

## Transcript of remarks by FS (with video)

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after attending Hong Kong Disneyland Welcome Party for "Moana: A Homecoming Celebration" this afternoon (May 24):

Reporter: Can you tell us more about the competitiveness of Hong Kong, as it dropped its ranking into number second, today?

Financial Secretary: The World Competitiveness Yearbook has published their ranking this year, and this year Hong Kong has slipped from the previous place one to place two. But we remain to be a very competitive economy because when compared to the one ranking in the first, that is the USA, the scores are very close.

In assessing the competitiveness of the economy, they look at four areas. One is economic performance, second is government effectiveness, the third one is business effectiveness and the fourth one is infrastructure. Our ranking in terms of business efficiency and government efficiency, we still ranked number one.

In terms of economic performance, as you know we did very well last year, but in the US last year President Trump announced cutting profits tax and also boosting investment in infrastructure. So in terms of business sentiment, the business sentiment in the US according to the surveys with the business sectors there, they rank before us.

The second area that we are a little behind is in terms of infrastructure. It is not the usual infrastructure like transportation, but technological infrastructure and scientific infrastructure. As you may have seen in the past two years we have devoted substantial resources in innovation and technology, with a view to improving our infrastructure and the ecosystem. We are working very hard on that. We will continue to invest on that and work very hard to enhance the overall infrastructure of Hong Kong in terms of technology, in terms of attracting people and in terms of building a better ecosystem for the innovation and technology sector.

On economic performance, perhaps one point I should supplement is that our unemployment rate has been coming down – 2.8 per cent – in other words it's full employment. It is not just that. It also reflects a very tight supply in terms of the labour market, and this has, in a way, hurt us in terms of availability of manpower.

(Please also refer to the Chinese portion of the transcript.)

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# Cluster of Multi-drug Resistant Acinetobacter cases in Pok Oi Hospital

The following is issued on behalf of the Hospital Authority:

The spokesperson for Pok Oi Hospital (POH) made the following announcement today (May 24):

Three male patients, aged 57 to 89, in a Medical and Geriatric ward have been confirmed to have Multi-drug Resistant Acinetobacter (MDRA) since May 18. The patients are in a serious condition and are currently hospitalised under medical surveillance and isolation treatment.

The following enhanced infection and cleansing measures have already been adopted:

1. Enhance disinfection and cleansing of the ward concerned
2. Apply stringent contact precautions, including use of dedicated clinical equipment for MDRA carriers and enhance hand hygiene
3. Enhance attention to contamination-prone procedures

The cases have been reported to the Hospital Authority Head Office and the Centre for Health Protection for necessary follow up. The hospital will continue to closely monitor the situation of the ward.

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## 2018 net pay trend indicators

The Civil Service Bureau (CSB) received today (May 24) the Report on the 2018 Pay Trend Survey validated and submitted by the Pay Trend Survey Committee, and derived the "net pay trend indicators" by deducting the civil service payroll cost of increments from the "gross pay trend indicators" as indicated in the report:

| Salary band | Gross pay trend indicator | 2017-18 cost of increment as a percentage of the total civil service payroll cost | Net pay trend indicator |
|-------------|---------------------------|---|-------------------------|
|             | (a)                       | (b)   | (a) minus (b)           |

|  |       |       |       |
|--|-------|-------|-------|
| Upper<br>(monthly salary from \$67,066 to \$135,075) | 5.25% | 1.19% | 4.06% |
| Middle<br>(monthly salary from \$21,880 to \$67,065) | 5.63% | 1.12% | 4.51% |
| Lower<br>(monthly salary below \$21,880)             | 4.89% | 2.05% | 2.84% |

"The Pay Trend Survey is effective and credible. The net pay trend indicators derived will continue to be one of the factors to be considered by the Chief Executive-in-Council in determining the 2018-19 civil service pay adjustment. Other factors include the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living, the pay claims of the staff side and civil service morale," a CSB spokesman said.

In accordance with the established practice, the staff side will submit their pay claims for the 2018-19 pay adjustment to the Government. The CSB will meet with representatives of the staff side of the four central consultative councils and the four major service-wide staff unions, and will reflect their views to the Chief Executive-in-Council.

## [Pay Trend Survey Committee Meeting on May 24, 2018](#)

The following is issued on behalf of the Pay Trend Survey Committee:

The Pay Trend Survey Committee (the Committee) met today (May 24) to consider the findings of the 2018 Pay Trend Survey.

The survey findings indicate that the following average pay adjustments have been awarded by the surveyed companies over the 12-month period from April 2, 2017 to April 1, 2018:

|  |                     |   |                          |   |                           |
|--|---------------------|---|--------------------------|---|---------------------------|
|  | Basic Pay Indicator | + | Additional Pay Indicator | = | Gross Pay Trend Indicator |
|--|---------------------|---|--------------------------|---|---------------------------|

|   |       |   |       |   |       |
|---|-------|---|-------|---|-------|
| Lower Salary Band<br>(below \$21,880 per month)     | 4.39% | + | 0.50% | = | 4.89% |
| Middle Salary Band<br>(\$21,880-\$67,065 per month) | 4.83% | + | 0.80% | = | 5.63% |
| Upper Salary Band<br>(\$67,066-\$135,075 per month) | 3.87% | + | 1.38% | = | 5.25% |

The 2018 Pay Trend Survey is conducted by the Pay Survey and Research Unit of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service and based on an improved methodology as approved by the Chief Executive-in-Council in March 2007.

The survey results reflect the pay trend in 112 companies covering 157 504 employees over the 12-month period from April 2, 2017 to April 1, 2018. The survey takes into account adjustments to basic salary and additional payments awarded to employees of the surveyed companies attributable to factors in relation to cost of living, general prosperity and company performance, general changes in market rates, merit and inscale increment, in accordance with the improved survey methodology.

A breakdown of the 112 companies by size is as follows:

|   | No. of Companies |
|---|------------------|
| Larger companies<br>(employing 100 or more staff) | 86 (77%)         |
| Smaller companies<br>(employing 50-99 staff)      | 26 (23%)         |
| Total:  | 112              |

The distribution of the 157 504 employees by the three salary bands is as follows:

|   | No. of Employees |
|---|------------------|
| Lower Salary Band<br>(below \$21,880 per month)     | 78 497 (50%)     |
| Middle Salary Band<br>(\$21,880-\$67,065 per month) | 67 910 (43%)     |
| Upper Salary Band<br>(\$67,066-\$135,075 per month) | 11 097 (7%)      |
| Total:  | 157 504          |

The Committee met on May 24, 2018 to verify and consider to validate the 2018 Pay Trend Survey Report. The representative of the Standing Commission on Civil Service Salaries and Conditions of Service, the representative of the Standing Committee on Disciplined Services Salaries and Conditions of Service, the two representatives of the Civil Service Bureau, the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and

Judicial Salaries and Conditions of Service, the three Staff Side representatives of the Model Scale 1 Staff Consultative Council and one Staff Side representative of the Senior Civil Service Council validated the survey findings. The other Staff Side representative of the Senior Civil Service Council validated the survey findings with reservation.

The meeting was chaired by Mr Wilfred Wong Kam-pui, Chairman of the Pay Trend Survey Committee. Mr Wong is a member of the Standing Commission on Civil Service Salaries and Conditions of Service.

Mr Wong said, "The 2018 Pay Trend Survey is conducted in accordance with the agreed methodology and in a professional and objective manner. The Pay Trend Survey Committee will submit the Committee Report to the Government for consideration."

"The relevant pay trend indicators are the result of a survey of the pay trend in companies of the private sector. Pay adjustment for the civil service is, however, a separate matter. The actual level of adjustment will have to be determined by the Government in consultation with relevant parties having regard to an array of considerations," Mr Wong added.

Mr Wong wishes to express the Committee's sincere appreciation for the co-operation and assistance rendered by the companies to the Pay Survey and Research Unit.

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## **Fraudulent email purportedly issued by Inland Revenue Department**

The Inland Revenue Department (IRD) today (May 24) alerted members of the public to fraudulent emails purportedly issued by the department from the email account "taxnfo@ird.gov.hk", inviting the recipient to update certain information. The emails provide a hyperlink to a fake IRD website which seeks to obtain the address and password of the recipients' email account.

The department has no connection with the fraudulent emails and has reported the case to the Police for further investigation. Members of the public are reminded not to open any suspicious email.