

GUATEMALA

STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (GTQ)
Legal Minimum Wage for Apparel Sector	<ul style="list-style-type: none"> 2,450 Guatemalan Quetzals (GTQ) per month is the legal minimum wage for apparel sector in 2015. The applicable LMW for 2014 was 2,346. (Valid from January 1, 2014 to December 31, 2014). 		2,450.95
Industry/sector wage comparator Average wage-Urban area	<ul style="list-style-type: none"> GTQ 2773: Garment factories are often located on the outskirts of cities so the average wage for 'urban areas' was selected. Value provided is from the second quarter of 2014. Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 2853.48 	Instituto Nacional de Estadística Guatemala	2,853.48

INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (GTQ)
National Poverty Lines (5.38 family members)	<ul style="list-style-type: none"> The Canasta Básica Vital ('extended basket') has historically been used in national statistics to represent 'relative poverty.' The CBV includes, in addition to the Canasta Básica Alimentaria (CBA, 'basic food basket'), basic services such as water, electricity, clothing, housing, health, transportation, recreation, and education. It is calculated based on an average family of 5.38 members: GTQ 6,460.95 family/month (November 2015) 	INE 2015	6,460.95
World Bank 'international poverty line' (2011 PPP\$ 3.10/day)	<ul style="list-style-type: none"> Poverty is measured by the World Bank at Purchasing Power Parity (PPP)\$3.10/day. There is also PPP \$1.90 (in 2011 \$PPP) per day per person represents the international 'extreme poverty line' for extremely poor countries The 2011 PPP conversion factor for Guatemala in 2014 is 3.80 (GTQ). The \$3.10 equivalent is $(3.80 * 3.10) = \text{GTQ } 11.78$ On a monthly basis, this is $(11.78 * (365/12)) = \text{GTQ } 358.31$ Adjusted for inflation, this amount becomes $[120.12 \text{ (CPI 2015)/} 116.73 \text{ (CPI 2014)} * 358.31] = \text{GTQ } 368.71/\text{person/month}$ The household equivalent of GTQ 368.71, assuming two consumption units and one earner is GTQ 739.37 $(2/1 * \text{GTQ } 368.71)$ 	WB 2011 ICP	739.37
	<ul style="list-style-type: none"> The household equivalent of GTQ 368.71, assuming three consumption units and one earner is GTQ 1107.56 $(3/1 * \text{GTQ } 368.71)$ 		1,107.56

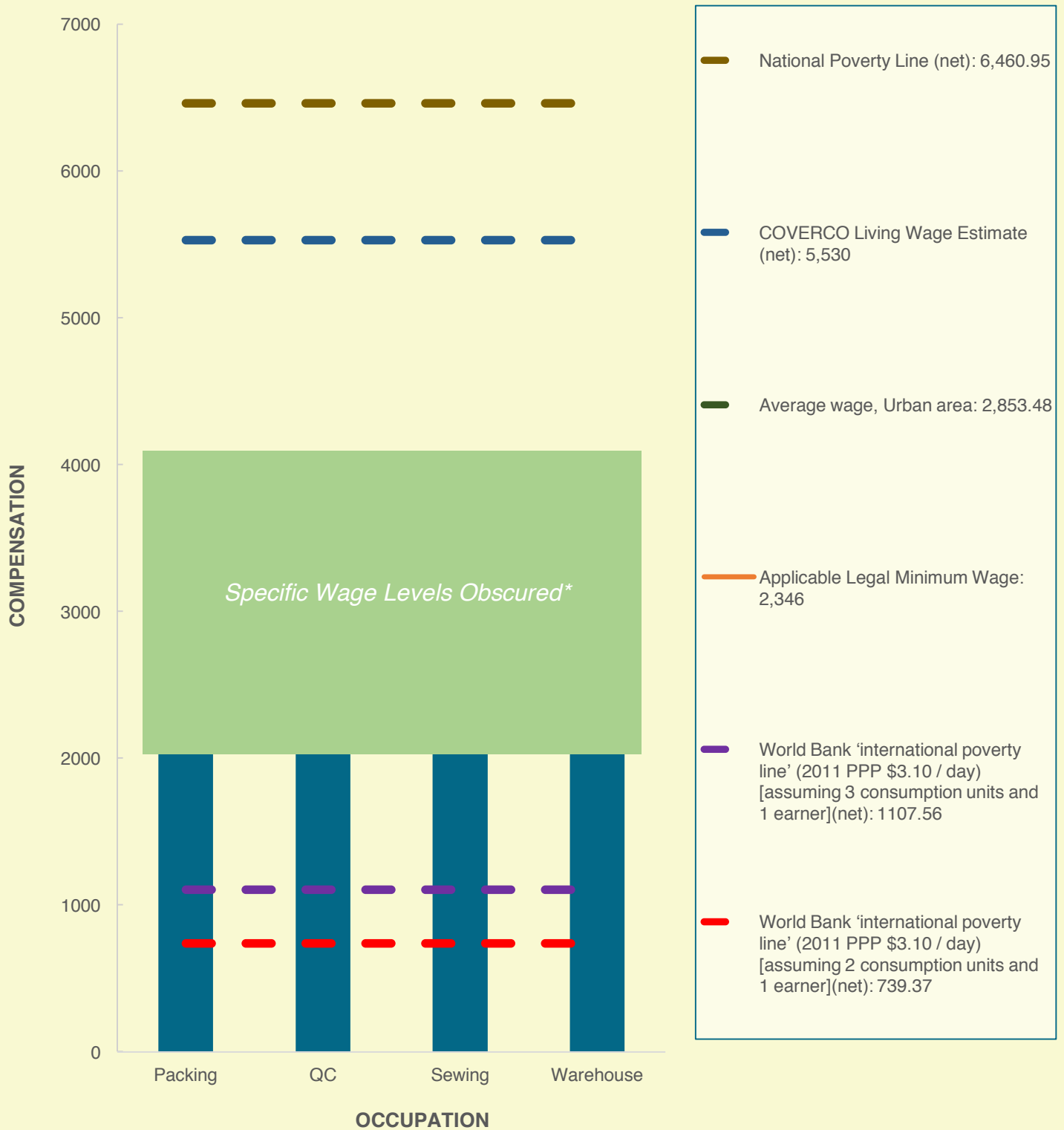
GUATEMALA

INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (GTQ)
<p>Living Wage Estimate</p> <p>Living wage reference in the maquila sector by the Comision para la Verificacion de los Códigos de Conducta (COVERCO) (5.38-member family)</p>	<ul style="list-style-type: none"> • Following the study “Towards a living wage in the maquila sector in Central America” conducted initially in 2013 by the Maquila Solidarity Network and four other organizations working in Central America, COVERCO published an update in 2014, which estimated GTQ 5,374.27 as a living wage. • The estimate was based on a family size of 5.38 members. • The methodology is based on comparing the cost of the “Canasta Básica Vital” or “Canasta Ampliada” (‘extended basket’) with the maquila sector minimum wage • Adjusted for inflation using IMF WEO CPI (to 2015 value): 5,530 	<u>COVERCO</u>	5,530

MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

GUATEMALA *Currency: Quetzal (GTQ)*



* Specific wage levels have been obscured in an abundance of caution to avoid the potential disclosure of information that may be competitively sensitive.