

Client Alert

December 2016

New Minimum Wage Rates in Thailand

The Thai National Wage Committee recently approved a resolution to set new rates for minimum wage in Thailand, to be effective on 1 January 2017. The Notification of the National Wage Committee on Minimum Wage Rate No. 8 (the "**Notification**") increases the general minimum wage rates between Baht 5 to Baht 10 per day in 69 provinces and retains the rate of Baht 300 per day in eight provinces.

Below, we describe the new minimum wage rates for 2017 by dividing the provinces into four groups.

Group	Minimum Wage Rate (Baht/day)	Number of Provinces	Provinces
A	300	8	Chumphon, Trang, Nakhon Si Thammarat, Narathiwat, Pattani, Yala, Ranong and Singburi
B	305	49	Kanchanaburi, Kalasin, Kamphaengphet, Chanthaburi, Chainat, Chaiyaphum, Chiang Rai, Trat, Tak, Nakhon Nayok, Nakhon Phanom, Nakhon Sawan, Nan, Bueng Kan, Buriram, Prachuap Khiri Khan, Phayao, Phattalung, Phichit, Phitsanulok, Phetchaburi, Phetchabun, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Ratchaburi, Lopburi, Lampang, Lamphun, Loei, Sisaket, Sakon Nakhon, Satun, Samut Songkhram, Sa Kaeo, Sukhothai, Suphan Buri, Surin, Nong Khai, Nong Bua Lamphu, Ang Thong, Amnat Charoen, Udon Thani, Uttaradit, Uthai Thani and Ubon Ratchathani.
C	308	13	Krabi, Khon Kaen, Chachoengsao, Chonburi, Chiang Mai, Nakhon Ratchasima, Prachinburi, Phra Nakhon Si Ayutthaya, Phang Nga,

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			Rayong, Songkhla, Saraburi and Surat Thani
D	310	7	Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phuket, Samut Prakan and Samut Sakhon

In addition to the new general minimum wage, the Thai National Wage Committee has approved a resolution to set minimum wage rates for 12 professional branches of three industry groups based on skills standards under the law governing skill development promotion. These new minimum wages are in addition to the new minimum wages for other industry groups, such as the electronics, automobile and logistics industry, which have been effective since August 2016. The Notification of the National Wage Committee on Wage Rate According to Skills Standards No. 6 (the "**Skilled Workers Notification**") will be effective 90 days after its publication in the Royal Gazette. It is anticipated that the Notification will take effect by the end of the first quarter of 2017. The new minimum wage rates for the 12 professional branches range from Baht 370 to Baht 600. To be qualified for the new minimum wage criteria, skilled workers must meet the prescribed criteria, including:

- having passed professional skills standards tests;
- having obtained relevant certificates from the relevant authorities; and
- being employed to work in positions that require usage of such skills, either entirely or partly.

The three industry groups required to comply with the new minimum wage rates are:

1. **Mechanical and metallurgical industry**, e.g. mechanical drawing technician, hydraulic systems technician and tungsten inert gas welding technician for mechanical and metallurgical industry;
2. **Air conditioner and refrigeration industry**, e.g. large-sized air conditioner technician and small-sized cold storage technician; and
3. **Tool and die industry**, e.g. electrical discharge machine technician and wire-cut electrical discharge machine technician.

The wage rates of the 12 professional branches under these industry groups are classified into two levels according to the required skills and level of experience of the employees. Level 2 employees will be entitled to a higher wage rate than level 1 employees, due to higher levels of skills and experience in working in that professional branch.



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Employers of the employees entitled to the new minimum wage under the Notification and the Skill Workers Notification will be legally required to pay wages at least at the specified rates **per day**. The new rates must be complied with regardless of how many hours the employees work per day. For example, if the employee works for only four hours per day, he or she is still entitled to the same minimum wage as another person who works seven hours per day. Failure to pay wages in accordance with either of the notifications may subject employers to criminal penalties, including an imprisonment of up to six months or a fine of up to Baht 100,000, or both.