

Thailand: Thai workers hope for better pay in 2024

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Wongsakorn Kaewkasorn, an 18-year-old who lives in Bangkok, has a goal for the new year.

He plans to save enough money working at a coffee kiosk so he can pay to attend a vocational school in the coming months. He hopes that a bump in the national minimum wage will help him live his dream.

“These days, I don’t spend more than 100 baht a day, but a daily wage of 400 baht (\$11.67) to 450 baht (\$13.13) would be just fine,” Wongsakorn told BenarNews.

He considers himself lucky because his job more than covers his minimal daily expenses. He moved to the Thai capital from Songkhla, his home province in the far south. He’s been staying with his sister in Bangkok rent free – and he does not need to send money home to his parents.

Paid a daily wage of 350 baht (U.S. \$10) while his employer provides meals, Wongsakorn said his only expense is the bus ride to work. An increase of about 100 baht (\$2.91) a day would be ideal, the young man said, because it would cover his education expenses.

When he and his Pheu Thai Party were campaigning for office last year, Srettha Thavisin, Thailand’s new prime minister, made a hike in wages his main pledge ahead of the May 2023 general election.

After he took office in August, Srettha promised to raise the minimum wage to 400 baht nationally, while the party promised a daily wage increase to 600 baht (\$17.51) by 2027, as part of a program to lift Thailand’s Covid-19 pandemic-rocked economy to a full recovery.

But those pledges have run into roadblocks.

In December, a tripartite committee on minimum daily wages – the ministry of labor joined by representatives of employees and employers organizations – agreed to increase wages in different provinces to between 330 baht (\$9.64) and 370 baht (\$10.80) from the previous 328 baht (\$9.58) to 354 baht (\$10.34), effective this month.

Srettha pledged that additional wage adjustments could be expected in March.

Industry concerns

Employers in the nation’s industrial sector, meanwhile, have voiced concerns about the country’s competitiveness amid the [slow economic growth outlook](#) globally in 2024 and geopolitical factors.

One of those employers, Ghanyapad Tantipitpong, a Thai exporter of canned fruits, said the new wages affecting about 800 workers in two of her fruit processing plants in Thailand’s east and south would add to the already challenging situation.

In recent weeks, the security crisis in the Red Sea has sent the freight charge soaring, she said. In addition, regional competition, limited growth domestically and abroad as well as a possible drought this year have raised concerns about global markets for her products.

“We have to look at what Thailand’s competitive potential is. Currently, there are some overlapping product lines between Thailand and Vietnam,” she told BenarNews.

“However, Vietnam has lower wages and energy costs. Its currency exchange rate is also at an advantage, compared to Thailand’s. Vietnam also enjoys free-trade agreements with both the U.S. and the European Union.”

Economist Decharut Sukkumnoed, director of the Think Forward Center, said wage determinants are inflation, labor productivity and consumption. The center is affiliated with the Move Forward Party who shared a call with Pheu Thai in the last election to end the tenure of the military-backed government of Prayuth Chan-o-cha.

“Currently, inflation in Thailand is low so raising wages won’t affect that much. However, in terms of consumption, it is quite weak because the current economy means people’s income has been affected,” Decharut told BenarNews.

[Pheu Thai](#) argues that since Thailand’s last major wage increase to 300 baht under then-Prime Minister Yingluck Shinawatra, wages have been stagnant, creating income inequality and slowing the economy.

“In 2012, when the new wages came into effect, there were some businesses that were affected, but the gains overall to the economy from increased consumption were more than the losses,” Decharut said of the hike during Yingluck’s administration.

A new wage increase would increase spending power and bring dignity to the workers, Pheu Thai officials said, calling for hikes in tandem with economic expansion.

Srettha aims for an annual 5% economic growth, a rate at which Thailand never achieved at least for [the past decade](#).

High, low

A workers’ representative told BenarNews that wages, even if nearly doubled, likely would not meet basic monthly expenses.

Labor activist Larey Youpensuk, who has worked as a Japanese-owned auto-parts plant for over 30 years, said the negotiating process between employers and employees would affect wages.

“Each province has its own wage committee and in each sector the negotiating powers can be different,” the 54-year-old said.

“Automotive is Thailand’s leading sector and the workers’ unions are strong,” he said.

Larey, the secretary-general of the Thai Labor Solidarity Confederation, said his group’s 2017 survey found that an appropriate daily wage for Thai laborers is 712 baht (\$20.78) to cover three meals, rent, energy bills and transportation.

The survey involved about 2,000 workers nationwide, he said while noting about 40 million Thais work for daily wages across sectors including manufacturing, electronics, tourism and fast food

chains.

Larey said every time pay hikes have been expected, prices started rising, hurting farmers and others whose incomes are not tied to daily wages, adding the rationale behind the hikes were not always clear.

“The provincial wage committee, for example, never explains why the adjusted rate was lower than what the employers proposed,” Larey said.

Decharut said he noticed these details as well. He said the tripartite committee on minimum daily wages never really revealed how their figures had been calculated.

He noted that workers in the Deep South provinces of Yala, Pattani and Narathiwat are to pocket only an additional 2 baht to 330 baht this month. Thailand’s world-famous island of Phuket, meanwhile, will see daily wages rise to 370 baht, which is seven baht more than the capital city’s wage.

In Bangkok, Naraset Boonyawan, who employs Wongsakorn and one other person at his coffee kiosk, said he agreed with the wage raise.

“It has been a long time coming and because prices have risen,” Naraset told BenarNews.

“There is no point receiving 400 baht a day and having to spend it all on goods and services with increased prices. If the government can make sure transportation and goods cost the same, then the wage raise could help you make ends meet.”

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