

Press Release

HOME > Press Release > MarkLines Releases Minimum Wages in Asia for 2015

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January 8, 2015

MarkLines Releases Minimum Wages in Asia for 2015

MarkLines Co., Ltd.

MarkLines Co., Ltd. (President & CEO Makoto Sakai) compiled minimum wage data for eight focal points of the automotive industry in Asia as of January 2015.

In China, the monthly minimum wage in Shanghai stands at CNY 1,820 (approximately USD 300), while the minimum wage in Guangzhou is CNY 1,550 (approximately USD 250). Both figures are nearly double the wages offered in 2010.

The Thai government had announced a raise in the daily minimum wage in seven prefectures including the Bangkok Metropolitan Area and Phuket to THB 300 in April 2012, while also uniformly increasing the minimum wage rate in remaining 70 prefectures by 39.5 percent. During the period from 2013 to 2015, the daily minimum wage rate of THB 300 (approximately USD 200 on monthly basis) is applied throughout the country, which is controlling a sharp rise in wages.

The Government of Malaysia introduced a minimum wage system for the first time in 2013. The monthly minimum wage in the entire Malay Peninsula is set at MYR 900 (approximately USD 260).

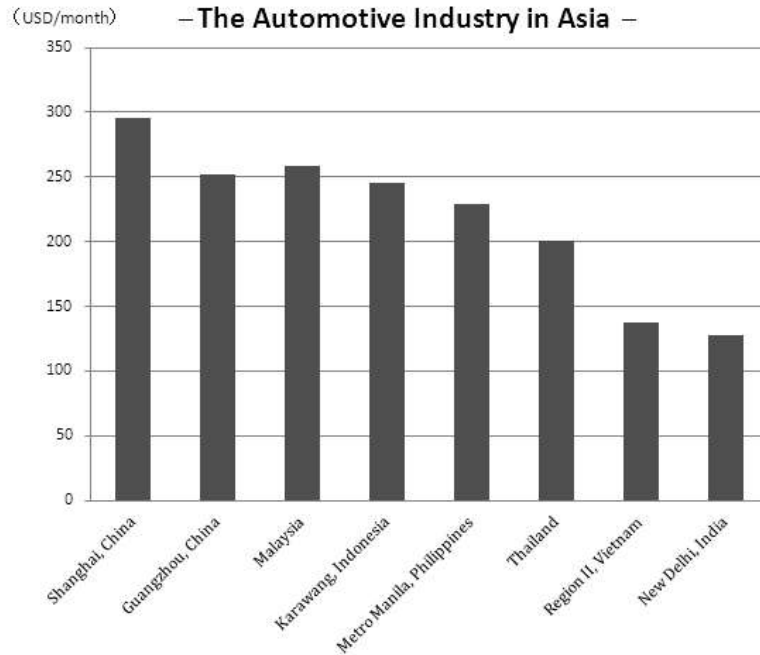
In Indonesia, nationwide labor disputes arise every year due to the large increases in minimum wage. In Karawang, West Java, for example, the monthly minimum wage is IDR 2,987,000 (approximately USD 245), which represents a 4.4 times increase from the minimum wage in 2010. By sector, the monthly minimum wage of the automotive industry is set at even higher at IDR 3,415,000 (approximately USD 280) in Karawang.

The minimum wage rate in Vietnam varies by region: VND 3.1 million (approximately USD 155) per month in Region I which includes Hanoi and Ho Chi Minh City; VND 2.75 million (approximately USD 140) in Region II which includes Tinh Vinh Phuc and Da Nang. Both figures are relatively low compared to other ASEAN countries. However, the rate at which the minimum wage has increased is high, about 2.3 times the wages provided in 2010 for Region II.

The minimum wages of the areas in Indonesia and the Philippines covered by this survey are above the national average, because the automotive industry of these two countries is concentrated in the metropolitan area. When looking at real wages, it should be noted that the standards for setting minimum wages differ by country. In Indonesia, the minimum wage is determined based on the "Kebutuhan Hidup Layak (KHL:Eligible Lifestyle Needs in English)" indicator, which considers necessary items for living including clothing, foods and housing. Thus, the real wage of workers in Indonesia seems to be almost equivalent with the minimum wage. In China, a workers' real wage is about twice the minimum wage when allowances not included in the minimum wage are factored in.








Comparison of Minimum Wages 2015

– The Automotive Industry in Asia –



Minimum Wages for the Automotive Industry in Asia

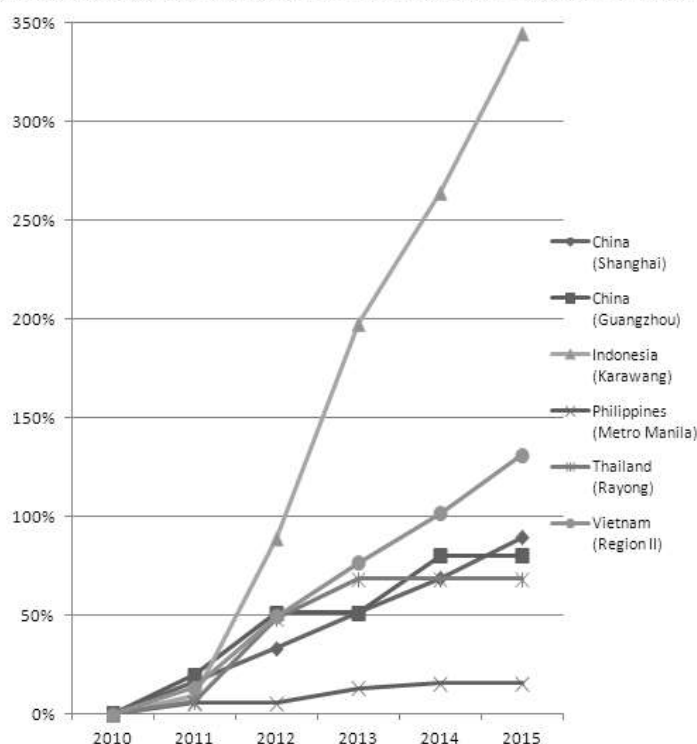
(as of January 2015)

	China		Malaysia	Indonesia	Philippines	Thailand	Vietnam	India
								
	Shanghai	Guangzhou	Peninsula Malay	Karawang, West Java	Metro Manila	Nationwide	Region II	New Delhi (unskilled worker)
Minimum wages	1,820 RMB/month	1,550 RMB/month	900 MYR/month	2,987,000 IDR/month	466 PHP/day	300 THB/day	2,750,000 VND/month	8,086 INR/month
USD/month*	296.0	252.1	258.8	244.9	228.9	200.4	137.5	127.3
Year-on-year	12.3%	0.0%	0.0%	22.0%	0.0%	0.0%	14.6%	0.0%
Implementation	April 2014	May 2013	January 2013	January 2015	October 2013	January 2013	January 2015	October 2013
Major OEMs in the area	GM, VW	Toyota, Honda, Nissan	Toyota, Daihatsu, Honda (Selangor)	Toyota, Daihatsu, Honda	Toyota, Honda, Nissan (Manila suburbs)	Toyota, Honda, Nissan (Rayong)	Toyota, Honda (Vinh Phuc)	Maruti Suzuki, Honda (Delhi suburbs)

*USD exchange rate on December 22, 2014. 22 days per month for Philippines and Thailand.

Growth Rate of Minimum Wages

(as of January each year, compared with 2010 figures on a local currency basis)



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(as of January each year, compared with 2010 figures on a local currency basis)

Country/Area	Currency	2010	2011	2012	2013	2014	2015
China (Shanghai)	RMB/month	960	1,120	1,280	1,450	1,620	1,820
	Increase Rate	—	16.7%	33.3%	51.0%	68.8%	89.6%
China (Guangzhou)	RMB/month	860	1,030	1,300	1,300	1,550	1,550
	Increase Rate	—	19.8%	51.2%	51.2%	80.2%	80.2%
Indonesia (Karawang)	IDR/month	671,500	732,000	1,269,227	2,000,000	2,447,450	2,987,000
	Increase Rate	—	9.0%	89.0%	197.8%	264.5%	344.8%
Philippines (Metro Manila)	PHP/day	404	426	426	456	466	466
	Increase Rate	—	5.4%	5.4%	12.9%	15.3%	15.3%
Thailand (Rayong)	THB/day	178	189	264	300	300	300
	Increase Rate	—	6.2%	48.3%	68.5%	68.5%	68.5%
Vietnam (Region II)	VND/month	1,190,000	1,350,000	1,780,000	2,100,000	2,400,000	2,750,000
	Increase Rate	—	13.4%	49.6%	76.5%	101.7%	131.1%

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Notes

China :

- Each province and directly-controlled municipality determines its minimum wage. The timing of revisions differs by region.

Malaysia :

- The minimum wage system was introduced to limited areas in 2013. Full enforcement started in 2014 and the first revision is scheduled to be announced in early 2015.

Indonesia :

- Each state announces its minimum wage every year. The monthly minimum wage in the capital, Jakarta, is IDR 2.7 million. (up 11 percent year-on-year)
- Through 2011, the West Java, Central Java and East Java states determined their respective minimum wages for the entire states respectively. From 2012, each prefecture and municipality set its own minimum wage.
- The monthly minimum wage in Karawang, West Java, in 2015 is IDR 2,987,000, whereas the wage of the industrial group including the automotive sector is IDR 3,415,000. (announced on December 24, 2014)

Thailand :

- The minimum wage for the period from 2013 to 2015 is THB 300 per day throughout the country.
- Through 2012, each region annually revised their minimum wage independently.

Philippines :

- The minimum wage is announced and determined by region. The revision date differs by region.
- The minimum wage in the Manila Metropolitan Area has not been announced since the last revision was released in October 2013 (as of Dec. 31, 2014)

Vietnam :

- Minimum wages vary by region (from Regions I to IV), with wage revisions announced once per year. Different wages were set for foreign-affiliated firms and domestic firms prior to September 2011. The wage systems were integrated together in October 2011.
- Region I, which includes Hanoi and Hoh Chi Minh City: Monthly minimum wage is VND 3.1 million for 2015.
- Region II, which includes Vinh Phuc and Da Nang: Monthly minimum wage is VND 2.75 million for 2015.

India :

- Each state government sets its minimum wage rate by sector, which are revised at least once every five years.
- The minimum wage in New Delhi has not been announced since the last revision in October 2013. (as of Dec. 31, 2014)

Corporate Profile

[Headquarters]	Aoyama Tower Place 2F, 8-4-14 Akasaka Minato-ku, Tokyo 107-0052 Japan
[Date of Establishment]	January 4, 2001
[Employees]	87 (on consolidated basis), 67 (on unconsolidated basis) (As of the end of December 2014. The figures include part-time workers.)
[President & CEO]	Makoto Sakai
[URL]	http://www.marklines.com/en/
[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.

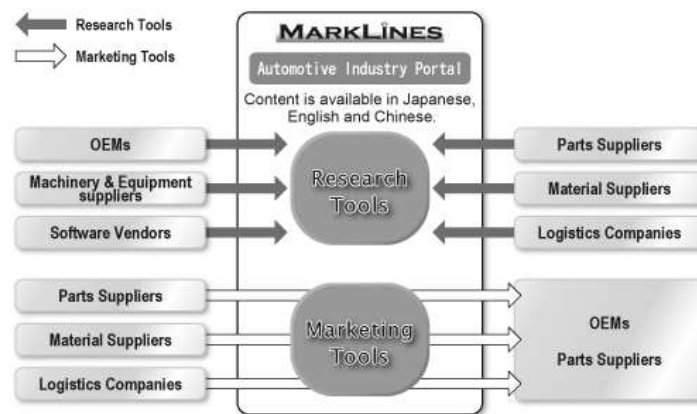
Research Tools:

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.

**For press inquiries:**

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