



31 May 2022

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

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

Dear Ms Wong,

Thank you for inviting our Institute to submit our insights 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. Taking into account that as of April 2022, the year-on-year rate of increase in the Composite CPI (the underlying inflation rate) was 1.6% and the median hourly wage of employees in Hong Kong in May – June 2021 was \$75.7, a 1.8% increment compared with the median of \$74.4 in the same period in 2020, it is evident that living costs in Hong Kong are on the rise and the pressure to increase the SMW rate exists. By upwardly adjusting the SMW rate, lower-income employees can be provided with the protection of a financial safety net.
2. According to the findings of the Quick Poll on Review of the Statutory Minimum Wage Rate 2022 (“Quick Poll”), which was conducted in May 2022, out of the respondents from 91 organisations, 66% stated that the current SMW rate should be increased, indicating that a majority would like the SMW rate, which has remained at HK\$37.5 per hour since 2019, be upwardly adjusted. 31% of the respondents think the SMW rate should be maintained while a mere 3% said it should be reduced.
3. Based on the results of the Quick Poll, almost half (46%) of the respondents who answered the question “The SMW rate should be increased to...” said it should be upwardly adjusted to HK\$40-40.9, a range which can benefit a total of almost 4% of the working population. Almost one-third of the respondents stated that the SMW rate should be increased to HK\$42 or above. A minority of 19% said the SMW rate should be increased moderately to HK\$37.6 – 39.9.



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4. Among the quick poll respondents who answered the question “What are the reasons for increasing the SMW rate?”, 73% indicated that upwardly adjusting the SMW rate will alleviate poverty and close the income gap while 64% said that this move will improve worker welfare. On the other hand, among the quick poll respondents who answered the question “What are the reasons not to increase the SMW rate?”, 77% stated that upwardly adjusting the SMW rate will adversely affect SMEs.

We hope the above recommendations can prove useful in your formulation of the SMW rate review, which can factor in the soaring standard of living in Hong Kong and the need to give employees, especially lower-income staff, economic security.

Yours sincerely,

Valent Ma
Executive Council Member &
Co-Chairperson of the Employment-Related Hong Kong Legislation and Issues Committee
Hong Kong Institute of Human Resource Management