



香港女工商及專業人員聯會

HONG KONG WOMEN PROFESSIONALS & ENTREPRENEURS ASSOCIATION LIMITED

RESPONSE TO ADDRESS BY THE CHIEF EXECUTIVE AT THE LEGISLATIVE COUNCIL MEETING ON 15 OCTOBER 2008 ("Policy Address")

The Hong Kong Women Professionals and Entrepreneurs Association Limited ("HKWPEA") respectfully submit our views in response to the Policy Address. HKWPEA is a non-profit organization comprising of a broad spectrum of professional and business women with a mission to enhance professional standards, training and business opportunities and to provide mutual support for its members. We value the opportunity to present opinions to the Government on various policy consultations and public issues. The views represent a cross-section of the members of HKWPEA holding significant positions in public and private sectors in Hong Kong.

We compliment the Chief Executive for his fast action in setting up a committee and identified the 4 industries most severely affected by the economic downturn which would require help from the government.

However, it is unclear what the terms of reference are for the committee and its sub-committees and task force. We are of the view that they should be representative of the industries concerned and supported by the Central Policy Unit and the industries, including representation from both big corporations and small medium enterprises. Further, there should be short, medium and long term considerations.

As the committee is required to meet frequently and implement policies quickly in order to be effective in alleviating the foreseeable problems to be faced by the industries, we are of the view that the Chief Executive should not be the Chairman of this committee due to his heavy schedule. Hong Kong would be thrown into chaos by mass unemployment and failed businesses if no fast action is taken by the government to help the small and medium sized enterprises.

MINIMUM WAGES

Whilst we agree in principal that workers should receive wages proportionate to their work, it would not be practical to implement minimum wages now during an economic downturn, when all businesses whether big or small are struggling to survive. The imposition of minimum wages would be the last straw to break the camel's back. Workers will be harmed rather than protected when businesses fold up – they will lose their jobs and receive no wages at all. In general, retailers are against the imposition of minimum wages in the present economic climate.

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If minimum wages were introduced to the two areas of work paying the lowest wages as identified by the government, namely, cleaners and watchmen, the impact would be small as this is not representative of a cross-section of the work force.

We would suggest one solution to the problem of sub-standard wage earners: to provide government subsidies to such workers and also to social welfare recipients who are working for sub-standard wages. This would encourage people to work and to be self-sufficient.

In conclusion, we would suggest that the government should do more relevant impact studies on minimum wages and consult with various small, medium and large businesses before rushing into legislation for minimum wages. We are concerned that once the main legislation is passed there will be no control over the implementation as it is often quoted that the devil is in the details and can easily be used as a political tool by politicians.

SMALL AND MEDIUM SIZED ENTERPRISES ("SME")

The major problem identified for SME is cash flow caused mainly by the delay in payment by credit card companies. One such recent example is the failed airline OASIS. Another problem is getting credit for exports as the banks are getting more and more reluctant to provide credit facilities.

We would suggest that the government consider increasing guarantees to banks in the obtaining of credit by SME from HK\$5 million to HK\$6 million but must be aware of fake orders by carefully vetting applicants by independent agents to ensure the orders are authentic to protect government funds.

COMPETITION LAW

The introduction of such a law aims to provide a platform for fair competition for doing business in Hong Kong.

The consultation paper proposed exempting government and government subsidized organizations and NGO's from the ordinance.

Although the policy is valid for some such organizations it will result in unfair advantage to some organizations like the Trade Development Council ("TDC") which is in the retail business, operates exhibitions and has its own contracting company. This has great impact on SME in similar businesses which would not be able to compete due to government policies which are more favorable to TDC.

There is a provision for the SME affected to complain to the commission but it is unclear how the commission will be set up. It would lead to much litigation which would cost time and money, resulting in even more burden on the SME. Again, the devil is in the details and there is a need to identify areas of concern and provide clear definitions in the ordinance such as the exempted government organizations must hold less than 40% of the market share and so on.

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In conclusion we are in general in support of implementation of competition law in Hong Kong, but the government must not bypass the stage of circulating a more detailed consultation paper for the general public's comments.

SOCIAL WELFARE

We are of the view the government should have a total policy on population growth and make provision for education, medical, housing, social welfare and other policies accordingly.

We are in support of the continued payment of old age allowance as these are people who contributed much to the society of Hong Kong. We are however concerned with the problem of the ageing population which is rapidly increasing and the burden to be placed on the younger generation which is growing rather disproportionately. The problem of PRC parents giving birth in Hong Kong must be addressed immediately as this has impact on the overall plan of the government, perhaps by means of a tracking system on the movements of the newborn babies.

We support the government's policy of providing seed money for starting new social enterprises for the unemployed and/or handicapped to enhance their self-reliance provided that sufficient support is given to the NGO's who often have no experience in running a business. Many such social enterprises fail due to lack of follow-up supervision by people with expertise after their set up, wasting valuable government resources and further reducing the self-esteem of the workers.

We reiterate that government subsidies be provided to workers receiving sub-standard wages which should also include social welfare recipients who are working for sub-standard wages to encourage people to work and not rely on handouts from the government. In fact, those able-bodied persons on social welfare should be prevented from receiving benefits automatically and must prove they have been actively seeking jobs.

There has been much abuse in the workers' retraining program funded by the HK\$400 per month levy on foreign domestic helpers. Some course providers make up courses to cater to the government's requirement for allotting funds and solicit people to attend but provide fictitious courses and divide the proceeds from the government. Others complete the valid training courses (e.g. domestic helpers) but do not want to work even if the job is near where they live. They are very selective in choosing their employers or only work for short durations so the employers get no benefit at all from the money they contribute to their training. We would recommend the permanent removal of the monthly levy.

ENVIRONMENTAL PROTECTION

We are in support of the initiatives raised; however, we still advocate the need for a holistic view in addressing the entire issue with short to long term objectives and plans.

In view of the fact that this being a critical consideration already for multinationals in choosing Hong Kong as the regional hub, versus Singapore, there should be clear strategies in how Hong

Kong will be truly uplifted to a standard to other cosmopolitan cities in the world. Subject like road pricing is not raised at all; we therefore would urge the government to truly communicate with the society about the entire road map adopted in the years to come.

Finally, given the wide distribution of significant positions throughout the public and private sectors that the members of HKWPEA hold, we sincerely hope that the view we have expressed above will be considered and taken into account of.

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