Chief Executive in Council adopts recommendation on Statutory Minimum Wage rate (with photo)

The Chief Executive in Council has adopted the recommendation of the Minimum Wage Commission (MWC) to maintain the prevailing Statutory Minimum Wage (SMW) rate at $37.5 per hour.

The Secretary for Labour and Welfare, Dr Law Chi-kwong, said, "The Government has carefully considered the report of the MWC and is of the view that the MWC has ably discharged its statutory function of reviewing the SMW rate with thorough and balanced deliberations."

He added, "During the current round of review of the SMW rate by the MWC, the Hong Kong economy was in a deep recession with an elevated unemployment rate and the economic outlook was faced with an unusually high degree of uncertainty. Under such an austere economic environment, maintaining the prevailing SMW rate can help strike an appropriate balance between the objectives of forestalling excessively low wages and minimising the loss of low-paid jobs."

Dr Law paid tribute to the Chairperson of the MWC, Ms Priscilla Wong, and all members for accomplishing the review of the SMW rate. In accordance with the Minimum Wage Ordinance, the MWC will be required to submit the next recommendation report by October 31, 2022.

The full text of the "2020 Report of the Minimum Wage Commission" is available at the MWC's website (www.mwc.org.hk).

Government finishes exercise on “restriction-testing declaration” in respect of specified “restricted area” in Yau Ma Tei and enforcement operation for breaches of compulsory testing notice (with photo)

The Government yesterday (February 1) exercised the power under the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J) to make a "restriction-testing declaration" (declaration) effective from 8.30pm yesterday, by which people (hereafter referred to as "persons subject to compulsory testing") within the specified "restricted area" in Yau Ma Tei (i.e. 142-148 Reclamation Street and 59A, 59B, 59C Public Square Street, and 150-160 Reclamation Street and 2A, Wing Sing Lane) were required to stay in their premises and undergo compulsory testing. Persons subject to compulsory testing were required to stay in their premises until all such persons identified in the area had undergone testing and the test results were mostly ascertained. Moreover, the Government issued a compulsory testing notice yesterday, requiring persons who had been present in the buildings for more than two hours from January 19 to February 1, 2021, even if they were not present in the "restricted area" at the time when the declaration took effect, to undergo compulsory testing before February 3. The Government announced the completion of the compulsory testing exercise at around 6.30am today (February 2) and carried out enforcement actions in the "restricted area" afterwards to verify that all people in the "restricted area" had undergone compulsory testing. The Government announced that the enforcement operation ended around noon today.

In this exercise, the Home Affairs Department (HAD), the Yau Tsim Mong District Office, the Hong Kong Police Force, the Fire Services Department, the Working Family and Student Financial Assistance Agency, the Food and Environmental Hygiene Department and the Auxiliary Medical Service mobilised around 250 staff to arrange for implementation of the declaration and enforcement actions for breaches of the compulsory testing notice issued earlier.

The Government provided simple food for persons subject to compulsory testing, including food packs (containing noodles, canned meat, canned fruit, canned soup, etc), instant noodles, pasta, bread, canned food, cup noodles, soup packs, cakes, soy milk and bottled water, etc, so as to facilitate the dinner arrangements of some persons subject to compulsory testing. One box of masks and hand sanitisers, etc, were also provided to persons subject to compulsory testing to help them fight against the virus.

The HAD also set up a hotline for people restricted by the declaration

to make enquiries and seek assistance.

The Government thanks persons subject to compulsory testing for their support and understanding. With everyone's co-operation and efforts, coupled with the tireless efforts of the testing contractors, residents have been informed about their testing results by SMS notification. After finishing the compulsory testing exercise at about 6.30am today, the Government took enforcement actions in the "restricted area" immediately to verify that all people in the "restricted area" have undergone testing according to the requirements of the declaration and the compulsory testing notice. Persons who could present an SMS notification containing a negative testing result or wore a wristband as proof of having undergone the compulsory testing could leave the "restricted area" through the designated exit after providing personal information to a prescribed officer. The enforcement operation was completed around noon. About 16 persons were found not having undergone compulsory testing. A fixed penalty of $5,000 and a compulsory testing order were issued to them. Taking into account the above situation, the Secretary for Food and Health revoked the "restriction-testing declaration" in accordance with Cap. 599J (see attachment).

After initial investigation, it is believed that a few of the some 50 households who have not answered the door are vacant units or are used as a warehouse. The other residents are urged to contact the Government for arrangement of testing as soon as possible after they read the notices put up by the Government, so as to eliminate the possible risk of a further spread of the virus in the community.

The Government understands that residents in the district are worried and anxious because of the increase in confirmed cases in recent days. The Government hopes that this temporary inconvenience will completely cut the local transmission chains in the district and ease residents' worries and fear, so that they will regain confidence in resuming social and business activities in the area, and return to a normal life.

The Government thanks all participating Government staff and the testing agencies for their hard work. The Government also thanks the persons subject to compulsory testing again for their support and understanding, and their full co-operation during this period in undergoing testing and waiting for the result at home.

The Government as a whole is united in fighting against the virus despite all the difficulties, and provided testing for all the residents in the district within a short period of time in the hope of achieving zero cases in the district.

The Government will seriously follow up on the compliance situation of the compulsory testing notices and the "restriction-testing declaration" by persons subject to compulsory testing. Any person who fails to comply with the compulsory testing notices commits an offence and may be liable to a fixed penalty of $5,000. The person will also be issued with a compulsory testing order, requiring him/her to undergo testing within a specified time frame. Failure to comply with the order or the "restriction-testing

declaration" is an offence and the offender may be liable to a fine of level 4 ($25,000) and imprisonment for six months.

Provisional statistics of retail sales for December 2020 and for the whole year of 2020

The Census and Statistics Department (C&SD) released the latest figures on retail sales today (February 2).

The value of total retail sales in December 2020, provisionally estimated at $31.4 billion, decreased by 13.2% compared with the same month in 2019. The revised estimate of the value of total retail sales in November 2020 decreased by 4.1% compared with a year earlier.

After netting out the effect of price changes over the same period, the provisional estimate of the volume of total retail sales in December 2020 decreased by 14.0% compared with a year earlier. The revised estimate of the volume of total retail sales in November 2020 decreased by 4.7% compared with a year earlier.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing December 2020 with December 2019, the value of sales of food, alcoholic drinks and tobacco decreased by 14.3%. This was followed by sales of commodities in department stores (-18.3% in value); jewellery, watches and clocks, and valuable gifts (-40.8%); wearing apparel (-27.8%); medicines and cosmetics (-40.9%); fuels (-9.9%); footwear, allied products and other clothing accessories (-36.7%); Chinese drugs and herbs (-15.1%); books, newspapers, stationery and gifts (-20.0%); and optical shops (-31.3%).

On the other hand, the value of sales of commodities in supermarkets

increased by 11.7% in December 2020 over a year earlier. This was followed by sales of electrical goods and other consumer durable goods, not elsewhere classified (+21.7% in value); other consumer goods, not elsewhere classified (+5.8%); motor vehicles and parts (+10.5%); and furniture and fixtures (+6.3%).

Based on the seasonally adjusted series, the provisional estimates of both the value and the volume of total retail sales increased by 3.2% in the fourth quarter of 2020 compared with the preceding quarter.

For 2020 as a whole, the value of total retail sales was provisionally estimated at $326.5 billion, decreased by 24.3% in value and 25.5% in volume compared with 2019.

Analysed by broad type of retail outlet in descending order of the provisional estimate of the value of sales and comparing the whole year of 2020 with the whole year of 2019, the value of sales of food, alcoholic drinks and tobacco decreased by 12.7%. This was followed by sales of commodities in department stores (-22.5% in value); electrical goods and other consumer durable goods, not elsewhere classified (-12.9%); other consumer goods, not elsewhere classified (-10.0%); jewellery, watches and clocks, and valuable gifts (-54.0%); wearing apparel (-41.3%); medicines and cosmetics (-50.0%); motor vehicles and parts (-7.9%); fuels (-2.4%); footwear, allied products and other clothing accessories (-39.7%); books, newspapers, stationery and gifts (-29.9%); Chinese drugs and herbs (-26.1%); and optical shops (-32.8%).

On the other hand, the value of sales of commodities in supermarkets increased by 9.7% in 2020 compared with 2019. This was followed by sales of furniture and fixtures (+0.4% in value).

These retail sales statistics measure the sales receipts in respect of goods sold by local retail establishments and are primarily intended for gauging the short-term business performance of the local retail sector. Data on retail sales are collected from local retail establishments through the Monthly Survey of Retail Sales (MRS). Local retail establishments with and without physical shops are covered in MRS and their sales, both through conventional shops and online channels, are included in the retail sales statistics.

The retail sales statistics cover consumer spending on goods but not on services (such as those on housing, catering, medical care and health services, transport and communication, financial services, education and entertainment) which account for over 50% of the overall consumer spending. Moreover, they include spending on goods in Hong Kong by visitors but exclude spending outside Hong Kong by Hong Kong residents. Hence they should not be regarded as indicators for measuring overall consumer spending.

Users interested in the trend of overall consumer spending should refer to the data series of private consumption expenditure (PCE), which is a major component of the Gross Domestic Product published at quarterly intervals. Compiled from a wide range of data sources, PCE covers consumer spending on

both goods (including goods purchased from all channels) and services by Hong Kong residents whether locally or abroad. Please refer to the C&SD publication "Gross Domestic Product (Quarterly)" for more details.

Commentary

A government spokesman said that retail sales saw a widened decline in December amid the fourth wave of the local epidemic and the resultant social distancing measures. For 2020 as a whole, retail sales volume fell by 25.5%, the largest annual decline on record, reflecting the severe blow to consumption-related activities caused by the epidemic.

Looking ahead, the spokesman pointed out that the business environment of the retail trade will remain challenging in the near term amid frozen inbound tourism and the ongoing local epidemic. It would thus be pivotal for the community as a whole to spare no effort to fight the virus and keep the epidemic under control at the soonest possible in order to foster the revival of retail business in particular and the overall economy at large.

Further information

Table 1 presents the revised figures on value index and value of retail sales for all retail outlets and by broad type of retail outlet for November 2020 as well as the provisional figures for December 2020. The provisional figures on the value of retail sales for all retail outlets and by broad type of retail outlet as well as the corresponding year-on-year changes for the whole year of 2020 are also shown.

Table 2 presents the revised figures on volume index of retail sales for all retail outlets and by broad type of retail outlet for November 2020 as well as the provisional figures for December 2020. The provisional figures on year-on-year changes for the whole year of 2020 are also shown.

Table 3 shows the movements of the value and volume of total retail sales in terms of the year-on-year rate of change for a month compared with the same month in the preceding year based on the original series, and in terms of the rate of change for a three-month period compared with the preceding three-month period based on the seasonally adjusted series.

The classification of retail establishments follows the Hong Kong Standard Industrial Classification (HSIC) Version 2.0, which is used in various economic surveys for classifying economic units into different industry classes.

More detailed statistics are given in the "Report on Monthly Survey of Retail Sales". Users can download this publication at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=B1080003). Alternatively, the historical series of retail sales statistics can be downloaded in the form of a statistical table at the website of the C&SD (www.censtatd.gov.hk/hkstat/sub/sp320.jsp?productCode=D5600089).

Users who have enquiries about the survey results may contact the Distribution Services Statistics Section of the C&SD (Tel: 3903 7400; Email:

mrs@censtatd.gov.hk).

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Tuesday, February 2, 2021 is 100.8 (up 0.2 against yesterday's index).

Two chain stores in Tai Po and their directors convicted of causing noise nuisance by playing promotional recordings

Queens Agriculture Development Trading Int'l Limited, which operates a chain of vegetable stalls, and Famous Team Trading Limited, which operates a chain of meat stalls, were prosecuted because their branches at Tai Kwong Lane in Tai Po caused a noise annoyance to nearby residents by playing persistently and loudly promotional recordings again. The two companies were convicted and fined a total of $41,000 by Fanling Magistrates' Courts today (February 2) for contravening the Noise Control Ordinance (NCO). Their directors also held criminal liability and were fined a total of $7,000 for contravening the NCO repeatedly.

A spokesman for the Environmental Protection Department (EPD) said that the department has been strictly combating noise annoyances caused by broadcasting from shops in various districts. In addition to stepping up routine inspections and strengthening enforcement against shops with repeated contraventions, the department also collaborated with relevant departments, including the Food and Environmental Hygiene Department and the Police, to take joint enforcement actions. Insofar as Tai Po District is concerned, 38 shopfront noise cases have been convicted by the courts for contravening the NCO since 2018, with fines of over $200,000 in total. Apart from prosecuting the operating companies of the shops, the EPD will also prosecute their directors in accordance with the law with a view to stiffening penalties and strengthening the deterrent effect.

The spokesman reminded persons responsible for retail stores and market stalls that the department will continue to conduct enforcement actions. When the shops play promotional recordings to attract customers, they must contain

the volume within their store area as far as possible and should not cause a noise nuisance to people outside their stores, or for nearby residents. Otherwise, it constitutes an offence. Offenders are liable to a maximum fine of $10,000. As for the operators or directors of shops with repeated contraventions, they will also be criminally liable for the offence once convicted.