



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

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(by mail and email)

Ms Priscilla WONG, BBS, JP
Chairperson
The Minimum Wage Commission,
1/F, Harbour Building,
38 Pier Road,
Central,
Hong Kong

Dear Ms Wong,

Hong Kong Institute of Human Resource Management's Views on the Review of the Statutory Minimum Wage Rate

Thank you for extending the invitation to our Institute to share our perspectives on the review of the Statutory Minimum Wage (SMW) rate. On behalf of the Hong Kong Institute of Human Resource Management ("HKIHRM"), our views are consolidated as follows:

1. Considering that SMW's impact ripples across the economy, labour market and society at large, adjusting its rate requires taking into account factors such as the COVID-19 pandemic, which dampens economic growth, and social activities that disrupt business operation. Government measures such as the Anti-epidemic fund can also be factored into the review.

2. Conducted in May 2020, the *HKIHRM HR Pulse Check: Cost Containment Measures in the COVID-19 Outbreak* sought our members' views on the review of the SMW rate. In the survey, the majority of the respondents (88%) acknowledged that economic conditions in Hong Kong comprised a factor which influenced their views towards the SMW, with 59% stating inflation as a factor. Other factors included global economic conditions (52%), market pay adjustments (49%), business performance (39%), and civil servants pay adjustments (16%).

3. In the same survey, 72% of the respondents stated that the current SMW rate should be maintained in view of the current economic situation. 12% of the respondents said the rate should be increased, while 17% said its reduction was necessary.

4. Since its implementation in 2011, Hong Kong's SMW underwent an uprating every two years, in 2013, 2015, 2017 and 2019 respectively. We recommend a more flexible approach and adjustment period due to economic considerations and business continuity, at the same time, allowing low-income workers to maintain a reasonable standard of living.

While maintaining Hong Kong's economic competitiveness is essential to the city's development, so is fairness in the workplace. We hope the above recommendations can be of help in your formulation of the review of the SMW rate, which can balance the various needs of stakeholders across society.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Margaret Cheng', written in a cursive style.

Margaret Cheng

President

Hong Kong Institute of Human Resource Management