

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

The Minimum Wage Commission (MWC) is now conducting a review of the Statutory Minimum Wage (SMW) rate. This document sets out the relevant data and information for reference of the public and relevant organisations so as to facilitate their submission of views to MWC on the review of the SMW rate. All relevant data and information 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 applicable, 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 and consider the views from various sectors of the community including organisations representing employers and employees, and analyse relevant data and information.

2. In reviewing the SMW rate, MWC will not only consider the views from the public and relevant organisations, but also examine the Array of Indicators (AoIs) (paragraphs 4 to 6 below), make reference to other considerations relevant to the review of the SMW rate (paragraph 7 below), and conduct assessment on the possible impact of different SMW test levels on employees, enterprises, unemployment rate and inflation (paragraph 8 below).

3. To enhance the transparency of MWC's work, this document provides relevant data and information, including the latest data on AoIs and supplementary statistical data relevant to the review of the SMW rate, for reference of the public and relevant organisations. All relevant data and information 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. MWC hopes that various sectors of the community would actively express their views on the review of the SMW rate.

Array of Indicators

4. Based on an evidence-based approach and drawing on its previous experience, MWC is of the view that it could facilitate the review of the SMW rate by regularly monitoring latest statistics that reflect the socio-economic and employment conditions and undertaking thorough analysis of relevant quantitative indicators.

5. Making reference to the relevant indicators referred to in the past reviews of the SMW rate, MWC initially considers that AoIs covering the following four areas can be maintained:

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

6. AoIs covers the essential considerations that MWC must take into account in discharging its function and provides MWC with important information for the review. AoIs initially identified by MWC and the latest statistics on these indicators are listed in Appendices I and II respectively. The data on employees' entitlement to paid rest day(s) and/or paid meal break(s)¹ by sector and the sectoral operating characteristics of enterprises are set out at Appendices III and IV respectively.

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

Other Relevant Considerations

7. In addition to the data on AoIs covering the four areas as mentioned above, MWC will also take into account other factors that are pertinent to the review of the SMW rate but cannot be fully quantified. The other relevant considerations set out below were the situations observed by MWC in the past SMW rate reviews, but they do not imply that MWC has any preconceived stance on these considerations:

- (i) **Enhancing employees' quality of life** – Benefiting from the implementation and upratings of SMW in the past, and the relatively tight labour market back then, employees enjoyed pay rises which in turn increased their consumption power and improved their quality of life. SMW could also serve to forestall excessively low wages in times of economic downturn;
- (ii) **Enhancing work incentive** – The implementation and upratings of SMW helped forestall excessively low wages, thereby attracting more people to enter or re-enter the labour market and providing a conducive environment that encouraged people who used to live on social welfare supplements to re-enter the labour market and become self-reliant;
- (iii) **Impact on workers with relatively lower bargaining power and less work experience** – Benefiting from the implementation of SMW, the wages of vulnerable groups (such as older people, people with disabilities, less-educated and lower-skilled workers) were protected. However, in the face of increasing labour costs, employers might tend to hire employees with higher capabilities or more work experience, which might in turn undermine the employment opportunities of the vulnerable groups. Besides, some employers might reduce employment of young people with less work experience and offer them fewer training and internship opportunities, making it difficult for young people to accumulate work experience and climb up the social ladder;
- (iv) **Impact on wage differentials across sectors or positions** – With a uniform SMW rate, grassroots workers could choose to work in different sectors, occupations, districts and/or enterprises while still earning a comparable income. This would however aggravate staff

turnover in certain sectors. To some extent, the enterprises concerned needed to offer higher wage rates to retain their existing employees or attract new recruits, thereby further pushing up labour costs;

- (v) **Preserving the market's capacity to adjust** – While imposing a wage floor, SMW also limited the flexibility of wage adjustment. If the rate was raised to an excessively high level, SMW would undermine the flexibility of different sectors and enterprises in responding to changes in their business environment. Preserving some room for the market's wage adjustment would be conducive to the sustainable development of all sectors;
- (vi) **Impact on social harmony** – The implementation and upratings of SMW enabled low-income employees to share the fruits of economic development and thus helped promote social harmony. Nevertheless, grassroots workers, enterprises and other people (including those not directly benefiting from SMW) might have divergent views on the SMW rate;
- (vii) **Additional costs induced by wage increase** – The implementation and upratings of SMW entailed additional cost implications for enterprises in terms of premium for employees' compensation insurance and contributions to the Mandatory Provident Fund, etc.;
- (viii) **Impact on quality of products and services** – Employees enjoyed wage protection after the implementation and upratings of SMW. Nevertheless, this might reduce the incentive of some employees to improve their performance or take up extra work, thereby affecting service quality. Moreover, enterprises that failed to pass on the SMW-induced additional labour costs to customers or consumers might choose to reduce the quality of their products or services, especially when the overall economic environment was weak; and
- (ix) **Long-term impact in various aspects** – For instance, the impact on profitability and long-term operating strategies of enterprises, Hong Kong's competitiveness in the long run, labour productivity and the attractiveness to foreign investment, etc.

Impact Assessment

8. In conducting the impact assessment, MWC will draw reference from the framework, scope and methodology of impact assessment² adopted in the last review of the SMW rate and consider the experiences of past reviews of the SMW rate, relevant socio-economic indicators and the views of members of the public and stakeholders, in order to analyse the possible impact of different SMW test levels on employees, enterprises, unemployment rate and inflation. In reviewing the SMW rate, MWC will take into consideration the time gap between the review of the SMW rate and the implementation of the recommended rate. MWC will endeavour to conduct a forward-looking estimation which takes into account the knock-on effect on pay hierarchies not only using statistical data on employees' wage distribution in May - June 2021 from the 2021 "Annual Earnings and Hours Survey" of the Census and Statistics Department as a base for estimation, but also making reference to the latest wage statistics and economic situation.

Supplementary Statistical Data

9. To facilitate the public and relevant organisations to understand the wage distribution of employees³ by sector in the 2021 "Annual Earnings and Hours Survey" in the survey reference period (i.e. May - June 2021), supplementary statistical data based on the results of the said survey are listed in Annex.

10. It is noteworthy that the above supplementary statistical data are for reference only, and MWC does not have any preconceived stance or has not 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 applicable, the direction and magnitude of adjustment.

Minimum Wage Commission
April 2022

² For details of the framework, scope and methodology of impact assessment, please refer to Section 4.IV and Appendix IV in the *2020 Report of the Minimum Wage Commission*.

³ 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).

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
		Real GDP by main expenditure components	(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	Office of the Government Economist, 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 [10]	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 (only including enterprises with employees)	Annual Survey of Economic Activities, C&SD [11]	Annual	
		Rental indices of non-residential properties	Rating and Valuation Department [12]	Monthly	
		Total retail sales	Monthly Survey of Retail Sales, C&SD [13]	Monthly	
		Total restaurant receipts	Quarterly Survey of Restaurant Receipts and Purchases, C&SD [14]	Quarterly	
		Business receipts indices	Quarterly Survey of Service Industries, C&SD [15]	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 new business registration	Inland Revenue Department [16]	Monthly	
		Number of cancellation of business registration	Inland Revenue Department [17]	Annual	
	III.3 Relative economic freedom and competitiveness of Hong Kong	Hong Kong's rankings on indices of economic freedom and competitiveness	Regional headquarters, regional offices and local offices in Hong Kong with their parent companies located outside Hong Kong	Official Receiver's Office [18]	Monthly
			Inward direct investment	Various rating agencies [19] [20] [21]	Annual
		Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong, C&SD [22] [23] [24]	Annual		
	III.4 Productivity growth	Labour productivity growth in Hong Kong and other places	Survey of External Claims, Liabilities and Income, C&SD [25]	Quarterly	
			Hong Kong: National Income Statistics and Composite Employment Estimates, C&SD [1] [26]	Annual	
	III.5 Labour costs	Changes in unit labour cost in Hong Kong and other places	Other places: National statistics authorities, CEIC and Datastream databases	Annual	
Hong Kong: National Income Statistics, General Household Survey and Labour Earnings Survey, C&SD [1] [8] [27]			Annual		
		Other places: National statistics authorities, CEIC and Datastream databases	Annual		

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	-
		Average monthly employment earnings	(Same as above)	-
	IV.2 Enhancing work incentive	Labour force participation rate	General Household Survey, C&SD [32]	Monthly [#]
Number of long-term unemployed (unemployed for 6 months or above) persons		(Same as above) [8]	(Same as above) [#]	
		Unemployment cases of Comprehensive Social Security Assistance	Social Welfare Department [33]	Monthly
	IV.3 Labour relations	Number of disputes and claim 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 21 April 2022)

		2019	2020		2021				
		Full Year	Full Year	Full Year	Q1	Q2	Q3	Q4	Latest
(I) General Economic Conditions									
Gross Domestic Product (GDP) (year-on-year rate of change)									
Nominal ⁽⁶⁾	(%)	0.3	-6.0	7.0	7.1	8.0	6.6	6.3	..
Real ⁽⁶⁾	(%)	-1.7	-6.5	6.4	8.0	7.6	5.5	4.8	..
Main expenditure components of GDP (year-on-year rate of change in real terms)									
Private consumption expenditure ⁽⁶⁾	(%)	-0.8	-10.5	5.6	2.5	7.5	6.8	5.8	..
Gross domestic fixed capital formation ⁽⁶⁾	(%)	-14.9	-11.3	10.1	5.6	23.9	13.1	0.1	..
Total exports of goods ⁽⁶⁾	(%)	-5.5	-1.4	19.0	30.8	20.8	14.2	13.3	..
Exports of services ⁽⁶⁾	(%)	-9.6	-34.8	1.1	-9.1	3.5	5.4	6.9	..
Composite Consumer Price Index (CCPI) ^(**) (year-on-year rate of change)									
Headline	(%)	2.9	0.3	1.6	1.2	0.8	2.3	2.0	1.4 (Jan-Feb 2022)
Underlying	(%)	3.0	1.3	0.6	-0.2	0.3	1.1	1.2	1.5 (Jan-Feb 2022)
Consumer Price Index (A) (CPI(A)) ^(**) (year-on-year rate of change)									
Headline	(%)	3.3	-0.6	2.9	3.3	1.6	4.0	2.5	1.3 (Jan-Feb 2022)
Underlying	(%)	3.5	1.8	0.8	0.3	0.6	1.2	1.2	1.4 (Jan-Feb 2022)
Prominent establishments' views on expected changes in short-term business situation (Net balance ^(*))	(% points)	..	..	..	-17	0	6	1	1 (Q1 2022)
Prominent establishments' views on expected changes in short-term number of persons engaged (Net balance ^(**))	(% points)	..	..	..	-11	-1	2	1	0 (Q1 2022)
Real GDP growth forecast^(§)		..	..	..	..	..	..	..	2% to 3.5% (2022) 3% per annum (2023-26)
Headline CCPI forecast (year-on-year rate of change)		..	..	..	..	..	..	..	2.1% (2022)
Underlying CCPI forecast ^(§) (year-on-year rate of change)		..	..	..	..	..	..	..	2% (2022) 2.5% per annum (2023-26)
(II) Labour Market Conditions									
Labour force	('000)	3 987.8 [-0.2%]	3 918.5 [-1.7%]	3 870.4 [-1.2%]	3 888.5 [-0.8%]	3 885.7 [-0.5%]	3 871.5 [-0.9%]	3 850.3 [-1.3%]	3 799.0 ^(^) (Q1 2022)
Employed persons	('000)	3 871.4 [-0.3%]	3 690.9 [-4.7%]	3 670.2 [-0.6%]	3 627.6 [-3.4%]	3 671.1 [0.3%]	3 690.7 [1.1%]	3 705.1 [1.3%]	3 610.5 ^(^) (Q1 2022)
Unemployed persons	('000)	116.3	227.6	200.3	260.9	214.5	180.7	145.2	188.5 ^(^) (Q1 2022)
Unemployment rate (seasonally adjusted) ⁽⁺⁾	(%)	2.9	5.8	5.2	6.8	5.4	4.4	4.0	5.0 ^(^) (Q1 2022)
Underemployment rate	(%)	1.1	3.3	2.6	3.8	2.5	2.1	1.7	3.1 ^(^) (Q1 2022)
Job vacancies ^{(++)(&&)(!!)}	(no.)	67 600 [-13.5%]	38 800 [-42.6%]	50 100 [28.9%]	39 300 <-9.6%>	45 400 <15.7%>	54 600 <19.9%>	61 000 <14.5%>	..
Proportion of dismissed or laid off unemployed persons among all unemployed persons with a previous job	(%)	42.3	53.2	58.2	56.3	62.1	58.2	54.7	50.1 ^(^) (Q1 2022)
75 th percentile hourly wage of all employees ^(#)	(HK\$)	114.9	117.6	120.3	..	..	..	..	..
Median hourly wage of all employees ^(#)	(HK\$)	73.0	74.4	75.7	..	..	..	..	..
10 th percentile hourly wage of all employees ^(#)	(HK\$)	43.9	44.0	44.7	..	..	..	..	..
Ratio of 75 th percentile to the 10 th percentile hourly wage of all employees ^(#)		2.6	2.7	2.7	..	..	..	..	..
Ratio of median to the 10 th percentile hourly wage of all employees ^(#)		1.7	1.7	1.7	..	..	..	..	..
Proportion of employees among all employed persons	(%)	91.3	91.3	91.6	91.7	91.8	91.8	91.5	91.7 ^(^) (Q1 2022)
Proportion of self-employed among all employed persons	(%)	5.8	5.8	6.0	5.7	5.9	6.0	6.2	6.0 ^(^) (Q1 2022)
Proportion of full-time employees among all employees ^(#)	(%)	92.9	89.7	91.6	..	..	..	..	..
Proportion of employees employed on a permanent basis among all employees ^(#)	(%)	89.3	89.1	89.3	..	..	..	..	..
Proportion of employees with basic wage rate on a monthly basis among all employees ^(#)	(%)	85.9	85.7	85.9	..	..	..	..	..
Median weekly working hours of all employees ^(#)	(hours)	44.3	42.8	43.2	..	..	..	..	..
Average weekly paid overtime hours of all employees ^(#)	(hours)	0.6	0.5	0.5	..	..	..	..	..
Median hours of work of all employed persons during the 7 days before enumeration	(hours)	44	44	44	44	44	45	45	40 ^(^) (Q1 2022)

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

(6) Revised figures. These "revised figures" are still subject to further regular revision later on when more data are incorporated.

(^^) Calculated based on the 2019/20-based Consumer Price Index series.

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

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

(§) The trend rates of change for 2023-26 are forecasts as stated in the 2022-23 Budget.

(^) Preliminary figures.

[] Year-on-year rate of change.

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

(++) Excluding those in the civil service.

(&&) The quarterly figures refer to those for March, June, September and December 2021 respectively.

(!!) The annual figures refer to the averages of the figures for March, June, September and December of the respective year.

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

(#) The annual figures refer to the figures for May to June of the respective year.

.. Not applicable.

		2019	2020		2021				
		Full Year	Full Year	Full Year	Q1	Q2	Q3	Q4	Latest
(III) Competitiveness									
Non-residential property rental indices (year-on-year rate of change)									
Office	(%)	3.6	-7.5	-3.4 ^(^)	-8.1	-4.7	-1.5	0.9 ^(^)	2.2 ^(^) (Feb 2022)
Retail shop	(%)	0.1	-9.2	1.4 ^(^)	-2.8	1.8	2.1	4.6 ^(^)	4.9 ^(^) (Feb 2022)
Flatted factory	(%)	3.7	-4.4	4.1 ^(^)	(&)	4.2	6.3	6.0 ^(^)	7.7 ^(^) (Feb 2022)
Value of total retail sales (year-on-year rate of change)	(%)	-11.1	-24.3	8.1	7.5	9.3	7.3	8.3	-4.9 ^(^) (Jan-Feb 2022)
Value of total restaurant receipts (year-on-year rate of change)	(%)	-5.9	-29.4	16.8	-8.8	10.0	43.9	29.1	..
Number of private sector establishments ^{(@@)&&(!)}	(no.)	377 000 [0.2%]	370 000 [-1.9%]	371 000 [0.2%]	369 000 [-0.7%]	370 000 [0.1%]	371 000 [0.4%]	373 000 [1.2%]	..
Labour demand ^{(++)&&(!)}	('000)	2 915.2 [-1.2%]	2 758.4 [-5.4%]	2 759.2 [&]	2 730.0 [-2.7%]	2 752.8 [-0.2%]	2 770.1 [0.9%]	2 783.8 [2.2%]	..
New business registration ^(§§)	(cases)	151 654	140 607	140 219	35 755	38 391	36 681	35 575	29 572 (Q1 2022)
Cancellation of business registration ^(§§)	(cases)	146 791	137 193	N.A.	..	..	..	..	..
Number of bankruptcy petitions presented	(cases)	8 151	8 693	7 197	1 986	1 806	1 728	1 677	1 190 (Q1 2022)
Number of compulsory winding-up petitions presented	(cases)	419	449	493	136	100	126	131	75 (Q1 2022)
Hong Kong's rankings on economic freedom and competitiveness									
Fraser Institute, <i>Economic Freedom of the World Report</i>		..	..	..	..	..	..	..	Maintained at No.1 (Publishing year: 2021)
World Economic Forum, <i>Global Competitiveness Report</i>		..	..	..	..	..	..	..	Up to No.3 (Publishing year: 2019)
International Institute for Management Development, <i>World Competitiveness Yearbook</i>		..	..	..	..	..	..	..	Down to No. 7 (Publishing year: 2021)
Regional headquarters, regional offices and local offices in Hong Kong with parent companies located outside Hong Kong (as of the first working day of June)									
Regional headquarters	(no.)	1 541	1 504	1 457	..	..	..	..	..
Regional offices	(no.)	2 490	2 479	2 483	..	..	..	..	..
Local offices	(no.)	5 009	5 042	5 109	..	..	..	..	..
Position of liabilities of direct investment (as at the end of)	(billion HK\$)	16,186.9	15,883.5	16,836.6 ^(^)	16,180.9 ^(^)	16,596.2 ^(^)	16,633.0 ^(^)	16,836.6 ^(^)	..
Labour productivity growth	(%)	..	..	..	..	..	..	..	1.4 ^(^) (Average annual change of 10 years from 2011 to 2021)
Change in nominal unit labour cost	(%)	..	..	..	..	..	..	..	2.5 ^(^) (Average annual change of 10 years from 2011 to 2021)
(IV) Social Inclusion									
Wage index (year-on-year rate of change)									
Nominal ^{(&&(!))}	(%)	3.5	1.3	1.3	0.9	1.1	1.3	1.8	..
Real ^{(!)&&(!)}	(%)	0.1	2.5	-0.5	-0.6	-0.3	-0.2	-1.1	..
Index of payroll per person engaged (year-on-year rate of change)									
Nominal	(%)	3.4	2.4	1.0	0.7	1.1	1.1	1.5	..
Real ^(!)	(%)	0.5	2.1	-0.5	-0.5	0.2	-1.1	-0.4	..
Nominal average monthly employment earnings of full-time employees ^(###) (year-on-year rate of change)									
Lowest decile group	(%)	2.6	2.9	4.3	3.3	6.2	4.6	4.1	3.1 (Dec 2021-Feb 2022)
Overall ⁽⁻⁾	(%)	4.7	5.2	(&)	0.1	-1.0	-3.5	1.4	3.6 (Dec 2021-Feb 2022)
Real average monthly employment earnings of full-time employees ^{(###)(!)} (year-on-year rate of change)									
Lowest decile group	(%)	-0.8	3.5	1.4	(&)	4.5	0.5	1.6	1.2 (Dec 2021-Feb 2022)
Overall ⁽⁻⁾	(%)	1.8	5.0	-1.5	-1.1	-1.8	-5.6	-0.6	1.8 (Dec 2021-Feb 2022)
Labour force participation rate	(%)	60.7	59.7	59.4	59.7	59.6	59.3	58.9	58.5 ^(^) (Q1 2022)
Long-term (unemployed for 6 months or above) unemployed persons	(no.)	24 300 [3.0%]	68 000 [179.5%]	83 400 [22.7%]	109 600 [203.5%]	93 200 [74.6%]	76 400 [-7.3%]	53 500 [-47.8%]	46 000 ^(^) (Q1 2022)
Unemployment cases of Comprehensive Social Security Assistance (as at the end of)	(no.)	..	..	..	19 810 [35.2%]	19 461 [4.6%]	19 110 [0.5%]	18 495 [-5.2%]	18 550 (Feb 2022)
Total number of labour dispute and claim cases handled by Labour Department (LD) ^(@)	(no.)	13 831	10 403	11 112	2 987	3 023	2 744	2 358	1 985 (Q1 2022)

Notes: (^) Preliminary figures.
(&) Change less than 0.05%.
[] Year-on-year rate of change.
(@@) Except government bureaux/departments.
(&&) The quarterly figures refer to those for March, June, September and December 2021 respectively.
(!) The annual figures refer to the averages of the figures for March, June, September and December of the respective year.
(+++) Excluding those in the civil service. Labour demand is crudely estimated by the sum of employment and vacancies in private sector establishments.
(§§) Annual figures for new business registration and cancellation of business registration are released on a fiscal year basis (i.e. from 1 April of the relevant year to 31 March of the following year).
(!) Discounting inflation. Inflation is calculated based on the 2019/20-based Consumer Price Index series. Figures on real wage/payroll/employment earnings might be affected by the Government's one-off relief measures, and should be interpreted with caution.
(###) Figures exclude government employees and live-in domestic workers.
(-) Figures on average employment earnings might be affected by extreme values in the survey sample, in particular for the situation among high-paid employees and consequently the overall figure.
(@) The number of labour dispute and claim cases handled by LD is subject to a host of factors, including the prevailing economic environment and labour market situation, among others.
.. Not applicable.
N.A. Not yet available.

Appendix III : Number of employees with paid rest day(s) and/or paid meal break(s)^(Note 1) analysed by sector (May - June 2021)

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)	315.1	48.7	116.3	18.0	113.6	17.5	102.6	15.8
1. Retail	104.0	56.3	33.1	17.9	22.0	11.9	25.6	13.9
1.1 Supermarkets and convenience stores	16.0	47.3	3.1	9.3	7.9	23.3	6.8	20.1
1.2 Other retail stores	88.0	58.3	29.9	19.8	14.1	9.4	18.9	12.5
2. Food and beverage services	84.3	53.3	19.5	12.3	29.7	18.8	24.5	15.5
2.1 Chinese restaurants	30.7	54.0	9.2	16.2	7.3	12.9	9.7	17.0
2.2 Non-Chinese restaurants	27.0	52.7	7.2	14.2	10.0	19.6	6.9	13.5
2.3 Fast food cafes	14.2	53.6	1.5	5.6	6.2	23.5	4.6	17.3
2.4 Hong Kong style tea cafes	7.6	45.2	1.0	6.0	5.6	33.3	2.6	15.4
2.5 Other food and beverage services	4.7	72.0	0.6	8.5	0.6	8.6	0.7	10.9
3. Estate management, security and cleaning services	90.8	40.8	44.2	19.9	48.7	21.9	38.7	17.4
3.1 Real estate maintenance management	56.2	51.7	15.0	13.8	26.8	24.7	10.6	9.8
3.2 Security services	19.1	45.2	4.6	11.0	13.9	32.9	4.6	10.9
3.3 Cleaning services	7.6	12.9	23.4	39.7	6.4	10.9	21.5	36.6
3.4 Membership organisations	7.9	63.4	1.1	8.8	1.6	12.4	1.9	15.4
4. Other low-paying sectors	36.1	43.7	19.6	23.7	13.2	16.0	13.8	16.7
4.1 Elderly homes	10.3	51.1	3.8	18.7	4.6	23.2	1.4	7.0
4.2 Laundry and dry cleaning services	1.4	46.3	*	*	*	*	0.9	28.1
4.3 Hairdressing and other personal services	12.7	35.8	10.9	30.7	5.9	16.7	6.0	16.8
4.4 Local courier services	1.6	36.5	*	*	*	*	1.7	38.2
4.5 Food processing and production	10.1	51.4	4.1	20.6	1.6	8.2	3.9	19.7
(B) Other sectors	1 253.3	63.9	408.1	20.8	138.0	7.0	163.1	8.3
5. Manufacturing	27.1	43.6	19.7	31.8	3.8	6.2	11.4	18.4
6. Construction	111.3	41.4	33.1	12.3	71.5	26.6	52.9	19.7
7. Import/export trade and wholesale	220.4	68.2	66.1	20.5	10.2	3.1	26.4	8.2
8. Accommodation services	30.8	82.2	5.1	13.7	*	*	*	*
9. Transportation, storage, courier services, information and communications	219.1	67.0	66.8	20.4	18.9	5.8	22.3	6.8
10. Financing, insurance, real estate, professional and business services	320.1	64.5	130.4	26.3	16.5	3.3	29.0	5.9
11. Education, medical and other social and personal services	313.6	72.6	82.6	19.1	16.0	3.7	19.6	4.5
12. Others	11.0	67.5	4.2	25.8	*	*	*	*
(C) All sectors	1 568.4	60.1	524.4	20.1	251.6	9.6	265.7	10.2

Notes: (1) Refers to whether employees are granted rest day pay and/or meal break pay according to their employment contract or agreement. Employees exclude government employees; student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance; as well as employees with zero working hours in the survey reference period.

(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 not regarded as part-time employees, 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) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.

* 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 : 2021 Annual Earnings and Hours Survey, Census and Statistics Department.

Appendix IV: Operating characteristics of enterprises^(Note 1) analysed by sector (only including enterprises with employees) (2020)

Sector ^(Note 3)	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 ^(Note 4)	Profit ratio ^(Note 5)			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 ^(Note 4)	Profit ratio ^(Note 5)		
				Overall	First quartile ^(Note 6)	Median ^(Note 6)						Overall	First quartile ^(Note 6)	Median ^(Note 6)
(A) Low-paying sectors^(Note 7)	37 450	45.9%	21.9%	4.1%	-10.7%	2.5%	35 680	95.3%	28.6%	47.4%	24.4%	2.7%	-11.0%	2.5%
1. Retail	18 330	33.9%	11.9%	2.9%	-19.4%	1.1%	17 840	97.3%	31.7%	41.3%	15.1%	1.2%	-19.4%	0.9%
1.1 Supermarkets and convenience stores	70	30.2%	7.7%	3.6%	-1.4%	4.0%	70	90.4%	1.6%	43.3%	12.8%	2.8%	-1.4%	4.5%
1.2 Other retail stores	18 250	34.4%	12.6%	2.8%	-19.4%	0.9%	17 770	97.4%	36.6%	41.3%	15.2%	1.2%	-19.4%	0.9%
2. Food and beverage services	12 890	48.5%	32.5%	4.0%	-7.7%	1.5%	12 370	96.0%	45.6%	52.4%	34.5%	2.5%	-7.7%	1.5%
2.1 Chinese restaurants	2 030	51.4%	35.8%	1.9%	-11.9%	-1.4%	1 650	81.2%	36.3%	51.9%	35.2%	0.9%	-13.9%	-1.4%
2.2 Non-Chinese restaurants	4 980	49.2%	32.5%	4.5%	-8.3%	1.5%	4 910	98.6%	64.5%	51.9%	34.1%	3.1%	-8.3%	1.5%
2.3 Fast food cafes	840	41.1%	27.9%	7.0%	-4.9%	3.7%	820	97.5%	11.9%	46.6%	30.1%	3.7%	-4.9%	3.7%
2.4 Hong Kong style tea cafes	2 400	57.4%	37.1%	2.5%	-5.5%	2.5%	2 380	99.5%	84.7%	57.9%	37.2%	2.8%	-5.5%	2.5%
2.5 Other food and beverage services	2 640	45.2%	29.3%	3.2%	-14.0%	1.2%	2 610	98.7%	49.1%	48.6%	32.4%	2.2%	-14.0%	1.2%
3. Estate management, security and cleaning services	2 340	67.5%	61.6%	8.3%	0.1%	9.2%	1 840	78.7%	7.2%	41.9%	38.4%	7.4%	0.1%	13.0%
3.1 Real estate maintenance management	730	55.9%	51.3%	7.6%	-7.3%	0.1%	530	71.8%	8.4%	33.2%	31.7%	4.0%	-7.3%	0.1%
3.2 Security services	440	80.5%	72.1%	9.9%	2.0%	9.8%	310	71.7%	4.5%	47.9%	42.4%	10.2%	2.3%	10.1%
3.3 Cleaning services	1 170	74.8%	68.7%	8.0%	3.1%	15.1%	1 000	85.6%	8.0%	59.0%	50.6%	13.2%	9.2%	17.3%
4. Other low-paying sectors	3 890	54.4%	27.8%	8.5%	-5.6%	11.2%	3 630	93.3%	40.8%	52.1%	32.3%	8.0%	-5.6%	12.0%
4.1 Elderly homes ^(Note 8)	680	65.6%	57.3%	5.2%	1.8%	11.0%	540	79.5%	45.3%	51.0%	42.9%	8.0%	2.9%	14.6%
4.2 Laundry and dry cleaning services	600	27.9%	38.0%	-39.2%	12.0%	23.1%	580	97.2%	35.6%	41.4%	30.4%	24.2%	12.0%	23.1%
4.3 Hairdressing services	1 470	50.0%	40.7%	11.1%	-12.6%	11.2%	1 460	99.8%	94.0%	49.5%	40.1%	11.2%	-12.6%	11.2%
4.4 Local courier services	180	38.0%	37.6%	1.0%	4.3%	13.3%	150	84.1%	28.1%	54.1%	42.0%	22.3%	4.3%	13.5%
4.5 Food processing and production	970	55.1%	18.4%	11.4%	-41.2%	-0.1%	890	92.4%	29.5%	55.8%	24.2%	4.8%	-41.9%	-0.1%
(B) Other sectors	177 760	36.5%	11.4%	21.8%	-11.8%	3.6%	174 060	97.9%	48.0%	36.0%	8.5%	12.3%	-12.2%	3.5%
5. Manufacturing	5 340	56.4%	7.0%	3.0%	-3.0%	6.0%	5 210	97.6%	52.3%	61.4%	22.4%	7.2%	-3.4%	6.0%
6. Construction	16 460	34.3%	25.3%	9.3%	-7.7%	2.1%	16 030	97.4%	50.2%	41.6%	29.8%	11.4%	-7.7%	2.1%
7. Import/export trade and wholesale	69 070	38.5%	4.3%	7.3%	-14.4%	1.0%	68 340	99.0%	79.5%	40.2%	4.4%	5.2%	-14.8%	1.0%
8. Accommodation services	840	46.9%	50.9%	-18.1%	-38.8%	0.2%	710	84.3%	11.9%	28.8%	32.7%	-14.3%	-33.3%	0.4%
9. Transportation, storage, courier services, information and communications	21 700	19.4%	17.7%	7.0%	-15.4%	4.0%	20 990	96.8%	34.7%	17.6%	16.5%	4.7%	-15.8%	3.9%
10. Financing, insurance, real estate, professional and business services	41 950	45.1%	18.5%	58.9%	-6.4%	7.8%	40 900	97.5%	33.3%	39.1%	17.5%	54.9%	-7.5%	7.8%
11. Social and personal services														
12. Others	^	30.3%	9.3%	27.0%	-19.7%	4.3%	^	^	^	37.6%	9.9%	0.7%	-30.4%	4.3%
(C) All sectors	215 200	37.5%	12.2%	20.5%	-11.4%	3.4%	209 740	97.5%	42.5%	37.0%	9.2%	11.9%	-11.9%	3.4%

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 the nearest ten.

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

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

(4) Since the COVID-19 epidemic dealt a heavy blow to the economy, the Government provided various subsidies / assistance to enterprises in 2020 via different schemes (e.g. the Employment Support Scheme under the Anti-epidemic Fund and various industry-specific support schemes). These Government subsidies / assistance were included as part of "business receipts" in the 2020 Annual Survey of Economic Activities.

(5) 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.

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

(7) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.

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

^ 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 Data

Based on the findings of the 2021 “Annual Earnings and Hours Survey” of the Census and Statistics Department, Minimum Wage Commission (MWC) provides the following supplementary statistical data:

- (i) the number and proportion of employees earning the prevailing Statutory Minimum Wage (SMW) rate and those earning wages less than some higher wage rates by sector (Supplementary Statistical Table I);
- (ii) assuming that the SMW rate had already been adjusted to the different test levels in May – June 2021 and that the hourly wages of all employees originally earning wages less than these test levels were uniformly raised to the respective test levels, the estimated changes in wages of these employees by sector (Supplementary Statistical Table II); and
- (iii) assuming that the SMW rate had already been adjusted to the different test levels in May – June 2021 and that the hourly wages of all employees originally earning wages less than these test levels were uniformly raised to the respective test levels, the estimated changes in wage bills of all enterprises, and small and medium enterprises by sector (estimations have not taken into account the knock-on effect on pay hierarchies) (Supplementary Statistical Tables III a & III b).

2. As there are no employees earning less than the prevailing SMW rate of \$37.5 per hour under the Minimum Wage Ordinance (other than those with disabilities who have completed productivity assessment under the SMW regime), the methodology for estimating the changes in wages in Supplementary Statistical Table II and the changes in wage bills in Supplementary Statistical Tables III a & III b is not applicable to test levels below \$37.5. Nonetheless, in reviewing the SMW rate, MWC will set assumptions for different hypothetical test level scenarios (including upward or downward adjustments) so as to estimate the changes in overall wage bill of all enterprises under different test levels. Specifically, MWC will take into consideration the time gap between the review of the SMW rate and the implementation of the recommended rate. MWC will endeavour to

conduct a forward-looking estimation which takes into account the knock-on effect on pay hierarchies not only by using statistical data on employees' wage distribution in May – June 2021 as a base for estimation, but also by making references to the latest wage statistics and economic situation.

3. Besides, it is noteworthy that the data and test levels are for reference only. MWC does not have any preconceived stance on its recommendation on the SMW rate. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where applicable, the direction and magnitude of adjustment.

Supplementary Statistical Table I: The number and proportion of employees^(Note 1) earning the prevailing Statutory Minimum Wage (SMW) rate and those earning wages less than some higher wage rates by sector (May - June 2021)

(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. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where applicable, the direction and magnitude of adjustment.)

Sector ^(Note 3)	Overall employees		Hourly wage level ^(Note 2)		Hourly wage level ^(Note 2) less than													
			\$37.5		\$38.0		\$39.0		\$40.0		\$41.0		\$42.0		\$43.0		\$44.0	
	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
('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)	
(A) Low-paying sectors^(Note 4)	746.0	26.2	11.9	1.6	14.5	1.9	32.9	4.4	47.6	6.4	85.7	11.5	112.4	15.1	138.8	18.6	163.3	21.9
1. Retail	219.0	7.7	1.5	0.7	1.7	0.8	4.6	2.1	6.3	2.9	13.7	6.3	16.6	7.6	27.1	12.4	33.2	15.2
1.1 Supermarkets and convenience stores	40.8	1.4	*	*	*	*	*	*	*	*	3.3	8.1	4.1	10.0	9.6	23.5	11.0	26.9
1.2 Other retail stores	178.2	6.3	*	*	*	*	*	*	*	*	10.4	5.8	12.5	7.0	17.5	9.8	22.2	12.5
2. Food and beverage services	191.7	6.7	0.9	0.4	1.1	0.6	3.9	2.1	6.6	3.5	11.6	6.0	15.2	7.9	19.1	10.0	25.6	13.3
2.1 Chinese restaurants	60.7	2.1	*	*	*	*	1.3	2.1	1.9	3.1	3.2	5.3	5.2	8.6	6.2	10.2	7.2	11.9
2.2 Non-Chinese restaurants	59.5	2.1	*	*	*	*	*	*	*	*	1.8	3.1	2.0	3.3	2.5	4.3	3.7	6.3
2.3 Fast food cafes	44.5	1.6	0.5	1.2	0.6	1.3	1.7	3.7	3.4	7.6	5.3	11.9	6.4	14.4	7.9	17.7	11.8	26.5
2.4 Hong Kong style tea cafes	18.2	0.6	*	*	*	*	0.6	3.1	0.6	3.4	0.7	3.9	0.8	4.5	1.4	7.9	1.6	8.7
2.5 Other food and beverage services	8.6	0.3	*	*	*	*	*	*	*	*	0.6	6.4	0.8	9.5	1.1	12.6	1.2	14.1
3. Estate management, security and cleaning services	243.7	8.6	8.5	3.5	10.4	4.3	21.3	8.7	30.7	12.6	49.7	20.4	67.1	27.6	75.4	30.9	84.7	34.8
3.1 Real estate maintenance management	111.3	3.9	3.4	3.0	3.8	3.4	9.2	8.2	11.5	10.3	20.6	18.5	27.9	25.0	29.4	26.4	33.0	29.7
3.2 Security services	45.0	1.6	2.0	4.6	2.3	5.1	3.8	8.4	4.5	10.0	8.6	19.1	11.5	25.6	13.7	30.4	15.4	34.3
3.3 Cleaning services	73.0	2.6	2.4	3.3	3.4	4.7	7.3	10.0	13.3	18.2	18.7	25.6	25.9	35.5	30.2	41.4	33.5	45.9
3.4 Membership organisations	14.4	0.5	0.7	5.0	0.8	5.8	1.0	7.3	1.4	9.8	1.8	12.4	1.8	12.7	2.1	14.7	2.7	18.9
4. Other low-paying sectors	91.7	3.2	1.0	1.1	1.2	1.4	3.1	3.4	4.0	4.3	10.7	11.6	13.5	14.7	17.2	18.8	19.9	21.7
4.1 Elderly homes	20.5	0.7	*	*	*	*	1.0	4.7	1.8	8.7	3.2	15.7	4.3	20.8	5.1	25.0	6.1	29.8
4.2 Laundry and dry cleaning services	4.4	0.2	*	*	*	*	*	*	*	*	*	*	*	*	0.5	11.6	0.7	16.8
4.3 Hairdressing and other personal services	40.3	1.4	*	*	*	*	0.6	1.6	0.7	1.6	5.0	12.5	5.6	13.9	7.5	18.6	7.8	19.5
4.4 Local courier services	5.3	0.2	*	*	*	*	*	*	*	*	*	*	*	*	1.0	18.9	1.1	19.9
4.5 Food processing and production	21.1	0.7	*	*	*	*	0.9	4.4	1.0	4.6	1.5	7.3	2.4	11.3	3.1	14.5	4.1	19.4
(B) Other sectors	2 103.5	73.8	2.5	0.1	6.1	0.3	17.4	0.8	25.8	1.2	37.5	1.8	49.6	2.4	58.6	2.8	77.7	3.7
5. Manufacturing	65.0	2.3	*	*	0.8	1.2	1.2	1.8	1.4	2.2	3.0	4.6	3.4	5.2	4.2	6.5	4.9	7.5
6. Construction	284.6	10.0	*	*	0.6	0.2	1.1	0.4	1.2	0.4	2.3	0.8	3.1	1.1	3.3	1.1	4.4	1.5
7. Import/export trade and wholesale	346.7	12.2	0.8	0.2	1.0	0.3	1.6	0.5	2.7	0.8	3.9	1.1	6.3	1.8	7.2	2.1	9.9	2.9
8. Accommodation services	39.2	1.4	*	*	*	*	*	*	*	*	*	*	*	*	*	*	3.6	9.1
9. Transportation, storage, courier services, information and communications	347.8	12.2	*	*	1.1	0.3	4.6	1.3	7.2	2.1	9.8	2.8	13.0	3.7	14.3	4.1	18.6	5.3
10. Financing, insurance, real estate, professional and business services	522.7	18.3	*	*	0.6	0.1	2.4	0.5	3.0	0.6	5.5	1.1	7.5	1.4	9.6	1.8	13.6	2.6
11. Education, medical and other social and personal services	480.5	16.9	*	*	1.9	0.4	6.0	1.2	9.4	2.0	12.1	2.5	14.4	3.0	17.5	3.6	22.2	4.6
12. Others	16.9	0.6	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.6	3.5
(C) All sectors	2 849.4	100.0	14.3	0.5	20.5	0.7	50.2	1.8	73.3	2.6	123.2	4.3	162.0	5.7	197.3	6.9	241.0	8.5

Notes: (1) Employees exclude government employees; student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance; as well as employees with zero working hours in the survey reference period.
(2) Hourly wage levels 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) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.
* 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: Assuming that the SMW rate had already been adjusted to the different test levels in May - June 2021 and that the hourly wages of all employees^(Note 1) originally earning wages less than these test levels were uniformly raised to the respective test levels, the estimated changes in wages^(Note 2) of these employees by sector

(As there are no employees earning less than the prevailing SMW rate of \$37.5 per hour under the Minimum Wage Ordinance (other than those with disabilities who have completed productivity assessment under the SMW regime), the estimation methodology adopted for this table is not applicable to test levels below \$37.5. Nonetheless, in reviewing the SMW rate, the Minimum Wage Commission (MWC) will set assumptions for different hypothetical test level scenarios (including upward or downward adjustments) so as to estimate the changes in overall wage bill of all enterprises under different test levels. Specifically, MWC will take into consideration the time gap between the review of the SMW rate and the implementation of the recommended rate. MWC will endeavour to conduct a forward-looking estimation which takes into account the knock-on effect on pay hierarchies not only by using statistical data on employees' wage distribution in May - June 2021 as a base for estimation, but also by making references to the latest wage statistics and economic situation.

Besides, it is noteworthy that the data and test levels are for reference only. MWC does not have any preconceived stance on its recommendation on the SMW rate. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where applicable, the direction and magnitude of adjustment.)

Sector ^(Note 4)	Hourly wage level ^(Note 3) (i.e. SMW test levels)						
	\$38.0 (%)	\$39.0 (%)	\$40.0 (%)	\$41.0 (%)	\$42.0 (%)	\$43.0 (%)	\$44.0 (%)
(A) Low-paying sectors^(Note 5)	1.2	2.4	3.9	4.4	5.5	6.7	8.0
1. Retail	1.2	2.3	3.9	4.3	5.7	5.8	7.0
1.1 Supermarkets and convenience stores	*	*	*	2.5	4.1	4.0	5.7
1.2 Other retail stores	*	*	*	4.8	6.2	6.5	7.5
2. Food and beverage services	1.1	2.2	3.5	4.1	5.1	6.2	6.8
2.1 Chinese restaurants	*	2.1	3.4	3.9	4.3	6.0	7.3
2.2 Non-Chinese restaurants	*	*	*	3.4	5.6	6.4	5.9
2.3 Fast food cafes	1.3	2.7	3.4	4.4	5.8	6.9	6.6
2.4 Hong Kong style tea cafes	*	1.8	4.2	6.0	7.6	5.7	7.6
2.5 Other food and beverage services	*	*	*	2.4	3.6	4.8	6.5
3. Estate management, security and cleaning services	1.2	2.5	3.9	4.6	5.6	7.3	8.8
3.1 Real estate maintenance management	1.3	2.2	4.2	4.5	5.5	7.6	9.0
3.2 Security services	1.3	2.9	4.9	4.7	5.6	6.9	8.5
3.3 Cleaning services	1.1	2.3	3.1	4.6	5.5	6.9	8.5
3.4 Membership organisations	1.3	3.7	4.9	6.0	8.5	9.5	9.7
4. Other low-paying sectors	1.2	2.4	4.1	3.4	4.8	6.1	7.5
4.1 Elderly homes	*	2.4	3.3	4.0	5.1	6.5	7.8
4.2 Laundry and dry cleaning services	*	*	*	*	*	8.1	7.5
4.3 Hairdressing and other personal services	*	3.5	6.1	2.2	4.3	5.4	7.6
4.4 Local courier services	*	*	*	*	*	6.8	8.8
4.5 Food processing and production	*	1.8	4.3	4.8	4.8	5.9	6.5
(B) Other sectors	0.9	2.1	3.6	4.7	5.7	7.0	7.4
5. Manufacturing	1.0	3.0	4.8	4.1	6.1	7.0	8.4
6. Construction	1.0	2.3	4.5	4.2	5.2	7.4	7.4
7. Import/export trade and wholesale	1.2	2.6	3.5	4.6	4.6	6.2	6.5
8. Accommodation services	*	*	*	*	*	*	5.4
9. Transportation, storage, courier services, information and communications	1.0	2.0	3.5	4.9	5.7	7.6	8.1
10. Financing, insurance, real estate, professional and business services	1.0	1.9	3.9	4.1	5.2	6.0	6.3
11. Education, medical and other social and personal services	0.7	2.0	3.4	5.0	6.4	7.5	8.0
12. Others	*	*	*	*	*	*	4.5
(C) All sectors	1.1	2.3	3.8	4.5	5.5	6.8	7.8

- Notes: (1) Employees exclude government employees; student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance; as well as employees with zero working hours in the survey reference period.
(2) Estimation of the change in wages of employees assumed other things being equal, with the wage estimated in accordance with the definition of wages as set out in the Minimum Wage Ordinance.
(3) Hourly wage levels 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) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.
* Estimates are not released due to relatively large sampling error.

Supplementary Statistical Table III a: Assuming that the SMW rate had already been adjusted to the different test levels in May - June 2021 and that the hourly wages of all employees^(Note 1) originally earning wages less than these test levels were uniformly raised to the respective test levels, the estimated changes in wage bills^(Note 2) of all enterprises^(Note 3) by sector (estimations have not taken into account the knock-on effect on pay hierarchies)

(As there are no employees earning less than the prevailing SMW rate of \$37.5 per hour under the Minimum Wage Ordinance (other than those with disabilities who have completed productivity assessment under the SMW regime), the estimation methodology adopted for this table is not applicable to test levels below \$37.5. Nonetheless, in reviewing the SMW rate, the Minimum Wage Commission (MWC) will set assumptions for different hypothetical test level scenarios (including upward or downward adjustments) so as to estimate the changes in overall wage bill of all enterprises under different test levels. Specifically, MWC will take into consideration the time gap between the review of the SMW rate and the implementation of the recommended rate. MWC will endeavour to conduct a forward-looking estimation which takes into account the knock-on effect on pay hierarchies not only by using statistical data on employees' wage distribution in May - June 2021 as a base for estimation, but also by making references to the latest wage statistics and economic situation.

Besides, it is noteworthy that the data and test levels are for reference only. MWC does not have any preconceived stance on its recommendation on the SMW rate. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where applicable, the direction and magnitude of adjustment.)

Sector ^(Note 5)	Hourly wage level ^{Note 4} (i.e. SMW test levels)													
	\$38.0		\$39.0		\$40.0		\$41.0		\$42.0		\$43.0		\$44.0	
	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)
(A) Low-paying sectors^(Note 6)	18.5	#	80.8	0.1	188.8	0.2	385.0	0.4	652.9	0.6	991.7	0.9	1 394.2	1.3
1. Retail	1.7	#	10.7	#	25.6	0.1	57.7	0.2	94.3	0.3	151.1	0.5	224.3	0.7
1.1 Supermarkets and convenience stores	*	*	*	*	*	*	7.6	0.2	15.8	0.3	31.8	0.6	52.1	1.1
1.2 Other retail stores	*	*	*	*	*	*	50.1	0.2	78.6	0.3	119.3	0.4	172.2	0.6
2. Food and beverage services	0.9	#	7.4	#	19.2	0.1	40.2	0.1	70.1	0.2	110.1	0.4	162.7	0.6
2.1 Chinese restaurants	*	*	2.9	#	7.2	0.1	14.4	0.1	26.5	0.3	43.1	0.4	62.4	0.6
2.2 Non-Chinese restaurants	*	*	*	*	*	*	5.9	0.1	10.4	0.1	16.1	0.2	24.1	0.3
2.3 Fast food cafes	0.4	#	2.7	0.1	7.1	0.1	14.5	0.3	24.3	0.5	36.7	0.8	55.1	1.1
2.4 Hong Kong style tea cafes	*	*	1.0	#	2.6	0.1	4.3	0.2	6.3	0.2	9.3	0.3	13.6	0.5
2.5 Other food and beverage services	*	*	*	*	*	*	1.1	0.1	2.7	0.2	4.8	0.4	7.5	0.7
3. Estate management, security and cleaning services	14.5	#	55.4	0.2	126.7	0.4	249.5	0.7	419.7	1.2	620.0	1.8	846.9	2.4
3.1 Real estate maintenance management	6.5	#	23.9	0.1	57.2	0.3	111.3	0.6	188.4	1.0	276.6	1.5	373.0	2.1
3.2 Security services	3.4	#	12.7	0.2	25.3	0.4	46.8	0.7	77.8	1.1	117.9	1.7	163.7	2.4
3.3 Cleaning services	3.5	#	14.8	0.2	36.9	0.5	79.7	1.0	136.7	1.8	203.4	2.6	280.9	3.6
3.4 Membership organisations	1.1	#	3.9	0.2	7.3	0.3	11.7	0.5	16.8	0.7	22.0	0.9	29.3	1.3
4. Other low-paying sectors	1.4	#	7.4	0.1	17.2	0.1	37.6	0.3	68.7	0.5	110.4	0.8	160.3	1.1
4.1 Elderly homes	*	*	2.7	0.1	7.2	0.2	16.0	0.5	27.9	0.9	43.5	1.3	62.1	1.9
4.2 Laundry and dry cleaning services	*	*	*	*	*	*	*	*	*	*	3.7	0.6	5.2	0.9
4.3 Hairdressing and other personal services	*	*	2.2	#	3.9	0.1	10.3	0.2	22.8	0.4	38.7	0.6	56.9	0.9
4.4 Local courier services	*	*	*	*	*	*	*	*	*	*	6.7	1.0	9.2	1.3
4.5 Food processing and production	*	*	1.4	#	3.6	0.1	6.8	0.2	11.1	0.3	17.8	0.5	27.0	0.8
(B) Other sectors	4.5	#	31.9	#	84.7	#	158.2	#	257.1	#	380.4	0.1	545.6	0.1
5. Manufacturing	0.7	#	3.4	#	6.7	#	11.9	0.1	19.6	0.1	28.7	0.2	40.0	0.3
6. Construction	0.5	#	2.4	#	5.4	#	9.1	#	15.7	#	23.4	#	33.0	#
7. Import/export trade and wholesale	0.4	#	2.7	#	6.6	#	12.9	#	21.9	#	34.5	#	53.0	0.1
8. Accommodation services	*	*	*	*	*	*	*	*	*	*	*	*	21.0	0.3
9. Transportation, storage, courier services, information and communications	1.0	#	8.2	#	25.0	#	46.7	0.1	75.0	0.1	109.6	0.1	152.2	0.2
10. Financing, insurance, real estate, professional and business services	0.4	#	3.6	#	9.3	#	18.2	#	30.9	#	48.0	#	74.4	#
11. Education, medical and other social and personal services	1.2	#	10.4	#	29.1	#	54.1	#	84.7	0.1	121.5	0.1	169.2	0.1
12. Others	*	*	*	*	*	*	*	*	*	*	*	*	2.7	#
(C) All sectors	23.0	#	112.7	#	273.5	#	543.2	0.1	910.0	0.1	1 372.0	0.2	1 939.8	0.3

Notes: (1) Employees exclude government employees; student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance; as well as employees with zero working hours in the survey reference period.
(2) Estimation of changes in wage bill is done by comparison with the original wage bill, assuming other things being equal, with the wage bill estimated in accordance with the definition of wages as set out in the Minimum Wage Ordinance.
(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 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) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.
* 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.

Supplementary Statistical Table III b: Assuming that the SMW rate had already been adjusted to the different test levels in May - June 2021 and that the hourly wages of all employees^(Note 1) originally earning wages less than these test levels were uniformly raised to the respective test levels, the estimated changes in wage bill^(Note 2) of small and medium enterprises^(Note 3) by sector (estimations have not taken into account the knock-on effect on pay hierarchies)

(As there are no employees earning less than the prevailing SMW rate of \$37.5 per hour under the Minimum Wage Ordinance (other than those with disabilities who have completed productivity assessment under the SMW regime), the estimation methodology adopted for this table is not applicable to test levels below \$37.5. Nonetheless, in reviewing the SMW rate, the Minimum Wage Commission (MWC) will set assumptions for different hypothetical test level scenarios (including upward or downward adjustments) so as to estimate the changes in overall wage bill of all enterprises under different test levels. Specifically, MWC will take into consideration the time gap between the review of the SMW rate and the implementation of the recommended rate. MWC will endeavour to conduct a forward-looking estimation which takes into account the knock-on effect on pay hierarchies not only by using statistical data on employees' wage distribution in May - June 2021 as a base for estimation, but also by making references to the latest wage statistics and economic situation.

Besides, it is noteworthy that the data and test levels are for reference only. MWC does not have any preconceived stance on its recommendation on the SMW rate. Upon completion of the review, MWC will make recommendation on whether to maintain or adjust the SMW rate, and where applicable, the direction and magnitude of adjustment.)

Sector ^(Note 5)	Hourly wage level ^(Note 4) (i.e. SMW test levels)													
	\$38.0		\$39.0		\$40.0		\$41.0		\$42.0		\$43.0		\$44.0	
	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)	(\$Mn)	(%)
(A) Low-paying sectors^(Note 6)	4.7	#	23.5	0.1	51.1	0.1	107.1	0.3	179.7	0.5	269.0	0.7	377.0	1.0
1. Retail	1.5	#	9.1	0.1	20.3	0.1	43.5	0.3	68.6	0.5	100.1	0.7	139.5	1.0
1.1 Supermarkets and convenience stores	*	*	*	*	*	*	7.5	0.7	15.0	1.3	22.5	2.0	30.1	2.6
1.2 Other retail stores	*	*	*	*	*	*	35.9	0.3	53.5	0.4	77.6	0.6	109.4	0.8
2. Food and beverage services	*	*	2.3	#	6.0	#	14.5	0.1	25.8	0.2	41.3	0.3	60.6	0.4
2.1 Chinese restaurants	*	*	1.0	#	3.0	0.1	6.5	0.2	11.4	0.3	17.8	0.4	24.9	0.6
2.2 Non-Chinese restaurants	*	*	*	*	*	*	3.7	0.1	6.7	0.1	10.6	0.2	15.9	0.3
2.3 Fast food cafes	*	*	*	*	*	*	2.2	0.2	4.1	0.3	6.8	0.5	9.7	0.8
2.4 Hong Kong style tea cafes	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2.5 Other food and beverage services	*	*	*	*	*	*	*	*	*	*	*	*	*	*
3. Estate management, security and cleaning services	1.9	#	6.8	0.2	13.5	0.3	23.4	0.6	37.0	0.9	52.5	1.2	71.6	1.7
3.1 Real estate maintenance management	*	*	*	*	*	*	6.8	0.6	10.2	0.9	14.0	1.3	18.5	1.7
3.2 Security services	*	*	*	*	*	*	2.9	0.2	5.7	0.5	9.7	0.8	14.2	1.2
3.3 Cleaning services	*	*	*	*	1.0	0.2	2.9	0.5	5.4	0.9	8.1	1.4	11.1	1.9
3.4 Membership organisations	1.0	0.1	3.6	0.3	6.7	0.5	10.9	0.8	15.7	1.1	20.7	1.5	27.8	2.0
4. Other low-paying sectors	*	*	5.3	0.1	11.3	0.2	25.8	0.4	48.3	0.7	75.1	1.0	105.3	1.5
4.1 Elderly homes	*	*	2.0	0.1	4.8	0.3	10.3	0.7	18.1	1.3	28.2	2.0	40.1	2.8
4.2 Laundry and dry cleaning services	*	*	*	*	*	*	*	*	*	*	*	*	*	*
4.3 Hairdressing and other personal services	*	*	2.2	0.1	3.9	0.1	10.3	0.2	21.5	0.5	33.6	0.8	46.5	1.1
4.4 Local courier services	*	*	*	*	*	*	*	*	*	*	*	*	*	*
4.5 Food processing and production	*	*	*	*	*	*	1.9	0.2	3.7	0.4	6.4	0.6	9.8	1.0
(B) Other sectors	3.0	#	19.5	#	46.8	#	84.0	#	134.6	0.1	197.6	0.1	281.4	0.1
5. Manufacturing	*	*	*	*	2.2	#	4.3	0.1	7.8	0.1	12.0	0.2	17.1	0.3
6. Construction	0.5	#	1.9	#	3.4	#	5.2	#	9.0	#	13.4	#	19.2	0.1
7. Import/export trade and wholesale	0.4	#	2.5	#	5.8	#	10.9	#	18.5	#	29.3	0.1	44.8	0.1
8. Accommodation services	*	*	*	*	*	*	*	*	*	*	*	*	*	*
9. Transportation, storage, courier services, information and communications	0.5	#	3.5	#	9.9	#	17.2	0.1	26.0	0.1	37.0	0.1	53.6	0.2
10. Financing, insurance, real estate, professional and business services	*	*	2.3	#	5.5	#	10.8	#	18.2	#	27.9	0.1	41.0	0.1
11. Education, medical and other social and personal services	0.9	#	7.3	#	17.9	0.1	31.9	0.1	49.9	0.1	70.9	0.2	96.6	0.3
12. Others	*	*	*	*	*	*	*	*	*	*	*	*	*	*
(C) All sectors	7.7	#	42.9	#	97.9	#	191.1	0.1	314.2	0.1	466.5	0.2	658.4	0.3

- Notes: (1) Employees exclude government employees; student interns, work experience students and live-in domestic workers as exempted by the Minimum Wage Ordinance; as well as employees with zero working hours in the survey reference period.
(2) Estimation of changes in wage bill is done by comparison with the original wage bill, assuming other things being equal, with the wage bill estimated in accordance with the definition of wages as set out in the Minimum Wage Ordinance.
(3) In this table, small and medium enterprises refer to those enterprises with fewer than 50 employees. 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 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) The Minimum Wage Commission defined "low-paying sectors" as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.
* 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.

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 Appendix 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. Food and beverage services	56	56
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
2.4 Hong Kong style tea cafes	561101	561101
2.5 Other food and beverage services	562-563	562-563, 561901, 561903
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 services	I55	I55
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 851, 852, 873, 9601, 960201 and part of 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) The Minimum Wage Commission defined “low-paying sectors” as sectors employing a relatively large number of low-paid employees or sectors with a relatively large proportion of low-paid employees among all employees within the sectors.

(3) Sectors other than those in (A) above.