

Salary indices for managerial and professional employees for June 2019

According to the figures released today (October 25) 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 3.4% in June 2019 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 0.5% in June 2019 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 selected industry sections in June 2019, ranging from 2.8% to 4.1%.

After discounting the increase in consumer prices, year-on-year increases in the Real Salary Index (A) were observed in all selected industry sections, ranging from 0.3% to 1.2%, except the import/export, wholesale and retail trades section which decreased slightly by 0.1% in real terms over a year earlier.

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 2019 with June 2018, the overall Salary Index (B) increased by 4.7% in nominal terms or 1.7% 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 2019 in respect of the selected industry sections covered are shown in the tables attached.

The survey findings also showed that in June 2019, 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 maintained solid growth in June 2019, with real improvement seen across most of the selected sectors after adjusting for inflation.

Looking ahead, while Hong Kong's continued drive towards a high value-added economy should provide support to the demand for higher-skilled talents in the corporate sector, the worsened economic conditions of late will likely put some pressure on the near-term outlook of salaries, especially so for those sectors hard hit by the local social incidents. The Government will monitor the developments closely.

Other information

The salary indices are compiled annually based on the results of the Survey of Salaries and Employee Benefits – Managerial and Professional Employees (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 2019.

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 "2019 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.