

Salary indices for managerial and professional employees for June 2018

According to the figures released today (October 26) by the Census and Statistics Department (C&SD), the average monthly salaries for middle-level managerial and professional employees for all the selected industry sections surveyed, as measured by the Nominal Salary Index (A), increased by 3.5% in June 2018 compared with a year earlier.

After discounting the increase in consumer prices as measured by the Consumer Price Index (C), the Real Salary Index (A) increased by 1.2% in June 2018 over a year earlier.

Analysed by industry section and on a year-on-year comparison in nominal terms, the average monthly salaries for middle-level managerial and professional employees increased in all the individual industry sections in June 2018, ranging from 3.1% to 4.5%.

After discounting the increase in consumer prices, year-on-year increases in the Real Salary Index (A) were also observed in all the individual industry sections, ranging from 0.8% to 2.2%.

The Salary Index (A) measures changes in salary rates for all middle-level managerial and professional employees of the companies covered by the survey. Another index, the Salary Index (B), which excludes newly recruited and promoted employees and covers only those middle-level managerial and professional employees remaining in the same occupations and in the same companies in two consecutive years, is also compiled. Its main purpose is to measure salary changes due to general increment, meritorious performance and gain in seniority.

Comparing June 2018 with June 2017, the overall Salary Index (B) increased by 4.8% in nominal terms or 2.6% in real terms. The different movement between the Salary Index (A) and the Salary Index (B) was mainly attributable to the lower pay usually received by new recruits (who were included only in the Salary Index (A) but not in the Salary Index (B)) as compared with existing employees. Hence, in general, increases in the Salary Index (B) are greater than the corresponding increases in the Salary Index (A).

Statistics on the year-on-year percentage changes in the Nominal Salary Index (A), Real Salary Index (A), Nominal Salary Index (B) and Real Salary Index (B) for June 2018 in respect of the selected industry sections covered are shown in the tables attached.

The survey findings also showed that in June 2018, about 40% of the middle-level managerial and professional employees were entitled to guaranteed year-end bonus/payment and about 70% to irregular profit-sharing bonuses. Moreover, the majority of them were entitled to fringe benefits of

some kind, including paid annual leave and insurance protection (in addition to the statutory requirements), housing benefits, medical benefits, course fee subsidies for employees' further studies, etc.

Commentary

A Government spokesman noted that the average salaries of middle-level managerial and professional employees registered further solid increases in June 2018, representing across-the-board improvement in real terms after netting out inflation. This was underpinned by the keen demand for higher-skilled talents in the corporate sector amid the vibrant economic performance and Hong Kong's continual development towards a knowledge-based economy. Among the selected industry sections, more visible salary gain was observed in the building, construction and related trades section.

Other Information

The salary indices are compiled annually based on the results of the Survey of Salaries and Employee Benefits – Managerial and Professional Employee (Excluding Top Management). This statistical survey has been conducted by the C&SD since 1984 to measure changes in salary rates for middle-level managerial and professional employees in selected industries. A sample of about 270 companies was selected for the survey in 2018.

For the purpose of the survey, salary rate is defined to include basic salary, cost-of-living allowance, guaranteed year-end extra bonus/payment, commission, as well as other regular and guaranteed bonuses and allowances.

Details of the salary movement, average salary rate for major occupations, and statistics on employees' entitlement to various fringe benefits, together with a description of the survey methodology and coverage, are published in the "2018 Report of Salaries and Employee Benefits Statistics – Managerial and Professional Employees (Excluding Top Management)". The publication is available for downloading free of charge from the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp210.jsp?productCode=B1050010).

Enquiries concerning the salary indices can be directed to the Wages and Labour Costs Statistics Section (2) of the Census and Statistics Department at 3105 2369.