

Taiwan: Labor groups urge MOL to raise minimum wage to NT\$27,600

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Taipei, Aug. 23 (CNA) Labor groups have urged the Ministry of Labor (MOL) to raise Taiwan's minimum wage to no less than NT\$27,600 (US\$865) for 2024 to tackle the effects of rising inflationary pressures.

The groups made the demand, which represents a hike of around 4.55 percent on the current NT\$26,400 minimum, ahead of a meeting of business representatives, labor groups, academics and government officials convened by the MOL's Minimum Wage Review Committee on Sept. 8.

Any increase to the minimum wage for 2024 forwarded by the committee will require approval from the Executive Yuan, which almost invariably follows the committee's recommendation.

Speaking with CNA on Tuesday, Tai Kuo-jung (蔡國興), secretary-general of the Taiwan Confederation of Trade Unions (TCTU), said that with the local consumer price index (CPI) rising above the 2 percent alert level set by the local central bank, the minimum wage should go beyond that.

Tai blasted some employers for their opposition to such a rise, saying many Taiwanese workers were feeling the pinch due to earning less than two-thirds of the median wage, the Organisation for Economic Cooperation and Development's (OECD) definition of "low pay."

The Chinese National Federation of Industries, which represents the majority of business owners in the manufacturing sector, has come out in opposition to a minimum wage hike of more than 2 percent, while the General Chamber of Commerce of the Republic of China has said it will not accept a rise above 3 percent.

Business groups have used slowing global demand as justification for a lower minimum wage hike, but Tai said domestic consumption remained solid despite a decline in exports, which dipped on a year-over-year basis for the 11th consecutive month in July.

In 2023, Taiwan's minimum monthly wage was raised by 4.55 percent from a year earlier to NT\$26,400 from NT\$25,520, while the minimum hourly pay was hiked by 4.76 percent from NT\$168 to NT\$176.

The revisions to the minimum wage were the seventh since the 2016 election of President Tsai Ing-wen (蔡英文), who had previously pledged to raise Taiwan's monthly minimum wage to NT\$30,000 by the end of her second term in 2024.

According to the Directorate General of Budget, Accounting and Statistics (DGBAS), annual median earnings — which includes both regular wage and nonregular wages, such as bonuses and part-time pay — in the local industrial and commercial sector, stood at NT\$506,000 in 2021, up 1 percent from a year earlier according to the annual tax revenue data.

The DGBAS has forecast that Taiwan's CPI will grow 2.14 percent in 2023 after a 2.95 percent increase in 2022, while the agency has lowered its forecast of Taiwan's gross domestic product (GDP) growth to 1.61 percent from 2.04 percent for next year.

Committee member Hsin Ping-lung (辛平龍), an associate professor at National Taiwan University's Graduate Institute of National Development, said he expected the 2024 hike to come in above 2 percent due to the anticipated CPI growth.

Hsin added that while he expected the difficulties encountered by the local manufacturing sector due to global demand weakness to be discussed at the Sept. 8 meeting, he still anticipated a hike of around 3 percent for next year.

Meanwhile, Lee Chien-hung (李建興), a professor at the Chinese Culture University's Department of Labor and Human Resources, said that with many manufacturers forecasting a fourth-quarter improvement, Taiwan should implement an above-inflation minimum wage hike to allow workers to benefit from the expected increase in profits.

Any minimum wage hike will not apply to live-in migrant caregivers and domestic helpers, who are not covered by Taiwan's Labor Standards Act.

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