



# HONG KONG RETAIL MANAGEMENT ASSOCIATION

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## **Hong Kong Retail Management Association Statement on Implementation of Statutory Minimum Wage**

The following is a statement issued by the Hong Kong Retail Management Association in response to the Government's announcement on wage arrangement for workers engaged on government service contracts:

The Government's decision to top-up payments to its service contractors for covering rest days will effectively increase the minimum wage rate from the statutory rate of \$28 per hour worked to \$32.15 per hour<sup>1</sup> for monthly paid employees, i.e. 14.8% increase.

Being the largest and most influential employer in Hong Kong, the Government's move will add additional burdens to all employers, especially SMEs. The starting monthly wages in the whole market will now be pushed to a new high.

Employers and in particular SMEs will find it hard to meet with rising wage demands as no enterprises would have budgeted for such a high increase. Besides, attracting and retaining staff will be much more challenging when the Government's service contractors offer wages significantly higher than the market level.

The Government should consider reviewing and amending the Employment Ordinance and the Minimum Wage Ordinance so that it is specific on how the minimum wage should be calculated for the monthly salary staff.

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<sup>1</sup> According to a paper submitted by the Labour Department to the Legislative Council on 11 April 2011, for a cleaner (general) working 8 hours per day and 27 days per month, i.e. 216 hours per month (27days x 8 hours) the total take home pay according to the Statutory Minimum Wage is \$6,944. This means the hourly wage is now \$32.15 (\$6,944 / 216 hours).