



香港人力資源管理學會

Hong Kong Institute of Human Resource Management

Operated by Hong Kong Institute of Human Resource Management Limited

28 April 2023

Ms Priscilla WONG, SBS, JP
Chairperson
The Minimum Wage Commission

Dear Ms Wong,

**Hong Kong Institute of Human Resource Management's Views
on The First-stage Consultation on Enhancing the Review Mechanism of
the Statutory Minimum Wage**

The Hong Kong Institute of Human Resource Management (HKIHRM) welcomes the opportunity to give our views on the review mechanism of the Statutory Minimum Wage (SMW). We appreciate the efforts of the Minimum Wage Commission (MWC) and the Government in ensuring a fair and reasonable wage level for low-income workers while maintaining the competitiveness and flexibility of the labour market.

In this submission, we would like to highlight some key factors that we think the MWC and the Government should take into account of its deliberations as part of this review exercise.

Review Cycle:

We believe the existing practice of conducting a review every 2-year should continue in the interest of preserving certainty and stability for both employers and employees. Choosing a 2-year period to collect employment data can better reflect the actual economic conditions, reduce the impact of large fluctuations and data lag.

The review mechanism affects a large number of people at the SMW level. The projected range of beneficiaries from the revised statutory minimum wage (SMW) in 2023 is between 46,500 and 87,300. Hence, when enhancing the mechanism, it may be beneficial to consider a wider array of factors such as state the economy, societal impact and harmony between employers and employees.

Conducting a review every year would require a significant number of resources that the Government would need to allocate beforehand. This could entail budgetary constraints, logistical challenges, and opportunity costs for other priorities.

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Factors for Consideration for the Review:

When reviewing the SMW level, other factors such as productivity, inflation, and the overall market pay increases should also be considered. We urge the MWC to adopt a holistic and balanced approach that takes into account of the overall impact of the SMW on the economy, employment and society.

The HKIHRM would like to suggest the MWC considers referring to other developed countries, including but not limited to the United Kingdom, the United States, and France, in which have successfully implemented SMW for a long time. We have analysed the minimum wage coverage of developed countries and found that they are more inclusive. Some of them have adjusted the minimum wage level according to different age groups and education level of the workforce. The Commission may want to consider adopting this approach to offer wider protection for employees.

We hope that our views are useful and will be duly considered by the MWC and the Government in their review of the SMW mechanism. And we look forward to seeing an outcome that balances the interests of all stakeholders and contributes to the sustainable development of Hong Kong.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lawrence Hung', is written over a horizontal line.

Lawrence Hung
President
Hong Kong Institute of Human Resource Management

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