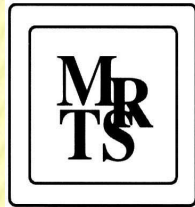


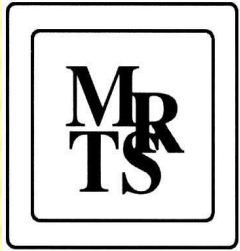


**WHAT EMPLOYERS
SHOULD DO TO COPE
WITH NEW MINIMUM
WAGE AND LABOR
SHORTAGE?**



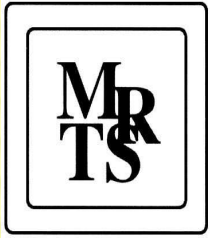
CAUSES OF THAILAND'S LABOR SHORTAGE

- 1. Low birth rate**
- 2. Late entry into labor market.**
- 3. Early exit from industrial work,
at 45 years of age or lower.**
- 4. Profit allowed too long for
Labor intensive and low value
industries.**



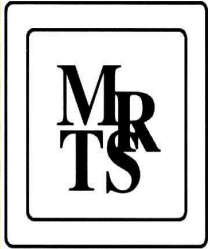
THAILAND'S LABOR MARKET HAS TO BE MOBILIZED

- **Reducing number of Thais looking for work O'seas.**
- **More organized apprentice programs.**
- **Retraining for reemployment of middle aged workers.**
- **Decent wage payment.**



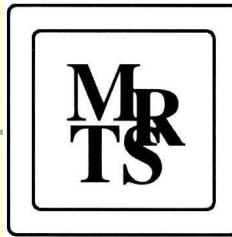
SUPPRESSION OF MINIMUM WAGE RATE.

- × Min. wage went up at best to match CPI.**
- × Min. wage is set with no regard to a fair share of economic growth.**
- × Wage Committee's malfunction.**
- × Mixed up with non wage cash payment.**
- × Wage Committee is a National**

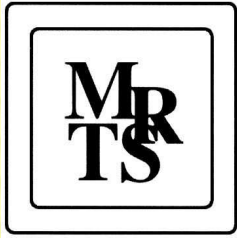


40% RAISE IN MIN WAGE RATE 2012

- **₱300/day election promise is obligatory.**
- **1st April 2012 ₱300/day for 7 provinces 40% upped for others.**
- **1st January 2013 ₱300/day Nation wide.**



**IT IS TIME FOR
RESTRUCTURING
INDUSTRIES AND
EMPLOYMENT!**



WAGE AND CASH PAYMENT THAT IS NOT WAGE

Definition of wage “*Agreed rate in return for work of normal working period*” (8 hrs/day)

**This is used for OT
calculation.**

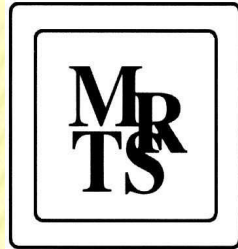
**Fringe benefit money are not
counted as wage.**



WHAT TO COME WITH NEW MIN WAGE?

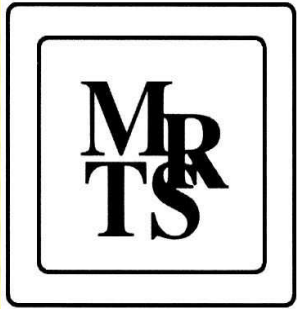
Wage relativities

- **Adjustment for those above in smaller increments.**
- **Wage cost overrun.**
- **Part time workers are eligible to same full day rate.**
- **Hourly rate for employment of students will rise too.**
- **Compulsory wage rates for skilled workmen**



WHAT ARE POSSIBLE (BUT DIFFICULT) TO DO?

- × **Rearrange wage structure (with employees' or unions' participation)**
- × **Smaller increments going up wage ladder.**
- × **Accommodation and transport for workers to share costs.**
- × **Automation.**
- × **Relocation.**
- × **Bonus : Fixed plus Variable.**
- × **Overtime control**



POSITIVE RESULT FROM HIGHER WAGE

- **Drive out labor intensive and inefficient manufacturing out to low wage countries.**
- **Make available needed labor to industries with greater value.**
- **Generate more domestic consumption.**



**NEGATIVE RESULT FROM THE
SUDDEN BIG INCREASE IN MIN WAGE
MANY SMES WILL FAIL AFFECTING
OTHER INDUSTRIES.**

**MORE MIGRANT LABOR WILL BE
BROUGHT IN.**

**OPPORTUNITIES FOR GOVERNMENT
OFFICERS TO BENEFIT.**

**MORE LABOR DISPUTES AND
LITIGATION.**