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15pc tipped for service pay rise

By S Y Yue

HONGKONG'S 180,000 civil servants are likely to be offered a 15 percent pay rise by the Government — two percent less than their demand.

The Executive Council will make a decision on the pay rise at a meeting today where the administration is expected to propose the 15 percent package.

A 15 percent pay rise will mean an additional expenditure of \$6 billion out of Government coffers this financial year.

It is not yet known whether this will be accepted by the staff unions who have demanded a pay rise of 17 percent.

But sources said it would be unlikely the Government would back down and give civil servants another two percent because it would cost the Government another \$800 million.

The Government has indicated it will have to cut public spending by

more than 10 percent this year and there are indications that the economy is slackening.

The vice-president of the 50,000-member Chinese Civil Servants' Association, Wong Hyo, said 15 percent would be the floor limit.

He said if the pay rise percentage went below 15 percent, morale in the civil service would be adversely affected.

The Pay Trend Survey, the official pay survey conducted of 69 companies over the past financial year, had found an average pay rise of 16.5 to 18.25 percent for junior and senior staff respectively.

By discounting the annual in-service increment for civil servants, pay trend indicators stood at 15 to 17 percent.

Mr Wong said the union wanted a flat rate increase for all grades because it did not want to widen the difference in salary levels.