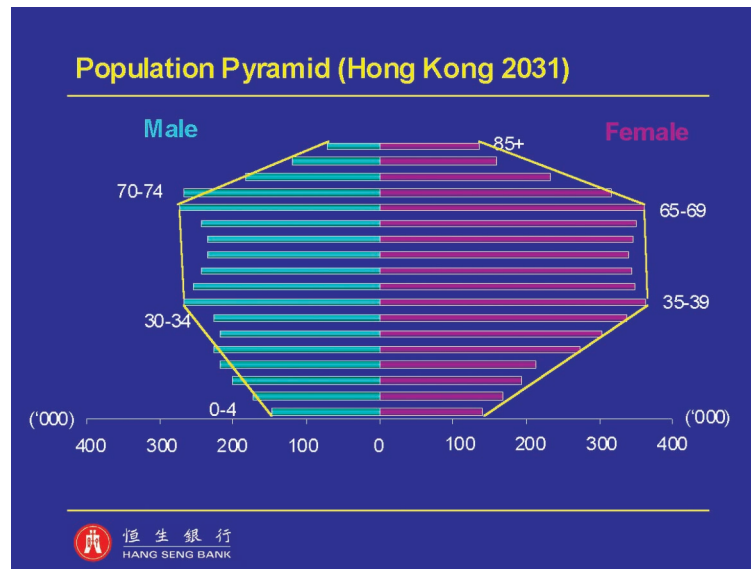
4. Have you read the two famous Chinese novels, "Dream of the Red Mansion" and "Family, Spring and Autumn"? I think a comparison of life in today's modern society and the then predominantly agricultural society of centuries ago can help us better understand the crux of the issues confronting us.
5. Ageing was not a problem in the past. Firstly, as I mentioned earlier, old age was seen as rare and exceptional in history. This may have been due to the laborious work of the majority, the lack of sanitary standards as well as the state of medical knowledge. Secondly, clan support used to be strong. There was probably no such thing as "retirement", and taking care of the elderly was perceived as a duty rather than a burden.

6. Ageing poses a very different scenario to a modern society. Whether it is a challenge depends on the shape of the population pyramid. Society comprises three groups of people: the young, the middle-aged, and the elderly. If the population pyramid is a true pyramid, support for the elderly should not be a problem.
7. Support for elderly persons comes from three different sources: self, family members and relatives (clan support), and the community. A standard population pyramid would transform into a support system like a reverse pyramid in shape. The elderly form the tip and can derive support from the clan circle and community if necessary.
8. The changing shape of the population pyramid in developed economies poses great challenge. Take Hong Kong as an example. The population pyramid today is no longer a true “pyramid”. Instead, the population tiers are shaped like a traditional Chinese lantern – bulky in the middle and narrow at the upper and lower ends. The baby-boomers of the post-War years are now in their thirties and forties, making the middle-aged group the largest.



9. Longevity and the declining birth rate are the two major reasons for the lantern-shaped pyramid. Forty years ago, a new-born baby could expect to reach 67 years old, whereas a new born baby born today would expect to live until 78. Hong Kong's fertility rate is among the lowest in the world, averaging just over 1,100 live births per 1,000 women over the past 10 years.

10. The major challenge of an ageing society from such a “population lantern” structure is a rapid rise in the elderly dependency ratio. The lantern could gradually turn into an “inverted pyramid” over time.



By 2031, one out of every four persons is expected to be aged 65 or above in Hong Kong. The support system will turn into an unfavourable pyramid shape. The elderly will probably have to rely more on themselves, than from family members, and obviously less on a community comprising a large number of elderly persons.

11. The old Chinese saying of “bring up sons as a support for old age” would probably be less applicable today, although in western societies this concept was probably never prevalent. Today’s challenge is that there is a greater need for one to become self-sufficient.

### The Challenges of a Metropolis

12. Ageing and retirement would be more of a problem in a city. “Living in Chiangnan (now Xian) is not easy”, so goes a Chinese saying, telling us that this is an inherent problem, not only now but also in the past. The success of a metropolitan centre has its own costs. A common characteristic of key metropolitan cities in the world is their high costs of living. Tokyo, Osaka, New York, London, and Hong Kong are often ranked the cities with the highest costs in various international surveys.

13. High living costs would be less of a problem for those with earning power, but a major challenge to those who are dependent on their savings. If Hong Kong re-

mains a key financial centre and one of the most important business cities of China, which all of us here would like to see, Hong Kong will be the most expensive cities in China and probably among the top few in the world.

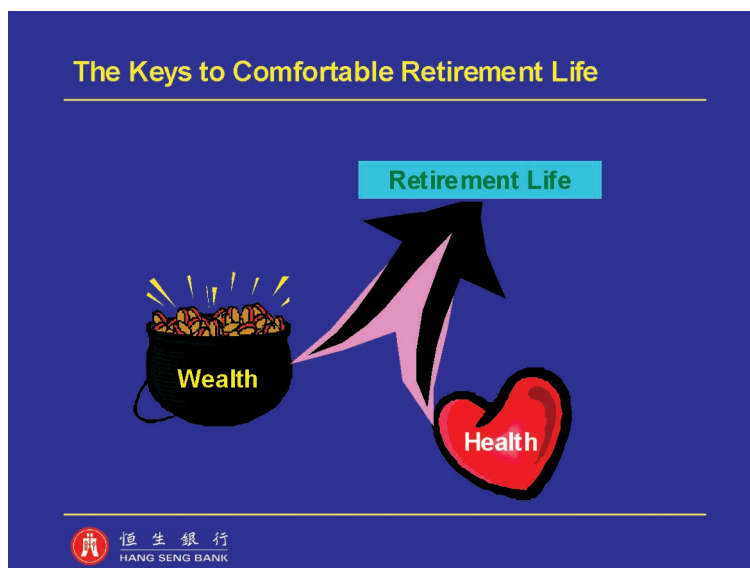
14. The high costs in a metropolis should not be overlooked in an ageing society since these are likely to force many public services to transform from a free-to-all to a user-pays system. This is the scenario facing Hong Kong's public medical system. Such a change would be a big financial challenge to a large number of the working population today, as demand for health care increases with age.

15. Freedom of choice could help alleviate this problem. The elderly could be, and should be, offered the choice of passing their retirement in an affordable environment be it a metropolis, a sub-urban or countryside. Whatever the choice, they need to be fully aware of the need for forward planning. Good planning might not guarantee an abundant life, but lack of planning guarantees disarray.

### Wealth and Health

16. Society should aim for "Sufficiency for the elderly; Support for the elderly; and Substantiation for the elderly". This could be the utopia of Chinese Confucian thinking, but I think it summaries the objectives of any responsible government on elderly policy.

17. Two important factors determine whether such an objective could be achieved: "wealth" and "health". Wealth enables the elderly to attain self-sufficiency without



worrying about basic needs such as food and shelter, while health allows the elderly to enjoy life.

18. The concept of saving for one's retirement has been around for many years, but it was only fully visualised 18 months ago with the introduction of the Mandatory Provident Fund (MPF) in December 2000. While many agree that the MPF alone would hardly be sufficient for maintaining one's pre-retirement living standards, in particular with improving longevity and rising living costs, the MPF serves as a starter as well as raises the awareness for retirement planning in the early stages of one's working life.
19. Many business opportunities still lie ahead in raising such an awareness, and helping the workforce to turn the awareness into concrete action by saving for their future. Rising property and stock prices in the pre-Asian crisis years might have made many think there was no such need. The bumpy returns in the equity market and the plunge in property prices in the past five years should encourage the workforce to take a more down-to-earth approach.
20. Financial planning and wealth management are suitable for all ages and are long-term and continuous processes. A good plan should take into account an individual's needs and changing aspirations, the performance of investment markets and the cost of living. Helping the workforce to plan and save for their retirement is not a once-and-for-all job, but a continuum starting from the beginning of their working life until their post-retirement years.
21. However, it is a challenge to encourage retirement planning, particularly among younger persons. In recent years, many banks, including the bank I work for, try to help customers to manage and plan their finances over the longer term. "Lifestyle" banking is the concept which we hope can serve our customers better as their financial needs and circumstances change with age.
22. Lifestyle banking provides a wide range of banking services including savings, investment and insurance. These three elements are the foundation of any financial planning. The promotion of "lifestyle banking" will help customers understand their financial needs at different stages of their life. I believe much room still exists for the promotion of lifestyle banking in society, and it can help the younger generation to be better prepared for their own retirement.
23. However, no matter how hard one tries and how effective the financial planners and asset managers are in discharging their duty, not everyone in a society can

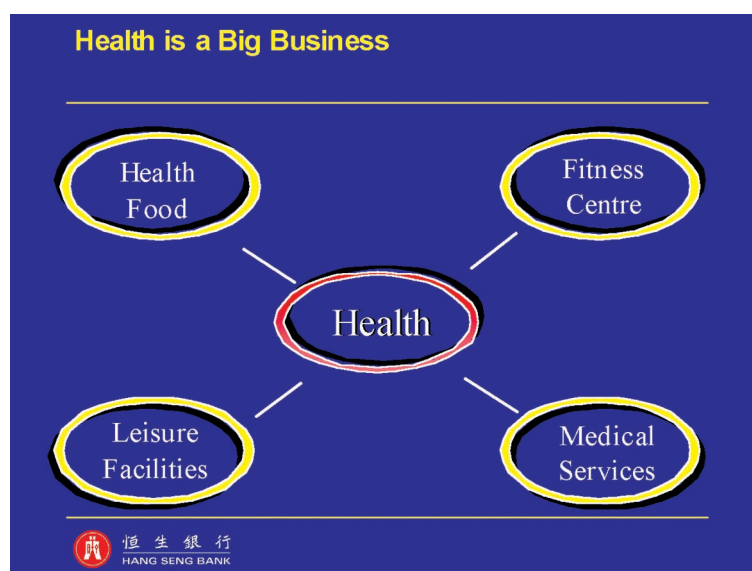
achieve self-sufficiency in their retirement years. Changing environments and personal conditions, such as chronic illnesses or migration of children, could disrupt the financial plan. A responsible government, in achieving its objective of “Support for the Elderly”, should therefore provide a safety-net for those who cannot solicit any support from the community.

### A Substantive Life for the Elderly

24. Good health is a basic requirement for an elderly person to feel that he or she is still important and meaningful in society. To achieve “Substantiation for the Elderly”, in particular when one-quarter of the population is going to be aged 65 and above, the issue of health cannot be ignored.

25. Health not only allows the elderly to do whatever they like and enjoy life, it can also help reduce the society’s use of resources on the health system. In Hong Kong, spending on health has been growing rapidly in the last decade and constituted 13% of total government expenditure in fiscal 2001/02. With our population ageing rapidly, further strains will be put on the health care system. It is therefore for the benefit of both the government and the population to emphasis health education to facilitate the attainment of a healthy elderly population.

26. Once again, health is a business covering all ages. Good health needs to be developed from young. The business opportunity arising from an ageing population is not just in the creation of “health food” products for the elderly, or tailoring leisure and recreational facilities for them. This might be needed. A greater market, and hence greater opportunities, lies in increasing the awareness of health and fitness, and helping people of all ages to strive for this.



27. Fitness centres, for example, typically target the youth and the middle-aged. They have been unconsciously playing a critical role in helping the younger generation to look after their body and health into their retirement. The same applies to health food providers, as good diet and eating habits must start early. Not only financial planning for retirement should start early in one's working life, the same also applies to maintaining good health.
28. Therefore, in facing an ageing population, businesses could benefit much more by taking a flexible approach in their business model. Increasingly the market will comprise a growing number of elderly customers. There could be lots of new opportunities ahead catering for their future needs. But there are greater opportunities today. I can imagine that a successful business and a great corporation in any industry will be one which can adopt a business model meeting the needs of its customers throughout different stages of their lives.

### Conclusion

29. With an ageing population becoming a universal and probably irreversible trend with falling fertility and improving longevity, "substantiation for the elderly" is not a slogan but could bring immense benefits to the society.
30. Imagine the differences between these two societies. One-quarter of the population of both are aged 65 and above, and are retired from their regular job. The elderly population in the first society are living on the tiny dole from the government, worrying about their livelihood, requiring intensive medical care and having little to do. Essentially, they are not productive. On the other hand, the second society possesses a group of healthy and lively elderly people, who can continue to contribute to the society as they did 10 or 20 years ago.
31. The difference must be great. Therefore, there is strong incentive for us to strive for the latter alternative instead of the former. Financial planning and good health have to start early. What's more, engaging the elderly population in more productive work through paid or unpaid voluntary work adds value to the society. It would be a waste of a society's resources if their wisdom and experience were to be made redundant after retirement from career. Making life meaningful and productive is not only important to the elderly population, but to the whole society.
32. Thank you.