



香港海外女傭僱主協會

HONG KONG EMPLOYERS OF OVERSEAS DOMESTIC HELPERS ASSOCIATION

210, Java Road, North Point, H.K. Tel.: 28805558, 25610592, 25625510, 25403270 Fax: 25625050

**Submission on wage cut and the levy on employers of
Foreign Domestic Workers (FDW)**

The Hong Kong Employers of Domestic Helpers Association considers the wage cut of Foreign Domestic Workers (FDW) in Hong Kong from \$3670 to \$3270 per month effective 1st April 2003 suitable and appropriate. The last wage adjustment from \$3860 to \$3670 took place as the economy set back began in 1999. We petitioned to the SAR Government for another downward adjustment in 2001 as the economy continued to slump, regrettably our justifiable request was denied in that year. The new adjustment is therefore in our opinion, long overdue. It is moderate and is in accordance with all economic indices such as wage trend, consumer price, household income, unemployment, property price etc. The effective date also conforms to the existing mechanism used to gauge the minimum wage for FDW. We acknowledge the speech by Mr. Donald Tsang, Chief Secretary in which he pointed out that out of the last 18 adjustments, only 1 was a cut, all other were raises. The wage of FDW should follow the wage of the average working class in Hong Kong.

As and when the economical situation improves, hopefully in 2 to 3 years, I am sure the employers would not object to a fair wage increase as we accepted all wage increases in the past although in one particular year we voiced our objection when the then Hong Kong Government increased the wage by 21% from \$1900 to \$2300.

On a different issue we strongly object to the levy which will be imposed on the employers commencing 1st October this year. We disagree, in particular with Mr. Donald Tsang of his view to equate the employers of FDW with those business undertakings which import outside workers on a profit making basis. We employ FDW on the basis of daily livelihood and family need to take care of the elderly and the young children. To



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levy us for \$400 a month is therefore wrong and improper. However, we do understand the financial hardship that the SAR Government is faced with. We have decided therefore, in the name of civic duties, to accept the arrangement reluctantly. We will, however, keep in view of the economy performance in Hong Kong and ask the Government to stop the levy as and when situation justifies. We also wish to clarify with the Government the ways of collecting such levy and suggest the collection should be reduced to a quarterly basis instead of half yearly for those families who may find the extra financial burden too heavy. Should a contract be terminated after 1st October this year, irrespective of the reasons for termination, the remaining money already paid should be reimbursed to the employer, it is only fair and logical to do so.

In closing, we agree totally with the Chief Secretary in acknowledging the need of over 2 hundred thousand families (close to 1 million people) to employ overseas domestic workers. The fact that local hourly rate domestic workers cannot replace their overseas counterparts is also highlighted in Mr. Tsang's report.

We hope that for a long time to come the suggestion to limit the importation of FDW will not be mentioned again. Mr. Chairman, thank you so much for inviting our Association to submit the employers views in this panel.

Joseph Law

Vice Chairman

12th March, 2003