

10 percent wage rise is tipped for private sector

By Kira Chan

PRIVATE sector employees are tipped to get a wage increase of around 10 percent next year — the first double figure pay rise in five years.

The 10 percent increase, forecast by executive secretary of the Employers' Federation Mr Jack Cheetham, should also be applied to the 170,000 civil servants, he says.

The civil service unions have welcomed the news and have said they would be happy to be on par with the private sector.

But they are worried the Executive Council may cut their rise because of the pay level survey.

Mr Cheetham stressed the figure was just an estimate, but said it was made after feedback from some of the federation's member companies.

And although the figure was not binding on its members, it would serve as a guideline for the federation's 200-odd member companies, which included most major firms.

Its members include all the public utility companies, the two railway corporations, the two electric companies, the two bus

companies, Hongkong Telephone and the largest private companies such as Swire, Jardine Matheson and Inchcape.

"I will pass on my opinion to them and advise them that it would be 'logical' to award pay increases of around this region," he said.

According to Mr Cheetham, the 10 percent wage increase took into account six percent for cost of living with the rest being given for merit.

The last time employees were able to get a wage increase beyond 10 percent was in 1983 when a 14 percent pay rise was recorded.

Private employees were tipped to get a pay increase of seven percent at the beginning of this year. But Mr Cheetham reckoned a 10 percent rise was more likely as wages were being pushed up by the acute labour shortage.

Mr Cheetham disagreed that the increase next year was still less than expected in view of the better performance of the economy in the past year.

He said the economic performance in the past two years

had been equally good, but the Hongkong dollar had depreciated to a very large extent this year compared to 1986, which might have an adverse effect on pay rises.

"Besides, even if the companies really had a good year, they wouldn't put it in wages but prefer to give a special bonus to their employees," Mr Cheetham said.

A bonus, he said, was a once-off commitment and would not pose a burden to the employers if their performance worsened in the coming years.

As for the civil service, Mr Cheetham suggested they should also receive a pay rise of 10 percent in the coming year.

He said the 11 percent civil servants got last year — seven percent annual rise and four percent scale increment — was too high and they should have just received a total pay rise of eight percent.

Chairman of the staff side of the Senior Civil Service Council Mr John Walton-Masters, while agreeing to the proposed figure, said he would be happy if they could get the level of pay in-



■ Mr Jack Cheetham

crease as recommended by the Pay Trend Survey.

"My worry is whatever the survey's result, it will be cut by the Executive Council or the Standing Commission on Civil Service Salaries and Conditions of Service as a result of the findings of the non-directorate civil servants' pay level survey," he said.

The survey, which found the pay level of non-directorate civil servants was better than that of their counterparts in the private sector, has been endorsed by the Executive Council.

The administration is looking for ways to implement the survey's findings — with a possible cut in the pay and perks of non-directorate civil servants being considered.