

**Minimum Wage Commission's  
preliminary views on the study of the statutory minimum wage rate**

**Introduction**

The Minimum Wage Commission (MWC) is tasked to report to the Chief Executive in Council its recommendation on the statutory minimum wage (SMW) rate. In performing its function, MWC must have regard to the need to maintain an appropriate balance between the objectives of forestalling excessively low wages and minimising the loss of low-paid jobs as well as the need to sustain Hong Kong's economic growth and competitiveness. Before arriving at its recommendation, MWC will consult various parties including organisations representative of employers and employees, consider submissions received in the course of consultations, and analyse and consider data and information in various research studies or surveys.

2. In discharging its duties, MWC will:
  - (i) make reference to a "Basket of Indicators" that reflects the socio-economic conditions after the implementation of SMW;
  - (ii) make reference to and deliberate on supplementary statistical data and other considerations relevant to the study of the SMW rate; and
  - (iii) assess the potential impacts of different SMW test levels based on available data.
  
3. MWC's preliminary views on the Basket of Indicators, supplementary statistical data, other relevant considerations and impact assessment are summarised below. It is noteworthy that the aim of setting out such information is to enhance the transparency of MWC's work progress and to invite public views on the SMW rate, rather than making a final conclusion. To this end, MWC looks forward to receiving from stakeholders and interested parties further views on the SMW rate.

**Basket of Indicators**

4. With the implementation of the initial SMW rate, MWC considers that comprehensive understanding of changes in the socio-economic conditions and careful analysis of the relevant quantitative indicators based on an evidence-based approach would facilitate the study of the SMW rate.

5. Based on the Basket of Indicators that the Provisional Minimum Wage Commission (PMWC) referred to when recommending the initial SMW rate, MWC has enhanced the Basket with new indicators, covering four areas as follows:

- (i) general economic conditions;
- (ii) labour market conditions;
- (iii) competitiveness; and
- (iv) social inclusion.

6. These indicators encompass the key factors that MWC is tasked to look into under its statutory function, and make reference to the experience and considerations of other places in reviewing minimum wage rates. As such, this Basket of Indicators underlies MWC's study of the SMW rate. The indicators initially identified by MWC are at Appendix I, while the latest data on these indicators are at Appendix II.

### **Supplementary Statistical Data**

7. The following supplementary statistical data are included:

- (i) number and percentage of employees earning less than different hourly wage levels analysed by sector, viz. the estimated number and proportion of employees involved analysed by sector and different SMW test levels (Table I);
- (ii) estimated increase in wages of employees involved analysed by sector and different SMW test levels (Table II);
- (iii) estimated increase in wage bill of enterprises analysed by sector and different SMW test levels (Table III a & III b); and
- (iv) operating characteristics of enterprises analysed by sector (Table IV).

These statistics will facilitate understanding about the potential impacts of various SMW test levels and the ability of enterprises to cope with the possible impact of the SMW rate.

8. Furthermore, MWC notes the situation of employees having paid rest day(s) and/or paid meal break(s) or not as analysed by sector (Table V).

## **Other Relevant Considerations**

9. MWC will also take into account other relevant considerations when studying the SMW rate. As SMW has far-reaching implications on a wide range of issues and its impacts on different sectors vary, it is inevitable that opinions are multi-directional. The considerations set out below generally reflect the preliminary views on the impacts of SMW so far received from stakeholders. They should not be taken as MWC's conclusion on the subject and further submissions from stakeholders and interested parties are welcome.

- (i) External economic environment – Since the implementation of SMW, Hong Kong's labour demand had been rising in tandem with the buoyant economy. The economy had been in a state of virtually full employment, thereby helping cushion to some extent the anticipated impact brought about by SMW. However, the external environment would remain uncertain in the near term. Hence, the impact of this factor on the employment conditions and affordability of enterprises should be considered in the study of the SMW rate.
- (ii) Enhancing social harmony – Grassroots workers with less bargaining power were able to share the fruits of economic growth upon the implementation of SMW which offered them better protection and general pay rise. This was conducive to promoting workers' morale and social harmony in general.
- (iii) Enhancing work incentive – The implementation of SMW helped encourage people joining the labour market. Government statistics indicated a significant increase in the female, middle-aged and elderly workforce upon SMW implementation, bringing about positive impacts on the overall economy.
- (iv) Enhancing quality of life – With the implementation of SMW, the earnings of low-paid employees registered a substantial increase even after discounting inflation. The purchasing power of these workers was raised and their quality of life enhanced.
- (v) Indirect impacts on wages, including:
  - Knock-on effect on the pay hierarchy – Wage differentials among different ranks within an enterprise had narrowed as low-paid workers enjoyed significant pay rise upon the implementation of SMW. To retain and motivate those employees whose wages were slightly above the SMW level, employers might have to adjust their pay accordingly.

- Ripple effect – Wage differentials across various sectors and occupations had narrowed after the implementation of SMW. Under a tight labour market, employers had to offer more competitive wage rates to retain or attract talents.
- (vi) Other possible scenarios arising from enterprises' mitigation measures (e.g. downsizing and streamlining, changing employment terms and outsourcing, changes in remuneration package, varying the training strategy, impact on prices and quality of goods and services, and wage-price spiral).

### **Impact Assessment**

10. In reviewing the SMW rate, MWC will make reference to PMWC's methodology of conducting impact assessment under different SMW test levels. MWC will refine the impact assessment, taking into account the measures actually adopted by enterprises of various sectors upon the implementation of the initial SMW rate. MWC will analyse the potential impacts of the SMW rate on the labour market, prices of goods and services, and profitability of businesses. Moreover, findings of the Government-commissioned consultancy study in relation to the impact of SMW on the pay hierarchy in selected sectors will be considered when formulating the impact assessment framework.

### The Basket of Indicators initially identified by the Minimum Wage Commission (MWC)

| Area                                     | Summary of indicators   | Statistical indicators and information  | Survey/Information sources <a href="#">[Source hyperlinks]</a>   | Update frequency   |   |   |   |   |
|--|---|---|--|--|---|---|---|---|
| <b>( I ) General Economic Conditions</b> | I.1 Latest economic performance and forecasts   | Nominal and real Gross Domestic Product (GDP)<br><br>Composite Consumer Price Index<br><br>GDP and price forecasts<br><br><span style="color: green;">Prominent establishments' views on expected changes in short-term business situation and number of persons engaged</span> | National Income Statistics, Census and Statistics Department (C&SD) <a href="#">[1]</a><br><br>Monthly Retail Price Survey, C&SD <a href="#">[2]</a><br><br>Economic Analysis and Business Facilitation Unit, Financial Secretary's Office <a href="#">[3]</a><br><br>Quarterly Business Tendency Survey, C&SD <a href="#">[4]</a> | Quarterly<br><br>Monthly<br><br>Short-term: Quarterly/<br>Medium-term: Annual<br><br>Quarterly |   |   |   |   |
| <b>( II ) Labour Market Conditions</b>   | II.1 Labour demand and supply – employment, unemployment, underemployment, labour force and vacancies | Labour statistics<br><br>Vacancies<br><br><span style="color: green;">Mode of leaving last job of unemployed persons with a previous job</span>   | General Household Survey, C&SD <a href="#">[5]</a><br><br>Quarterly Survey of Employment and Vacancies, C&SD <a href="#">[6]</a><br><br>General Household Survey, C&SD <a href="#">[7]</a>   | Monthly <sup>#</sup><br><br>Quarterly<br><br>Monthly <sup>#</sup>                              |   |   |   |   |
|  |   |   |  |  | II.2 Wage level and distribution                      | Wage level and distribution   | Annual Earnings and Hours Survey, C&SD <a href="#">[8]</a>  | Annual  |
|  |   |   |  |  | II.3 Wage differentials                               | Wage differentials  | Annual Earnings and Hours Survey, C&SD <a href="#">[8]</a>  | Annual  |
|  | II.4 Employment characteristics   | Employed persons analysed by employment status<br><br>Employees analysed by employment nature and contractual status<br><br><span style="color: green;">Employees analysed by basis on which basic wage rate is rated</span>  | General Household Survey, C&SD <a href="#">[7]</a><br><br>Annual Earnings and Hours Survey, C&SD <a href="#">[8]</a><br><br>(Same as above) <a href="#">[8]</a>  | Monthly <sup>#</sup><br><br>Annual<br><br>(Same as above)                                      |   |   |   |   |
|  |   |   |  |  | II.5 <span style="color: green;">Working hours</span> | <span style="color: green;">Distribution of working hours</span><br><br><span style="color: green;">Overtime hours with pay</span><br><br><span style="color: green;">Hours of work during the 7 days before enumeration</span> | Annual Earnings and Hours Survey, C&SD <a href="#">[8]</a><br><br>(Same as above) <a href="#">[8]</a><br><br>General Household Survey, C&SD <a href="#">[7]</a> | Annual<br><br>(Same as above)<br><br>Monthly <sup>#</sup> |

Notes: Based on the framework of the Basket of Indicators of the Provisional Minimum Wage Commission, new indicators initially identified by MWC are shown in **green**.

# Indicating the overall situation of the past 3-month period.

| Area  | Summary of indicators  | Statistical indicators and information   | Survey/Information sources <a href="#">[Source hyperlinks]</a>  | Update frequency       |
|---|--|--|---|------------------------|
| <b>(III) Competitiveness</b>  | III.1 Productivity growth  | Labour productivity growth in Hong Kong and selected economies   | Hong Kong: National Income Statistics and General Household Survey, C&SD <a href="#">[9]</a><br>Selected economies: Real GDP and employment data in CEIC  | Annual<br>Annual       |
|   | III.2 Labour costs   | Nominal unit labour cost in Hong Kong and selected economies   | Hong Kong: National Income Statistics, General Household Survey and Labour Earnings Survey, C&SD <a href="#">[1]</a> <a href="#">[7]</a> <a href="#">[10]</a><br>Selected economies: National statistics authorities, CEIC and Datastream | Quarterly<br>Quarterly |
|   | III.3 Operating characteristics of enterprises   | Operating characteristics analysed by sector   | Annual Survey of Economic Activities, C&SD <a href="#">[11]</a>   | Annual                 |
|   |  | Business receipts indices  | Quarterly Survey of Service Industries, C&SD <a href="#">[12]</a>   | Quarterly              |
|   |  | Total retail sales   | Monthly Survey of Retail Sales, C&SD <a href="#">[13]</a>   | Monthly                |
| Total restaurant receipts   |  | Quarterly Survey of Restaurant Receipts and Purchases, C&SD <a href="#">[14]</a>   | Quarterly   |                        |
|   | Rental indices of commercial properties  | Rating and Valuation Department <a href="#">[15]</a>   | Monthly   |                        |
| III.4 Entrepreneurship, business sentiment and solvency                   | Number of creation and deletion of business registration   | Inland Revenue Department <a href="#">[16]</a>   | Annual  |                        |
|   | Number of bankruptcy and compulsory winding-up cases   | Official Receiver's Office <a href="#">[17]</a>  | Monthly   |                        |
|   | Number of establishments   | Quarterly Survey of Employment and Vacancies, C&SD <a href="#">[6]</a>   | Quarterly   |                        |
| III.5 Relative economic freedom and competitiveness of Hong Kong          | Hong Kong's rankings on indices of economic freedom and competitiveness  | Various rating agencies <a href="#">[18]</a> <a href="#">[19]</a> <a href="#">[20]</a> <a href="#">[21]</a> <a href="#">[22]</a>                                     | Annual  |                        |
|   | Regional headquarters, regional offices and local offices in Hong Kong representing parent companies located outside Hong Kong | Annual Survey of Companies in Hong Kong Representing Parent Companies Located outside Hong Kong, C&SD <a href="#">[23]</a> <a href="#">[24]</a> <a href="#">[25]</a> | Annual  |                        |
|   | Inward direct investment   | Survey of External Claims, Liabilities and Income, C&SD <a href="#">[26]</a>   | Quarterly   |                        |
| <b>(IV) Social Inclusion</b>  | IV.1 Standard of living  | Average monthly employment earnings  | General Household Survey, C&SD <a href="#">[7]</a>  | Monthly <sup>#</sup>   |
|   |  | Consumer Price Index (A)   | Monthly Retail Price Survey, C&SD <a href="#">[2]</a>   | Monthly                |
|   |  | Wage indices and indices of payroll per person engaged   | Labour Earnings Survey, C&SD <a href="#">[10]</a>   | Quarterly              |
|   |  | Employment earnings of full-time employees analysed by decile group  | General Household Survey, C&SD <a href="#">[7]</a>  | Monthly <sup>#</sup>   |
|   | IV.2 Enhancing work incentive  | Labour force participation rate  | General Household Survey, C&SD <a href="#">[7]</a>  | Monthly <sup>#</sup>   |
| Number of long-term (unemployed for 6 months or above) unemployed persons |  | (Same as above) <a href="#">[7]</a>  | (Same as above)   |                        |
|   | Unemployment cases of Comprehensive Social Security Assistance (CSSA)  | Social Welfare Department <a href="#">[27]</a>   | Monthly   |                        |
| IV.3 Labour relations   | Number of disputes and claims cases  | Labour Department  | Quarterly   |                        |

Notes: Based on the framework of the Basket of Indicators of the Provisional Minimum Wage Commission, new indicators initially identified by MWC are shown in **green**.

# Indicating the overall situation of the past 3-month period.

**Appendix II : Latest figures of the Basket of Indicators<sup>(@)</sup> (as at 31 March 2012)**

|  |            | 2011              |                   |                   |                    | 2011                | Latest   |
|--|------------|-------------------|-------------------|-------------------|--------------------|---------------------|--|
|  |            | Q1                | Q2                | Q3                | Q4                 |                     |  |
| <b>( I ) General Economic Conditions</b>   |            |                   |                   |                   |                    |                     |  |
| Gross Domestic Product (GDP) (year-on-year rate of change)   |            |                   |                   |                   |                    |                     |  |
| Nominal  | (%)        | 9.1               | 10.5              | 9.2               | 6.5 <sup>(^)</sup> | 8.7 <sup>(^)</sup>  | ..   |
| Real   | (%)        | 7.6               | 5.3               | 4.3               | 3.0 <sup>(^)</sup> | 5.0 <sup>(^)</sup>  | ..   |
| Composite Consumer Price Index (CCPI) (year-on-year rate of change)  |            |                   |                   |                   |                    |                     |  |
| Headline   | (%)        | 3.8               | 5.2               | 6.4               | 5.7                | 5.3                 | 4.7<br>(Feb 2012)                                |
| Underlying   | (%)        | 3.7               | 5.0               | 6.1               | 6.4                | 5.3                 | 5.4<br>(Feb 2012)                                |
| Real GDP growth forecast <sup>(§)</sup>  |            | ..                | ..                | ..                | ..                 | ..                  | 1 - 3% (2012)<br>4% per annum<br>(2013-2016)     |
| Headline CCPI forecast (annual rate of change)   |            | ..                | ..                | ..                | ..                 | ..                  | 3.5% (2012)                                      |
| Underlying CCPI forecast <sup>(§)</sup> (annual rate of change)  |            | ..                | ..                | ..                | ..                 | ..                  | 4.0% (2012)<br>3.5% per annum<br>(2013-2016)     |
| Prominent establishments' views on expected changes in short-term business situation (Net balance <sup>(*)</sup> )         | (% points) | 17                | 16                | 18                | 2                  | ..                  | -9<br>(Q1 2012)                                  |
| Prominent establishments' views on expected changes in short-term number of persons engaged (Net balance <sup>(**)</sup> ) | (% points) | 15                | 19                | 20                | 13                 | ..                  | 10<br>(Q1 2012)                                  |
| <b>( II ) Labour Market Conditions</b>   |            |                   |                   |                   |                    |                     |  |
| Labour force   | ('000)     | 3 658.2<br>[1.0%] | 3 701.7<br>[2.1%] | 3 725.7<br>[2.4%] | 3 734.9<br>[2.3%]  | 3 703.1<br>[2.0%]   | 3 767.7 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012) |
| Employed persons   | ('000)     | 3 534.2<br>[2.1%] | 3 564.0<br>[3.2%] | 3 599.8<br>[3.5%] | 3 618.9<br>[2.9%]  | 3 576.4<br>[2.9%]   | 3 648.6 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012) |
| Unemployed persons   | ('000)     | 124.0             | 137.6             | 125.9             | 116.0              | 126.7               | 119.1 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)   |
| Unemployment rate (seasonally adjusted)  | (%)        | 3.5               | 3.6               | 3.2               | 3.3                | 3.4 <sup>(+)</sup>  | 3.4 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)     |
| Underemployment rate   | (%)        | 1.8               | 1.8               | 1.8               | 1.4                | 1.7                 | 1.5 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)     |
| Job vacancies <sup>(++)</sup>  | (no.)      | 57 200<br><4.3%>  | 56 600<br><2.3%>  | 57 700<br><-3.8%> | 55 100<br><11.5%>  | 56 700              | ..   |
| Proportion of dismissed or laid off unemployed persons among all unemployed persons with a previous job                    | (%)        | 54.5              | 50.0              | 48.0              | 50.7               | 51.1                | 52.6 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)    |
| 75 <sup>th</sup> percentile hourly wage of all employees   | (HK\$)     | ..                | ..                | ..                | ..                 | 82.5 <sup>(#)</sup> | ..   |
| Median hourly wage of all employees  | (HK\$)     | ..                | ..                | ..                | ..                 | 52.4 <sup>(#)</sup> | ..   |
| 10 <sup>th</sup> percentile hourly wage of all employees   | (HK\$)     | ..                | ..                | ..                | ..                 | 29.3 <sup>(#)</sup> | ..   |
| Ratio of 75 <sup>th</sup> percentile to the 10 <sup>th</sup> percentile hourly wage of all employees                       |            | ..                | ..                | ..                | ..                 | 2.8 <sup>(#)</sup>  | ..   |
| Ratio of median to the 10 <sup>th</sup> percentile hourly wage of all employees  |            | ..                | ..                | ..                | ..                 | 1.8 <sup>(#)</sup>  | ..   |
| Proportion of employees among all employed persons   | (%)        | 89.8              | 89.5              | 90.2              | 90.1               | 89.9                | 89.5 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)    |
| Proportion of self-employed among all employed persons   | (%)        | 6.4               | 6.6               | 6.0               | 5.6                | 6.2                 | 6.3 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)     |
| Proportion of full-time employees among all employees  | (%)        | ..                | ..                | ..                | ..                 | 93.0 <sup>(#)</sup> | ..   |
| Proportion of employees employed on a permanent basis among all employees  | (%)        | ..                | ..                | ..                | ..                 | 89.7 <sup>(#)</sup> | ..   |
| Proportion of employees with basic wage rated on a monthly basis among all employees                                       | (%)        | ..                | ..                | ..                | ..                 | 86.0 <sup>(#)</sup> | ..   |
| Median weekly working hours of all employees   | (hours)    | ..                | ..                | ..                | ..                 | 45.0 <sup>(#)</sup> | ..   |
| Average weekly paid overtime hours of all employees  | (hours)    | ..                | ..                | ..                | ..                 | 0.7 <sup>(#)</sup>  | ..   |
| Median hours of work of employed persons during the 7 days before enumeration  | (hours)    | 45                | 45                | 45                | 45                 | 45                  | 45 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)      |

Notes: (@) Please refer to survey/information sources and the hyperlinks in Appendix I for detailed figures.

(§) The trend rates of increase for 2013-2016 are the medium range assumptions as adopted in the 2012-13 Budget.

(\*) Net balance refers to the difference between the percentage of respondents choosing "better" over that choosing "worse". It reflects the direction of expected change in business situation versus preceding quarter. A positive sign reflects a likely upward trend while a negative sign reflects a likely downward trend.

(\*\*) Net balance refers to the difference between the percentage of respondents choosing "up" over that choosing "down". It reflects the direction of expected change in the number of persons engaged versus preceding quarter. A positive sign reflects a likely upward trend while a negative sign reflects a likely downward trend.

(+) Seasonally unadjusted figure.

(++) Excluding those in the Civil Service.

(#) Refer to May - June 2011 figures.

[ ] Year-on-year percentage changes.

<> Seasonally adjusted quarter-to-quarter percentage changes.

(^) Preliminary figures.

(^^) Provisional figures.

.. Not applicable.

|  |                | 2011                   |                        |                        |                        | 2011                   | Latest  |
|--|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|---|
|  |                | Q1                     | Q2                     | Q3                     | Q4                     |                        |   |
| <b>(III) Competitiveness</b>   |                |                        |                        |                        |                        |                        |   |
| Labour productivity growth   | (%)            | ..                     | ..                     | ..                     | ..                     | ..                     | 3.2<br>(Average annual change from 2000 to 2010)  |
| Change in nominal unit labour cost   | (%)            | ..                     | ..                     | ..                     | ..                     | ..                     | -1.5<br>(Average annual change from 2001 to 2011) |
| Total retail sales (year-on-year rate of change)   | (%)            | 21.0                   | 28.1                   | 27.4                   | 23.3                   | 24.9                   | 15.2 <sup>(^^)</sup><br>(Jan 2012 - Feb 2012)     |
| Total restaurant receipts (year-on-year rate of change)  | (%)            | 5.9                    | 6.0                    | 6.2                    | 7.3                    | 6.4                    | ..  |
| Non-domestic property rental indices (year-on-year rate of change)   |                |                        |                        |                        |                        |                        |   |
| Office   | (%)            | 13.0                   | 14.4                   | 16.4 <sup>(^^)</sup>   | 16.0 <sup>(^^)</sup>   | 15.0 <sup>(^^)</sup>   | 13.3 <sup>(^^)</sup><br>(Jan 2012)                |
| Retail   | (%)            | 8.4                    | 9.6                    | 9.6 <sup>(^^)</sup>    | 8.9 <sup>(^^)</sup>    | 9.2 <sup>(^^)</sup>    | 8.7 <sup>(^^)</sup><br>(Jan 2012)                 |
| Flatted Factories  | (%)            | 8.7                    | 8.3                    | 9.8 <sup>(^^)</sup>    | 8.1 <sup>(^^)</sup>    | 8.7 <sup>(^^)</sup>    | 9.5 <sup>(^^)</sup><br>(Jan 2012)                 |
| New business registration  | (cases)        | ..                     | ..                     | ..                     | ..                     | ..                     | 203 499 [35.8%]<br>(2010-2011 fiscal year)        |
| Cancellation of business registration  | (cases)        | ..                     | ..                     | ..                     | ..                     | ..                     | 99 219 [1.5%]<br>(2010-2011 fiscal year)          |
| Number of bankruptcy petitions presented   | (cases)        | 2 039<br>[-16.0%]      | 2 047<br>[-14.9%]      | 2 056<br>[-10.7%]      | 1 935<br>[-1.7%]       | 8 077<br>[-11.3%]      | 756<br>(Feb 2012)                                 |
| Number of compulsory winding-up petitions presented  | (cases)        | 118<br>[-23.9%]        | 96<br>[-24.4%]         | 103<br>[-11.2%]        | 108<br>[-1.8%]         | 425<br>[-16.3%]        | 37<br>(Feb 2012)                                  |
| Number of establishments <sup>(#)</sup>  | (no.)          | 342 100<br>[5.9%]      | 343 700<br>[5.4%]      | 345 700<br>[5.3%]      | 346 600<br>[3.3%]      | 344 500<br>[5.0%]      | ..  |
| Hong Kong's rankings on indices of economic freedom and competitiveness  |                |                        |                        |                        |                        |                        |   |
| Fraser Institute,<br><i>Economic Freedom of the World Annual Report</i>  |                | ..                     | ..                     | ..                     | ..                     | ..                     | Maintained at No.1<br>(Publishing year: 2011)     |
| The Heritage Foundation,<br><i>Index of Economic Freedom</i>   |                | ..                     | ..                     | ..                     | ..                     | ..                     | Maintained at No.1<br>(Publishing year: 2012)     |
| World Economic Forum,<br><i>The Global Competitiveness Report</i>  |                | ..                     | ..                     | ..                     | ..                     | ..                     | Maintained at No.11<br>(Publishing year: 2011)    |
| International Institute for Management Development,<br><i>World Competitiveness Yearbook</i>   |                | ..                     | ..                     | ..                     | ..                     | ..                     | Up to No.1<br>(Publishing year: 2011)             |
| World Bank,<br><i>Doing Business Report</i>  |                | ..                     | ..                     | ..                     | ..                     | ..                     | Maintained at No.2<br>(Publishing year: 2011)     |
| Regional headquarters, regional offices and local offices in Hong Kong representing parent companies located outside Hong Kong (as at the first working day of June) |                |                        |                        |                        |                        |                        |   |
| Regional headquarters  | (no.)          | ..                     | ..                     | ..                     | ..                     | 1 340<br>[4.3%]        | ..  |
| Regional offices   | (no.)          | ..                     | ..                     | ..                     | ..                     | 2 412<br>[2.5%]        | ..  |
| Local offices  | (no.)          | ..                     | ..                     | ..                     | ..                     | 3 196<br>[9.3%]        | ..  |
| Position of inward direct investment (as at the end of)  | (billion HK\$) | 8 295.9 <sup>(^)</sup> | 8 907.9 <sup>(^)</sup> | 8 723.5 <sup>(^)</sup> | 8 840.0 <sup>(^)</sup> | 8 840.0 <sup>(^)</sup> | ..  |
| <b>(IV) Social Inclusion</b>   |                |                        |                        |                        |                        |                        |   |
| Nominal average monthly employment earnings of full-time employees <sup>(###)</sup> (year-on-year rate of change)  |                |                        |                        |                        |                        |                        |   |
| Lowest 10% of employees  | (%)            | 5.9                    | 9.9                    | 14.5                   | 14.1                   | 10.7                   | 11.8<br>(Nov 2011 - Jan 2012)                     |
| Overall  | (%)            | 6.8                    | 6.9                    | 9.9                    | 6.3                    | 5.4                    | 6.2<br>(Nov 2011 - Jan 2012)                      |
| Real average monthly employment earnings of full-time employees <sup>(###)</sup> (year-on-year rate of change)   |                |                        |                        |                        |                        |                        |   |
| Lowest 10% of employees  | (%)            | 1.7                    | 4.1                    | 6.3                    | 8.4                    | 4.8                    | 6.1<br>(Nov 2011 - Jan 2012)                      |
| Overall  | (%)            | 2.9                    | 1.6                    | 3.3                    | 0.6                    | 0.1                    | 0.3<br>(Nov 2011 - Jan 2012)                      |
| Consumer Price Index (A) (year-on-year rate of change)   | (%)            | 4.1                    | 5.5                    | 7.7                    | 5.3                    | 5.6                    | 4.2<br>(Feb 2012)                                 |
| Wage index (year-on-year rate of change)   |                |                        |                        |                        |                        |                        |   |
| Nominal  | (%)            | 4.9                    | 8.0                    | 9.9                    | 9.4                    | ..                     | ..  |
| Real   | (%)            | 0.2                    | 2.0                    | 4.4                    | 3.9                    | ..                     | ..  |
| Index of payroll per person engaged (year-on-year rate of change)  |                |                        |                        |                        |                        |                        |   |
| Nominal  | (%)            | 7.2                    | 6.9                    | 8.3                    | 9.1                    | ..                     | ..  |
| Real   | (%)            | 3.2                    | 1.8                    | 1.6                    | 3.2                    | ..                     | ..  |
| Labour force participation rate  | (%)            | 59.6                   | 60.1                   | 60.3                   | 60.3                   | 60.1                   | 60.6 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)     |
| Long-term unemployed persons   | (no.)          | 31 300<br>[-43.2%]     | 33 600<br>[-34.3%]     | 28 100<br>[-28.7%]     | 27 700<br>[-25.4%]     | 30 500<br>[-33.9%]     | 29 600 <sup>(^^)</sup><br>(Dec 2011 - Feb 2012)   |
| Unemployment cases of Comprehensive Social Security Assurances (CSSA) (as at the end of)   | (no.)          | 29 364<br>[-9.8%]      | 28 973<br>[-8.2%]      | 28 185<br>[-9.5%]      | 26 859<br>[-9.9%]      | ..                     | 26 294<br>(Feb 2012)                              |
| Total number of labour dispute and claim cases handled by Labour Department (LD) <sup>(*)</sup>  | (no.)          | 4 559<br>[-14.9%]      | 4 307<br>[-7.5%]       | 4 751<br>[-13.1%]      | 4 555<br>[-9.4%]       | 18 172<br>[-11.4%]     | 4 415<br>(Q1 2012)                                |

Notes: (#) Except government departments.

(##) Figures exclude government employees and live-in domestic workers.

(\*) Any increase or decrease in the number of labour disputes and claims handled by LD is often subject to a host of factors, particularly the prevailing economy and labour market situation.

[ ] Year-on-year percentage changes.

(^) Preliminary figures.

(^^) Provisional figures.

.. Not applicable.



**Table I Estimated number and proportion of employees involved<sup>(Note 1)</sup> analysed by sector and different SMW test levels (May - June 2011)**

| Sector <sup>(Note 3)</sup>   | Overall employees |                              | Hourly wage level <sup>(Note 2)</sup> |   | Hourly wage level <sup>(Note 2)</sup> less than |   |              |   |              |   |              |   |              |   |              |   |              |   |     |
|--|-------------------|------------------------------|---------------------------------------|---|---|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|-----|
|  |                   |                              | \$28                                  |   | \$29  |   | \$30         |   | \$31         |   | \$32         |   | \$33         |   | \$34         |   | \$35         |   |     |
|  | Number            | Proportion among all sectors | Employees                             |   | Employees                                       |   | Employees    |   | Employees    |   | Employees    |   | Employees    |   | Employees    |   | Employees    |   |     |
|  |                   |                              | Number                                | Proportion among employees in respective sector | Number  | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector | Number       | Proportion among employees in respective sector |     |
|  |                   | ('000)                       | (%)                                   | ('000)  | (%)   | ('000)  | (%)          | ('000)  | (%)          | ('000)  | (%)          | ('000)  | (%)          | ('000)  | (%)          | ('000)  | (%)          | ('000)  | (%) |
| <b>(A) Low-paying sectors<sup>(Note 4)</sup></b>                             | <b>777.1</b>      | <b>27.7</b>                  | <b>162.1</b>                          | <b>20.9</b>                                     | <b>210.5</b>                                    | <b>27.1</b>                                     | <b>261.4</b> | <b>33.6</b>                                     | <b>310.5</b> | <b>40.0</b>                                     | <b>344.2</b> | <b>44.3</b>                                     | <b>374.2</b> | <b>48.2</b>                                     | <b>402.4</b> | <b>51.8</b>                                     | <b>428.3</b> | <b>55.1</b>                                     |     |
| 1. Retail  | 262.0             | 9.3                          | 28.5                                  | 10.9  | 40.3  | 15.4  | 55.7         | 21.3  | 77.1         | 29.4  | 90.2         | 34.4  | 98.6         | 37.6  | 107.8        | 41.1  | 117.7        | 44.9  |     |
| 1.1 Supermarkets and convenience stores                                      | 40.5              | 1.4                          | 9.1                                   | 22.4  | 12.4  | 30.5  | 16.3         | 40.3  | 23.3         | 57.4  | 25.5         | 62.8  | 26.1         | 64.5  | 28.2         | 69.6  | 29.1         | 71.9  |     |
| 1.2 Other retail stores  | 221.5             | 7.9                          | 19.4                                  | 8.8   | 27.9  | 12.6  | 39.4         | 17.8  | 53.8         | 24.3  | 64.7         | 29.2  | 72.5         | 32.7  | 79.6         | 35.9  | 88.6         | 40.0  |     |
| 2. Restaurants   | 206.1             | 7.3                          | 29.9                                  | 14.5  | 43.0  | 20.8  | 59.3         | 28.8  | 77.3         | 37.5  | 88.1         | 42.7  | 98.4         | 47.7  | 106.4        | 51.6  | 114.3        | 55.5  |     |
| 2.1 Chinese restaurants  | 67.4              | 2.4                          | 6.1                                   | 9.0   | 9.9   | 14.7  | 13.5         | 20.1  | 17.4         | 25.8  | 20.8         | 30.8  | 24.1         | 35.8  | 27.0         | 40.0  | 29.3         | 43.6  |     |
| 2.2 Non-Chinese restaurants  | 66.5              | 2.4                          | 6.1                                   | 9.1   | 9.5   | 14.3  | 13.4         | 20.1  | 19.1         | 28.7  | 23.0         | 34.6  | 26.8         | 40.3  | 29.7         | 44.7  | 33.9         | 51.0  |     |
| 2.3 Fast food cafes <sup>(Note 5)</sup>                                      | 51.0              | 1.8                          | 14.8                                  | 29.0  | 18.7  | 36.6  | 26.1         | 51.2  | 31.9         | 62.5  | 34.4         | 67.4  | 36.4         | 71.3  | 38.0         | 74.6  | 38.7         | 75.9  |     |
| 2.4 Hong Kong style tea cafes  | 21.3              | 0.8                          | 3.0                                   | 14.0  | 4.9   | 22.9  | 6.3          | 29.8  | 9.0          | 42.1  | 9.9          | 46.8  | 11.1         | 52.2  | 11.6         | 54.6  | 12.4         | 58.3  |     |
| 3. Estate management, security and cleaning services                         | 218.4             | 7.8                          | 90.2                                  | 41.3  | 107.9   | 49.4  | 121.7        | 55.7  | 127.6        | 58.4  | 134.2        | 61.4  | 140.5        | 64.3  | 145.9        | 66.8  | 150.5        | 68.9  |     |
| 3.1 Real estate maintenance management                                       | 107.1             | 3.8                          | 39.6                                  | 37.0  | 45.0  | 42.1  | 52.3         | 48.8  | 54.4         | 50.8  | 57.9         | 54.1  | 61.7         | 57.6  | 63.3         | 59.1  | 65.8         | 61.5  |     |
| 3.2 Security services <sup>(Note 6)</sup>                                    | 32.4              | 1.2                          | 17.6                                  | 54.3  | 20.4  | 62.8  | 21.8         | 67.1  | 23.3         | 71.8  | 24.2         | 74.7  | 25.4         | 78.4  | 26.1         | 80.5  | 26.5         | 81.7  |     |
| 3.3 Cleaning services  | 64.2              | 2.3                          | 29.6                                  | 46.1  | 38.6  | 60.2  | 43.4         | 67.7  | 45.1         | 70.3  | 47.0         | 73.2  | 48.1         | 75.0  | 51.0         | 79.5  | 52.4         | 81.7  |     |
| 3.4 Membership organisations <sup>(Note 7)</sup>                             | 14.7              | 0.5                          | 3.4                                   | 22.9  | 3.8   | 26.0  | 4.3          | 29.0  | 4.8          | 32.6  | 5.1          | 34.6  | 5.3          | 35.8  | 5.5          | 37.1  | 5.8          | 39.4  |     |
| 4. Other low-paying sectors  | 90.6              | 3.2                          | 13.5                                  | 14.9  | 19.4  | 21.5  | 24.6         | 27.1  | 28.5         | 31.4  | 31.8         | 35.1  | 36.7         | 40.5  | 42.3         | 46.7  | 45.7         | 50.4  |     |
| 4.1 Elderly homes  | 18.7              | 0.7                          | 4.8                                   | 25.8  | 6.0   | 32.4  | 7.4          | 39.5  | 8.1          | 43.5  | 8.6          | 46.3  | 9.0          | 48.3  | 9.5          | 51.0  | 9.8          | 52.8  |     |
| 4.2 Laundry and dry cleaning services  | 5.7               | 0.2                          | *                                     | *   | *   | *   | 2.0          | 34.8  | 2.6          | 45.0  | 3.0          | 51.7  | 3.3          | 57.0  | 3.4          | 59.2  | 3.4          | 59.8  |     |
| 4.3 Hairdressing and other personal services                                 | 40.8              | 1.5                          | 4.8                                   | 11.8  | 7.0   | 17.3  | 7.7          | 18.9  | 9.3          | 22.8  | 10.6         | 25.9  | 13.5         | 33.1  | 17.2         | 42.2  | 19.0         | 46.6  |     |
| 4.4 Local courier services   | 5.2               | 0.2                          | *                                     | *   | *   | *   | 0.7          | 13.7  | 1.1          | 21.1  | 1.4          | 26.4  | 1.9          | 35.6  | 2.4          | 47.0  | 2.9          | 55.1  |     |
| 4.5 Food processing and production   | 20.2              | 0.7                          | 2.3                                   | 11.3  | 4.3   | 21.4  | 6.8          | 33.6  | 7.4          | 36.6  | 8.2          | 40.8  | 9.0          | 44.8  | 9.7          | 48.0  | 10.5         | 52.0  |     |
| <b>(B) Non-low-paying sectors<sup>(Note 8)</sup></b>                         | <b>2029.9</b>     | <b>72.3</b>                  | <b>18.5</b>                           | <b>0.9</b>                                      | <b>40.0</b>                                     | <b>2.0</b>                                      | <b>65.8</b>  | <b>3.2</b>                                      | <b>93.8</b>  | <b>4.6</b>                                      | <b>118.2</b> | <b>5.8</b>                                      | <b>143.8</b> | <b>7.1</b>                                      | <b>178.9</b> | <b>8.8</b>                                      | <b>215.5</b> | <b>10.6</b>                                     |     |
| 5. Manufacturing   | 93.7              | 3.3                          | 1.3                                   | 1.3   | 2.8   | 3.0   | 5.0          | 5.3   | 7.1          | 7.6   | 9.8          | 10.5  | 12.3         | 13.2  | 15.5         | 16.5  | 16.9         | 18.1  |     |
| 6. Construction  | 238.2             | 8.5                          | 0.7                                   | 0.3   | 2.8   | 1.2   | 4.0          | 1.7   | 5.9          | 2.5   | 6.6          | 2.8   | 8.1          | 3.4   | 10.2         | 4.3   | 14.7         | 6.2   |     |
| 7. Import/export trade and wholesale   | 475.6             | 16.9                         | 3.9                                   | 0.8   | 9.5   | 2.0   | 16.6         | 3.5   | 22.0         | 4.6   | 30.1         | 6.3   | 37.5         | 7.9   | 46.3         | 9.7   | 53.4         | 11.2  |     |
| 8. Accommodation <sup>(Note 9)</sup> and food services                       | 47.0              | 1.7                          | *                                     | *   | *   | *   | *            | *   | *            | *   | *            | *   | 7.5          | 15.9  | 9.3          | 19.8  | 11.0         | 23.3  |     |
| 9. Transportation, storage, courier services, information and communications | 341.7             | 12.2                         | 3.3                                   | 1.0   | 7.2   | 2.1   | 11.8         | 3.5   | 18.0         | 5.3   | 22.0         | 6.4   | 26.0         | 7.6   | 32.5         | 9.5   | 38.8         | 11.3  |     |
| 10. Financing, insurance, real estate, professional and business services    | 408.8             | 14.6                         | 3.2                                   | 0.8   | 5.4   | 1.3   | 8.6          | 2.1   | 12.1         | 3.0   | 14.6         | 3.6   | 17.6         | 4.3   | 22.2         | 5.4   | 26.1         | 6.4   |     |
| 11. Social and personal services   | 408.0             | 14.5                         | 5.3                                   | 1.3   | 10.2  | 2.5   | 16.2         | 4.0   | 23.6         | 5.8   | 28.7         | 7.0   | 34.4         | 8.4   | 42.3         | 10.4  | 54.1         | 13.3  |     |
| 12. Others   | 17.0              | 0.6                          | *                                     | *   | *   | *   | *            | *   | *            | *   | *            | *   | 0.5          | 3.1   | 0.6          | 3.7   | 0.7          | 3.9   |     |
| <b>(C) All sectors</b>   | <b>2807.0</b>     | <b>100.0</b>                 | <b>180.6</b>                          | <b>6.4</b>                                      | <b>250.5</b>                                    | <b>8.9</b>                                      | <b>327.2</b> | <b>11.7</b>                                     | <b>404.3</b> | <b>14.4</b>                                     | <b>462.4</b> | <b>16.5</b>                                     | <b>518.0</b> | <b>18.5</b>                                     | <b>581.3</b> | <b>20.7</b>                                     | <b>643.8</b> | <b>22.9</b>                                     |     |

Notes: (1) Employees involved refer to employees earning hourly wage rates below the specific level. Employees do not include employees in the Government, live-in domestic workers, student interns and work experience students as defined in the Minimum Wage Ordinance.

(2) Hourly wage levels in the above table are exact figures without rounding and are computed in accordance with the definition of wages as set out in the Minimum Wage Ordinance.

(3) Please refer to Table A for coverage of individual sectors.

(4) Low-paying sectors as identified by the Provisional Minimum Wage Commission.

(5) Fast food cafes include takeaway shops.

(6) Security services include investigation activities, pest control services as well as landscape care and greenery services.

(7) Membership organisations include incorporated owners/tenants committees, kaifong welfare associations, etc.

(8) Non-low-paying sectors are sectors other than those in (A) above.

(9) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.

\* Estimates are not released due to relatively large sampling error.

Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the table.

**Table II Estimated increase in wages<sup>(Note 1)</sup> of employees involved<sup>(Note 2)</sup> analysed by sector and different SMW test levels (May - June 2011)**

| Sector <sup>(Note 4)</sup>   | Hourly wage level <sup>(Note 3)</sup> |      |      |      |      |      |      |
|--|---------------------------------------|------|------|------|------|------|------|
|  | \$29                                  | \$30 | \$31 | \$32 | \$33 | \$34 | \$35 |
|  | (%)                                   | (%)  | (%)  | (%)  | (%)  | (%)  | (%)  |
| <b>(A) Low-paying sectors<sup>(Note 5)</sup></b>                             | 3.1                                   | 5.7  | 8.1  | 10.6 | 12.9 | 15.2 | 17.4 |
| 1. Retail  | 2.9                                   | 5.1  | 6.8  | 8.7  | 11.1 | 13.2 | 15.0 |
| 1.1 Supermarkets and convenience stores                                      | 2.7                                   | 5.3  | 6.8  | 9.2  | 12.2 | 14.5 | 17.1 |
| 1.2 Other retail stores  | 3.0                                   | 5.0  | 6.8  | 8.5  | 10.6 | 12.7 | 14.3 |
| 2. Restaurants   | 2.9                                   | 5.1  | 7.1  | 9.3  | 11.3 | 13.5 | 15.5 |
| 2.1 Chinese restaurants  | 2.9                                   | 5.2  | 7.1  | 9.1  | 10.8 | 12.7 | 14.6 |
| 2.2 Non-Chinese restaurants  | 2.7                                   | 4.9  | 6.4  | 8.3  | 10.1 | 12.1 | 13.4 |
| 2.3 Fast food cafes <sup>(Note 6)</sup>                                      | 3.1                                   | 5.2  | 7.6  | 10.3 | 12.9 | 15.5 | 18.5 |
| 2.4 Hong Kong style tea cafes  | 2.8                                   | 5.3  | 6.9  | 9.4  | 11.6 | 14.3 | 16.4 |
| 3. Estate management, security and cleaning services                         | 3.2                                   | 6.2  | 9.4  | 12.4 | 15.2 | 18.1 | 20.9 |
| 3.1 Real estate maintenance management                                       | 3.3                                   | 6.2  | 9.5  | 12.3 | 14.9 | 18.0 | 20.6 |
| 3.2 Security services <sup>(Note 7)</sup>                                    | 3.3                                   | 6.5  | 9.5  | 12.6 | 15.4 | 18.4 | 21.6 |
| 3.3 Cleaning services  | 2.9                                   | 5.9  | 9.2  | 12.3 | 15.5 | 17.9 | 20.9 |
| 3.4 Membership organisations <sup>(Note 8)</sup>                             | 3.3                                   | 6.3  | 9.1  | 11.9 | 15.0 | 17.8 | 20.2 |
| 4. Other low-paying sectors  | 3.0                                   | 5.7  | 8.1  | 10.6 | 12.4 | 13.9 | 15.8 |
| 4.1 Elderly homes  | 3.2                                   | 6.0  | 8.8  | 11.7 | 14.6 | 17.3 | 20.1 |
| 4.2 Laundry and dry cleaning services  | *                                     | 5.3  | 7.1  | 9.2  | 11.7 | 14.6 | 17.7 |
| 4.3 Hairdressing and other personal services                                 | 3.1                                   | 6.2  | 8.2  | 10.7 | 11.3 | 11.9 | 13.6 |
| 4.4 Local courier services   | *                                     | 5.2  | 6.4  | 7.9  | 8.8  | 9.0  | 10.6 |
| 4.5 Food processing and production   | 2.5                                   | 4.7  | 7.6  | 9.8  | 11.9 | 14.2 | 16.0 |
| <b>(B) Non-low-paying sectors<sup>(Note 9)</sup></b>                         | 2.5                                   | 4.4  | 6.0  | 7.7  | 9.3  | 10.3 | 11.3 |
| 5. Manufacturing   | 2.7                                   | 4.4  | 6.0  | 7.3  | 8.7  | 9.8  | 11.9 |
| 6. Construction  | 2.1                                   | 4.6  | 6.0  | 8.6  | 10.1 | 10.7 | 9.8  |
| 7. Import/export trade and wholesale   | 2.3                                   | 4.0  | 6.1  | 7.3  | 8.9  | 10.0 | 11.5 |
| 8. Accommodation <sup>(Note 10)</sup> and food services                      | *                                     | *    | *    | *    | 9.5  | 10.6 | 11.9 |
| 9. Transportation, storage, courier services, information and communications | 2.4                                   | 4.4  | 5.7  | 7.7  | 9.5  | 10.4 | 11.6 |
| 10. Financing, insurance, real estate, professional and business services    | 2.7                                   | 4.6  | 6.0  | 8.1  | 9.8  | 10.6 | 11.9 |
| 11. Social and personal services   | 2.9                                   | 4.5  | 6.2  | 7.9  | 9.4  | 10.4 | 10.7 |
| 12. Others   | *                                     | *    | *    | *    | 7.9  | 9.7  | 12.0 |
| <b>(C) All sectors</b>   | 3.0                                   | 5.5  | 7.7  | 9.9  | 12.0 | 13.8 | 15.5 |

Notes: (1) Increase in wages of employees refers to the percentage increase in wages of all employees earning hourly wage rates below the specific level (i.e. employees involved) when raised to that hourly wage level, while other things being equal. Increase in wages is estimated in accordance with the definition of wages as set out in the Minimum Wage Ordinance.

(2) Employees involved refer to employees earning hourly wage rates below the specific level. Employees do not include employees in the Government, live-in domestic workers, student interns and work experience students as defined in the Minimum Wage Ordinance.

(3) Hourly wage levels in the above table are exact figures without rounding and are computed in accordance with the definition of wages as set out in the Minimum Wage Ordinance.

(4) Please refer to [Table A](#) for coverage of individual sectors.

(5) Low-paying sectors as identified by the Provisional Minimum Wage Commission.

(6) Fast food cafes include takeaway shops.

(7) Security services include investigation activities, pest control services as well as landscape care and greenery services.

(8) Membership organisations include incorporated owners/tenants committees, kaifong welfare associations, etc.

(9) Non-low-paying sectors are sectors other than those in (A) above.

(10) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.

\* Estimates are not released due to relatively large sampling error.

**Table III a Estimated increase in wage bill<sup>(Note 1)</sup> of all enterprises<sup>(Note 2)</sup> analysed by sector and different SMW test levels (May - June 2011)**

| Sector <sup>(Note 4)</sup>   | Hourly wage level <sup>(Note 3)</sup> |     |         |     |         |     |         |     |         |      |         |      |         |      |
|--|---------------------------------------|-----|---------|-----|---------|-----|---------|-----|---------|------|---------|------|---------|------|
|  | \$29                                  |     | \$30    |     | \$31    |     | \$32    |     | \$33    |      | \$34    |      | \$35    |      |
|  | (\$Mn)                                | (%) | (\$Mn)  | (%) | (\$Mn)  | (%) | (\$Mn)  | (%) | (\$Mn)  | (%)  | (\$Mn)  | (%)  | (\$Mn)  | (%)  |
| <b>(A) Low-paying sectors<sup>(Note 5)</sup></b>                             | 495.6                                 | 0.6 | 1 152.9 | 1.4 | 1 945.2 | 2.3 | 2 835.1 | 3.4 | 3 812.4 | 4.5  | 4 864.1 | 5.7  | 5 986.2 | 7.1  |
| 1. Retail  | 75.4                                  | 0.2 | 191.8   | 0.6 | 360.5   | 1.2 | 566.0   | 1.8 | 800.3   | 2.6  | 1 058.8 | 3.5  | 1 340.6 | 4.4  |
| 1.1 Supermarkets and convenience stores                                      | 22.9                                  | 0.6 | 60.8    | 1.7 | 112.3   | 3.1 | 172.5   | 4.7 | 238.0   | 6.5  | 308.8   | 8.4  | 382.4   | 10.5 |
| 1.2 Other retail stores  | 52.5                                  | 0.2 | 131.0   | 0.5 | 248.3   | 0.9 | 393.5   | 1.5 | 562.3   | 2.1  | 750.0   | 2.8  | 958.2   | 3.6  |
| 2. Restaurants   | 83.8                                  | 0.4 | 212.2   | 1.0 | 386.7   | 1.8 | 594.4   | 2.8 | 828.8   | 3.8  | 1 089.0 | 5.0  | 1 371.2 | 6.3  |
| 2.1 Chinese restaurants  | 23.2                                  | 0.3 | 58.6    | 0.7 | 105.3   | 1.3 | 161.7   | 1.9 | 227.4   | 2.7  | 302.5   | 3.6  | 386.1   | 4.6  |
| 2.2 Non-Chinese restaurants  | 18.5                                  | 0.3 | 48.2    | 0.7 | 91.6    | 1.3 | 148.7   | 2.1 | 215.5   | 3.0  | 291.2   | 4.1  | 376.8   | 5.3  |
| 2.3 Fast food cafes <sup>(Note 6)</sup>                                      | 31.9                                  | 0.8 | 79.3    | 2.1 | 141.4   | 3.7 | 209.6   | 5.5 | 282.2   | 7.4  | 360.3   | 9.4  | 440.2   | 11.5 |
| 2.4 Hong Kong style tea cafes  | 10.3                                  | 0.5 | 26.1    | 1.2 | 48.3    | 2.2 | 74.3    | 3.4 | 103.8   | 4.7  | 135.0   | 6.1  | 168.0   | 7.6  |
| 3. Estate management, security and cleaning services                         | 290.0                                 | 1.3 | 640.2   | 2.9 | 1 016.2 | 4.5 | 1 409.9 | 6.3 | 1 821.4 | 8.1  | 2 247.5 | 10.0 | 2 687.3 | 12.0 |
| 3.1 Real estate maintenance management                                       | 140.6                                 | 1.1 | 308.6   | 2.4 | 488.3   | 3.8 | 677.0   | 5.3 | 877.6   | 6.9  | 1 084.9 | 8.6  | 1 299.1 | 10.2 |
| 3.2 Security services <sup>(Note 7)</sup>                                    | 61.4                                  | 2.0 | 130.3   | 4.1 | 203.9   | 6.5 | 281.1   | 8.9 | 361.3   | 11.5 | 444.3   | 14.1 | 528.6   | 16.8 |
| 3.3 Cleaning services  | 78.3                                  | 1.6 | 180.9   | 3.7 | 291.1   | 6.0 | 405.7   | 8.4 | 522.6   | 10.8 | 644.3   | 13.3 | 770.7   | 15.9 |
| 3.4 Membership organisations <sup>(Note 8)</sup>                             | 9.6                                   | 0.6 | 20.5    | 1.2 | 32.9    | 1.9 | 46.1    | 2.7 | 59.9    | 3.5  | 74.1    | 4.3  | 88.9    | 5.1  |
| 4. Other low-paying sectors  | 46.4                                  | 0.5 | 108.6   | 1.1 | 181.8   | 1.8 | 264.8   | 2.6 | 361.9   | 3.6  | 468.8   | 4.7  | 587.1   | 5.9  |
| 4.1 Elderly homes  | 18.4                                  | 0.8 | 42.1    | 1.9 | 68.2    | 3.1 | 96.3    | 4.4 | 125.9   | 5.8  | 156.6   | 7.2  | 188.4   | 8.6  |
| 4.2 Laundry and dry cleaning services  | *                                     | *   | 7.6     | 1.4 | 13.4    | 2.5 | 20.6    | 3.9 | 28.7    | 5.4  | 37.1    | 7.0  | 45.8    | 8.6  |
| 4.3 Hairdressing and other personal services                                 | 16.7                                  | 0.4 | 36.7    | 0.8 | 60.1    | 1.3 | 87.4    | 1.9 | 123.4   | 2.7  | 164.8   | 3.6  | 213.2   | 4.6  |
| 4.4 Local courier services   | *                                     | *   | 2.3     | 0.5 | 4.4     | 0.9 | 7.1     | 1.5 | 10.8    | 2.3  | 15.6    | 3.3  | 21.6    | 4.6  |
| 4.5 Food processing and production   | 7.2                                   | 0.3 | 20.0    | 0.9 | 35.8    | 1.6 | 53.5    | 2.4 | 73.2    | 3.3  | 94.6    | 4.3  | 118.2   | 5.3  |
| <b>(B) Non-low-paying sectors<sup>(Note 9)</sup></b>                         | 67.4                                  | #   | 197.6   | #   | 393.2   | 0.1 | 651.2   | 0.2 | 970.0   | 0.2  | 1 365.8 | 0.3  | 1 842.8 | 0.5  |
| 5. Manufacturing   | 5.6                                   | #   | 16.2    | 0.1 | 32.0    | 0.2 | 54.0    | 0.4 | 82.0    | 0.6  | 117.7   | 0.9  | 159.0   | 1.2  |
| 6. Construction  | 4.6                                   | #   | 14.2    | #   | 27.5    | 0.1 | 44.1    | 0.1 | 63.5    | 0.2  | 87.0    | 0.2  | 119.6   | 0.3  |
| 7. Import/export trade and wholesale   | 14.6                                  | #   | 45.7    | 0.1 | 92.7    | 0.1 | 156.5   | 0.2 | 236.8   | 0.3  | 336.7   | 0.4  | 453.5   | 0.6  |
| 8. Accommodation <sup>(Note 10)</sup> and food services                      | *                                     | *   | *       | *   | *       | *   | *       | *   | 57.9    | 0.9  | 80.9    | 1.3  | 108.5   | 1.7  |
| 9. Transportation, storage, courier services, information and communications | 12.7                                  | #   | 37.4    | 0.1 | 76.6    | 0.1 | 127.8   | 0.2 | 191.1   | 0.3  | 269.1   | 0.4  | 360.4   | 0.6  |
| 10. Financing, insurance, real estate, professional and business services    | 9.4                                   | #   | 26.1    | #   | 50.7    | #   | 82.4    | 0.1 | 120.8   | 0.1  | 168.0   | 0.2  | 224.9   | 0.2  |
| 11. Social and personal services   | 16.7                                  | #   | 45.7    | 0.1 | 89.3    | 0.1 | 145.4   | 0.2 | 214.8   | 0.2  | 301.9   | 0.3  | 410.6   | 0.5  |
| 12. Others   | *                                     | *   | *       | *   | *       | *   | *       | *   | 3.1     | 0.1  | 4.5     | 0.1  | 6.1     | 0.1  |
| <b>(C) All sectors</b>   | 563.0                                 | 0.1 | 1 350.5 | 0.3 | 2 338.4 | 0.5 | 3 486.3 | 0.7 | 4 782.4 | 1.0  | 6 229.9 | 1.3  | 7 829.0 | 1.6  |

Notes: (1) Wage bill is calculated in accordance with the definition of wages as set out in the Minimum Wage Ordinance. Increase in wage bill refers to the additional wage bill comparing with the original wage bill when the wages of all employees earning hourly wage rates below the specific level (i.e. employees involved) are raised to that hourly wage rate level, while other things being equal.

(2) In this table, a business establishment is defined as an economic unit (i.e. a unit engaged in the production of goods or services) which engages, under a single ownership or control, in one or predominantly one kind of economic activity at a single physical location. An enterprise consists of one or more business establishments which engage, under a single ownership or control, in one or predominantly one kind of economic activity at one or more locations.

(3) Hourly wage levels in the above table are exact figures without rounding and are computed in accordance with the definition of wages as set out in the Minimum Wage Ordinance.

(4) Please refer to [Table A](#) for coverage of individual sectors.

(5) Low-paying sectors as identified by the Provisional Minimum Wage Commission.

(6) Fast food cafes include takeaway shops.

(7) Security services include investigation activities, pest control services as well as landscape care and greenery services.

(8) Membership organisations include incorporated owners/tenants committees, kaifong welfare associations, etc.

(9) Non-low-paying sectors are sectors other than those in (A) above.

(10) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.

\* Estimates are not released due to relatively large sampling error.

# Less than 0.05%

Data source : Estimates based on the 2011 Annual Earnings and Hours Survey, Census and Statistics Department.

**Table III b Estimated increase in wage bill<sup>(Note 1)</sup> of small and medium enterprises<sup>(Note 2)(Note 3)</sup> analysed by sector and different SMW test levels (May - June 2011)**

| Sector <sup>(Note 5)</sup>   | Hourly wage level <sup>(Note 4)</sup> |     |        |     |        |     |         |     |         |     |         |      |         |      |
|--|---------------------------------------|-----|--------|-----|--------|-----|---------|-----|---------|-----|---------|------|---------|------|
|  | \$29                                  |     | \$30   |     | \$31   |     | \$32    |     | \$33    |     | \$34    |      | \$35    |      |
|  | (\$Mn)                                | (%) | (\$Mn) | (%) | (\$Mn) | (%) | (\$Mn)  | (%) | (\$Mn)  | (%) | (\$Mn)  | (%)  | (\$Mn)  | (%)  |
| <b>(A) Low-paying sectors<sup>(Note 6)</sup></b>                             | 132.3                                 | 0.4 | 312.2  | 0.9 | 549.8  | 1.6 | 831.2   | 2.5 | 1 152.1 | 3.4 | 1 504.6 | 4.5  | 1 887.3 | 5.6  |
| 1. Retail  | 40.0                                  | 0.2 | 98.5   | 0.6 | 184.5  | 1.1 | 290.0   | 1.8 | 411.4   | 2.5 | 547.2   | 3.3  | 695.7   | 4.2  |
| 1.1 Supermarkets and convenience stores                                      | 3.1                                   | 0.4 | 8.1    | 1.1 | 16.4   | 2.2 | 28.5    | 3.8 | 41.4    | 5.4 | 57.7    | 7.6  | 74.5    | 9.8  |
| 1.2 Other retail stores  | 36.9                                  | 0.2 | 90.4   | 0.6 | 168.1  | 1.1 | 261.5   | 1.7 | 370.1   | 2.4 | 489.5   | 3.1  | 621.2   | 4.0  |
| 2. Restaurants   | 35.6                                  | 0.4 | 90.5   | 0.9 | 167.2  | 1.7 | 259.7   | 2.7 | 363.3   | 3.8 | 476.5   | 4.9  | 598.3   | 6.2  |
| 2.1 Chinese restaurants  | 4.4                                   | 0.2 | 12.6   | 0.6 | 23.7   | 1.2 | 37.5    | 1.8 | 53.4    | 2.6 | 71.4    | 3.5  | 90.9    | 4.4  |
| 2.2 Non-Chinese restaurants  | 14.4                                  | 0.3 | 36.8   | 0.8 | 68.5   | 1.4 | 109.3   | 2.3 | 155.4   | 3.3 | 206.8   | 4.3  | 262.7   | 5.5  |
| 2.3 Fast food cafes <sup>(Note 7)</sup>                                      | 8.1                                   | 0.7 | 19.7   | 1.8 | 35.4   | 3.1 | 52.1    | 4.6 | 69.8    | 6.2 | 88.6    | 7.9  | 108.3   | 9.6  |
| 2.4 Hong Kong style tea cafes  | 8.7                                   | 0.5 | 21.4   | 1.2 | 39.5   | 2.3 | 60.8    | 3.5 | 84.6    | 4.8 | 109.7   | 6.3  | 136.3   | 7.8  |
| 3. Estate management, security and cleaning services                         | 24.4                                  | 1.0 | 51.9   | 2.1 | 82.3   | 3.3 | 114.9   | 4.6 | 149.9   | 6.0 | 186.7   | 7.4  | 225.0   | 9.0  |
| 3.1 Real estate maintenance management                                       | *                                     | *   | *      | *   | *      | *   | *       | *   | *       | *   | *       | *    | *       | *    |
| 3.2 Security services <sup>(Note 8)</sup>                                    | *                                     | *   | *      | *   | *      | *   | *       | *   | *       | *   | *       | *    | *       | *    |
| 3.3 Cleaning services  | 6.4                                   | 1.1 | 13.2   | 2.3 | 20.6   | 3.5 | 29.1    | 5.0 | 38.5    | 6.6 | 48.6    | 8.4  | 59.2    | 10.2 |
| 3.4 Membership organisations <sup>(Note 9)</sup>                             | 9.4                                   | 1.2 | 19.9   | 2.6 | 31.2   | 4.0 | 43.1    | 5.5 | 55.4    | 7.1 | 67.9    | 8.7  | 80.8    | 10.4 |
| 4. Other low-paying sectors  | 32.3                                  | 0.7 | 71.3   | 1.5 | 115.9  | 2.4 | 166.7   | 3.4 | 227.4   | 4.7 | 294.2   | 6.1  | 368.3   | 7.6  |
| 4.1 Elderly homes  | 14.8                                  | 1.5 | 32.8   | 3.2 | 52.3   | 5.1 | 73.1    | 7.2 | 94.8    | 9.3 | 117.1   | 11.5 | 140.0   | 13.7 |
| 4.2 Laundry and dry cleaning services  | *                                     | *   | *      | *   | *      | *   | 6.7     | 3.0 | 9.7     | 4.3 | 13.0    | 5.8  | 16.3    | 7.3  |
| 4.3 Hairdressing and other personal services                                 | 13.5                                  | 0.5 | 29.1   | 1.0 | 47.6   | 1.6 | 69.7    | 2.4 | 99.8    | 3.4 | 134.1   | 4.5  | 174.6   | 5.9  |
| 4.4 Local courier services   | *                                     | *   | *      | *   | *      | *   | 3.8     | 2.4 | 5.2     | 3.3 | 7.1     | 4.5  | 9.1     | 5.8  |
| 4.5 Food processing and production   | 2.3                                   | 0.5 | 5.4    | 1.1 | 9.2    | 1.9 | 13.3    | 2.8 | 18.0    | 3.7 | 22.9    | 4.7  | 28.3    | 5.9  |
| <b>(B) Non-low-paying sectors<sup>(Note 10)</sup></b>                        | 37.8                                  | #   | 108.5  | 0.1 | 215.1  | 0.1 | 354.8   | 0.2 | 530.1   | 0.3 | 747.5   | 0.5  | 1 008.3 | 0.6  |
| 5. Manufacturing   | 2.4                                   | #   | 7.8    | 0.1 | 16.7   | 0.3 | 29.3    | 0.4 | 45.2    | 0.7 | 66.5    | 1.0  | 91.2    | 1.4  |
| 6. Construction  | 1.6                                   | #   | 4.4    | #   | 7.8    | #   | 12.5    | 0.1 | 18.7    | 0.1 | 27.1    | 0.1  | 40.7    | 0.2  |
| 7. Import/export trade and wholesale   | 11.8                                  | #   | 34.8   | 0.1 | 67.7   | 0.1 | 112.2   | 0.2 | 169.9   | 0.3 | 242.6   | 0.4  | 329.5   | 0.5  |
| 8. Accommodation <sup>(Note 11)</sup> and food services                      | *                                     | *   | *      | *   | *      | *   | *       | *   | *       | *   | *       | *    | *       | *    |
| 9. Transportation, storage, courier services, information and communications | 4.8                                   | #   | 13.9   | 0.1 | 30.0   | 0.1 | 50.9    | 0.2 | 78.8    | 0.3 | 111.9   | 0.5  | 150.7   | 0.7  |
| 10. Financing, insurance, real estate, professional and business services    | 5.4                                   | #   | 15.7   | #   | 30.6   | 0.1 | 49.5    | 0.2 | 72.7    | 0.2 | 101.2   | 0.3  | 135.5   | 0.4  |
| 11. Social and personal services   | 9.6                                   | #   | 26.4   | 0.1 | 51.6   | 0.2 | 84.3    | 0.4 | 122.0   | 0.6 | 167.5   | 0.8  | 220.2   | 1.0  |
| 12. Others   | *                                     | *   | *      | *   | *      | *   | *       | *   | *       | *   | *       | *    | *       | *    |
| <b>(C) All sectors</b>   | 170.2                                 | 0.1 | 420.7  | 0.2 | 764.9  | 0.4 | 1 186.1 | 0.6 | 1 682.2 | 0.8 | 2 252.1 | 1.1  | 2 895.6 | 1.5  |

- Notes: (1) Wage bill is calculated in accordance with the definition of wages as set out in the Minimum Wage Ordinance. Increase in wage bill refers to the additional wage bill comparing with the original wage bill when the wages of all employees earning hourly wage rates below the specific level (i.e. employees involved) are raised to that hourly wage rate level, while other things being equal.
- (2) In this table, small and medium enterprises refer to those enterprises with fewer than 50 employees.
- (3) In this table, a business establishment is defined as an economic unit (i.e. a unit engaged in the production of goods or services) which engages, under a single ownership or control, in one or predominantly one kind of economic activity at a single physical location. An enterprise consists of one or more business establishments which engage, under a single ownership or control, in one or predominantly one kind of economic activity at one or more locations.
- (4) Hourly wage levels in the above table are exact figures without rounding and are computed in accordance with the definition of wages as set out in the Minimum Wage Ordinance.
- (5) Please refer to [Table A](#) for coverage of individual sectors.
- (6) Low-paying sectors as identified by the Provisional Minimum Wage Commission.
- (7) Fast food cafes include takeaway shops.
- (8) Security services include investigation activities, pest control services as well as landscape care and greenery services.
- (9) Membership organisations include incorporated owners/tenants committees, kaifong welfare associations, etc.
- (10) Non-low-paying sectors are sectors other than those in (A) above.
- (11) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.
- \* Estimates are not released due to relatively large sampling error.
- # Less than 0.05%

Data source : Estimates based on the 2011 Annual Earnings and Hours Survey, Census and Statistics Department.

**Table IV Operating characteristics of enterprises<sup>(Note 1)</sup> analysed by sector (only including enterprises with employees) (2010)**

| Sector <sup>(Note 5)</sup>   | All enterprises <sup>(Note 1)</sup>       |  |   |                                  |                                    |                            | Small and medium enterprises <sup>(Note 2)</sup> |                                      |                                    |  |   |                                  |                                    |                            |
|--|---|--|---|----------------------------------|------------------------------------|----------------------------|--|--------------------------------------|------------------------------------|--|---|----------------------------------|------------------------------------|----------------------------|
|  | Number of enterprises <sup>(Note 1)</sup> | Share of compensation of employees in total operating expenses | Ratio of compensation of employees to business receipts | Profit ratio <sup>(Note 3)</sup> |                                    |                            | Number of enterprises <sup>(Note 1)</sup>        | Share in total number of enterprises | Share in total number of employees | Share of compensation of employees in total operating expenses | Ratio of compensation of employees to business receipts | Profit ratio <sup>(Note 3)</sup> |                                    |                            |
|  |   |  |   | Overall                          | First quartile <sup>(Note 4)</sup> | Median <sup>(Note 4)</sup> |  |                                      |                                    |  |   | Overall                          | First quartile <sup>(Note 4)</sup> | Median <sup>(Note 4)</sup> |
| <b>(A) Low-paying sectors<sup>(Note 6)</sup></b>                             | <b>33 840</b>                             | <b>41.3%</b>   | <b>16.3%</b>  | <b>7.6%</b>                      | <b>-1.3%</b>                       | <b>5.0%</b>                | <b>32 150</b>                                    | <b>95.0%</b>                         | <b>32.8%</b>                       | <b>43.4%</b>   | <b>17.4%</b>  | <b>3.9%</b>                      | <b>-1.3%</b>                       | <b>5.0%</b>                |
| 1. Retail  | 17 890                                    | 31.4%  | 8.7%  | 8.1%                             | -4.8%                              | 3.3%                       | 17 490   | 97.8%                                | 39.6%                              | 37.7%  | 10.4%   | 2.6%                             | -4.8%                              | 3.3%                       |
| 1.1 Supermarkets and convenience stores                                      | 50  | 29.0%  | 7.4%  | 5.5%                             | 1.1%                               | 2.7%                       | 50   | 88.7%                                | 0.9%                               | 46.2%  | 7.3%  | 5.2%                             | 1.1%                               | 2.5%                       |
| 1.2 Other retail stores  | 17 840                                    | 31.7%  | 8.8%  | 8.4%                             | -4.8%                              | 3.3%                       | 17 440   | 97.8%                                | 45.3%                              | 37.6%  | 10.5%   | 2.5%                             | -4.8%                              | 3.3%                       |
| 2. Restaurants   | 9 960                                     | 46.3%  | 27.8%   | 5.6%                             | #                                  | 5.0%                       | 9 280  | 93.1%                                | 48.7%                              | 48.4%  | 28.0%   | 5.1%                             | 0.5%                               | 5.1%                       |
| 2.1 Chinese restaurants  | 2 200                                     | 49.9%  | 31.4%   | 2.4%                             | -4.4%                              | 3.5%                       | 1 680  | 76.4%                                | 38.3%                              | 50.6%  | 30.9%   | 2.1%                             | 0.7%                               | 5.2%                       |
| 2.2 Non-Chinese restaurants  | 3 930                                     | 44.3%  | 26.4%   | 6.3%                             | -0.2%                              | 4.1%                       | 3 800  | 96.8%                                | 64.5%                              | 46.1%  | 26.8%   | 5.4%                             | -0.2%                              | 4.1%                       |
| 2.3 Fast food cafes <sup>(Note 7)</sup>                                      | 1 010                                     | 37.8%  | 21.9%   | 11.0%                            | 2.3%                               | 10.8%                      | 980  | 96.9%                                | 17.9%                              | 36.2%  | 18.2%   | 15.1%                            | 2.6%                               | 10.8%                      |
| 2.4 Hong Kong style tea cafes  | 2 820                                     | 52.3%  | 29.6%   | 5.1%                             | 0.9%                               | 5.2%                       | 2 810  | 99.7%                                | 98.2%                              | 52.4%  | 29.7%   | 4.9%                             | 0.9%                               | 5.2%                       |
| 3. Estate management, security and cleaning services <sup>(Note 8)</sup>     | 1 650                                     | 54.7%  | 50.8%   | 6.3%                             | 1.8%                               | 9.8%                       | 1 220  | 74.3%                                | 5.0%                               | 37.6%  | 33.7%   | 8.7%                             | 1.9%                               | 13.2%                      |
| 3.1 Real estate maintenance management                                       | 560                                       | 38.6%  | 35.4%   | 7.0%                             | 0.5%                               | 5.6%                       | 410  | 73.2%                                | 4.9%                               | 26.8%  | 24.7%   | 6.4%                             | 0.4%                               | 6.3%                       |
| 3.2 Security services <sup>(Note 9)</sup>                                    | 260                                       | 83.0%  | 79.5%   | 4.1%                             | 1.6%                               | 5.3%                       | 170  | 63.1%                                | 3.6%                               | 53.6%  | 47.3%   | 10.1%                            | 1.9%                               | 8.9%                       |
| 3.3 Cleaning services  | 820                                       | 78.8%  | 73.8%   | 6.0%                             | 2.7%                               | 15.7%                      | 650  | 78.6%                                | 6.1%                               | 56.7%  | 47.9%   | 13.5%                            | 8.6%                               | 18.4%                      |
| 4. Other low-paying sectors  | 4 350                                     | 50.7%  | 20.7%   | 9.6%                             | 1.9%                               | 11.7%                      | 4 170  | 95.9%                                | 47.2%                              | 46.0%  | 20.2%   | 6.1%                             | 1.9%                               | 11.7%                      |
| 4.1 Elderly homes <sup>(Note 10)</sup>                                       | 610                                       | 64.2%  | 54.5%   | 4.7%                             | -2.4%                              | 3.7%                       | 540  | 88.3%                                | 56.9%                              | 53.7%  | 45.3%   | 4.9%                             | -2.5%                              | 4.2%                       |
| 4.2 Laundry and dry cleaning services  | 650                                       | 44.9%  | 37.4%   | 10.8%                            | 3.1%                               | 5.9%                       | 630  | 97.1%                                | 41.0%                              | 41.1%  | 36.0%   | 7.1%                             | 3.1%                               | 5.9%                       |
| 4.3 Hairdressing and other personal services                                 | 2 060                                     | 43.8%  | 34.3%   | 13.9%                            | 8.6%                               | 18.4%                      | 2 060  | 99.8%                                | 93.7%                              | 42.7%  | 33.1%   | 14.6%                            | 9.7%                               | 18.4%                      |
| 4.4 Local courier services   | 260                                       | 49.3%  | 46.0%   | 6.6%                             | 1.9%                               | 8.7%                       | 240  | 92.6%                                | 43.3%                              | 47.9%  | 42.3%   | 11.5%                            | 3.1%                               | 9.4%                       |
| 4.5 Food processing and production   | 760                                       | 47.7%  | 13.4%   | 10.0%                            | 0.1%                               | 4.1%                       | 700  | 91.8%                                | 28.5%                              | 42.6%  | 9.5%  | 4.2%                             | 0.1%                               | 3.9%                       |
| <b>(B) Non-low-paying sectors<sup>(Note 11)</sup></b>                        | <b>166 560</b>                            | <b>34.1%</b>   | <b>10.4%</b>  | <b>16.9%</b>                     | <b>-1.5%</b>                       | <b>4.4%</b>                | <b>162 900</b>                                   | <b>97.8%</b>                         | <b>52.6%</b>                       | <b>34.7%</b>   | <b>7.7%</b>   | <b>12.0%</b>                     | <b>-1.7%</b>                       | <b>4.3%</b>                |
| 5. Manufacturing   | 5 580                                     | 53.0%  | 8.6%  | 5.8%                             | 2.4%                               | 8.5%                       | 5 390  | 96.5%                                | 50.1%                              | 49.3%  | 16.2%   | 4.5%                             | 2.5%                               | 8.5%                       |
| 6. Construction  | 13 590                                    | 33.9%  | 25.7%   | 5.6%                             | 1.2%                               | 6.8%                       | 13 230   | 97.4%                                | 59.2%                              | 39.2%  | 30.2%   | 5.3%                             | 1.2%                               | 6.8%                       |
| 7. Import/export trade and wholesale   | 79 030                                    | 37.9%  | 4.5%  | 5.9%                             | -1.9%                              | 2.5%                       | 78 130   | 98.9%                                | 79.6%                              | 40.6%  | 4.7%  | 4.7%                             | -2.0%                              | 2.5%                       |
| 8. Accommodation <sup>(Note 12)</sup> and food services                      | 3 640                                     | 43.2%  | 26.1%   | 24.4%                            | -3.1%                              | 5.3%                       | 3 510  | 96.4%                                | 36.1%                              | 42.0%  | 25.8%   | 7.0%                             | -3.8%                              | 5.3%                       |
| 9. Transportation, storage, courier services, information and communications | 14 630                                    | 15.8%  | 13.7%   | 11.9%                            | -0.4%                              | 5.8%                       | 13 980   | 95.6%                                | 34.2%                              | 14.4%  | 13.1%   | 8.4%                             | -0.5%                              | 5.7%                       |
| 10. Financing, insurance, real estate, professional and business services    | 30 450                                    | 44.2%  | 20.6%   | 53.1%                            | -5.3%                              | 8.6%                       | 29 580   | 97.2%                                | 35.9%                              | 37.4%  | 15.3%   | 58.8%                            | -5.8%                              | 8.6%                       |
| 11. Social and personal services   |   |  |   |                                  |                                    |                            | ^  |                                      |                                    |  |   |                                  |                                    |                            |
| 12. Others   | ^   | 29.2%  | 7.2%  | 38.4%                            | -0.1%                              | 4.3%                       | ^  | ^                                    | ^                                  | 53.3%  | 20.8%   | 5.1%                             | -0.1%                              | 4.3%                       |
| <b>(C) All sectors</b>   | <b>200 400</b>                            | <b>34.9%</b>   | <b>10.9%</b>  | <b>16.1%</b>                     | <b>-1.5%</b>                       | <b>4.4%</b>                | <b>195 050</b>                                   | <b>97.3%</b>                         | <b>47.2%</b>                       | <b>35.4%</b>   | <b>8.2%</b>   | <b>11.6%</b>                     | <b>-1.5%</b>                       | <b>4.4%</b>                |

Notes: (1) In this table, a business establishment is defined as an economic unit (i.e. a unit engaged in the production of goods or services) which engages, under a single ownership or control, in one or predominantly one kind of economic activity at a single physical location. An enterprise consists of one or more business establishments which engage, under a single ownership or control, in one or predominantly one kind of economic activity at one or more locations. Figures were rounded to tens.

(2) In this table, small and medium enterprises refer to those enterprises with fewer than 50 persons engaged.

(3) Earnings before tax ratio (abbreviated as profit ratio) refers to ratio of profit before deducting tax; gain/loss on disposal of property, machinery and equipment; bad debts/write-off, amortisation; provisions; etc.; to business receipts.

(4) Not including those enterprises without business receipts (including local representative offices of overseas companies).

(5) Please refer to Table A for coverage of individual sectors.

(6) Low-paying sectors as identified by the Provisional Minimum Wage Commission.

(7) Fast food cafes do not include takeaway shops.

(8) Estate management, security and cleaning services do not include membership organisations.

(9) Security services include investigation activities, pest control services as well as landscape care and greenery services.

(10) In calculating figures for business receipts and profit, subsidies from government and other organisations were also included.

(11) Non-low-paying sectors are sectors other than those in (A) above.

(12) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.

# In between -0.05% and 0.05%.

^ Data not released.



**Table V Number of employees with paid rest day(s) and/or paid meal break(s) analysed by sector (May - June 2011)**

| Sector <sup>(Note 2)</sup>   | Full-time employees <sup>(Note 1)</sup>      |   |                            |   |                              |   |   |   |
|--|--|---|----------------------------|---|------------------------------|---|---|---|
|  | With paid rest day(s) and paid meal break(s) |   | With paid rest day(s) only |   | With paid meal break(s) only |   | Without paid rest day(s) and paid meal break(s) |   |
|  | Number                                       | Proportion among employees in respective sector | Number                     | Proportion among employees in respective sector | Number                       | Proportion among employees in respective sector | Number  | Proportion among employees in respective sector |
|  | ('000)                                       | (%)   | ('000)                     | (%)   | ('000)                       | (%)   | ('000)  | (%)   |
| <b>(A) Low-paying sectors<sup>(Note 3)</sup></b>                             | <b>264.8</b>                                 | <b>38.4</b>                                     | <b>128.0</b>               | <b>18.6</b>                                     | <b>141.6</b>                 | <b>20.5</b>                                     | <b>155.5</b>                                    | <b>22.5</b>                                     |
| 1. Retail  | 105.7  | 46.2  | 52.1                       | 22.8  | 30.3                         | 13.2  | 40.8  | 17.8  |
| 1.1 Supermarkets and convenience stores                                      | 16.9   | 55.8  | 3.7                        | 12.3  | 6.0                          | 19.9  | 3.6   | 12.0  |
| 1.2 Other retail stores  | 88.8   | 44.7  | 48.4                       | 24.4  | 24.3                         | 12.2  | 37.1  | 18.7  |
| 2. Restaurants   | 64.6   | 36.3  | 21.2                       | 11.9  | 51.9                         | 29.1  | 40.3  | 22.7  |
| 2.1 Chinese restaurants  | 19.0   | 29.3  | 10.9                       | 16.8  | 17.8                         | 27.4  | 17.2  | 26.5  |
| 2.2 Non-Chinese restaurants  | 21.1   | 35.3  | 9.1                        | 15.3  | 14.5                         | 24.4  | 15.0  | 25.1  |
| 2.3 Fast food cafes <sup>(Note 4)</sup>                                      | 19.1   | 56.4  | 0.5                        | 1.6   | 10.5                         | 30.9  | 3.8   | 11.1  |
| 2.4 Hong Kong style tea cafes  | 5.4  | 27.9  | 0.6                        | 3.2   | 9.0                          | 46.6  | 4.3   | 22.3  |
| 3. Estate management, security and cleaning services                         | 68.3   | 34.0  | 37.4                       | 18.7  | 47.1                         | 23.5  | 47.8  | 23.8  |
| 3.1 Real estate maintenance management                                       | 44.5   | 42.2  | 18.7                       | 17.8  | 24.3                         | 23.0  | 17.9  | 17.0  |
| 3.2 Security services <sup>(Note 5)</sup>                                    | 11.3   | 36.1  | 2.9                        | 9.1   | 12.2                         | 39.0  | 5.0   | 15.9  |
| 3.3 Cleaning services  | 5.8  | 11.1  | 15.2                       | 29.1  | 8.2                          | 15.8  | 22.9  | 44.0  |
| 3.4 Membership organisations <sup>(Note 6)</sup>                             | 6.7  | 57.6  | 0.6                        | 5.6   | 2.3                          | 20.0  | 1.9   | 16.8  |
| 4. Other low-paying sectors  | 26.2   | 31.8  | 17.3                       | 21.0  | 12.3                         | 15.0  | 26.6  | 32.3  |
| 4.1 Elderly homes  | 6.1  | 34.1  | 3.1                        | 17.0  | 4.9                          | 26.9  | 4.0   | 22.0  |
| 4.2 Laundry and dry cleaning services  | 0.7  | 16.1  | 1.2                        | 27.2  | 0.6                          | 12.8  | 2.0   | 43.8  |
| 4.3 Hairdressing and other personal services                                 | 9.3  | 24.4  | 8.4                        | 22.0  | 4.9                          | 12.9  | 15.4  | 40.6  |
| 4.4 Local courier services   | *  | *   | *                          | *   | *                            | *   | *   | *   |
| 4.5 Food processing and production   | *  | *   | *                          | *   | *                            | *   | *   | *   |
| <b>(B) Non-low-paying sectors<sup>(Note 7)</sup></b>                         | <b>962.3</b>                                 | <b>50.1</b>                                     | <b>545.0</b>               | <b>28.4</b>                                     | <b>142.1</b>                 | <b>7.4</b>                                      | <b>271.2</b>                                    | <b>14.1</b>                                     |
| 5. Manufacturing   | 29.2   | 32.8  | 29.4                       | 33.0  | 5.3                          | 5.9   | 25.2  | 28.3  |
| 6. Construction  | 64.1   | 28.1  | 46.8                       | 20.5  | 42.4                         | 18.6  | 74.6  | 32.7  |
| 7. Import/export trade and wholesale   | 218.5  | 47.7  | 151.7                      | 33.1  | 30.9                         | 6.7   | 57.4  | 12.5  |
| 8. Accommodation <sup>(Note 8)</sup> and food services                       | *  | *   | *                          | *   | *                            | *   | 3.2   | 7.1   |
| 9. Transportation, storage, courier services, information and communications | 168.2  | 51.6  | 89.6                       | 27.5  | 22.0                         | 6.8   | 46.1  | 14.1  |
| 10. Financing, insurance, real estate, professional and business services    | 208.8  | 52.6  | 132.1                      | 33.3  | 15.8                         | 4.0   | 40.0  | 10.1  |
| 11. Social and personal services   | 227.1  | 63.1  | 86.8                       | 24.1  | 23.6                         | 6.6   | 22.7  | 6.3   |
| 12. Others   | *  | *   | *                          | *   | *                            | *   | 2.0   | 11.8  |
| <b>(C) All sectors</b>   | <b>1 227.1</b>                               | <b>47.0</b>                                     | <b>673.1</b>               | <b>25.8</b>                                     | <b>283.7</b>                 | <b>10.9</b>                                     | <b>426.6</b>                                    | <b>16.3</b>                                     |

- Notes: (1) An employee is regarded as working full-time if he or she could not be classified as a part-time employee. (An employee is regarded as working part-time if one of the following conditions is met: (i) the number of usual days of work per week is less than 5 (for a person with a fixed number of working days per week); or (ii) the number of usual hours of work per working day is less than 6 (for a person with a fixed number of working days per week); or (iii) the number of usual hours of work per week is less than 30 (for a person without a fixed number of working days per week). However, persons who usually work 24 hours per shift are excluded, regardless of the number of usual days of work per week.)
- (2) Please refer to [Table A](#) for coverage of individual sectors.
- (3) Low-paying sectors as identified by the Provisional Minimum Wage Commission.
- (4) Fast food cafes include takeaway shops.
- (5) Security services include investigation activities, pest control services as well as landscape care and greenery services.
- (6) Membership organisations include incorporated owners/tenants committees, kaifong welfare associations, etc.
- (7) Non-low-paying sectors are sectors other than those in (A) above.
- (8) Accommodation services cover hotels, guesthouses, boarding houses and other enterprises providing short term accommodation.
- \* Estimates are not released due to relatively large sampling error.
- Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the table.

Data source : 2011 Annual Earnings and Hours Survey, Census and Statistics Department.

**Table A Coverage of sector in statistical tables**

| Sector   | Coverage of sector in Tables I to III and V                                  | Coverage of sector in Table IV   |
|--|--|--|
|  | Hong Kong Standard Industrial Classification Version 2.0 <sup>(Note 1)</sup> | Hong Kong Standard Industrial Classification Version 2.0 <sup>(Note 1)</sup> |
| <b>(A) Low-paying sectors</b> <sup>(Note 2)</sup>                            |  |  |
| 1. Retail  | 47   | 47   |
| 1.1 Supermarkets and convenience stores                                      | 471101, 471102   | 471101, 471102   |
| 1.2 Other retail stores  | 47 excluding 471101, 471102  | 47 excluding 471101, 471102  |
| 2. Restaurants   | 561  | 561 excluding 561901, 561903   |
| 2.1 Chinese restaurants  | 561109-11  | 561109-11  |
| 2.2 Non-Chinese restaurants  | 561103-8, 561199   | 561103-8, 561199   |
| 2.3 Fast food cafes  | 5612, 5619   | 5612, 561902 excluding 561901, 561903  |
| 2.4 Hong Kong style tea cafes  | 561101   | 561101   |
| 3. Estate management, security and cleaning services                         | 6822, 80-81, 949   | 6822, 80-81  |
| 3.1 Real estate maintenance management                                       | 6822   | 6822   |
| 3.2 Security services  | 80, 811, 813   | 80, 811, 813   |
| 3.3 Cleaning services  | 812  | 812  |
| 3.4 Membership organisations   | 949  | Figures not available  |
| 4. Other low-paying sectors  |  |  |
| 4.1 Elderly homes  | 873  | 873  |
| 4.2 Laundry and dry cleaning services  | 9601   | 9601   |
| 4.3 Hairdressing and other personal services                                 | 960201, 9603-9, 97-99  | 960201   |
| 4.4 Local courier services   | 5322   | 5322   |
| 4.5 Food processing and production   | 10-12  | 10-12  |
| <b>(B) Non-low-paying sectors</b> <sup>(Note 3)</sup>                        |  |  |
| 5. Manufacturing   | B, C excluding 10-12   | C excluding 10-12  |
| 6. Construction  | F  | F  |
| 7. Import/export trade and wholesale   | G45-46   | G45-46   |
| 8. Accommodation and food services   | I55, 562-563   | I55, 562-563, 561901, 561903   |
| 9. Transportation, storage, courier services, information and communications | H & J excluding 5322   | H & J excluding 5322   |
| 10. Financing, insurance, real estate, professional and business services    | K-N excluding 6822, 80-81  | K-N excluding 6822, 80-81  |
| 11. Social and personal services   | O-S excluding 873, 949, 9601, 960201, 9603-9                                 | P-S excluding 873, 9601, 960201 and part of 851, 852, 853, 86                |
| 12. Others   | D-E  | B, D-E   |

Notes: (1) The Hong Kong Standard Industrial Classification Version 2.0 (HSIC V2.0) is modelled on the International Standard Industrial Classification of All Economic Activities Revision 4 (ISIC Rev. 4), which was released by the United Nations Statistics Division in August 2008 and is the latest international statistical standard for industrial classification. HSIC V2.0 has been used progressively in different surveys by Census and Statistics Department (C&SD) since 2009 as a standard framework for classifying business establishments into industry classes as well as for compilation, analysis and dissemination of statistics by industry. A full index of HSIC V2.0 industry codes and titles is available from the publication entitled *Hong Kong Standard Industrial Classification (HSIC) Version 2.0*, which can be downloaded free of charge from the website of C&SD ([www.censtatd.gov.hk](http://www.censtatd.gov.hk)).

(2) Low-paying sectors as identified by the Provisional Minimum Wage Commission.

(3) Non-low-paying sectors are sectors other than those in (A) above.