

Provisional Minimum Wage Commission

臨時最低工資委員會

Your reference 來函編號：

Our reference 本處檔案編號： (12) in PMWC 1-55/1Pt. II

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11 May 2010

Mr Raymond LAM
Clerk to Bills Committee on Minimum Wage Bill
Legislative Council
8 Jackson Road
Central

Dear Mr LAM,

Bills Committee on Minimum Wage Bill

Thank you for your letter of 27 April 2010.

As set out in our terms of reference, the Provisional Minimum Wage Commission (the Commission) is required to advise the Chief Executive on the appropriate mechanism for determining the statutory minimum wage (SMW) and the initial SMW rate by adopting an evidence-based approach with a view to ensuring a sensible balance between forestalling excessively low wages and minimising the loss of low-paid jobs, while sustaining Hong Kong's economic growth and competitiveness. We are also required to consult stakeholders and study the possible impact of the implementation of the SMW on the local economy, including its effect on pay, employment and economic competitiveness, particularly of the low paying sectors and small and medium-sized enterprises.

Since November 2009, we have met with some 90 stakeholders and interest groups to gauge their views and concerns on the initial SMW rate. Having considered the views collected, we have come up with the preliminary views on the basket of indicators, other considerations that are relevant to the SMW policy and the assessment on potential impact of different rates of SMW that should be taken into account in deliberating on the SMW rate, which have been posted on our webpage and provided to the Bills Committee in our letter of 24 March 2010.

Following the release of the 2009 Report on Annual Earnings and Hours Survey by the Census and Statistics Department in mid March this year, we also posted statistical data, both overall and broken down by industry, on the webpage of the Commission and conducted further meetings with stakeholders to collate their analyses of the statistical data and comments on our preliminary views. At present, we are assessing the possible impact of different SMW levels on the labour market, firms' costs and profits, as well as prices of goods and services. In tandem, we are also gathering additional information on the characteristics and modus operandi of the sectors concerned to facilitate prudent, comprehensive and objective analyses and deliberations on the initial SMW rate.

We trust the above has provided the necessary information on the latest thinking of the Commission on the methodology to be adopted in setting the initial SMW rate. Thank you once again for the concern and interest of the Bills Committee in the operation of the Commission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Teresa CHENG'.

(Teresa CHENG)
Chairperson
Provisional Minimum Wage Commission