

# MEXICO

## STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (MXN)
<b>Legal Minimum Wage</b>	<ul style="list-style-type: none"> <li>Before October 2015, Mexico had two different legal minimum wages depending on the geographical region. For Zone A (Tijuana), the legal minimum wage in 2015 was 70.10 Mexican pesos (MXN) daily.</li> <li>The average paid days per month are 26.08, so the legal minimum wage is <math>70.10 \times 26.08 = 1828.21</math> monthly</li> </ul>	<u>SHCP 2015</u>	<b>1828.21</b>
	<ul style="list-style-type: none"> <li>For Zone B (Querétaro, Durango, Yucatán), the legal minimum wage was 66.45 (from January 1 to March 31) and 68.28 (from April 1 to Sept 30) daily.</li> <li>The monthly legal minimum wage for Zone B was 1733.02 from January 1 to March 31, and 1780.74 from April 1 to September 30.</li> <li>However, since October 1, 2015 the whole country has only one legal minimum wage which is 70.10 daily and 1828.21 monthly.</li> </ul>		<b>1733.02</b> <b>(Jan 01-Mar 31)</b>  <b>1780.74</b> <b>(April 01-Sept 30)</b>  <b>1828.21</b> <b>(after Oct 01)</b>
<b>Industry/sector Wage Comparator</b>  <b>Average Wages</b>	<ul style="list-style-type: none"> <li>Average wage in salary paid to manual and technical workers for December 2015: 7420</li> <li>This figure does not include employer's contribution to social security and social benefits.</li> </ul>	<u>INEGI (Statistics Institute 2015)</u>	<b>7,420</b>

## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (MXN)
<b>National Poverty Lines (2 consumption units, 1 earner)</b>	<ul style="list-style-type: none"> <li>Well-being line (Canasta alimentaria plus Canasta no alimentaria—the sum of the 'food basket' plus the 'non-food basket' which is similar to an 'extended basket'): The Well-being line is composed of the following elements: i) The food basket; ii) Public transportation, iii) Personal care; iv) Housing and maintenance services; v) Glasswork and household utensils; vi) Culture, education, and recreation; vii) Communications and vehicle maintenance; viii) Clothing, shoes, and related accessories; ix) Healthcare; x) Cleaning and home healthcare; xi) Household goods and housing maintenance; xii) Recreation items, and xiii) Others.</li> <li>In December 2015, the monthly value of the Well-being line per capita was 2679.31</li> <li>Assume two consumption units: 5359</li> </ul>	<u>CONEVAL 2015</u>	<b>5,359</b>

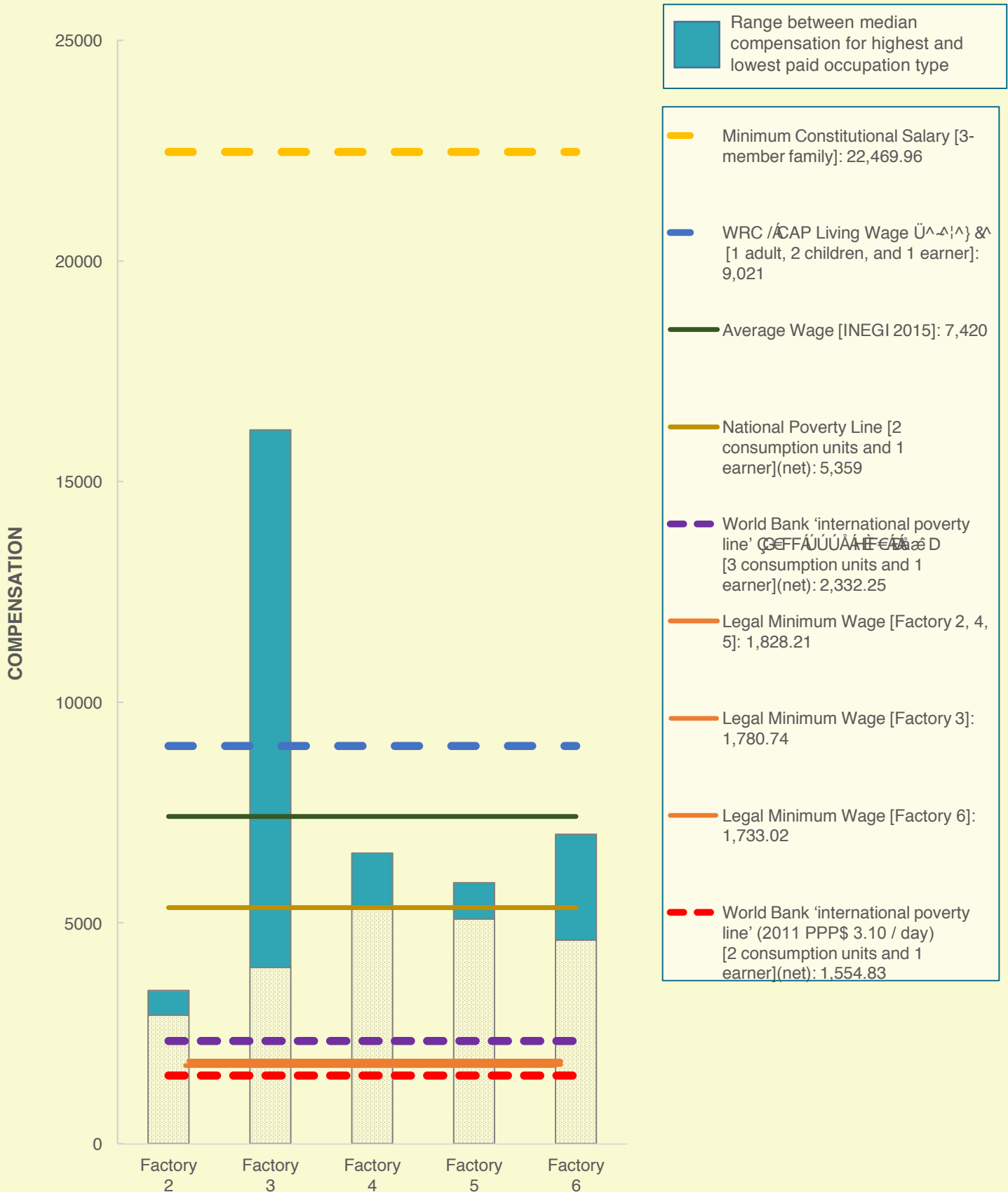
# MEXICO

## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (MXN)
<b>World Bank 'international poverty line' (2011 PPP\$ 3.10/day)</b>	<ul style="list-style-type: none"> <li>Poverty is measured by the World Bank at PPP\$3.10/day. PPP \$1.90 (in 2011 \$PPP) per day per person represents the international 'extreme poverty line' for extremely poor countries.</li> <li>The \$3.10 equivalent is <math>(8.02 * 3.1) = \text{MXN } 24.86</math></li> <li>On a monthly basis, this is <math>(\text{MXN } 24.86 * (365/12)) = \text{MXN } 756.22</math>.</li> <li>Adjusted for inflation, this amount is <math>[116.78 (\text{CPI } 2015)/113.59 (\text{CPI } 2014) * \text{MXN } 756.22] \text{ MXN } 777.42/\text{person/month}</math></li> <li>The household equivalent of MXN 777.42, assuming two consumption units and one earner is MXN 1,554.83/month.</li> </ul>	<u>WB 2011 ICP</u>	<b>1,554.83</b>
	<ul style="list-style-type: none"> <li>The household equivalent of MXN 777.42, assuming three consumption units and one earner is MXN 2,332.25/month.</li> </ul>		<b>2,332.25</b>
<b>Living Wage Estimate</b>  <b>Minimum Constitutional Salary (3-member family)</b>	<ul style="list-style-type: none"> <li>Published in 2015, this estimate is based on a study conducted by the Salary Observatory of the Iberoamerican University of Puebla. The Minimum Constitutional Salary in Mexico is MXN 22,469.96 (monthly wage value).</li> <li>Minimum Constitutional Salary is calculated based on three components: Food Basket, Basic Food Basket, and Non-food Basket. The Food Basket includes raw food exclusively, while the Basic Food Basket includes raw food plus the costs of cooking, consuming, and keeping food. The Non-food Basket refers to the following 12 elements: i) Personal care; ii) Housing and maintenance services; iii) Glasswork and household utensils; iv) House keeping items; v) Leisure items; vi) Culture, education and recreation; vii) Communications; viii) Clothing, shoes and related accessories; ix) Holiday celebrations; x) Transportation; xi) Healthcare, and xii) Cleaning and home healthcare. The Food Basket was estimated to be MXN \$6,025.2; the Basic Food Basket value reached MXN \$6,563.14, and the Non-food Basket was MXN \$9,881.62 (all are monthly estimations). The total value of the three components is 22,469.96.</li> <li>The estimate assumes a worker coming from a three-member family with ages between the range of 12 to 64 years old.</li> </ul>	<u>Observatorio de Salarios</u>	<b>22,469.96</b>

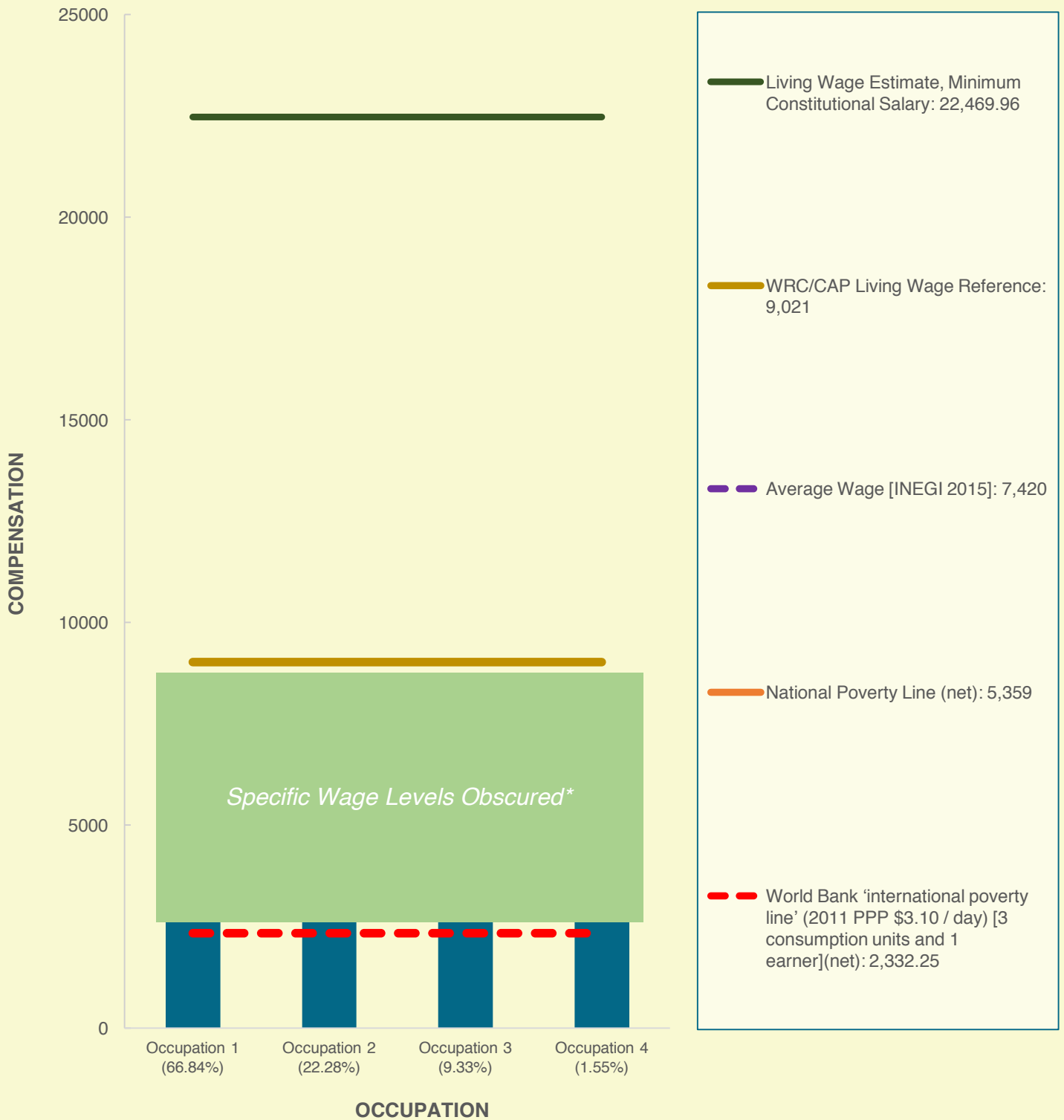
# COMPENSATION COMPARISON ACROSS FACTORIES

**MEXICO** Currency: *Peso (MXN)*



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (1) *Currency: Peso (MXN)*



Basic Contracted Wage

Cash Benefit

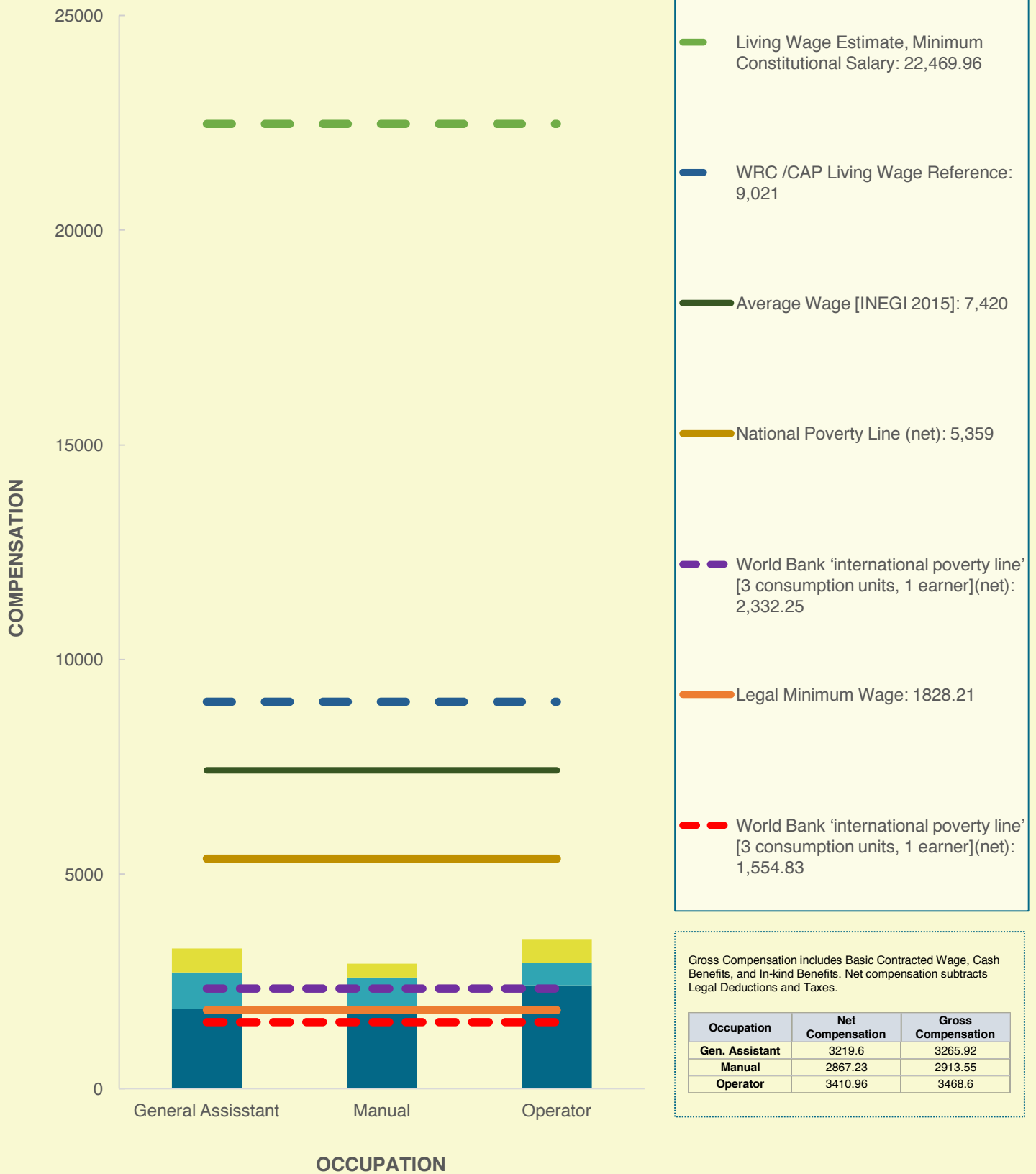
In-Kind Benefit

Incentives

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

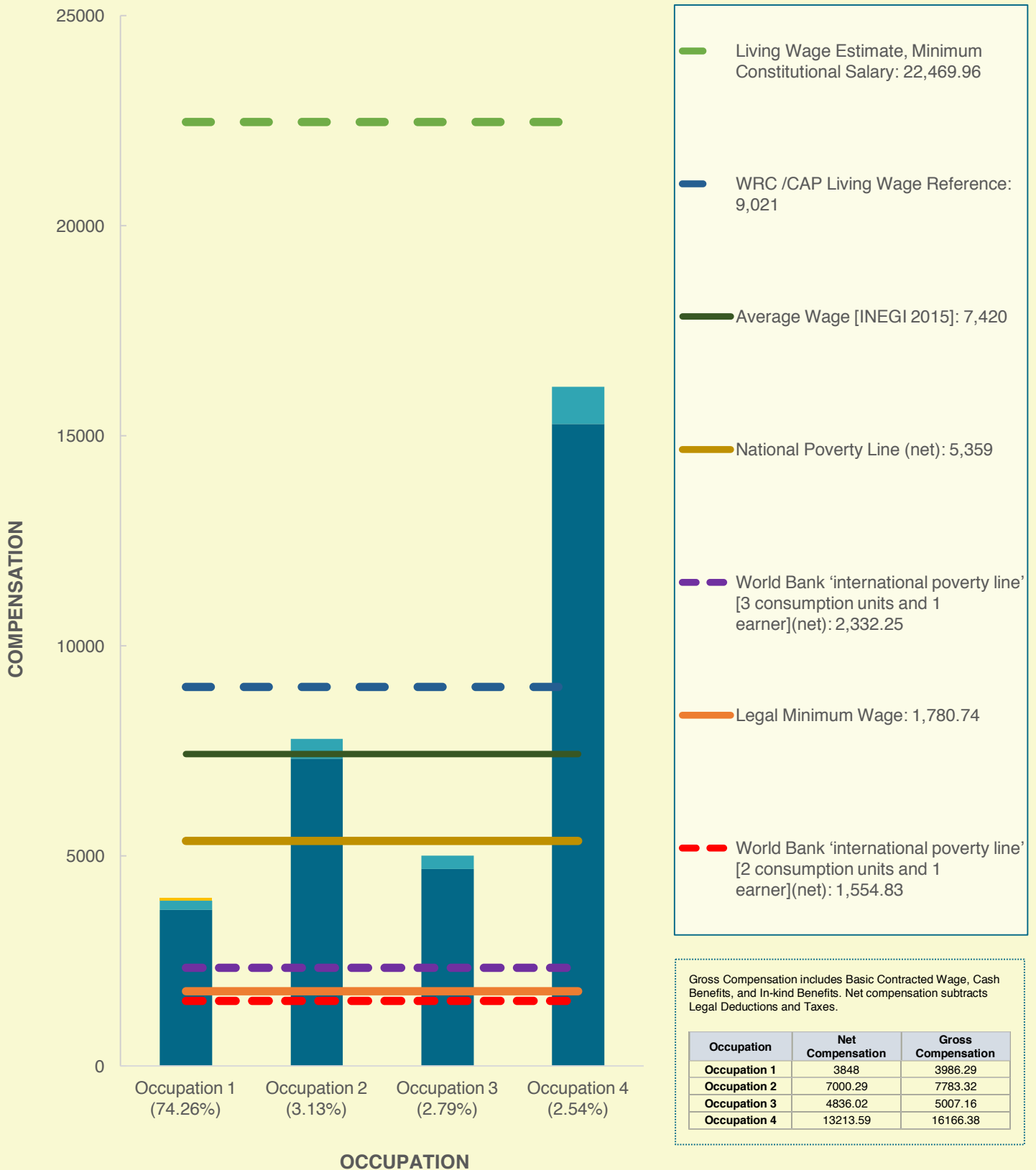
# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (2) *Currency: Peso (MXN)*



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (3) *Currency: Peso (MXN)*



Basic Contracted Wage

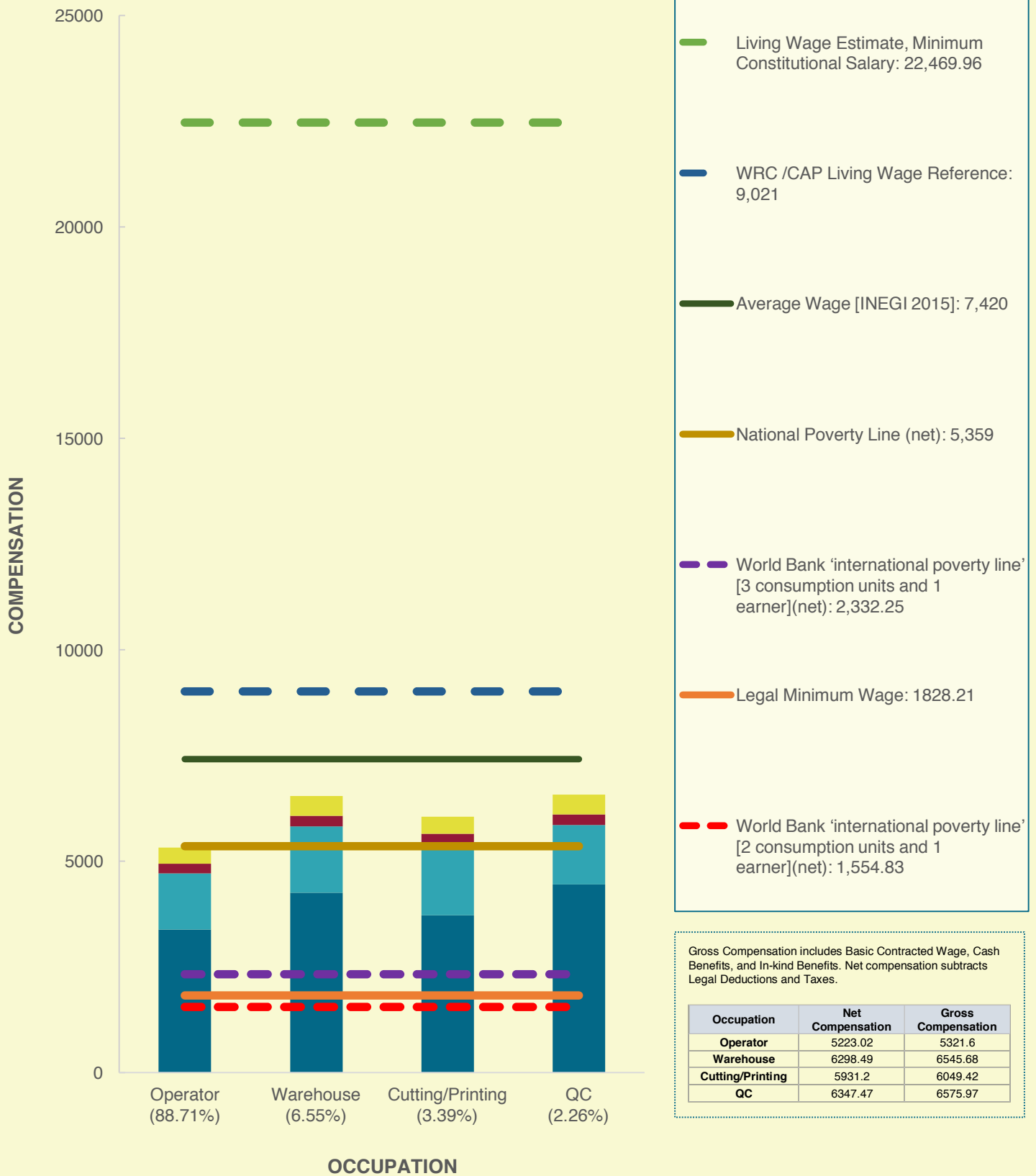
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (4) *Currency: Peso (MXN)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (5) *Currency: Peso (MXN)*



Basic Contracted Wage

Cash Benefit

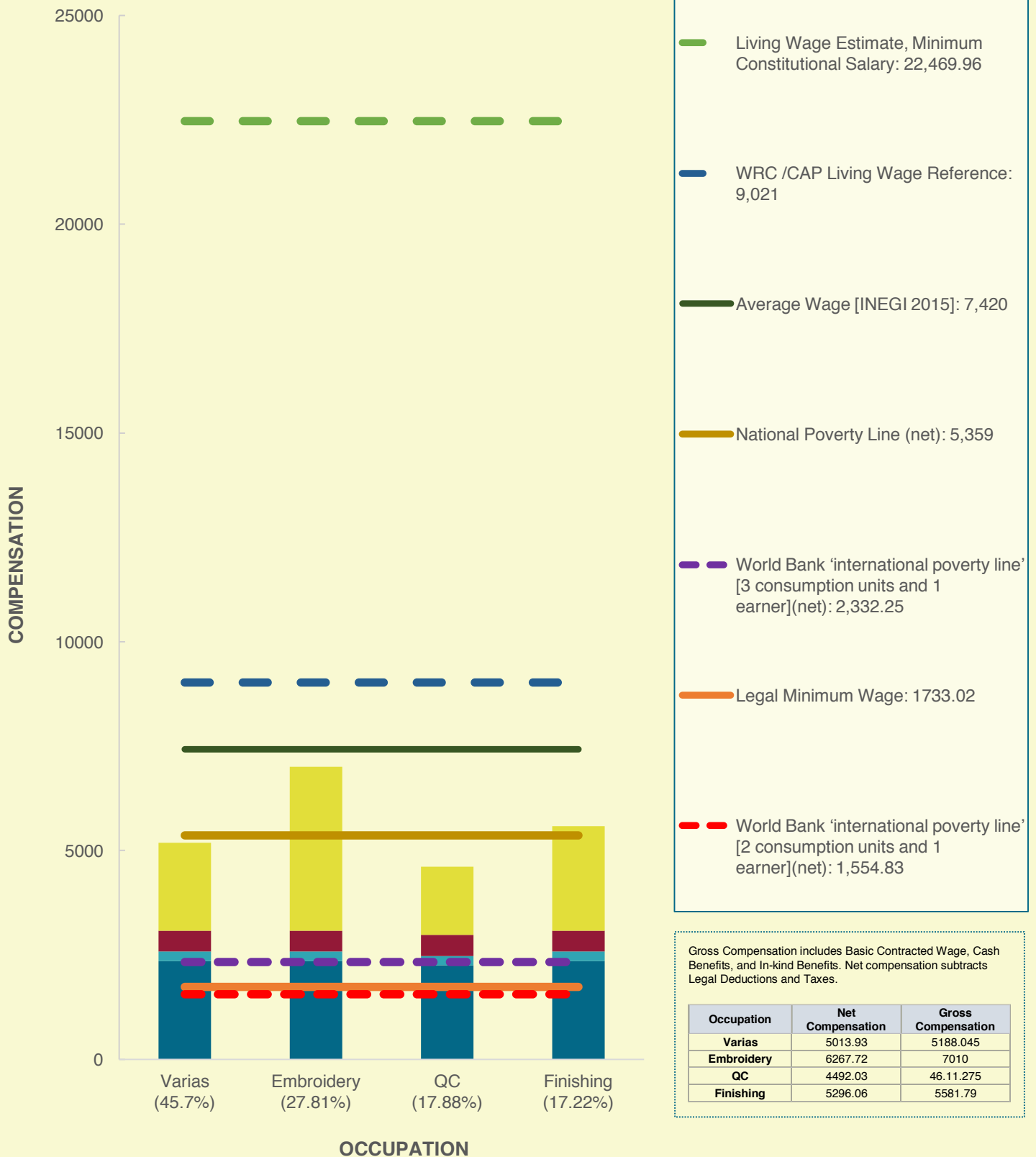
In-Kind Benefit

Incentives



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## MEXICO (6) *Currency: Peso (MXN)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives