

Times letters: Minimum wage and the challenge for business

Sir, Your report "[PM to reveal minimum wage rise in a few weeks](#)" (Oct 6) notes that the minimum wage is likely to rise by 5.7 per cent and that the government will contrast this with the approach of those who "decided to reach for the same old lever of uncontrolled migration to keep wages low". Any increase in the minimum wage needs to be implemented in line with economic fundamentals, but international comparisons do not justify the claim that wages, at least the minimum ones, have been kept (too) low. In fact, UK minimum wages correspond to 58 per cent of median wages for full-time employees, that is, 6 percentage points higher than the corresponding median figure for the OECD countries (31 countries minus the UK). The real hourly minimum wage in the UK (in 2020 constant prices and 2020 USD exchange rates) stands at \$11, more than twice the \$4.9 median figure for the OECD. These are statistics for our politicians to crunch before making eye-catching claims.

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