

Review of the Statutory Minimum Wage Rate: Relevant Reference Information and Data

The Minimum Wage Commission (MWC) is now conducting a review of the Statutory Minimum Wage (SMW) rate. This document sets out the relevant information and data for reference by the public so that they could offer their views to MWC on the review of the SMW rate. All relevant information and data are for reference only and do not imply that MWC has any preconceived stance or has come to any conclusion on its recommendation about the SMW rate. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment. MWC looks forward to receiving views from various sectors of the community on the review of the SMW rate.

Introduction

The Minimum Wage Commission (MWC) is tasked to report to the Chief Executive in Council its recommendation about the Statutory Minimum Wage (SMW) rate. According to the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), 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, and the need to sustain Hong Kong's economic growth and competitiveness. Before arriving at its recommendation, MWC will consult various sectors of the community including organisations representing employers and employees, consider views received in the course of consultations, and analyse and consider data and information from researches or surveys.

2. For the review of the SMW rate, MWC will consider making reference to, among other things, the following:

- (i) an “Array of Indicators” and the latest data on these indicators reflecting the socio-economic and employment conditions after the implementation of SMW and the revisions of the SMW rate in May 2013 and May 2015 (paragraphs 4 to 6 below);

- (ii) supplementary statistical data and other considerations relevant to the review of the SMW rate (paragraphs 7 and 8 below); and
- (iii) assessment of the possible impacts of different SMW test levels based on data available (paragraph 9 below).

3. MWC makes available the relevant information and data with a view to enhancing the transparency of its work progress and to invite comments on the review of the SMW rate from members of the public and stakeholders. All the relevant information and data are for reference only, and they do not imply that MWC has come to any conclusion. To this end, MWC looks forward to receiving views on the review of the SMW rate from various sectors of the community.

Array of Indicators with Latest Data

4. Drawing on its previous experience, MWC is of the view that it could facilitate the review of the SMW rate through gathering and monitoring the Array of Indicators with latest data on socio-economic and employment conditions and undertaking careful analysis of relevant quantitative indicators with an evidence-based approach.

5. Having examined the feasibility and appropriateness of adding new statistics to the Array of Indicators referred to in previous reviews of the SMW rate, MWC initially considers that relevant indicators covering the following four areas be maintained:

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

6. The Array of Indicators covers the essential considerations that MWC must take into account in discharging its function as stipulated in the Minimum Wage Ordinance. It has also drawn on the experience and considerations of other places in reviewing minimum wage rates, providing MWC with important information for the review. The Array of Indicators initially identified by MWC is at Appendix I and the

latest data on these indicators are at Appendix II. MWC has further noted the data about employees' entitlement to paid rest day(s) and/or paid meal break(s)¹ in different sectors as set out at Appendix III.

Supplementary Statistical Data

7. The supplementary statistical data analysed by different SMW test levels are provided to facilitate members of the public and stakeholders to comprehend the possible impacts of various SMW test levels on employees involved² and enterprises, as well as the ability of various sectors in coping with the possible impacts of SMW test levels. It is noteworthy that MWC does not have any preconceived stance or has not come to any conclusion on its recommendation about the SMW rate. After completing the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment. The supplementary statistical data cover:

- (i) number and proportion of employees earning the prevailing SMW rate and less than different SMW test levels analysed by sector (Supplementary Statistical Table I);
- (ii) estimated extent of increase in wages of employees involved analysed by sector and different SMW test levels (Supplementary Statistical Table II);
- (iii) estimated increase in wage bill of all enterprises and small and medium enterprises (SMEs) analysed by sector and different SMW test levels (Supplementary Statistical Tables III a & III b); and
- (iv) operating characteristics of all enterprises and SMEs analysed by sector (Supplementary Statistical Table IV).

¹ For employees who are granted rest day pay and/or meal break pay according to their employment contract or agreement.

² Employees involved refer to employees with an hourly wage below a specific level (i.e. an SMW test level). Employees exclude those not covered by SMW (i.e. government employees, live-in domestic workers, student interns and work experience students as defined in the Minimum Wage Ordinance).

Other Relevant Considerations

8. Although the above-mentioned Array of Indicators covers data in the four areas of general economic conditions, labour market conditions, competitiveness and social inclusion, not all the impacts of SMW can be reflected by changes in statistics. Hence, in reviewing the SMW rate, MWC will also take into account other relevant considerations that cannot be fully quantified. The other relevant considerations set out below were the conditions observed by MWC in the previous SMW rate reviews and after the revisions of the SMW rate in May 2013 and May 2015, and do not imply that MWC has any preconceived stance on these considerations:

- (i) **Enhancing employees' quality of life** – Benefiting from SMW upratings, employees can enjoy pay rises which will raise their consumption power and improve their quality of life;
- (ii) **Enhancing work incentive** – Wage increases induced by the implementation of SMW and its upratings have attracted more people to enter or re-enter the labour market and encouraged those who used to live on social welfare to become self-reliant;
- (iii) **Impact on vulnerable groups** – SMW provides wage protection to vulnerable groups (such as the elderly, the less educated, people with disabilities, etc.). In the face of increasing labour costs, employers may however tend to hire employees with higher capabilities, thereby undermining the employment opportunities of the vulnerable groups. Some employers may also hire fewer inexperienced young people and offer them fewer internship opportunities, making it difficult for young people to accumulate work experience;
- (iv) **Impact on wage differentials across sectors or occupations** – With SMW applying across the board, some grassroots workers may switch to jobs in different sectors, occupations, districts and/or enterprises while still making a comparable income. This will aggravate staff turnover in certain sectors. To some extent, the enterprises concerned also have to offer more competitive wage rates to retain or attract talents, thereby further pushing up labour costs and exerting additional inflationary pressure;

- (v) **Preserving the market's capacity to adjust** – While imposing a wage floor, SMW will also limit the flexibility of wage adjustment. If the rate is raised to an excessively high level, SMW will undermine the flexibility of different sectors and enterprises to cope with changes in their respective operating environment. Preserving the market's capacity to adjust will be conducive to the sustainable development of all sectors;
- (vi) **Impact on social harmony** – The implementation of SMW and its upratings have enabled low-income employees to share the fruits of economic development and thus helped promote social harmony. Nevertheless, as grassroots workers, enterprises and other people (including those not directly benefiting from SMW) hold different views on the SMW rate, it would take time to narrow this divergence;
- (vii) **Additional costs induced by increase in wages** – The implementation of SMW and its upratings have additional cost implications on business risks, labour insurance premiums, long service payments, contributions to the Mandatory Provident Fund, etc;
- (viii) **Impact on quality of products and services** – Employees can enjoy wage protection after the implementation of SMW and its upratings. Nevertheless, this may reduce the incentives of some employees to improve their performance or take up extra workload, thereby affecting service quality. Moreover, enterprises that fail to pass on the SMW-induced additional costs to consumers may have to reduce the quantity and quality of their products as well as quality of their services; and
- (ix) **Other impact of SMW yet to fully emerge** – The long-term impact of SMW (e.g. impact on the profitability and operating strategies of enterprises, and on Hong Kong's competitiveness, labour productivity and attractiveness to foreign investment in the long run) may not have fully emerged.

Impact Assessment

9. MWC will draw reference from the framework, scope and methodology of impact assessment³ adopted in the last review of the SMW rate and refine the assessment items, taking into account the mitigation measures already adopted by enterprises of various sectors upon the implementation of SMW and the revisions of the SMW rate in May 2013 and May 2015 as well as views of the community. Impact assessment under different SMW test levels will then be conducted in order to analyse the possible impact of SMW test levels on employees, enterprises, unemployment rate and inflation.

Minimum Wage Commission
April 2016

³ For details about the framework, scope and methodology of impact assessment, please refer to Section 5.IV and Appendix IV in the *2014 Report of the Minimum Wage Commission*.

Appendix I: Array of Indicators initially identified by the Minimum Wage Commission

Area considered	Summary of indicators	Statistical indicators	Data sources [Source hyperlinks]	Frequency of update
(I) General Economic Conditions	I.1 Latest local economic performance and forecasts	Nominal and real Gross Domestic Product (GDP)	National Income Statistics, Census and Statistics Department (C&SD) [1]	Quarterly
		Main expenditure components of real GDP	(Same as above) [2]	(Same as above)
		Composite Consumer Price Index and Consumer Price Index (A)	Monthly Retail Price Survey, C&SD [3]	Monthly
		Prominent establishments' views on expected changes in short-term business situation and number of persons engaged	Quarterly Business Tendency Survey, C&SD [4]	Quarterly
		GDP and price forecasts	Economic Analysis and Business Facilitation Unit, Financial Secretary's Office [5]	Short-term: Quarterly/ Medium-term: Annual
(II) Labour Market Conditions	II.1 Labour demand and supply – employment, unemployment, underemployment, labour force and vacancies	Labour statistics	General Household Survey, C&SD [6]	Monthly [#]
		Vacancies	Quarterly Survey of Employment and Vacancies, C&SD [7]	Quarterly
		Mode of leaving last job of unemployed persons with a previous job	General Household Survey, C&SD [8]	Monthly [#]
	II.2 Wage level and distribution	Wage level and distribution	Annual Earnings and Hours Survey, C&SD [9]	Annual
	II.3 Wage differentials	Wage differentials	Annual Earnings and Hours Survey, C&SD [9]	Annual
	II.4 Employment characteristics	Employed persons analysed by employment status	General Household Survey, C&SD [8]	Monthly [#]
		Employees analysed by employment nature and contractual status	Annual Earnings and Hours Survey, C&SD [9]	Annual
		Employees analysed by basis on which basic wage rate is rated	(Same as above) [9]	(Same as above)
		Employees analysed by remuneration structure	(Same as above) [9]	(Same as above)
	II.5 Working hours	Distribution of working hours	Annual Earnings and Hours Survey, C&SD [9]	Annual
Overtime hours with pay		(Same as above) [9]	(Same as above)	
Hours of work during the 7 days before enumeration		General Household Survey, C&SD [8]	Monthly [#]	

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

Area considered	Summary of indicators	Statistical indicators	Data sources [Source hyperlinks]	Frequency of update
(III) Competitiveness	III.1 Operating characteristics of enterprises	Operating characteristics analysed by sector	Annual Survey of Economic Activities, C&SD [10]	Annual
		Rental indices of commercial properties	Rating and Valuation Department [11]	Monthly
		Total retail sales	Monthly Survey of Retail Sales, C&SD [12]	Monthly
		Total restaurant receipts	Quarterly Survey of Restaurant Receipts and Purchases, C&SD [13]	Quarterly
		Business receipts indices	Quarterly Survey of Service Industries, C&SD [14]	Quarterly
	III.2 Entrepreneurship, business sentiment and solvency	Number of establishments	Quarterly Survey of Employment and Vacancies, C&SD [7]	Quarterly
		Labour demand	(Same as above) [7]	(Same as above)
		Number of creation and deletion of business registration	Inland Revenue Department [15]	Annual
		Number of bankruptcy and compulsory winding-up cases	Official Receiver's Office [16]	Monthly
	III.3 Relative economic freedom and competitiveness of Hong Kong	Hong Kong's rankings on indices of economic freedom and competitiveness	Various rating agencies [17] [18] [19] [20] [21]	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 [22] [23] [24]	Annual
		Inward direct investment	Survey of External Claims, Liabilities and Income, C&SD [25]	Quarterly
	III.4 Productivity growth	Labour productivity growth in Hong Kong and selected economies	Hong Kong: National Income Statistics and General Household Survey, C&SD [26]	Annual
			Selected economies: Real GDP and employment data in CEIC	Annual
	III.5 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 [1] [8] [27]	Quarterly
Selected economies: National statistics authorities, CEIC and Datastream databases			Quarterly	

Area considered	Summary of indicators	Statistical indicators	Data sources [Source hyperlinks]	Frequency of update
(IV) Social Inclusion	IV.1 Standard of living	Wage indices / indices of payroll per person engaged	Labour Earnings Survey, C&SD [28] [29] [30] [31]	Quarterly
		Employment earnings of full-time employees analysed by decile group	General Household Survey, C&SD [8]	Monthly [#]
		Average monthly employment earnings	(Same as above) [8]	(Same as above) [#]
	IV.2 Enhancing work incentive	Labour force participation rate	General Household Survey, C&SD [8]	Monthly [#]
Number of long-term (unemployed for 6 months or above) unemployed persons		(Same as above) [8]	(Same as above) [#]	
	Unemployment cases of Comprehensive Social Security Assistance	Social Welfare Department [32]	Monthly	
IV.3 Labour relations	Number of disputes and claims cases	Labour Department	Quarterly	

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

Appendix II : Latest figures of the Array of Indicators^(@) (as at 31 Mar 2016)

		2015				2015	Latest
		Q1	Q2	Q3	Q4		
(I) General Economic Conditions							
Gross Domestic Product (GDP) (year-on-year rate of change)							
Nominal	(%)	7.1	7.7	6.0	5.0 ^(^)	6.4 ^(^)	..
Real	(%)	2.4	2.9	2.2	1.9 ^(^)	2.4 ^(^)	..
Main expenditure components of real GDP (year-on-year rate of change)							
Private consumption expenditure	(%)	5.4	6.2	4.3	3.2 ^(^)	4.8 ^(^)	..
Gross domestic fixed capital formation	(%)	5.3	3.9	-6.4	-9.7 ^(^)	-2.2 ^(^)	..
Exports of goods	(%)	0.4	-3.6	-3.2	-0.3 ^(^)	-1.7 ^(^)	..
Exports of services	(%)	0.4	1.0	-0.9	-2.7 ^(^)	-0.6 ^(^)	..
Composite Consumer Price Index (CCPI) ^(l) (year-on-year rate of change)							
Headline	(%)	4.4	3.0	2.3	2.4	3.0	2.9 (Jan-Feb 2016)
Underlying	(%)	2.7	2.5	2.4	2.4	2.5	2.9 (Jan-Feb 2016)
Consumer Price Index (A) ^(l) (year-on-year rate of change)							
Headline	(%)	6.5	4.2	2.8	2.7	4.0	3.3 (Jan-Feb 2016)
Underlying	(%)	3.5	3.3	2.9	2.5	3.0	3.2 (Jan-Feb 2016)
Prominent establishments' views on expected changes in short-term business situation (Net balance ^(*))	(% points)	3	1	5	-1	..	-11 (Q1 2016)
Prominent establishments' views on expected changes in short-term number of persons engaged (Net balance ^(**))	(% points)	10	6	8	6	..	5 (Q1 2016)
Real GDP growth forecast^(§)		..	..	..	..	..	1% - 2% (2016) 3% per annum (2017-2020)
Headline CCPI forecast (year-on-year rate of change)		..	..	..	..	..	2.3% (2016)
Underlying CCPI forecast ^(§) (year-on-year rate of change)		..	..	..	..	..	2% (2016) 2.5% per annum (2017-2020)
(II) Labour Market Conditions							
Labour force	('000)	3 928.4 [2.7%]	3 921.5 [1.6%]	3 932.1 [0.7%]	3 925.5 [0.5%]	3 909.8 [0.9%]	3 937.1 ^(^^) (Dec 2015 - Feb 2016)
Employed persons	('000)	3 801.1 [2.6%]	3 791.6 [1.6%]	3 796.2 [0.7%]	3 803.9 [0.6%]	3 780.9 [0.8%]	3 816.4 ^(^^) (Dec 2015 - Feb 2016)
Unemployed persons	('000)	127.3	129.9	135.8	121.6	128.9	120.7 ^(^^) (Dec 2015 - Feb 2016)
Unemployment rate (seasonally adjusted)	(%)	3.3	3.2	3.3	3.3	3.3 ⁽⁺⁾	3.3 ^(^^) (Dec 2015 - Feb 2016)
Underemployment rate	(%)	1.4	1.4	1.4	1.4	1.4	1.3 ^(^^) (Dec 2015 - Feb 2016)
Job vacancies ⁽⁺⁺⁾	(no.)	78 100 <-6.1%>	78 400 <1.8%>	74 700 <-0.5%>	71 200 <1.6%>	75 600	..
Proportion of dismissed or laid off unemployed persons among all unemployed persons with a previous job	(%)	42.2	40.6	40.9	44.5	41.2	48.7 ^(^^) (Dec 2015 - Feb 2016)
75 th percentile hourly wage of all employees	(HK\$)	..	..	..	..	100.0 ^(#)	..
Median hourly wage of all employees	(HK\$)	..	..	..	..	62.9 ^(#)	..
10 th percentile hourly wage of all employees	(HK\$)	..	..	..	..	36.5 ^(#)	..
Ratio of 75 th percentile to the 10 th percentile hourly wage of all employees		..	..	..	..	2.7 ^(#)	..
Ratio of median to the 10 th percentile hourly wage of all employees		..	..	..	..	1.7 ^(#)	..
Proportion of employees among all employed persons	(%)	90.8	91.3	91.2	91.3	91.0	91.4 ^(^^) (Dec 2015 - Feb 2016)
Proportion of self-employed among all employed persons	(%)	6.0	5.3	5.5	5.5	5.7	5.4 ^(^^) (Dec 2015 - Feb 2016)
Proportion of full-time employees among all employees	(%)	..	..	..	..	92.9 ^(#)	..
Proportion of employees employed on a permanent basis among all employees	(%)	..	..	..	..	89.0 ^(#)	..
Proportion of employees with basic wage rate on a monthly basis among all employees	(%)	..	..	..	..	85.5 ^(#)	..
Median weekly working hours of all employees	(hours)	..	..	..	..	44.5 ^(#)	..
Average weekly paid overtime hours of all employees	(hours)	..	..	..	..	0.7 ^(#)	..
Median hours of work of all employed persons during the 7 days before enumeration	(hours)	45	44	45	45	45	44 ^(^^) (Dec 2015 - Feb 2016)

Notes: (@) Please refer to data sources and the hyperlinks in [Appendix I](#) for detailed figures.

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

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

(§) The trend rates of change for 2017-2020 are the medium range assumptions as adopted in the 2016-17 Budget.

(+) Seasonal adjustment is not applicable to annual figures.

(++) Excluding those in the Civil Service.

(#) Refer to May - June 2015 figures.

[] Year-on-year percentage changes.

<> Seasonally adjusted quarter-to-quarter rate of change.

(^) Preliminary figures.

(^^) Provisional figures.

(l) Compiled based on the 2009/10-based Consumer Price Index series.

.. Not applicable.

		2015				2015	Latest
		Q1	Q2	Q3	Q4		
(III) Competitiveness							
Commercial property rental indices (year-on-year rate of change)							
Office	(%)	5.6	6.5	6.4 ^(^)	5.8 ^(^)	6.1 ^(^)	4.7 ^(^^) (Jan 2016)
Retail	(%)	6.4	5.7	6.1 ^(^)	2.5 ^(^)	5.1 ^(^)	-0.1 ^(^^) (Jan 2016)
Flatted factories	(%)	9.9	9.5	9.0 ^(^)	6.5 ^(^)	8.7 ^(^)	5.1 ^(^^) (Jan 2016)
Value of total retail sales (year-on-year rate of change)	(%)	-2.3	-0.9	-4.8	-6.6	-3.7	-13.6 ^(^^) (Jan-Feb 2016)
Value of total restaurant receipts (year-on-year rate of change)	(%)	3.7	4.9	3.5	3.6	3.9	..
Number of establishments ^(#)	(no.)	368 300 [1.6%]	367 300 [1.1%]	367 500 [1.3%]	367 000 [&]	367 500 [1.0%]	..
Labour demand ⁽⁺⁾	('000)	2 871.8 [1.9%]	2 868.9 [1.2%]	2 869.3 [1.0%]	2 879.3 [0.6%]	2 872.3 [1.2%]	..
New business registration	(cases)	..	..	..	..	..	174 741 [-23.5%] (2014-2015 fiscal year)
Cancellation of business registration	(cases)	..	..	..	..	..	133 745 [19.7%] (2014-2015 fiscal year)
Number of bankruptcy petitions presented	(cases)	2 481 [2.8%]	2 670 [8.7%]	2 415 [-4.9%]	2 309 [-11.8%]	9 875 [-1.5%]	1 300 (Jan-Feb 2016)
Number of compulsory winding-up petitions presented	(cases)	112 [49.3%]	101 [2.0%]	106 [6.0%]	89 [-21.9%]	408 [5.2%]	58 (Jan-Feb 2016)
Hong Kong's rankings on indices of economic freedom and competitiveness							
Fraser Institute, <i>Economic Freedom of the World Report</i>		..	..	..	..	..	Maintained at No.1 (Publishing year: 2015)
The Heritage Foundation, <i>Index of Economic Freedom</i>		..	..	..	..	..	Maintained at No.1 (Publishing year: 2016)
World Economic Forum, <i>Global Competitiveness Report</i>		..	..	..	..	..	Maintained at No.7 (Publishing year: 2015)
International Institute for Management Development, <i>World Competitiveness Yearbook</i>		..	..	..	..	..	Up to No.2 (Publishing year: 2015)
World Bank, <i>Doing Business Report</i>		..	..	..	..	..	Maintained at No.5 (Publishing year: 2015)
Regional headquarters, regional offices and local offices in Hong Kong representing parent companies located outside Hong Kong (as of the first working day of June)							
Regional headquarters	(no.)	..	..	..	..	1 401 [0.9%]	..
Regional offices	(no.)	..	..	..	..	2 397 [0.1%]	..
Local offices	(no.)	..	..	..	..	4 106 [8.0%]	..
Position of liabilities of direct investment (as at the end of)	(billion HK\$)	13 314.4 ^(^)	14 201.9 ^(^)	13 719.0 ^(^)	13 518.0^(^)	..	..
Labour productivity growth	(%)	..	..	..	..	..	2.1 ^(^) (Average annual change of 10 years from 2005 to 2015)
Change in nominal unit labour cost	(%)	..	..	..	..	..	1.9 ^(^) (Average annual change of 10 years from 2005 to 2015)
(IV) Social Inclusion							
Wage index (year-on-year rate of change)							
Nominal	(%)	4.1	4.6	4.4	4.2	..	..
Real ^(l)	(%)	- 2.3	0.1	2.3	1.5	..	..
Index of payroll per person engaged (year-on-year rate of change)							
Nominal	(%)	4.8	4.6	4.5	4.3	..	..
Real ^(l)	(%)	0.4	1.6	2.1	1.8	..	..
Nominal average monthly employment earnings of full-time employees ^(##) (year-on-year rate of change)							
Lowest 10% of employees	(%)	4.2	5.4	7.4	5.4	5.4	7.6 (Nov 2015 - Jan 2016)
Overall	(%)	5.6	4.1	5.7	6.3	6.0	4.8 (Nov 2015 - Jan 2016)
Real average monthly employment earnings of full-time employees ^{(##)(l)} (year-on-year rate of change)							
Lowest 10% of employees	(%)	-2.1	1.1	4.5	2.7	1.3	4.7 (Nov 2015 - Jan 2016)
Overall	(%)	1.2	1.0	3.3	3.8	2.9	2.3 (Nov 2015 - Jan 2016)
Labour force participation rate	(%)	61.5	61.4	61.4	61.1	61.2	61.3 ^(^^) (Dec 2015 - Feb 2016)
Long-term (unemployed for 6 months or above) unemployed persons	(no.)	26 700 [9.2%]	23 000 [-7.7%]	23 500 [-1.9%]	23 100 [-5.0%]	23 600 [-4.0%]	21 400 ^(^^) (Dec 2015 - Feb 2016)
Unemployment cases of Comprehensive Social Security Assistance (as at the end of)	(no.)	18 021 [-12.2%]	17 505 [-12.0%]	17 252 [-11.0%]	16 332 [-12.4%]	..	15 924 (Feb 2016)
Total number of labour dispute and claim cases handled by Labour Department (LD) ^(*)	(no.)	3 564 [-6.4%]	3 367 [-13.4%]	3 592 [-12.2%]	3 918 [-3.2%]	14 441 [-8.8%]	3 630 (Jan-Mar 2016)

Notes: (#) Except government bureaux/departments.

(+) Excluding those in the Civil Service. Labour demand is crudely estimated by the sum of employment and vacancies in private sector establishments.

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

(*) 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.

(l) Compiled based on the 2009/10-based Consumer Price Index series.

(&) Change less than 0.05%.

.. Not applicable.

Appendix III: Number of employees with paid rest day(s) and/or paid meal break(s)^(Note 1) analysed by sector (May - June 2015)

Sector ^(Note 3)	Full-time employees ^(Note 2)							
	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)	(%)
(A) Low paying sectors^(Note 4)	323.7	44.0	135.1	18.4	129.9	17.7	146.6	19.9
1. Retail	124.8	50.6	52.2	21.2	32.4	13.1	37.3	15.1
1.1 Supermarkets and convenience stores	13.0	39.4	7.2	21.7	7.9	23.9	5.0	15.0
1.2 Other retail stores	111.8	52.3	45.1	21.1	24.5	11.5	32.3	15.1
2. Restaurants	84.7	46.1	24.3	13.2	34.0	18.5	40.7	22.2
2.1 Chinese restaurants	31.5	45.4	10.6	15.3	10.4	15.0	16.8	24.2
2.2 Non-Chinese restaurants	26.7	43.6	10.5	17.1	13.2	21.6	10.9	17.7
2.3 Fast food cafes	18.4	57.1	2.3	7.0	2.7	8.4	8.9	27.5
2.4 Hong Kong style tea cafes	7.9	38.7	0.9	4.3	7.6	37.0	4.1	20.0
3. Estate management, security and cleaning services	81.6	37.5	40.5	18.6	47.4	21.8	48.2	22.1
3.1 Real estate maintenance management	52.1	47.2	12.2	11.0	28.0	25.3	18.2	16.5
3.2 Security services	15.5	39.9	4.4	11.3	13.1	33.7	5.9	15.1
3.3 Cleaning services	6.2	11.2	22.1	40.0	5.2	9.4	21.7	39.4
3.4 Membership organisations	7.8	59.1	1.8	14.0	1.1	8.7	2.4	18.2
4. Other low paying sectors	32.7	37.4	18.1	20.7	16.1	18.4	20.5	23.4
4.1 Elderly homes	8.7	44.7	3.3	17.1	5.4	27.5	2.1	10.6
4.2 Laundry and dry cleaning services	1.6	35.3	0.9	20.2	0.7	14.8	1.3	29.7
4.3 Hairdressing and other personal services	11.5	29.1	9.8	24.7	7.2	18.2	11.1	27.9
4.4 Local courier services	1.0	24.1	0.7	16.1	0.7	16.3	1.9	43.5
4.5 Food processing and production	9.8	50.5	3.4	17.3	2.1	11.0	4.1	21.2
(B) Other sectors	1 193.1	58.2	479.1	23.4	152.2	7.4	224.9	11.0
5. Manufacturing	31.9	38.2	23.4	28.0	5.0	6.0	23.1	27.7
6. Construction	88.5	32.0	42.5	15.4	72.6	26.2	73.1	26.4
7. Import/export trade and wholesale	280.7	62.0	110.0	24.3	21.4	4.7	40.8	9.0
8. Accommodation and food services	38.8	79.2	6.9	14.1	2.0	4.0	1.4	2.8
9. Transportation, storage, courier services, information and communications	208.7	61.4	83.6	24.6	21.3	6.3	26.0	7.7
10. Financing, insurance, real estate, professional and business services	262.3	60.0	129.8	29.7	12.8	2.9	32.2	7.4
11. Education, medical and other social and personal services	271.1	68.7	79.7	20.2	15.9	4.0	27.8	7.0
12. Others	11.2	69.4	3.2	20.0	1.1	6.6	0.6	3.9
(C) All sectors	1 516.8	54.5	614.2	22.1	282.1	10.1	371.5	13.3

- Notes: (1) For employees who are granted rest day pay and/or meal break pay according to their employment contract or agreement. Employees do not include those not covered by SMW (i.e. government employees, live-in domestic workers, student interns and work experience students as defined in the Minimum Wage Ordinance).
- (2) 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.)
- (3) Please refer to [Supplementary Statistical Table A](#) for coverage of individual sectors.
- (4) Low paying sectors as identified by the Minimum Wage Commission.
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: 2015 Annual Earnings and Hours Survey, Census and Statistics Department.

Supplementary Statistical Table I: Number and proportion of employees^(Note 1) earning the prevailing Statutory Minimum Wage (SMW) rate and less than different SMW test levels analysed by sector (May - June 2015)

(The data are provided for reference only. The Minimum Wage Commission (MWC) does not have any preconceived stance on its recommendation on the SMW rate. After completing the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment.)

Sector ^(Note 3)	Overall employees		Hourly wage level ^(Note 2)		Hourly wage level ^(Note 2) less than																
			\$32.5		\$33.0		\$34.0		\$35.0		\$36.0		\$37.0		\$38.0		\$39.0		\$40.0		
	Employees		Employees		Employees		Employees		Employees		Employees		Employees		Employees		Employees		Employees		
	Number	Proportion among all sectors	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	Number	Proportion among employees in respective sector	
('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
(A) Low paying sectors^(Note 4)	835.0	27.8	31.1	3.7	39.7	4.7	87.8	10.5	127.2	15.2	179.7	21.5	231.8	27.8	269.0	32.2	315.0	37.7	342.0	41.0	
1. Retail	283.2	9.4	2.8	1.0	5.0	1.8	15.9	5.6	23.0	8.1	41.4	14.6	61.8	21.8	72.1	25.5	83.3	29.4	92.2	32.5	
1.1 Supermarkets and convenience stores	42.0	1.4	1.1	2.6	1.7	4.1	4.8	11.5	5.7	13.6	11.1	26.4	18.4	43.8	19.1	45.5	20.2	48.0	23.1	54.9	
1.2 Other retail stores	241.1	8.0	1.8	0.7	3.3	1.4	11.0	4.6	17.3	7.2	30.3	12.6	43.4	18.0	53.0	22.0	63.1	26.2	69.1	28.7	
2. Restaurants	219.0	7.3	1.7	0.8	2.9	1.3	9.9	4.5	17.9	8.2	31.6	14.4	43.9	20.1	53.7	24.5	70.2	32.1	78.0	35.6	
2.1 Chinese restaurants	72.2	2.4	0.6	0.8	1.1	1.5	3.8	5.3	5.5	7.6	8.6	12.0	12.6	17.4	15.2	21.1	18.9	26.2	21.9	30.3	
2.2 Non-Chinese restaurants	70.8	2.4	*	*	*	*	2.1	3.0	3.3	4.6	6.2	8.7	9.5	13.5	12.4	17.6	16.7	23.6	18.8	26.6	
2.3 Fast food cafes	53.9	1.8	0.8	1.5	1.1	2.0	3.4	6.4	8.1	15.0	14.8	27.5	18.7	34.8	22.2	41.2	28.8	53.4	30.7	57.0	
2.4 Hong Kong style tea cafes	22.2	0.7	*	*	*	*	0.5	2.4	1.0	4.5	2.0	8.9	3.1	13.9	3.9	17.5	5.9	26.5	6.5	29.3	
3. Estate management, security and cleaning services	237.3	7.9	24.3	10.2	28.3	11.9	54.4	22.9	74.5	31.4	89.9	37.9	106.2	44.7	117.6	49.5	133.0	56.0	140.9	59.4	
3.1 Real estate maintenance management	112.2	3.7	10.4	9.2	12.5	11.2	25.6	22.8	35.7	31.8	43.2	38.5	50.4	45.0	56.2	50.1	61.0	54.4	65.4	58.3	
3.2 Security services	40.3	1.3	5.2	12.9	5.5	13.7	8.1	20.1	11.3	28.1	14.5	36.1	18.8	46.7	21.2	52.8	23.1	57.4	24.0	59.7	
3.3 Cleaning services	69.3	2.3	7.4	10.7	8.6	12.5	18.1	26.1	24.4	35.3	28.8	41.6	32.8	47.4	35.3	50.9	43.8	63.2	46.2	66.7	
3.4 Membership organisations	15.6	0.5	1.3	8.3	1.7	10.7	2.6	16.6	3.1	19.7	3.3	21.2	4.1	26.1	4.9	31.1	5.0	32.2	5.3	34.0	
4. Other low paying sectors	95.5	3.2	2.2	2.4	3.4	3.5	7.6	8.0	12.0	12.5	16.8	17.6	19.9	20.8	25.6	26.8	28.5	29.8	31.0	32.4	
4.1 Elderly homes	20.0	0.7	0.9	4.3	1.0	5.1	2.6	12.9	4.0	20.0	5.3	26.3	6.5	32.4	7.3	36.6	8.0	40.0	8.4	42.3	
4.2 Laundry and dry cleaning services	5.4	0.2	*	*	*	*	*	*	*	*	1.0	18.1	1.2	23.1	1.5	27.7	1.8	33.2	2.0	37.2	
4.3 Hairdressing and other personal services	43.2	1.4	0.7	1.7	0.9	2.1	2.4	5.5	4.1	9.5	5.4	12.4	6.0	13.9	9.4	21.8	10.2	23.7	11.2	25.9	
4.4 Local courier services	4.9	0.2	*	*	*	*	*	*	*	*	0.9	19.2	1.2	24.7	1.4	28.4	1.5	30.7	1.9	37.5	
4.5 Food processing and production	22.0	0.7	0.5	2.5	1.3	6.1	2.4	10.7	2.8	13.0	4.2	19.3	4.9	22.5	6.0	27.3	6.9	31.6	7.5	34.0	
(B) Other sectors	2 163.4	72.2	10.8	0.5	15.2	0.7	31.5	1.5	49.6	2.3	77.0	3.6	94.8	4.4	126.1	5.8	152.4	7.0	171.8	7.9	
5. Manufacturing	85.2	2.8	*	*	0.6	0.7	1.8	2.1	2.4	2.8	3.9	4.6	5.3	6.2	6.0	7.1	7.2	8.5	8.8	10.4	
6. Construction	288.0	9.6	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
7. Import/export trade and wholesale	470.7	15.7	4.4	0.9	5.7	1.2	8.5	1.8	11.8	2.5	17.5	3.7	22.0	4.7	27.8	5.9	33.8	7.2	38.5	8.2	
8. Accommodation and food services	51.9	1.7	0.8	1.5	1.3	2.6	2.0	3.8	3.6	6.9	6.2	12.0	7.0	13.4	8.6	16.5	10.6	20.5	12.6	24.2	
9. Transportation, storage, courier services, information and communications	354.2	11.8	0.8	0.2	1.3	0.4	3.9	1.1	7.0	2.0	11.1	3.1	13.9	3.9	26.3	7.4	30.8	8.7	34.1	9.6	
10. Financing, insurance, real estate, professional and business services	450.3	15.0	3.5	0.8	4.0	0.9	6.5	1.4	8.2	1.8	12.8	2.8	14.9	3.3	18.2	4.0	21.6	4.8	24.4	5.4	
11. Education, medical and other social and personal services	447.0	14.9	0.8	0.2	1.7	0.4	7.5	1.7	13.3	3.0	20.6	4.6	25.6	5.7	31.5	7.0	39.8	8.9	43.5	9.7	
12. Others	16.1	0.5	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	
(C) All sectors	2 998.4	100.0	41.9	1.4	54.8	1.8	119.3	4.0	176.8	5.9	256.7	8.6	326.6	10.9	395.1	13.2	467.4	15.6	513.8	17.1	

Notes: (1) Employees do not include those not covered by SMW (i.e. government employees, 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 [Supplementary Statistical Table A](#) for coverage of individual sectors.

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

* 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.

Supplementary Statistical Table II: Estimated extent of increase in wages^(Note 1) of employees involved^(Note 2) analysed by sector and different SMW test levels (May - June 2015)

(The data are provided for reference only. The Minimum Wage Commission (MWC) does not have any preconceived stance on its recommendation on the Statutory Minimum Wage (SMW) rate. After completing the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment.)

Sector ^(Note 4)	Hourly wage level ^(Note 3) (i.e. SMW test levels)							
	\$33.0 (%)	\$34.0 (%)	\$35.0 (%)	\$36.0 (%)	\$37.0 (%)	\$38.0 (%)	\$39.0 (%)	\$40.0 (%)
(A) Low paying sectors^(Note 5)	1.4	2.9	4.7	5.9	7.2	8.8	10.2	12.0
1. Retail	1.1	2.3	4.1	4.4	5.5	7.2	8.7	10.4
1.1 Supermarkets and convenience stores	1.2	2.4	4.5	3.8	5.1	7.7	9.9	11.0
1.2 Other retail stores	1.1	2.3	3.9	4.6	5.6	7.0	8.4	10.2
2. Restaurants	1.1	2.4	3.9	4.4	5.4	7.0	7.8	9.5
2.1 Chinese restaurants	1.1	2.5	4.3	5.0	5.7	7.2	8.3	9.5
2.2 Non-Chinese restaurants	*	2.1	3.9	4.4	5.2	6.5	7.3	9.0
2.3 Fast food cafes	1.4	2.6	3.3	3.9	5.4	7.3	8.2	10.3
2.4 Hong Kong style tea cafes	*	2.5	3.8	4.5	4.9	6.2	6.4	8.3
3. Estate management, security and cleaning services	1.4	3.0	5.0	7.0	8.6	10.5	12.0	14.1
3.1 Real estate maintenance management	1.4	2.8	4.9	6.9	8.7	10.5	12.6	14.4
3.2 Security services	1.5	3.7	5.4	6.9	7.7	9.5	11.4	13.7
3.3 Cleaning services	1.5	3.0	4.9	7.0	8.9	11.3	11.4	13.6
3.4 Membership organisations	1.3	4.0	6.0	8.5	9.1	10.4	12.9	15.0
4. Other low paying sectors	1.3	2.9	4.3	5.8	7.5	8.6	10.4	12.1
4.1 Elderly homes	1.4	2.5	4.2	5.9	7.5	9.3	11.3	13.4
4.2 Laundry and dry cleaning services	*	*	*	5.2	6.6	8.0	9.3	10.5
4.3 Hairdressing and other personal services	1.4	2.8	4.0	5.8	7.9	7.9	9.9	11.6
4.4 Local courier services	*	*	*	3.6	5.3	7.4	9.6	10.2
4.5 Food processing and production	1.1	3.7	5.6	6.2	8.0	8.9	10.1	11.9
(B) Other sectors	1.3	3.0	4.4	5.2	6.8	7.5	8.7	10.3
5. Manufacturing	1.0	2.3	4.3	5.1	6.4	8.2	9.1	9.9
6. Construction	*	*	*	*	*	*	*	*
7. Import/export trade and wholesale	1.4	3.6	5.1	5.8	7.1	8.1	9.0	10.5
8. Accommodation and food services	1.1	3.2	4.0	4.6	6.9	8.1	9.1	10.2
9. Transportation, storage, courier services, information and communications	1.2	2.7	3.8	4.8	6.5	5.3	7.2	9.1
10. Financing, insurance, real estate, professional and business services	1.4	3.4	5.5	6.1	7.9	9.1	10.3	11.7
11. Education, medical and other social and personal services	1.3	2.4	3.9	5.0	6.5	7.8	8.7	10.6
12. Others	*	*	*	*	*	*	*	*
(C) All sectors	1.4	2.9	4.6	5.7	7.1	8.4	9.7	11.5

- Notes: (1) Extent of 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. Extent of 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 with an hourly wage below the specific level. Employees do not include those not covered by SMW (i.e. government employees, 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 Supplementary Statistical Table A for coverage of individual sectors.
- (5) Low paying sectors as identified by the Minimum Wage Commission.
- * Estimates are not released due to relatively large sampling error.

Supplementary Statistical Table III a: Estimated increase in wage bill^(Note 1) of all enterprises^(Note 2) analysed by sector and different SMW test levels (May - June 2015)

(The data are provided for reference only. The Minimum Wage Commission (MWC) does not have any preconceived stance on its recommendation on the Statutory Minimum Wage (SMW) rate. After completing the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment.)

Sector ^(Note 4)	Hourly wage level ^(Note 3) (i.e. SMW test levels)															
	\$33.0		\$34.0		\$35.0		\$36.0		\$37.0		\$38.0		\$39.0		\$40.0	
	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)
(A) Low paying sectors^(Note 5)	50.9	#	234.7	0.2	556.6	0.5	997.4	0.9	1 582.2	1.4	2 279.0	2.1	3 088.7	2.8	3 992.6	3.6
1. Retail	3.5	#	27.3	0.1	72.6	0.2	152.9	0.4	287.0	0.7	452.8	1.1	648.5	1.6	871.4	2.2
1.1 Supermarkets and convenience stores	0.9	#	7.1	0.2	16.4	0.4	33.7	0.8	72.8	1.6	114.7	2.6	159.1	3.6	209.8	4.7
1.2 Other retail stores	2.6	#	20.2	0.1	56.2	0.2	119.2	0.3	214.2	0.6	338.1	0.9	489.5	1.4	661.6	1.8
2. Restaurants	2.1	#	18.6	0.1	53.3	0.2	113.9	0.4	210.8	0.8	336.2	1.2	501.5	1.8	690.6	2.5
2.1 Chinese restaurants	1.1	#	8.9	0.1	22.1	0.2	41.6	0.4	72.0	0.7	112.0	1.0	161.5	1.5	220.0	2.0
2.2 Non-Chinese restaurants	*	*	4.2	#	12.0	0.1	26.1	0.3	48.8	0.5	80.3	0.9	122.6	1.3	172.5	1.8
2.3 Fast food cafes	0.4	#	4.3	0.1	15.8	0.3	38.5	0.9	75.8	1.7	120.3	2.7	179.4	4.0	243.0	5.4
2.4 Hong Kong style tea cafes	*	*	1.2	#	3.4	0.1	7.7	0.3	14.2	0.5	23.7	0.8	38.1	1.3	55.1	1.9
3. Estate management, security and cleaning services	41.3	0.1	168.8	0.6	382.0	1.3	639.3	2.2	942.4	3.2	1 283.6	4.3	1 658.2	5.6	2 069.6	7.0
3.1 Real estate maintenance management	19.8	0.1	84.0	0.5	200.9	1.3	339.5	2.1	503.4	3.1	684.4	4.3	882.8	5.5	1 097.3	6.8
3.2 Security services	9.1	0.2	31.9	0.6	64.8	1.3	108.7	2.1	161.4	3.1	225.7	4.4	297.2	5.8	373.6	7.3
3.3 Cleaning services	10.5	0.2	44.6	0.7	100.4	1.6	166.9	2.7	243.0	4.0	326.5	5.3	418.0	6.8	524.6	8.6
3.4 Membership organisations	2.0	0.1	8.3	0.4	15.9	0.7	24.2	1.1	34.5	1.5	46.9	2.1	60.1	2.7	74.1	3.3
4. Other low paying sectors	4.0	#	20.0	0.2	48.7	0.4	91.3	0.7	142.0	1.1	206.5	1.6	280.4	2.2	360.9	2.9
4.1 Elderly homes	1.5	0.1	7.3	0.3	19.2	0.7	35.9	1.3	55.4	2.0	78.0	2.8	103.1	3.7	130.1	4.6
4.2 Laundry and dry cleaning services	*	*	*	*	*	*	3.5	0.5	5.9	0.9	9.0	1.4	12.8	2.0	16.9	2.6
4.3 Hairdressing and other personal services	1.2	#	6.3	0.1	16.0	0.3	30.1	0.5	46.3	0.8	69.2	1.2	95.6	1.7	124.4	2.2
4.4 Local courier services	*	*	*	*	*	*	3.0	0.6	5.7	1.1	9.1	1.7	12.7	2.4	16.9	3.1
4.5 Food processing and production	1.2	#	5.5	0.2	10.8	0.4	18.8	0.6	28.7	1.0	41.3	1.4	56.1	1.9	72.5	2.4
(B) Other sectors	15.3	#	73.6	#	173.3	#	325.9	0.1	529.6	0.1	797.6	0.2	1 131.3	0.2	1 519.6	0.3
5. Manufacturing	0.5	#	3.2	#	8.2	0.1	16.2	0.1	27.8	0.2	41.4	0.3	57.3	0.4	77.5	0.5
6. Construction	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
7. Import/export trade and wholesale	5.4	#	21.3	#	43.6	#	75.6	0.1	118.5	0.1	174.8	0.2	243.3	0.3	324.7	0.4
8. Accommodation and food services	1.3	#	5.5	0.1	12.9	0.2	25.9	0.3	43.4	0.6	63.7	0.8	88.9	1.2	119.1	1.5
9. Transportation, storage, courier services, information and communications	1.5	#	9.3	#	23.6	#	47.8	0.1	80.0	0.1	134.2	0.2	209.9	0.3	294.9	0.4
10. Financing, insurance, real estate, professional and business services	4.3	#	17.5	#	34.8	#	59.5	#	91.2	0.1	129.1	0.1	173.2	0.1	224.1	0.2
11. Education, medical and other social and personal services	1.8	#	14.2	#	41.1	#	82.2	0.1	136.2	0.1	203.8	0.2	287.6	0.3	384.5	0.4
12. Others	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
(C) All sectors	66.2	#	308.3	0.1	730.0	0.1	1 323.3	0.2	2 111.8	0.4	3 076.6	0.5	4 220.0	0.7	5 512.2	0.9

- 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 [Supplementary Statistical Table A](#) for coverage of individual sectors.
- (5) Low paying sectors as identified by the Minimum Wage Commission.
- * Estimates are not released due to relatively large sampling error.
- # Less than 0.05%
- 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: Estimates based on the 2015 Annual Earnings and Hours Survey, Census and Statistics Department.

Supplementary Statistical Table III b: Estimated increase in wage bill^(Note 1) of small and medium enterprises^{(Note 2)(Note 3)} analysed by sector and different SMW test levels (May - June 2015)

(The data are provided for reference only. The Minimum Wage Commission (MWC) does not have any preconceived stance on its recommendation on the Statutory Minimum Wage (SMW) rate. After completing the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where appropriate, the direction and magnitude of adjustment.)

Sector ^(Note 5)	Hourly wage level ^(Note 4) (i.e. SMW test levels)															
	\$33.0		\$34.0		\$35.0		\$36.0		\$37.0		\$38.0		\$39.0		\$40.0	
	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)
(A) Low paying sectors^(Note 6)	12.9	#	61.1	0.1	137.3	0.3	251.3	0.6	409.6	0.9	602.0	1.4	832.4	1.9	1 091.4	2.5
1. Retail	2.3	#	15.6	0.1	39.8	0.2	78.7	0.4	144.2	0.7	224.4	1.1	320.4	1.5	429.9	2.0
1.1 Supermarkets and convenience stores	0.8	0.1	4.1	0.5	10.3	1.3	16.5	2.1	30.9	4.0	45.3	5.8	59.7	7.6	74.4	9.5
1.2 Other retail stores	1.5	#	11.5	0.1	29.5	0.1	62.2	0.3	113.3	0.6	179.2	0.9	260.6	1.3	355.5	1.8
2. Restaurants	0.7	#	6.5	0.1	17.2	0.1	37.2	0.3	64.7	0.5	102.6	0.8	153.5	1.2	212.6	1.7
2.1 Chinese restaurants	*	*	2.4	0.1	6.5	0.2	12.2	0.4	19.7	0.7	29.8	1.0	43.1	1.4	58.8	2.0
2.2 Non-Chinese restaurants	*	*	3.0	#	7.7	0.1	16.9	0.3	29.8	0.5	46.8	0.8	68.5	1.1	94.0	1.5
2.3 Fast food cafes	*	*	*	*	*	*	3.1	0.3	5.6	0.5	9.6	0.8	15.6	1.4	22.4	1.9
2.4 Hong Kong style tea cafes	*	*	*	*	*	*	5.0	0.2	9.6	0.5	16.4	0.8	26.2	1.2	37.4	1.8
3. Estate management, security and cleaning services	7.2	0.2	26.0	0.6	50.4	1.2	80.1	2.0	115.0	2.8	152.9	3.7	195.0	4.8	239.8	5.9
3.1 Real estate maintenance management	4.1	0.3	12.6	0.9	22.7	1.6	36.4	2.6	52.6	3.8	69.4	5.0	88.9	6.4	108.9	7.9
3.2 Security services	*	*	*	*	4.1	0.5	7.2	0.9	10.8	1.4	14.8	1.9	19.1	2.4	23.8	3.0
3.3 Cleaning services	*	*	*	*	7.7	1.3	12.8	2.2	18.0	3.1	23.2	4.0	29.0	5.0	35.8	6.2
3.4 Membership organisations	2.0	0.1	8.3	0.6	15.9	1.2	23.8	1.8	33.7	2.5	45.5	3.4	58.1	4.4	71.3	5.3
4. Other low paying sectors	2.7	#	13.0	0.2	30.0	0.5	55.3	0.9	85.6	1.5	122.0	2.1	163.5	2.8	209.1	3.6
4.1 Elderly homes	1.1	0.1	5.4	0.4	14.1	1.1	27.0	2.1	42.1	3.2	59.6	4.5	78.6	6.0	98.9	7.5
4.2 Laundry and dry cleaning services	*	*	*	*	*	*	*	*	*	*	8.2	3.4	10.9	4.5	13.6	5.6
4.3 Hairdressing and other personal services	1.2	#	5.5	0.2	11.4	0.3	18.8	0.5	28.3	0.8	40.2	1.2	55.1	1.6	72.1	2.1
4.4 Local courier services	*	*	*	*	*	*	*	*	*	*	3.5	1.3	5.1	1.9	7.1	2.6
4.5 Food processing and production	*	*	1.4	0.3	2.5	0.5	5.0	1.0	7.6	1.4	10.5	2.0	13.8	2.6	17.4	3.3
(B) Other sectors	8.5	#	41.9	#	96.8	#	179.7	0.1	289.9	0.1	428.0	0.2	591.2	0.3	783.0	0.4
5. Manufacturing	*	*	1.4	#	3.9	0.1	8.0	0.1	13.5	0.2	20.2	0.3	28.1	0.4	38.1	0.5
6. Construction	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
7. Import/export trade and wholesale	4.8	#	19.0	#	38.7	0.1	65.8	0.1	101.2	0.2	146.8	0.2	200.4	0.3	265.0	0.4
8. Accommodation and food services	0.6	0.1	2.4	0.2	5.2	0.5	9.7	0.9	14.9	1.4	20.7	1.9	27.5	2.5	35.2	3.2
9. Transportation, storage, courier services, information and communications	0.8	#	5.6	#	13.6	0.1	26.3	0.1	43.0	0.2	63.4	0.3	88.3	0.4	115.9	0.5
10. Financing, insurance, real estate, professional and business services	0.7	#	4.2	#	9.6	#	19.1	#	32.4	0.1	49.7	0.1	70.7	0.2	95.2	0.2
11. Education, medical and other social and personal services	1.0	#	8.2	#	21.8	0.1	41.7	0.1	67.2	0.2	98.2	0.3	135.2	0.5	178.5	0.6
12. Others	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
(C) All sectors	21.4	#	103.1	#	234.1	0.1	431.0	0.2	699.4	0.3	1 030.0	0.4	1 423.6	0.6	1 874.4	0.8

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 Supplementary Statistical Table A for coverage of individual sectors.

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

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

Less than 0.05%

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: Estimates based on the 2015 Annual Earnings and Hours Survey, Census and Statistics Department.

Supplementary Statistical Table IV: Operating characteristics of enterprises^(Note 1) analysed by sector (only including enterprises with employees) (2014)

Sector ^(Note 5)	All enterprises ^(Note 1)						Small and medium enterprises ^(Note 2)							
	Number of enterprises ^(Note 1)	Share of compensation of employees in total operating expenses	Ratio of compensation of employees to business receipts	Profit ratio ^(Note 3)			Number of enterprises ^(Note 1)	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 ^(Note 3)		
				Overall	First quartile ^(Note 4)	Median ^(Note 4)						Overall	First quartile ^(Note 4)	Median ^(Note 4)
(A) Low paying sectors^(Note 6)	37 280	39.7%	15.8%	7.6%	#	5.1%	35 550	95.4%	31.2%	44.2%	19.9%	3.9%	#	5.1%
1. Retail	21 190	29.4%	8.6%	8.0%	-0.7%	5.0%	20 770	98.0%	33.1%	37.0%	12.1%	3.9%	-0.7%	5.1%
1.1 Supermarkets and convenience stores	50	31.0%	7.8%	6.4%	-1.2%	2.3%	50	87.0%	0.9%	39.4%	9.3%	0.5%	-1.2%	2.2%
1.2 Other retail stores	21 140	29.2%	8.7%	8.2%	-0.7%	5.0%	20 720	98.0%	38.1%	37.0%	12.1%	3.9%	-0.7%	5.1%
2. Restaurants	10 070	47.1%	29.3%	5.1%	0.3%	3.6%	9 520	94.5%	51.5%	49.7%	30.8%	3.0%	0.3%	3.8%
2.1 Chinese restaurants	2 070	49.8%	31.6%	4.0%	-0.4%	2.7%	1 670	80.8%	48.4%	51.8%	33.3%	0.9%	-1.7%	3.4%
2.2 Non-Chinese restaurants	4 390	45.0%	27.5%	5.6%	1.6%	4.0%	4 300	97.8%	63.9%	46.0%	27.9%	4.3%	1.6%	4.0%
2.3 Fast food cafes	890	40.1%	25.0%	7.7%	-1.7%	5.2%	870	97.1%	14.6%	45.5%	26.2%	7.4%	-1.7%	5.2%
2.4 Hong Kong style tea cafes	2 710	53.6%	32.9%	3.4%	-0.6%	3.1%	2 680	98.8%	89.7%	53.7%	33.0%	2.7%	-0.6%	3.1%
3. Estate management, security and cleaning services	1 990	54.8%	50.9%	6.3%	0.8%	8.5%	1 520	76.4%	6.4%	44.6%	40.1%	8.6%	2.3%	9.0%
3.1 Real estate maintenance management	550	38.5%	35.9%	5.9%	-3.0%	1.7%	370	68.1%	5.5%	31.2%	29.4%	5.3%	-10.0%	0.2%
3.2 Security services	350	81.3%	75.6%	6.1%	0.4%	5.4%	250	70.5%	5.3%	58.4%	48.5%	11.0%	-6.4%	5.2%
3.3 Cleaning services	1 090	79.5%	73.3%	7.9%	4.0%	22.8%	900	82.4%	7.9%	62.2%	54.2%	13.0%	8.5%	25.8%
4. Other low paying sectors	4 030	54.5%	23.0%	9.4%	2.0%	8.6%	3 740	92.8%	36.4%	48.9%	23.4%	6.1%	1.2%	8.9%
4.1 Elderly homes ^(Note 7)	800	63.5%	51.2%	6.0%	1.5%	4.7%	690	85.7%	47.6%	50.0%	41.2%	7.0%	-0.9%	4.7%
4.2 Laundry and dry cleaning services	580	40.2%	33.7%	9.0%	4.6%	14.6%	550	95.2%	30.8%	36.5%	29.1%	13.6%	4.6%	18.1%
4.3 Hairdressing services	1 630	41.6%	33.3%	12.4%	0.6%	17.8%	1 610	98.7%	76.4%	36.8%	29.4%	11.8%	0.4%	17.8%
4.4 Local courier services	180	44.1%	43.6%	1.0%	2.5%	9.2%	160	88.6%	29.3%	46.6%	43.5%	6.8%	2.7%	11.2%
4.5 Food processing and production	840	55.2%	15.4%	10.1%	-0.6%	4.9%	730	87.4%	22.0%	60.9%	13.9%	3.9%	-0.6%	2.9%
(B) Other sectors	178 140	34.3%	10.4%	19.4%	-1.2%	4.5%	173 640	97.5%	49.7%	34.4%	7.3%	13.0%	-1.3%	4.4%
5. Manufacturing	5 230	57.2%	10.0%	5.1%	-0.1%	9.4%	5 030	96.1%	50.4%	58.5%	19.0%	6.8%	-0.1%	9.6%
6. Construction	16 970	35.5%	26.4%	7.1%	-0.2%	5.6%	16 450	96.9%	54.9%	39.7%	29.2%	6.8%	-0.2%	5.6%
7. Import/export trade and wholesale	76 310	36.0%	4.3%	6.9%	-0.9%	2.7%	75 170	98.5%	77.4%	37.6%	4.2%	5.8%	-0.9%	2.7%
8. Accommodation and food services	3 740	43.4%	25.8%	27.7%	-0.4%	6.7%	3 560	95.2%	27.8%	35.6%	23.0%	12.6%	-1.2%	6.2%
9. Transportation, storage, courier services, information and communications	17 540	17.5%	15.5%	8.6%	-6.1%	3.8%	16 770	95.6%	30.9%	16.6%	15.8%	4.0%	-6.8%	3.8%
10. Financing, insurance, real estate, professional and business services	36 000	42.6%	17.7%	58.3%	-3.2%	10.0%	34 980	97.2%	34.4%	35.1%	13.6%	61.0%	-3.3%	9.9%
11. Social and personal services								^						
12. Others	^	29.8%	7.9%	33.1%	3.6%	14.1%	^	^	^	47.4%	18.6%	8.5%	3.6%	14.1%
(C) All sectors	215 430	34.9%	10.9%	18.3%	-1.1%	4.7%	209 190	97.1%	44.6%	35.3%	7.9%	12.6%	-1.2%	4.7%

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; provisions; etc.; to business receipts.

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

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

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

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

In between -0.05% and 0.05%.

^ Data not released.

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

Supplementary Statistical Table A: Coverage of sector in statistical tables

Sector	Coverage of sector in Appendix III and Supplementary Statistical Tables I to III	Coverage of sector in Supplementary Statistical Table IV
	Hong Kong Standard Industrial Classification Version 2.0 ^(Note 1)	Hong Kong Standard Industrial Classification Version 2.0 ^(Note 1)
(A) Low paying sectors ^(Note 2)		
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) Other sectors ^(Note 3)		
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. Education, medical and other 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).

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

(3) Other sectors are sectors other than those in (A) above.