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COMMUNITY 27

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No end in sight to OFW woes as surging peso hits home

Investors are cheering as Philippine stocks climb to record highs and the economy surges ahead at the fastest pace in 17 years.

But the booming growth is also driving the peso, which is eroding the income of Filipinos like Hazel Gonzales, who depends on money sent home from her husband working as a mechanic in Kuwait.

“The effect on us is really big,” she said.

While her husband has been remitting the same portion of his salary, the stronger peso means she is receiving 18 per cent less than when he arrived in Kuwait in November.

“It is good for the Philippines, because it is a signal that the economy is doing well,” she said.



“But for us, it means that my husband’s remittance, which used to be, for example, 15,000 pesos

[US\$324] is now down to 12,000 pesos [US\$259].”

Gonzales and her two children have had to cut down on spending, including dining out, and her two-year-old son switched to a cheaper brand of infant formula.

But she said she looks at the silver lining: An improving economy could mean better local wages that would

allow her husband to come home. “I told him, if the peso continues to rise, he should just come home. Maybe salaries here would also improve,” she said.

“In a strange way, we are being punished for our own success,” said a briefing paper by the National Economic Development Authority, a government agency.

Photo: Paolo Sandino

\$80 more for stressed workers, then what?

Migrant groups lament ‘piece meal’ approach to long-running wage issue

Jose Marcelo in Hong Kong

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The government has increased the minimum wage for foreign domestic helpers for the third successive year, the \$80 pay rise bringing the level to \$3,480 for all contracts signed on or after June 6.

The latest adjustment brought the minimum wage to its highest level in four years, although still below the benchmark \$3,670 in 2003 before a levy imposed on employers reflected in a \$400 wage cut for domestic helpers.

The government raised the minimum wage by \$50 in 2005 and \$80 last year.

A government spokesman told *Filipino Globe* the review mechanism that determines the minimum wage is an elaborate and time-tested process that has been in place since the 1970s.

It involves several branches of government and takes into account economic indicators gathered by its Census and Statistical Department.

“It is meant to protect the welfare

of our foreign domestic workers,” she said.

Philippine labor attaché Romy Salud, among the representatives from labor-sending countries invited by Hong Kong officials to a meeting on the eve of the announcement, said they were told the minimum wage had been increased nine times and cut just twice over the years.

Since 1973 there have been 22 adjustments to the minimum wage for foreign domestic workers with nine increments of not less than 10 per cent, she added.

There have been two reductions – once in 1999 at the height of the Asian



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The Legco building towers over domestic workers on their day off. The wage issue has festered since 2003.