

Minimum Wages in Emerging Countries (2016)

January 21, 2016

MarkLines announces Minimum Wages in Emerging Countries (2016)

MarkLines Co., Ltd. (President & CEO Makoto Sakai) has compiled data on minimum wages for the automotive industry as of January 2016 in ten emerging countries and twelve regions.

Mexico - Minimum daily wages in Mexico rose by 4% year-on-year to MXN 73.04 (approximately USD 90 per month) in urban areas, and 3% y/y to MXN 68.26 (approximately USD 85 per month) in provincial areas. Minimum wages in Mexico are the lowest, and compared to other countries the increase rate remains stable at a low level. However, it should be noted that daily wages have to be paid even on holidays except for day laborers, and there are various allowances not included in minimum wages. The average monthly pay for general workers in the manufacturing industry varies between USD 260 (the same with wages in Indonesia and the Philippines) and USD 360 (at the same level with India and Thailand).

China - Minimum monthly wages in China rose by 11% y/y in Shanghai to CNY 2,020 (approximately USD 310), and 22% in Guangzhou to CNY 1,895 (USD 290). These figures are the highest among the countries and regions covered in this report, and wages in both areas have increased by more than two times y/y from 2010. Average wages in China are lower than those in Brazil and Russia, but higher than those in ASEAN member states, India, and Mexico. However, compared to wages in developed countries, minimum wages in China are less than half, and average wages about one third.

Vietnam - Minimum monthly wages in Vietnam rose by 13% y/y in Region II (Da Nang, etc.) to VND 3.1 million (approximately USD 140). This represents a 2.6 times increase in the local currency from 2010 but the minimum wages are about the same as average wages, which rank the lowest among the countries and regions covered in this report.

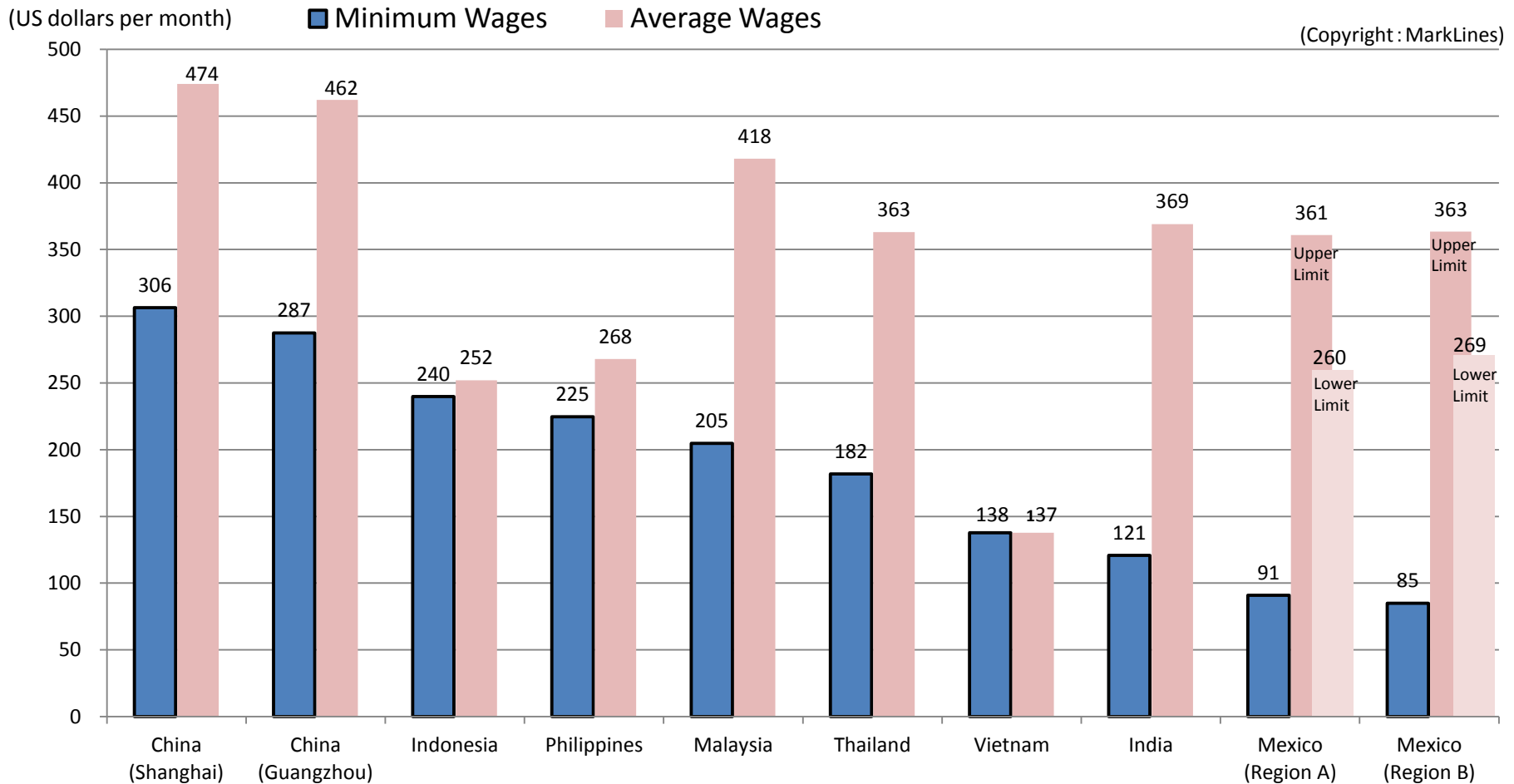
Indonesia - Minimum monthly wages in Indonesia rose by 13% y/y to IDR 3.33 million (approximately USD 240) in the Karawang Regency of West Java. This represents a nearly 5-fold increase from 2010, and an unusually high increase rate among the countries and regions compared in this report. However, Indonesia ranks the lowest next to Vietnam in terms of average wages.

Malaysia - The minimum monthly wage in Malaysia was set at MYR 900 (approximately USD 200) in all areas of the Malay Peninsula in 2013. However, it will rise to MYR 1,000 (approximately USD 230) in July 2016.

Thailand - The minimum daily wage in Thailand was set at THB 300 (approximately USD 180 per month) for the whole country in 2013. It has been decided that this wage rate will remain in effect until June 2016. However, actual pay in the automotive industry has been rising by 7 to 8 percent every year due to strong demand for higher wages.

India - In India, local governments set minimum wages by industry type, and these are revised at least once every five years. The minimum monthly wage in New Delhi was set as INR 8,086 (approximately USD 120) in October 2013, and has not been revised to date. In December 2015, a draft bill was presented to the Cabinet proposing a uniform minimum wage that would apply equally to all localities.

Minimum Wages in Emerging Countries (2016)



Note 1: The minimum wages and average wages are based on those of manufacturing industry workers in general. Average wages are given for reference only as the data was collected at different times.

Note 2: The data on average wages in Vietnam was collected from October to November 2014. Average wages are expected to be higher in January 2016.

Note 3: Average wages in Mexico are shown with the upper and lower limits.

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(January 2016)

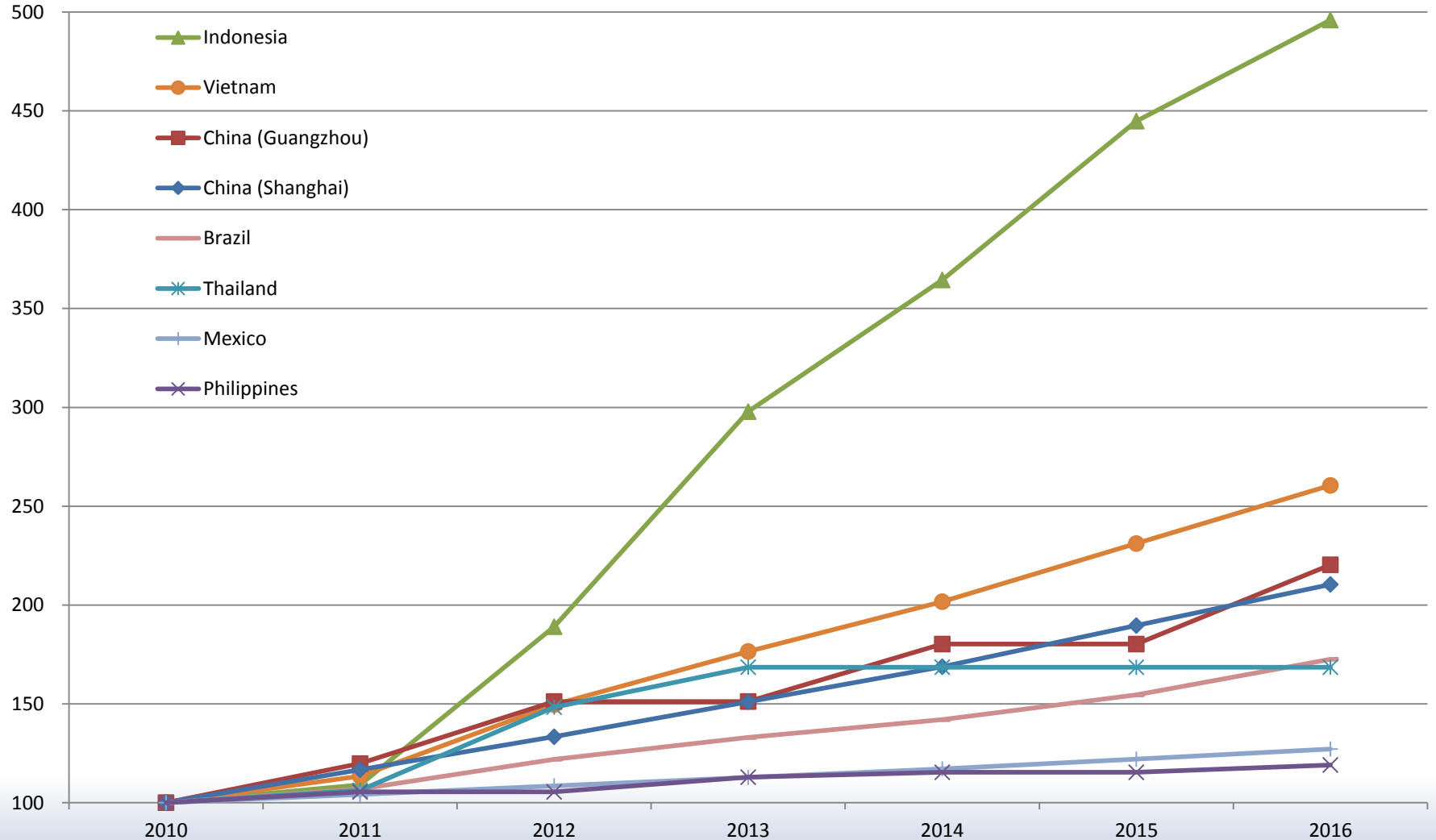
	Emerging Countries												Developed Countries				
	China		Indonesia	Philippines	Brazil	Malaysia	Thailand	Russia	Vietnam	India	Mexico		U.S.A.	Germany	Spain	Japan	South Korea
																	
Shanghai	Guangzhou	Karawang	Manila	Nation-wide	Malay Peninsula	Nation-wide	Saint Petersburg	Region II	New Delhi	Region A	Region B	Federal Minimum Wage	Nation-wide	Nation-wide	National Average	Nation-wide	
Minimum Wage (Local Currency)	2,020 CNY /month	1,895 CNY /month	3,330,505 IDR /month	481 PHP /day	880 BRL /month	900 MYR /month	300 THB /day	11,700 RUB /month	3,100,000 VND /month	8,086 INR /month	73.04 MXN /day	68.28 MXN /day	7.25 USD /hour	8.5 EUR /hour	655.1 EUR /month	798 JPY /hour	6,030 KRW /hour
Year-on-year	+11.0%	+22.3%	+12.6%	+3.2%	+11.7%	±0.0%	±0.0%	+23.9%	+12.7%	±0.0%	+4.2%	+2.8%	±0.0%	±0.0%	+1.0%	+2.3%	+8.1%
Effective	April 2015	May 2015	Jan. 2016	April 2015	Jan. 2016	Jan. 2013	Jan. 2013	Jan. 2016	Jan. 2016	Oct. 2013	Jan. 2016	April 2015	July 2009	Jan. 2015	Jan. 2016	Oct. 2015	Jan. 2016
Monthly Minimum Wage (US dollars) ※1	306.4	287.4	239.8	224.6	217.3	204.7	181.8	154.9	137.8	120.8	90.9	85.0	1,276.0	1,626.0	712.0	1,194.7	881.9
Monthly Average Wage (US dollars) ※2	474	462	252	268	1,044.41	418	363	648 - 937	137	369	259.53 - 360.80	268.76 - 363.34	2,676	2,800	1,330 - 2,546	2,305	1,729
	Shanghai	Guangzhou	Jakarta	Manila	Sao Paulo	Kuala Lumpur	Bangkok	Saint Petersburg	Da Nang	New Delhi	Mexico City	Aguascalientes	Atlanta	Jena	Barcelona	Nagoya	Seoul
Per capita GDP (US dollars) ※3	8,280		3,416	2,951	8,802	10,073	5,426	8,447	2,171	1,688	9,592		55,904	41,267	26,327	32,481	27,513
Production Capacity (,000 units) ※4	37,960		1,670	160	5,450	1,340	3,290	4,280	240	6,790	4,060		12,470	6,660	3,130	11,150	5,180

- * 1: The minimum wage figures are for 8 hours' work per day, for 22 working days a month, and were converted into U.S. dollars at the corresponding exchange rates on January 7, 2016.
- * 2: The average wage figures are based on those of manufacturing industry workers in general. And those figures are given for reference only as the data was collected at different times from the minimum wage figures
(See "Investment cost comparison," data collected by JETRO from October 2014 to July 2015, available at <https://www.jetro.go.jp/world/search/cost.html>).
- * 3: The per capita GDP (nominal) figures are the IMF estimates as of October 2015
(See "World Economic Outlook Database" available at <http://www.imf.org/external/pubs/ft/weo/2015/02/weodata/index.aspx>).
- * 4: Production capacity is the annual capacity to produce light vehicles, as of 2015 (MarkLines research).

Increase in Minimum Wages

(January 2010 value = 100)

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Note : Figures are compared with 2010 (January 2010 value = 100), and are given in local currency basis as of January of each year

Increase in Minimum Wages











Increase in Minimum Wages in local currency

(January 2010 value = 100)

Country	Currency	2010	2011	2012	2013	2014	2015	2016
Indonesia (Karawang)	IDR/month	671,500	732,000	1,269,227	2,000,000	2,447,450	2,987,000	3,330,505
		100	109	189	298	364	445	496
Vietnam (Region II)	VND/month	1,190,000	1,350,000	1,780,000	2,100,000	2,400,000	2,750,000	3,100,000
		100	113	150	176	202	231	261
China (Guangzhou)	CNY/month	860	1,030	1,300	1,300	1,550	1,550	1,895
		100	120	151	151	180	180	220
China (Shanghai)	CNY/month	960	1,120	1,280	1,450	1,620	1,820	2,020
		100	117	133	151	169	190	210
Brazil	BRL/month	510	545	622	678	724	788	880
		100	107	122	133	142	155	173
Thailand	THB/day	178	189	264	300	300	300	300
		100	106	148	169	169	169	169
Mexico (Region A)	MXN/day	57.46	59.82	62.33	64.76	67.29	70.10	73.04
		100	104	108	113	117	122	127
Philippines (Manila)	PHP/day	404	426	426	456	466	466	481
		100	105	105	113	115	115	119

Note : Figures are compared with 2010 (January 2010 value = 100), and are given in local currency basis as of January of each year

Note

- China**  * Minimum wages are set by each province and centrally-controlled municipality, and the time of revision differs among them respectively.
- Indonesia**  * Minimum wages are announced by respective provinces every year. The minimum wage for Jakarta in 2016 has been set at IDR 3.1 million per month (up 14.8% y/y).
- Philippines**  * Minimum wages are published and revised by region, and the time of revision differs among them respectively.
 * The minimum wage for Manila rose by PHP 15 to PHP 481 per day on April 4, 2015, but a one year's extension was granted to manufacturers unable to comply.
- Brazil**  * The minimum wage is set by the federal government, and revised every year.
- Malaysia**  * A uniform minimum wage system was introduced in 2013. The monthly minimum wage will be revised in July 2016 from MYR 900 to MYR 1,000 on the Malay Peninsula, and from MYR 800 to MYR 920 in East Malaysia.
- Thailand**  * The daily minimum wage has been fixed at THB 300 for the period from 2013 to June 2016.
- Russia**  * Minimum wages may be set by the government of each province, republic, and autonomous district, so long as it does not fall below the minimum rate set by the federal government.
 * The monthly minimum wages set by the federal government for 2016 are RUB 6,204. RUB 16,500 is set for the city of Moscow.
- Vietnam**  * Minimum wages rates vary by region (from Regions I to IV). Different wages were set for foreign-affiliated firms and domestic firms until September 2011, but they were unified in October of that year.
 * The 2016 monthly minimum wages are, VND 3.5 million for Region I (Hanoi, Hoh Chi Minh, etc.), VND 3.1 million for Region II (Da Nang, etc.), VND 2.7 million for Region III (Quang Nam, etc.) and VND 2.4 million for Region IV (other areas).
- India**  * Minimum wages are set by each state government on an industry type basis, and revised at least once every five years.
 * The minimum wage for New Delhi was not announced at the end of 2015 because the last revision was in October 2013.
 * In December 2015, the Indian Ministry of Labour and Employment presented a draft bill to the Cabinet that proposes the unification of minimum wages currently set by the respective state governments.
- Mexico**  * Minimum wages are set by the National Minimum Wage Commission (Comision Nacional de los Salarios Minimos: CONASAMI), which represents the government, labor unions, and financial circles.
 * In addition to the minimum wages for non-skilled workers, there are minimum wages set for skilled workers based on industry type.
 * The daily minimum wages in 2016 are, MXN 73.04 for Region A (Mexico City and other metropolitan areas), and MXN 68.28 for Region B (Aguascalientes, etc.). Daily wages have to be paid even on holidays except for day laborers.

Company Overview

Corporate Profile

[Headquarters]	Aoyama Tower Place 2F, 8-4-14 Akasaka Minato-ku, Tokyo 107-0052 Japan
[Date of Establishment]	January 4, 2001
[Employees]	97 (on consolidated basis), 70 (on unconsolidated basis)
[President & CEO]	Makoto Sakai
[Business Activities]	Operations of MarkLines Automotive Industry Portal

Automotive Industry Portal

MarkLines Automotive Industry Portal is a one-stop B2B online information service for the automotive industry. The portal provides two kinds of services: research tools and marketing tools.

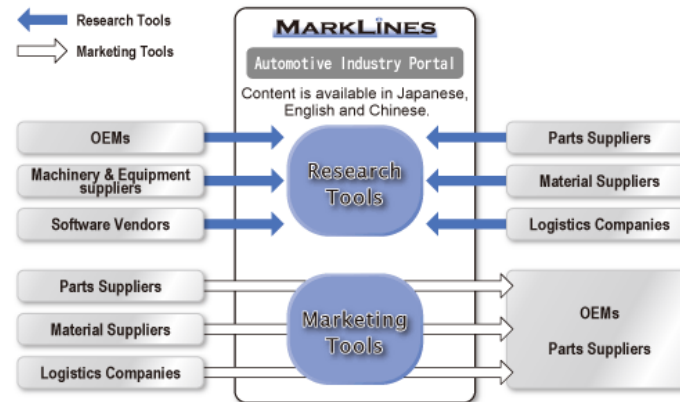
Research Tools:

MarkLines provides information about the global automotive market, which is useful to all companies working in the industry. This allows companies to save time and money by using MarkLines instead of conducting independent research.

Marketing Tools:

MarkLines has tools which promote a customer's products, technologies and services to over 90,000 MarkLines' members. MarkLines' members include various OEMs and parts suppliers around the world.

By providing services with these research tools and marketing tools, MarkLines supports its customers' procurement and marketing activities.



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