

National Wage Committee's Notification

Re: Minimum Wage Rate (No. 8)

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The National Wage Committee meeting had studied and reviewed the facts pertaining to the employee wage rate and other facts specified by law on October 19, 2016, and passed a resolution approving that the wage rate shall be established and applied to all employers and employees.

By virtue of Section 79 (3) and Section 88 of the Labor Protection Act B.E. 2541 (1998) amended by the Labor Protection Act (No. 3) B.E. 2551 (2008), the National Wage Committee hereby issues the Notification as follows:

Clause 1 The National Wage Committee's Notification on Minimum Wage Rate (No. 6) dated November 2, 2011 and the National Wage Committee's Notification on Minimum Wage Rate (No. 7) dated October 10, 2012 shall be terminated.

Clause 2 The minimum wage rate of three hundred and ten baht a day shall be applied to the following areas: Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phuket, Samut Prakan and Samut Sakhon.

Clause 3 The minimum wage rate of three hundred and eight baht a day shall be applied to the following areas: Krabi, Khon Kaen, Chachoengsao, Chon Buri, Chiang Mai, Nakhon Ratchasima, Prachin Buri, Phra Nakhon Si Ayutthaya, Phangnga, Rayong, Songkhla, Saraburi and Surat Thani.

Clause 4 The minimum wage rate of three hundred and five baht a day shall be applied to the following areas: Kanchanaburi, Kalasin, Kamphaeng Phet, Chanthaburi, Chai Nat, Chaiyaphum, Chiang Rai, Trat, Tak, Nakhon Nayok, Nakhon Phanom, Nakhon Sawan, Nan, Bueng Kan, Buri Ram, Prachuap Khiri Khan, Phayao, Phatthalung, Phichit, Phitsanulok, Phetchaburi, Phetchabun, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Ratchaburi, Lop Buri, Lampang, Lamphun, Loei, Si Sa Ket, Sakon Nakhon, Satun, Samut Songkhram, Sa Kaeo, Sukhothai, Suphan Buri, Surin, Nong Khai, Nong Bua Lam Phu, Ang Thong, Amnat Charoen, Udon Thani, Uttaradit, Uthai Thani and Ubon Ratchathani.

Clause 5 The minimum wage rate of three hundred and five baht a day shall be applied to the following areas: Chumphon, Trang, Nakhon Si Thammarat, Narathiwat, Pattani, Yala, Ranong and Sing Buri.

Clause 6 For the benefits as in Clauses 2 to 5, "Day" shall mean the employee's normal working hours which shall not be more than the following working hours regardless of how much the actual working hours is lesser than the normal working hours:

(1) Seven hours for works that could be harmful to employee's health and safety pursuant to the Ministerial Regulation No. 2, B.E. 2541(1998) issued under the Labor Protection Act B.E. 2541 (1998).

(2) Eight hours for other works not specified in (1).

Clause 7 The employer shall not pay the employee lower than the minimum wage rate.

Clause 8 This National Wage Committee's Notification shall come into force on January 1, 2017.

Issued on October 31, 2016.

-Signed-

(M.L. Puntrik Smiti)

Permanent Secretary of Ministry of Labour  
Chairperson of National Wage Committee

Explanation  
National Wage Committee's Notification  
Re: Minimum Wage Rate (No. 8)

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The National Wage Committee issued the National Wage Committee's Notification on Minimum Wage Rate (No. 8) dated October 31, 2016 to establish the minimum wage rate which shall come into force on January 1, 2017. Thus, for related party's understanding of minimum wage rate determination, the National Wage Committee hereby provides an explanation as follows:

1. The minimum wage rate is the wage rate established by the National Wage Committee under the Labor Protection Act B.E. 2541 (1998) amended by the Labor Protection Act (No. 3) B.E. 2551 (2008). The National Wage Committee's concept of minimum wage rate is “a wage rate that is reasonably sufficient for developing worker to live considering the economic and social conditions under the living standard suitable for the local business potential”.

2. The minimum wage rate determination falls under the authority of the National Wage Committee, a tripartite organization pursuant to the Labor Protection Act B.E. 2541 (1998) amended by the Labor Protection Act (No. 3) B.E. 2551 (2008) with an equal number (5) of employer, employee and government representatives.

3. To establish the minimum wage rate, the National Wage Committee had studied and reviewed the facts according to the rules prescribed in Section 87 of the Labor Protection Act B.E. 2541 (1998) amended by the Labor Protection Act (No. 3) B.E. 2551 (2008) which include the employee's current wage rate, cost of living index, inflation rate, living standard, production cost, product and service prices, business potential, labour productivity, GDP and economic and social conditions comparative to or similar to the minimum wage rate estimation formula of many countries such as Brazil, Costa Rica, Malaysia and France which the International Labour Organization (ILO) shows as a sample of formula recognized globally for taking care of employee's welfare. The minimum wage rate determination will allow the developing workers (new workers) who enter the labour market in 2017 and existing workers in 69 provinces to receive the minimum wage rate adjustment according to such Notification.

4. The National Wage Committee has distributed the authority to review the minimum wage rate to the provincial bodies by appointing the Bangkok Subcommittee on Minimum Wage Rate Review and the Provincial Subcommittees on Minimum Wage Rate Review, totaling 77 subcommittees, which are tripartite organizations like the National Wage Committee, to propose the provincial minimum wage rate according to the economic and social conditions of each area. It also appointed the Subcommittee on Technical Affairs and Review to review the proposal of each province and subcommittee, and the Ad Hoc Subcommittee to study and propose the minimum wage rate determination approach, study the minimum wage rate calculation formula of foreign countries, and propose the minimum wage rate calculation formula suitable for Thailand.

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<sup>1</sup>The National Wage Committee passed a resolution on July 20, 2009 approving that the term, “unskilled worker” shall be changed to “developing worker (new worker)” as the term, unskilled worker, causes the negative idea towards the new workers on the labour market that they are lack of skills or self-development, but in fact unskilled workers can learn, practice, develop their skills and become semi-skilled workers and/or skilled workers if they are diligent, patient, determined and eager to learn.

5. The review is done based on the living condition during 2015-2016, the survey on necessary expenses of the developing workers (new workers) in the industrial sector in 2016, 3.5% growth of Thai economy in the second quarter of 2016 which is faster compared to 3.2% growth in Quarter 1, the 2016 Thai economy trend which is expected to grow by 3.0-3.5% which is faster compared to 2.8% growth in 2015,<sup>2</sup> and in consideration of the increase in price of consumer products necessary for the worker's living, price of products in the food and beverage category, vehicle and transport fee and personal expense, despite the government supports on the people's cost of living such as free bus, student uniform and learning material supports and the Ministry of Commerce's strict control of commodity price which can reduce some of the people's expense. However, to maintain the purchasing power of developing workers who just start working to ensure that they can live quality lives, the National Wage Committee passed the resolution approving the minimum wage rate adjustment which shall be effective on January 1, 2017.

6. The National Wage Committee's decision is made on the basis of equality and open-mindedness. The decision will lead to the conclusion mutually accepted by all parties so that the employer can carry on the business and the employee can live happily.

7. The minimum wage rate under this Notification shall not apply to the central government agencies, provincial government agencies, local government agencies, state enterprises under the State Enterprise Labour Relations Act, employer who hires an employee to do house shores not involving business operation, employer who hires an employee to do non-profit job, employer who hires an employee for sea fisheries job, employer who hires an employee for ocean freight loading or discharging job, employer who hires an employee to work from home, employer who hires an employee for agricultural job which is not required to do all year round or which does not involve any industrial job continued therefrom<sup>3</sup>.

Agricultural jobs include:

Cultivation jobs such as farming, planting, seeding, cultivating products, and nourishing soil for cultivation;

Livestock jobs such as raising animals, breeding animals, capturing animals and collecting natural products derived from animals;

Forestry jobs such as cutting, hacking, pruning, cutting down, clipping, sawing, chopping, hewing, slashing, digging, hauling logs, forest plantation and non-timber forest products collection;

Sea salt farming jobs referring to the act of obtaining salt by drawing seawater into the field or plain divided into plots by ridges where the seawater will evaporate and leave salt behind;

Fisheries jobs (excluding sea fisheries) such as breeding, propagating, farming, catching, capturing, luring, harming, killing or keeping aquatic animals including the preparation and maintenance of fishery equipment.

8. The employer shall pay all the employees no less than the minimum wage rate specified by law regardless of the employee's ethnicity, nationality, age or sex. Any employer who pays the employees equal to or higher than the minimum wage rate shall be deemed to duly comply with the law on minimum wage rate. Any employer who pays the employees less than the minimum wage rate shall adjust the wage to be equal to the minimum wage rate for the area where the place of business is situated.

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<sup>2</sup> Office of the National Economics and Social Development Board report on Thai economic conditions in the second quarter of 2016

<sup>3</sup> Ministry of Labour's Explanation Re: Ministerial Regulation on Labour Protection in Agricultural Sector B.E. 2547 (2004); Ministry of Labour, April 2005

9. The purpose of this minimum wage rate is to protect developing workers who enter the labour market in 2017 so that these new workers can live properly according to the living conditions in 2017. The workers who has entered the labour market for no less than 1 year will have more skills and labour productivity, and so the employee shall consider paying them higher than the minimum wage rate.

This Explanation is hereby issued for information and business owner's compliance with the National Wage Committee's Notification on Minimum Wage Rate (No. 8).

National Wage Committee  
October 31, 2016

**New Minimum Wage Rate Table**  
**Under the National Wage Committee's Notification on Minimum Wage Rate (No. 8)**  
**Published to be Effective on January 1, 2017**

No.	Number (Provinces )	Minimum Wage Rate (Baht/Day)	Applicable Areas
1	8	300	Chumphon, Trang, Nakhon Si Thammarat, Narathiwat, Pattani, Yala, Ranong and Sing Buri
2	49	305	Kanchanaburi, Kalasin, Kamphaeng Phet, Chanthaburi, Chai Nat, Chaiyaphum, Chiang Rai, Trat, Tak, Nakhon Nayok, Nakhon Phanom, Nakhon Sawan, Nan, Bueng Kan, Buri Ram, Prachuap Khiri Khan, Phayao, Phatthalung, Phichit, Phitsanulok, Phetchaburi, Phetchabun, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothorn, Roi Et, Ratchaburi, Lop Buri, Lampang, Lamphun, Loei, Si Sa Ket, Sakon Nakhon, Satun, Samut Songkhram, Sa Kaeo, Sukhothai, Suphan Buri, Surin, Nong Khai, Nong Bua Lam Phu, Ang Thong, Amnat Charoen, Udon Thani, Uttaradit, Uthai Thani and Ubon Ratchathani
3	13	308	Krabi, Khon Kaen, Chachoengsao, Chon Buri, Chiang Mai, Nakhon Ratchasima, Prachin Buri, Phra Nakhon Si Ayutthaya, Phangnga, Rayong, Songkhla, Saraburi and Surat Thani
4	7	310	Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Phuket, Samut Prakan and Samut Sakhon.
<b>Minimum Wage Rate Table Effective on January 1, 2017</b>			
<b>Note</b> :	<ol style="list-style-type: none"> <li>1. The Council of Ministers passed a resolution approving the National Wage Committee's Notification on Minimum Wage Rate (No. 8) on November 22, 2016 which shall be effective on January 1, 2017.</li> <li>2. The Notification and Explanation can be downloaded here.</li> </ol>		