

# Transcript of remarks by SLW on SMW rate (with photo/video)

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, accompanied by the Chairperson of the Minimum Wage Commission, Ms Priscilla Wong, and the Government Economist, Mr Andrew Au, on maintaining the prevailing Statutory Minimum Wage (SMW) rate this afternoon (February 2):

Reporter: Two simple questions. Some unionists have been saying that a wage freeze would practically be a wage cut, because if you take into account the inflation, there would be a wage cut. It would not be fair to the workers. What do you make of their comment? Secondly, because we are in an extraordinary situation now with COVID-19, and if the COVID-19 situation eases next year and the economy recovers, will the authorities consider moving forward the biennial review from the year-end 2022 to maybe next year?

Secretary for Labour and Welfare: During the whole process of the work of the Commission, there is a difference of views among the representatives of employers and those representing the labour side. Definitely, the range of expectation ranges from a reduction in the SMW rate to substantially increasing it. The Commission considered all the views and struck the balance. So, this recommendation to the Government and the acceptance of this recommendation by the Government basically reflect a fine balance between the different views.

As to the conditions of the economy, the Government Economist will supplement later on the whole issue about inflation, the recovery of economy and the implication on wages. My only comment is that at this point of time, it is very difficult to tell. By late October next year, the Commission will submit another report to the Government. I think it would be timely to look at the situation by that time.

Reporter: First, about the figures. May I ask about how many people in Hong Kong are actually earning the minimum wage? Then, you mentioned there is a majority of members actually agreed with the decision. Would you please reveal how many per cent of the members actually agreed with the decision? We saw that the minimum wage in other places, like Taiwan and Canada, has actually been raised as well. Why can't Hong Kong follow suit? Why did the Government choose to pick the worst, the most unfavourable option for the workers, instead of listening to the business sector which could accept the level to be raised to \$38?

Secretary for Labour and Welfare: As for the questions related to the current state of the coverage of the SMW, I will leave it to the Government Economist to answer the technical part later on, but somehow the number or percentage has actually dropped recently. As what I just said earlier in the opening, part of the reason is because 99.9 per cent of those non-skilled employees under government service contracts are now earning more than the SMW rate.

That contributed to the reduction of people actually working under the SMW rate. For the questions related to the views of the members, I would leave it to the Chairperson of the Commission to answer those questions.

In fact, your earlier question also asked about the US situation and you mentioned Taiwan or perhaps Korea recently. I would say the decision is primarily political. In the Hong Kong regime, it is very different. We base on a very elaborate process of discussions through the Commission with the community, with employers and employees. Our aim is trying to obtain a consensus, if not a total consensus. This time, we have a majority consensus. I think that is very important for both industrial relationship in Hong Kong in general and how to strike a balance between the difference of demands from the employer side and the employee side.

I think that is very important in a number of issues in Hong Kong. You also know that we have the Labour Advisory Board, which is very important for us to improve our support or protection of labour and at the same time we have to strike a balance between the views of employers and employees in Hong Kong. So, this is a very different regime and we treasure this regime indeed. It is very important for the stability of the community in terms of trying to obtain as far as possible a consensus. It is important.

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

