

# VIETNAM

## STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (VND)
<b>Legal Minimum Wage</b>	<ul style="list-style-type: none"> <li>Region 1 (Hanoi/Ho Chi Minh)</li> </ul>	<u>Fair Wear Foundation</u>	<b>3,100,000</b>
	<ul style="list-style-type: none"> <li>Region 2 (Rural districts Hanoi, Hai Phong, Hai Duong, Hung Yen)</li> </ul>		<b>2,750,000</b>
	<ul style="list-style-type: none"> <li>Region 3 (Provincial Cities)</li> </ul>		<b>2,400,000</b>
<b>Industry/sector Wage Comparator</b>  <b>Sectoral wage (manufacturing)</b>	<ul style="list-style-type: none"> <li>Wages In manufacturing in Vietnam increased to 4,364,000 Vietnamese Dong (VND) per month in 2014 from 3,924,000 VND per month in 2013. Wages in Vietnam is reported by the General Statistics Office of Vietnam.</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 4,460,002.37</li> </ul>	<u>General Statistics Office of Vietnam</u>	<b>4,460,002.37</b>

## INCOME AND POVERTY BENCHMARKS

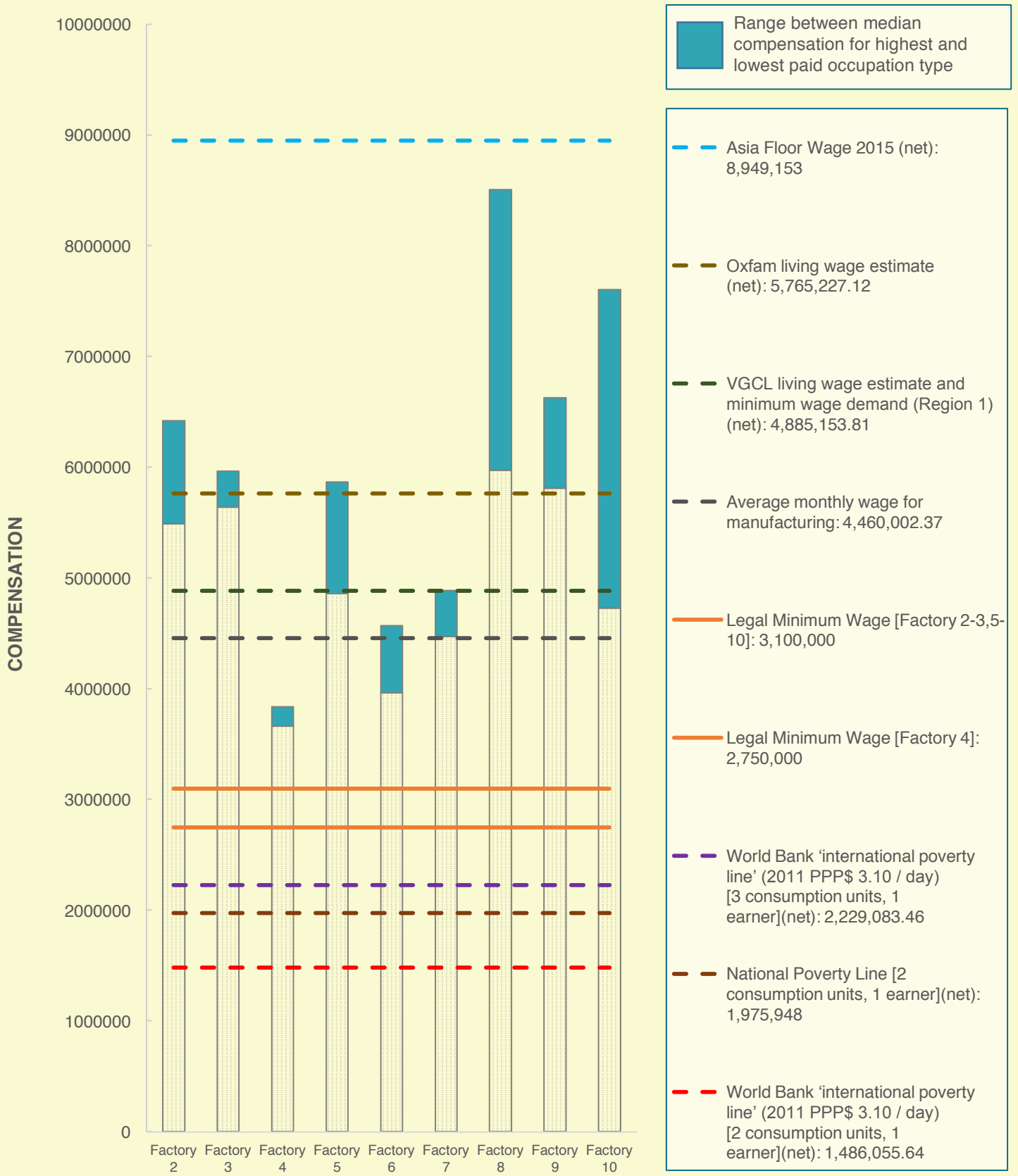
BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (VND)
<b>National Poverty Line (2 adults)</b>	<ul style="list-style-type: none"> <li>871,308 VND</li> <li>The higher (World Bank/General Statistics Office) threshold was selected due to comparability with poverty lines in other countries with similar levels of development in terms of purchasing power (Demombynes, Vu 2015).</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 987,974</li> <li>Assuming two-adult consumption units: 1,975,948</li> </ul>	<u>World Bank</u>	<b>1,975,948</b>
<b>World Bank 'international poverty line' (2011 PPP\$ 2.00 / day)</b>	<ul style="list-style-type: none"> <li>Poverty is measured by the World Bank at Purchasing Power Parity (PPP)\$3.10/day.</li> <li>The 2011 PPP conversion factor for Vietnam in 2014 is 7710.48</li> <li>The \$3.10 equivalent is <math>(7710.48 * 3.1) = \text{VND } 23902.49</math></li> <li>On a monthly basis, this is <math>(\text{VND } 23902.49 * (365/12)) = \text{VND } 727034.01</math></li> <li>Adjusted for inflation using IMP WEO CPI to 2015 value: <math>[245.387 (\text{CPI } 2015)/240.105 (\text{CPI } 2014) - \text{IMF WEO } 2015] * \text{VND } 727034.01 = \text{VND } 743027.82</math></li> <li>The household equivalent assuming two consumption units and one earner is VND 1486055.64.</li> </ul>	<u>WB 2011 ICP</u>	<b>1,486,055.64</b>
	<ul style="list-style-type: none"> <li>The household equivalent assuming three consumption units and one earner is VND 2,229,083.46.</li> </ul>		<b>2,229,083.46</b>

## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE VND)
<p><b>Living Wage Estimate</b></p> <p><b>Asia Floor Wage (3 adults, 1 earner)</b></p>	<ul style="list-style-type: none"> <li>Asia Floor Wage Alliance (latest revision found from 2015—1021PPP\$) provides standard PPP\$ based estimate for East and Southeast Asian countries applicable to manufacturing industries (based on a 3000 kcal diet for a three-adult-equivalent household with a single earner)</li> <li>Food basket research was done in Cambodia, India, Indonesia and Sri Lanka to obtain the country Asia Floor Wage figures. For other Asian countries where food basket research was not conducted, the figures were extrapolated.</li> </ul>	<u>Asia Floor Wage Alliance</u>	<b>8,949,153</b>
<p><b>Living wage estimate + Union Demand</b></p>	<ul style="list-style-type: none"> <li>Trade Union VGCL conducts annual surveys of minimum living needs to determine their proposal for the new minimum wage.</li> </ul> <p>IN 2014, MINIMUM LIVING WAGES ESTIMATED BY VGCL ARE THE FOLLOWING ACCORDING TO REGION:</p> <ul style="list-style-type: none"> <li>Region 1 (Hanoi/Ho Chi Minh): VND 4,780,000</li> <li>Region 2 (Rural districts Hanoi, Hai Phong, Hai Duong, Hung Yen): VND 4,130,000</li> <li>Region 3 (Provincial Cities): VND 3,850,000</li> <li>Region 4 (Remaining localities): 3,310,000</li> </ul> <p>ADJUSTED FOR INFLATION USING IMP WEO CPI (TO 2015 VALUE):</p> <ul style="list-style-type: none"> <li>Region 1 (Hanoi/Ho Chi Minh): VND 4,885,153.81</li> <li>Region 2 (Rural districts Hanoi, Hai Phong, Hai Duong, Hung Yen): VND 4,220,854.67</li> <li>Region 3 (Provincial cities): VND 3,934,695.03</li> <li>Region 4 (Remaining localities): 3,382,815.73</li> </ul>	<u>VGCL Trade Union</u>	<p><b>4,885,153.81 (Region 1);</b></p> <p><b>4,220,854.67 (Region 2)</b></p> <p><b>3,934,695.03 (Region 3)</b></p> <p><b>3,382,815.73 (Region 4)</b></p>
<p><b>Living wage estimate (1 adult, 1 child, 1 earner)</b></p>	<ul style="list-style-type: none"> <li>Figure comes from a 2013 Oxfam study on labor rights issues in Unilever’s Vietnam operations and supply chain.</li> <li>Results from focus group discussions with UVN and Thang Loi workers concluded that the basic monthly living expenses for one local worker with one child were around 5,420,000 VND (see Table 4 in page 67)</li> <li>Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 5,765,227.12</li> </ul>	<u>Oxfam</u>	<b>5,765,227.12</b>

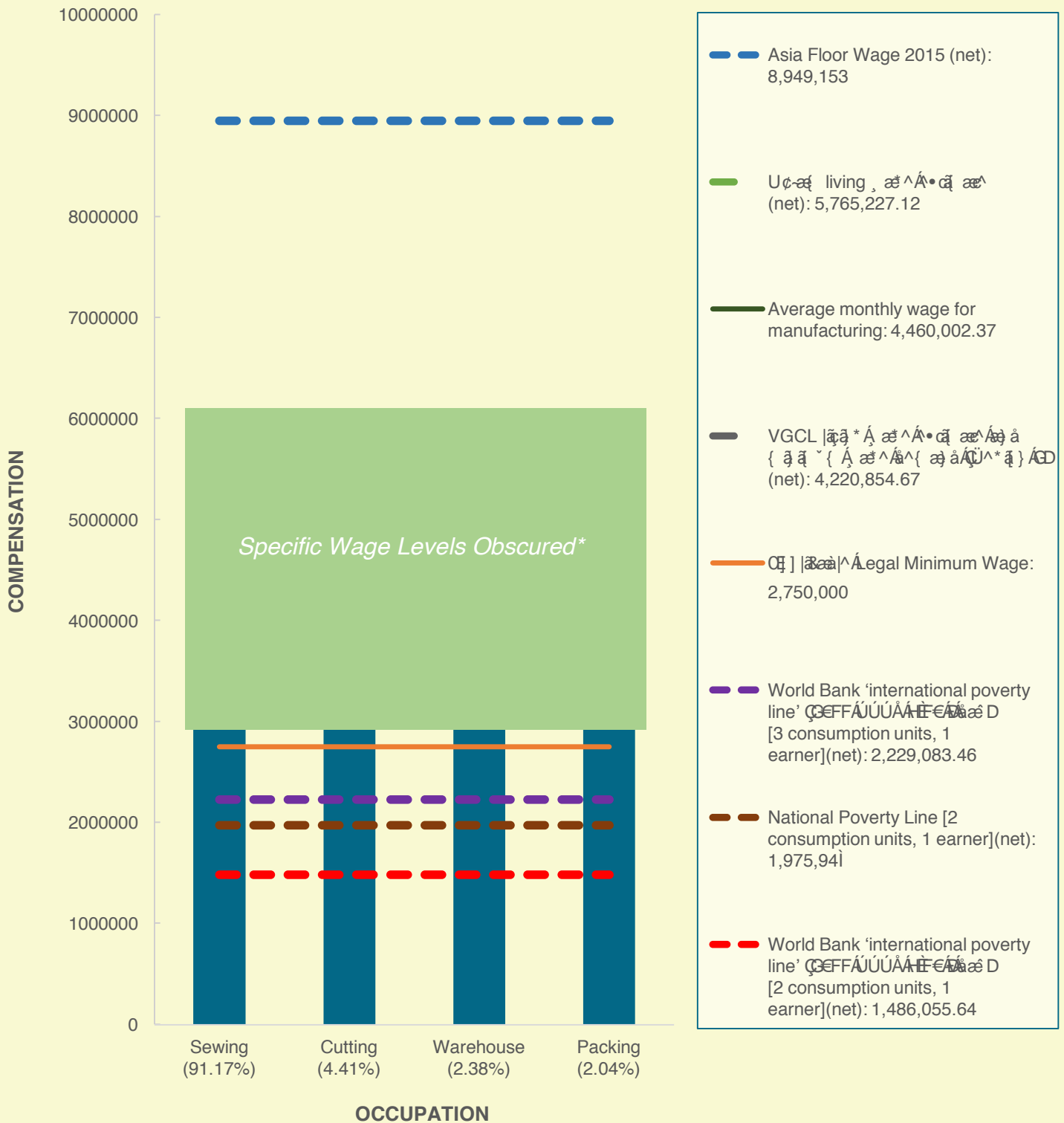
# COMPENSATION COMPARISON ACROSS FACTORIES

**Vietnam** Currency: Vietnamese Dong (VND)



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

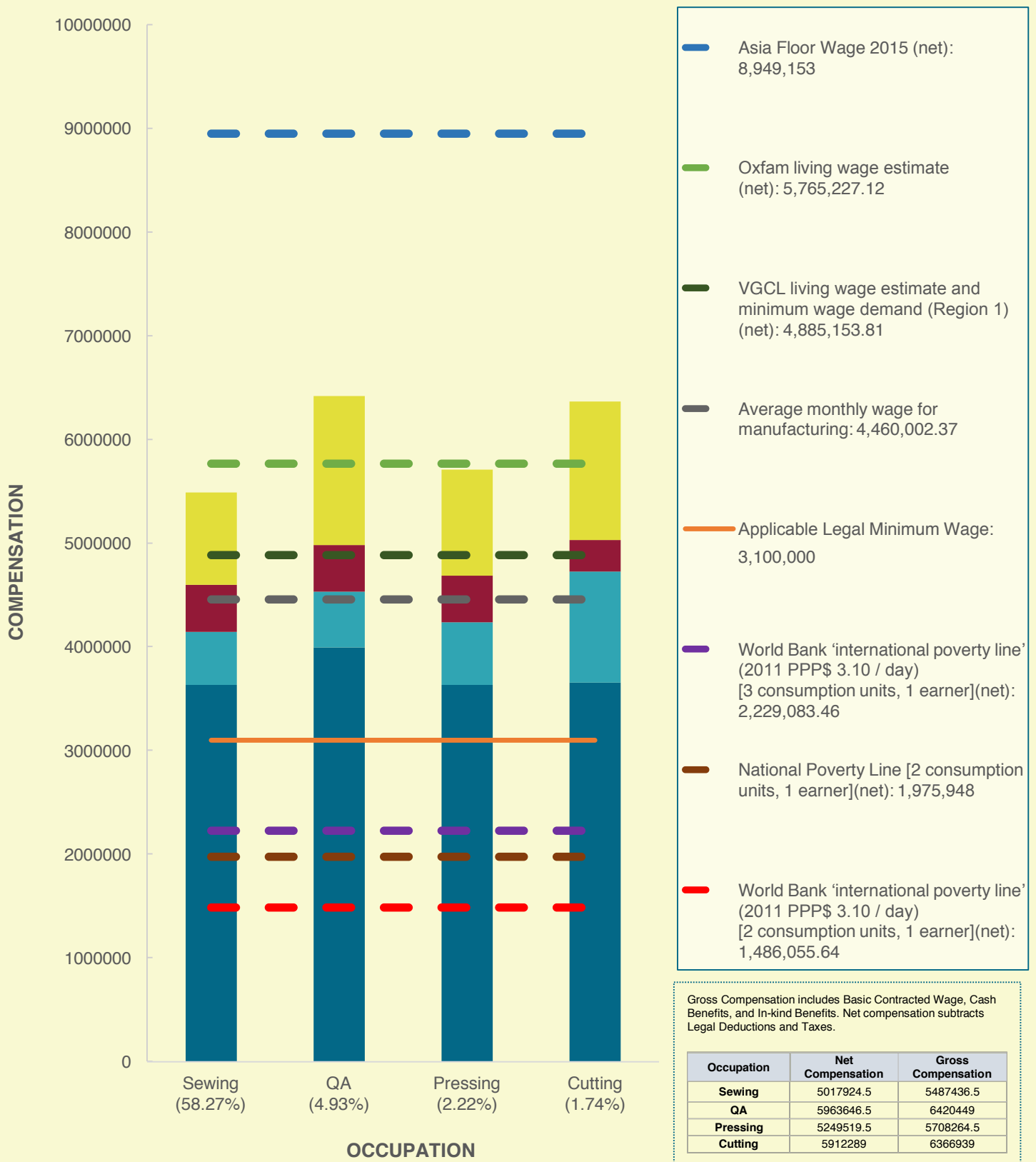
## VIETNAM (1) *Currency: Vietnamese Dong (VND)*



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

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (2) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

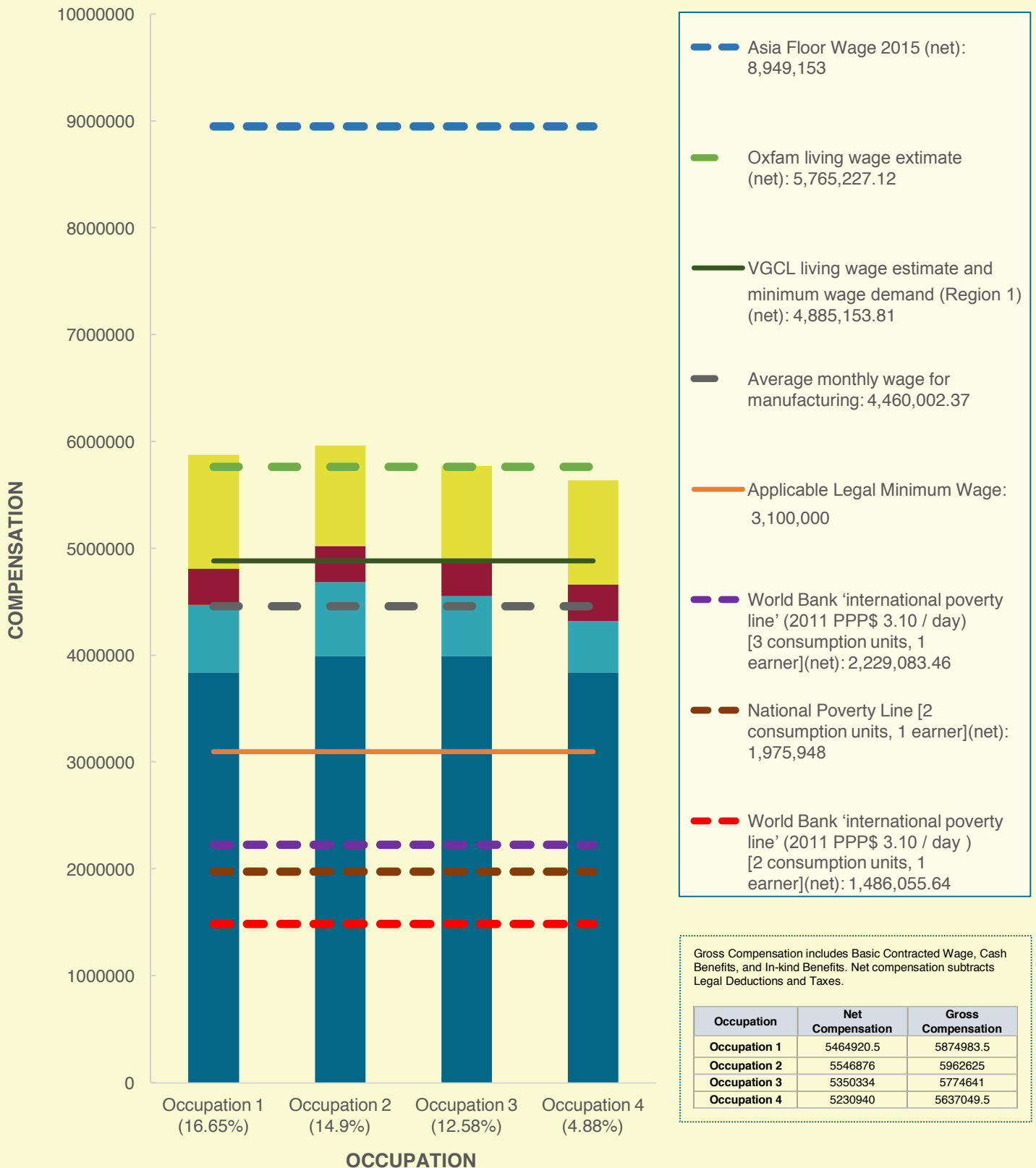
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (3) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

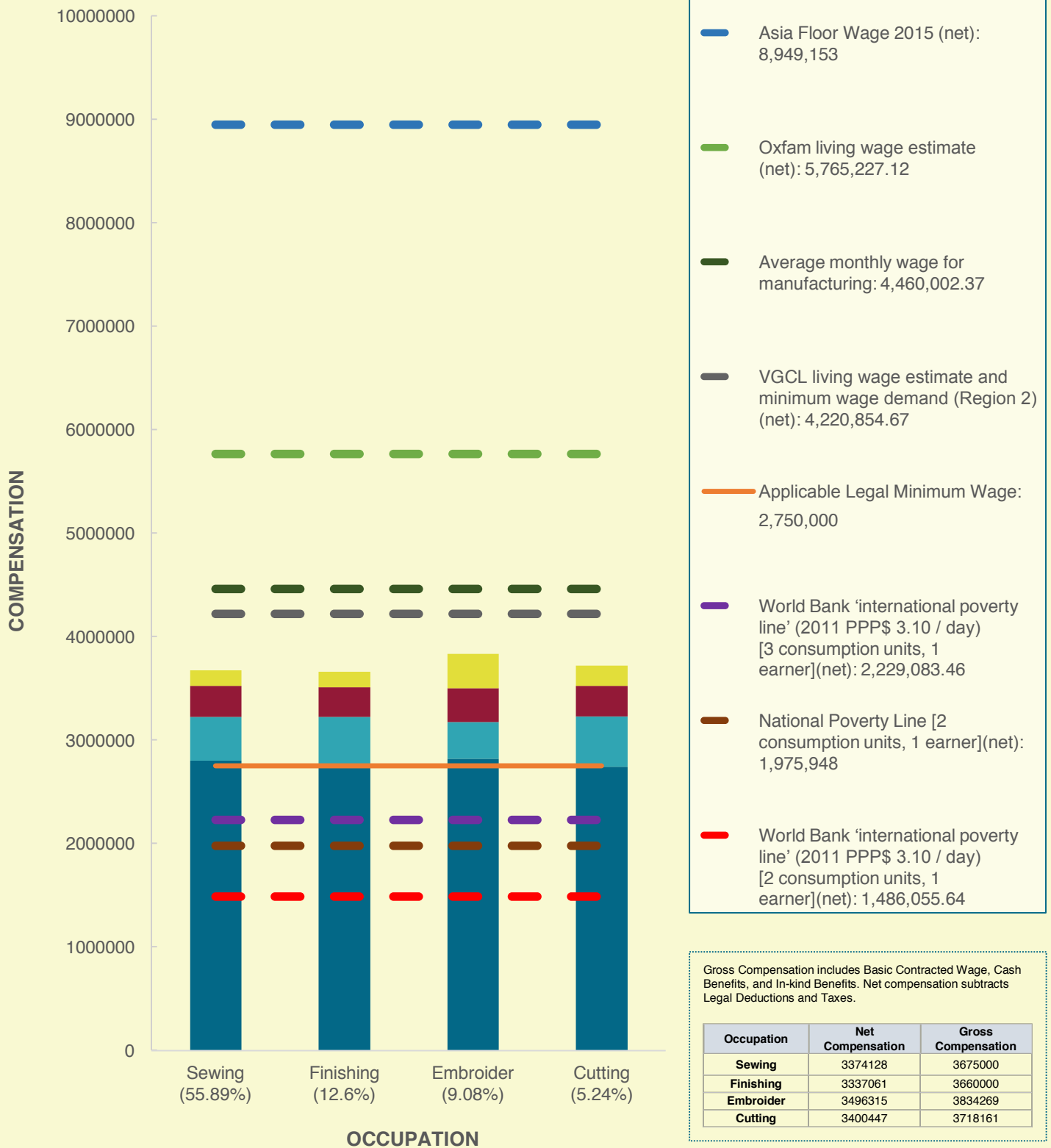
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (4) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

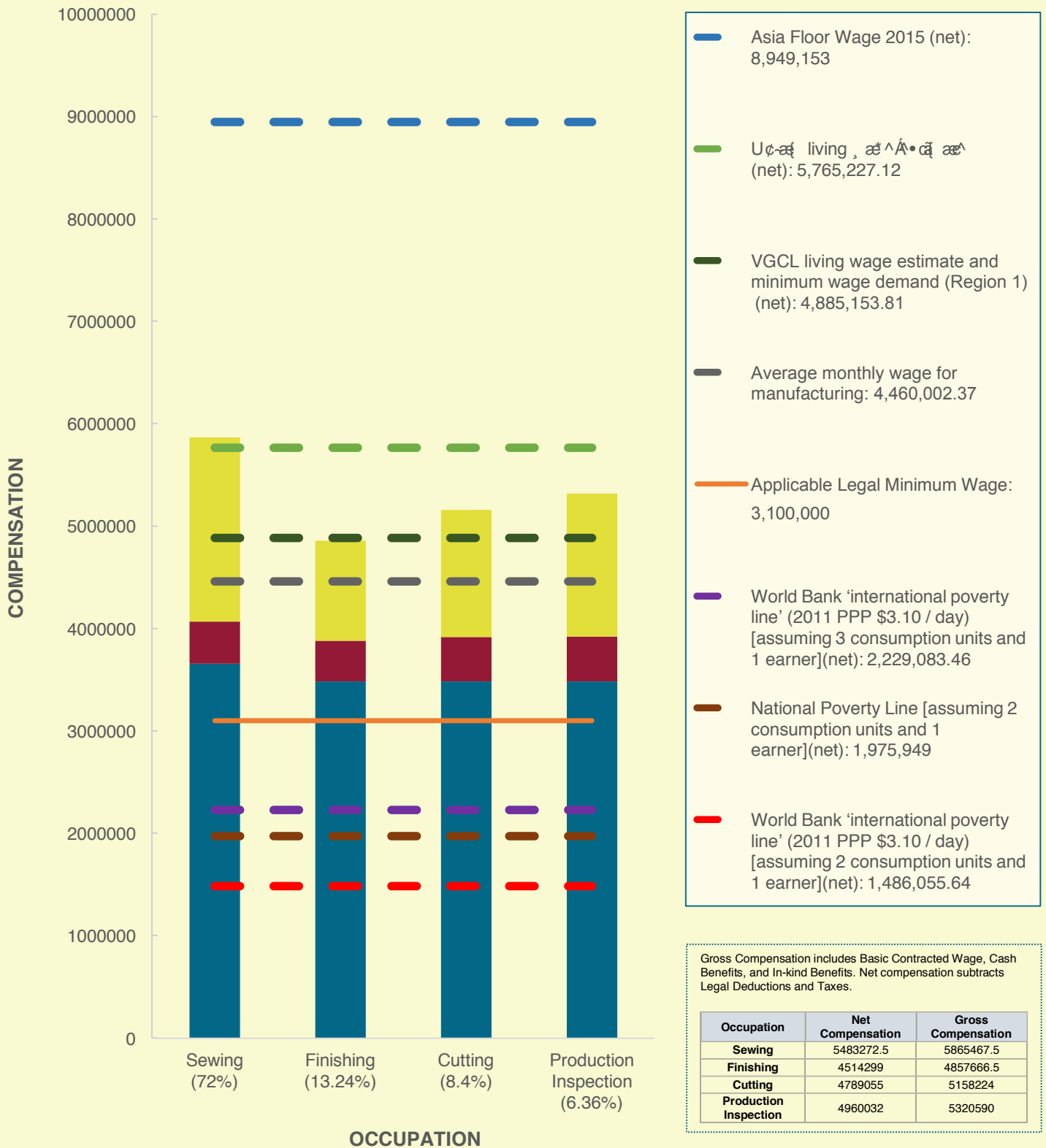
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (5) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

Cash Benefit

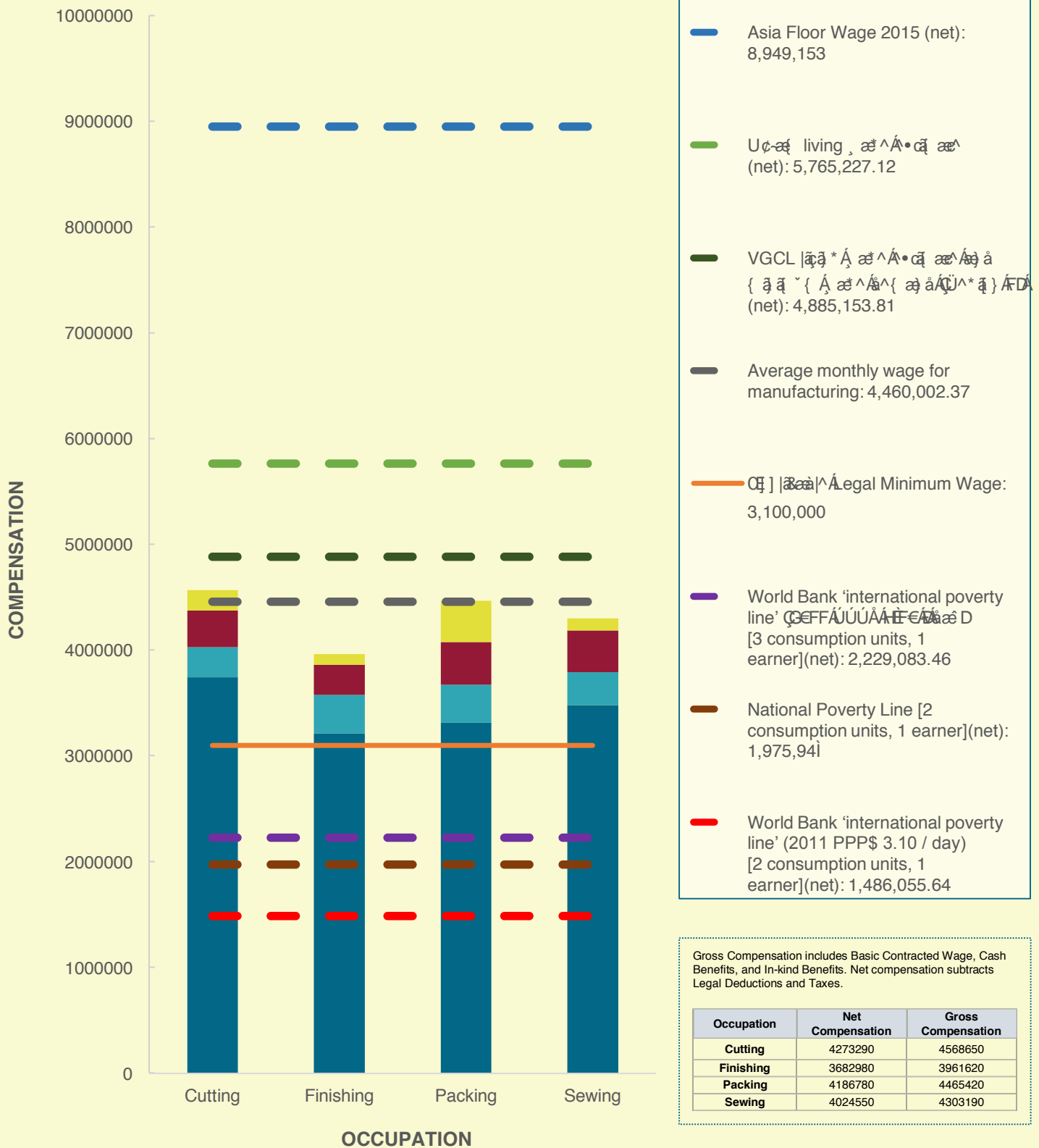
In-Kind Benefit

Incentives



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (6) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (7) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

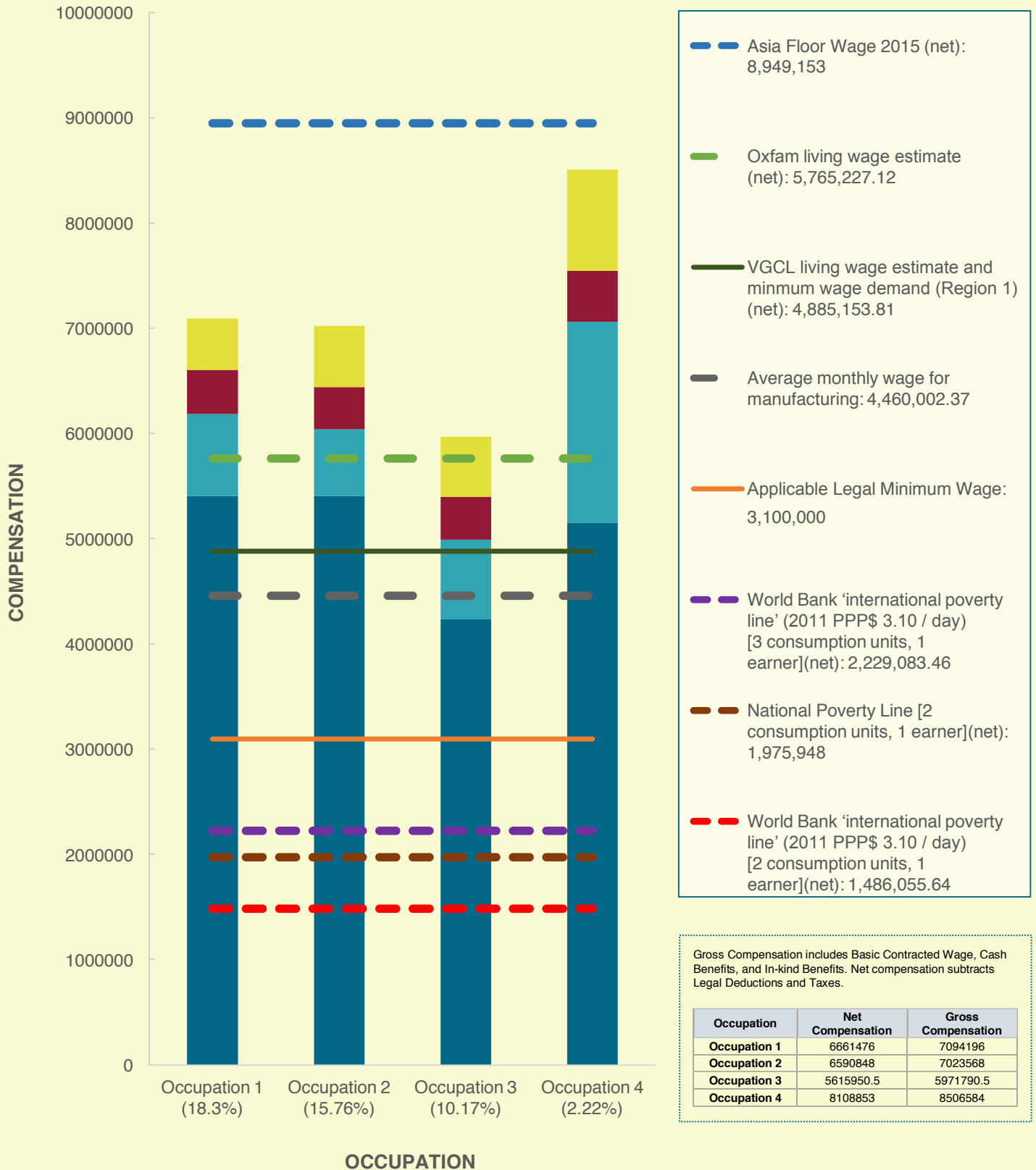
Cash Benefit

In-Kind Benefit

Incentives

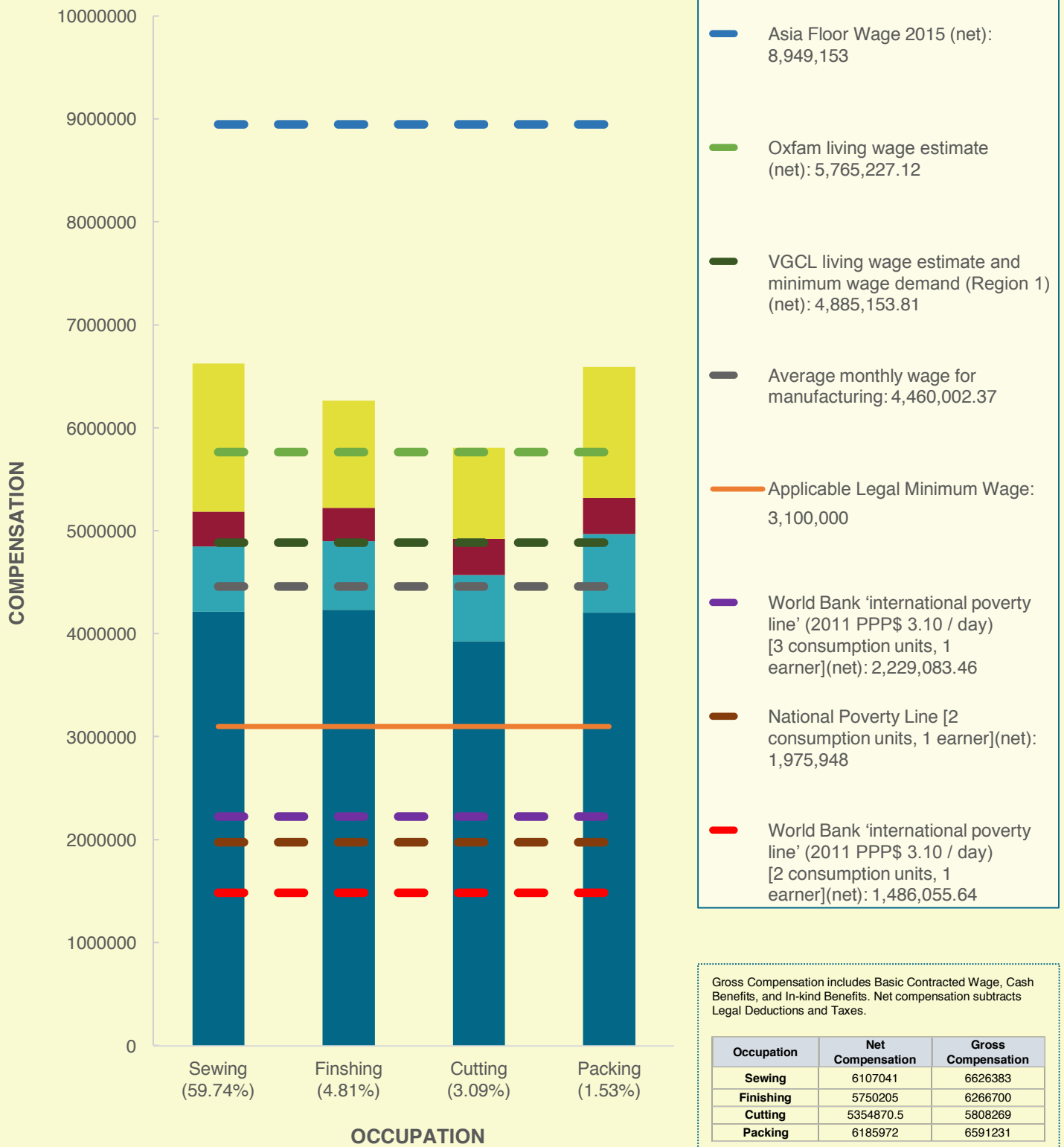
# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (8) *Currency: Vietnamese Dong (VND)*



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (9) *Currency: Vietnamese Dong (VND)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## VIETNAM (10) *Currency: Vietnamese Dong (VND)*

