

Technical Update

December 2021

Labour - Prakas on the Minimum Wage for workers in Textile, Garment, Footwear, Travel Goods and Bag Sectors for the year 2022

Ministry of Labour and Vocational Training ("MLVT") – Prakas No. 264/21 dated 28 September 2021 on the Minimum Wage for workers in Textile, Garment, Footwear, Travel Goods and Bag Sectors for the year 2022.

The MLVT issued a Prakas to determine the new minimum wage for the year 2022 for workers/employees in the textile, garment, footwear, travel goods and bag sectors at US\$194 per month.

This Prakas also sets a minimum wage for probationary workers/employees at US\$192 per month and US\$194 per month after passing the probation period.

The Prakas also sets out the minimum wage for piece-rate workers. For such workers, the pay rate is to be determined based on their level of production. In case such production gives a higher pay rate than the minimum wage, the workers will be entitled to a higher amount. However, if their production gives a lower pay rate than the minimum wage, the employer must adjust the workers' pay at least equal to the minimum wage (US\$194 for regular workers and US\$192 for probationary workers). Other benefits that workers have received shall be maintained.

The new minimum wage shall be effective from 1 January 2022 onwards.

Commentary:

The discussions on the minimum wage are conducted on an annual basis unless decided otherwise by the National Council of the Minimum Wage (NCMW), and such minimum wage is determined by a Prakas issued by the MLVT.

The elements that are taken into consideration in determining the minimum wage according to the Law on Minimum Wage promulgated on 6 July 2018 are:

- Social criteria include family status, inflation, and cost of living.
- Economic criteria include productivity, the competitiveness of the country, labour market status, and the profitability of the sector.

If necessary, the NCMW may adjust the criteria for setting the minimum wage, considering economic, professional, occupational or geographical factors based on the economic and social situation of the country.

Contact us

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