



Thailand



Compensation Survey 2006

American Chamber of Commerce Thailand

Australian-Thai Chamber of Commerce

British Chamber of Commerce Thailand

With the Participation of

Thai-Canadian, Danish, Franco-Thai, New Zealand-Thai, Norwegian, Swiss-Thai and Thai-Swedish Chambers

Kindly Sponsored by



Management and Executive Resources Consultants

**American Chamber of Commerce Thailand
Australian-Thai Chamber of Commerce
British Chamber of Commerce Thailand**



Message from the Chambers

The joint American, Australian and British Chambers 2006 Compensation and Benefits Survey gives Chamber members information about both the level of, and changes to, salaries and benefits for comparative purposes within industry groupings. Given the infrequency of major changes to benefits it was decided by the three Chambers to update this section every two years. Therefore, the 2005 Benefits Survey has been repeated this year.

This handbook is produced as a benefit to members of the Chambers and additional copies will only be made available to American, Australian or British non-members based outside Thailand. When considering the compensation and benefits provided by your company, the material contained in these pages is a useful guide, but it is also a handy reference tool throughout the year.

We are indebted to Tim Beevor, Director, Aon Consulting (Thailand) Ltd and Paul Mason, Chief Operating Officer of Management and Executive Recruitment Consultants Ltd (MERC) for their work in developing the survey and presenting the results in this easy-to-read publication. We also offer our sincere thanks to them for their sponsorship of this survey.

The Chambers are proud of this ninth collaborative venture in bringing such a quality annual handbook to our members. The involvement of a majority of members will only enhance the value of the survey in future years and enable us to build on the information provided in these pages. This year we welcome a number of companies from the New Zealand-Thai and Swiss-Thai Chambers. It is hoped that many more companies from these and other foreign chambers will participate in future surveys.

On behalf of the American Chamber of Commerce Thailand, Australian-Thai Chamber of Commerce and the British Chamber of Commerce Thailand, we commend the 2006 Compensation and Benefits Survey handbooks to you and trust you will join with us in its continued development.

Yours sincerely,

Stephen Green
President
AmCham Thailand

Gary Woollacott
President
AustCham Thailand

Mark Fraser
Chairman
BCCT

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**AMCHAM, Austcham and BCCT 2006
Compensation & Benefits Survey Participants**

1. 3M Thailand Ltd.
2. AB Food & Beverage (Thailand) Ltd.
3. ADC Communication (Thailand) c/o KRONE
4. Advantage Recruitment c/o Amrop Hever Group
5. Akara Mining Limited, Chatree Gold Mine
6. Allen & Overy (Thailand) Co., Ltd.
7. American Standard Sanitaryware (Thailand)
8. Ann Taylor Sourcing Far East Ltd.
9. AON Group (Thailand Ltd.
10. APL Agencies (Thailand) Ltd.
11. AsPac Oil (Thailand) Ltd.
12. Asset Management Systems (Thailand) Ltd.
13. Australia and New Zealand Banking Group Ltd.
14. Avanex (TH) Ltd.
15. Aviva Insurance (Thai) Co., Ltd.
16. Baker Tilly Outsourcing Services
17. Bangkok Capital Alliance Co.,Ltd.
18. Bausch & Lomb (Thailand) Ltd.
19. BCCT
20. BDA International Ltd.
21. Bechtel International, Inc
22. BigC Supercenter PCL
23. Black & Veatch
24. BlueScope Steel (TH)
25. BMJ Consultantcy Group Co., Ltd.
26. BMS Gemini TH Recruitment Co., Ltd.
27. Cadbury Adams (Thailand) Ltd.
28. Capsugel (TH) Co. Ltd.
29. Cargill Siam Ltd.
30. Chandler & Thong-ek Law Office Limited
31. Chevron TH Exploration & Prod. Ltd.
32. Chubb (Thailand) Ltd.
33. Clough Thailand Ltd.
34. Coats Thread (Thailand) Ltd.
35. Conoco (Thailand) Co., Ltd.
36. Dole Thailand Ltd.
37. Dow Chemical Thailand Ltd./SCC-Dow group of companies
38. DST International (Bangkok) Ltd.
39. Ek-Chai Distribution Systems(Tesco-Lotus)
40. Emerson Process Management. c/o Emerson Electric (TH) Ltd.
41. Empire Communications Co., Ltd.
42. ExxonMobil
43. Fabrinet Co., Ltd
44. FedEx Express Thailand
45. Ferro (Thailand) Co., Ltd.
46. Firmenich (Thailand) Ltd.
47. Ford Services Thailand
48. Foster Wheeler International Corporation
49. Gannon Realty (T) CO., Ltd.
50. Gem City Engineering Co., Ltd.
51. General Motors (Thailand)
52. Global Industries Offshore (TH) Ltd.
53. Global Investments (Far East) Ltd.
54. Guardian Industries Corp Ltd.
55. Guardian Industries Rayong Co.,Ltd.
56. Häagen-Dazs, HD Distributors (Thailand) Company Limited
57. Highfield Equity Co Ltd.
58. ICI Paints (Thailand) Ltd.
59. International Legal Counselors TH Ltd.
60. Johnson Stokes & Master (Thailand) Ltd.
61. JSG Co., Ltd.
62. Katoen Natie Thailand Ltd.
63. Kimberly-Clark Thailand Ltd.
64. Kodak (Thailand) Ltd.
65. Kuehne+Nagel Ltd
66. LawPlus Ltd.
67. LMG Insurance
68. Louis T. Leonowens (TH) Ltd.
69. Lowe Ltd.
70. Marsh PB Co., Ltd.
71. MBMG International Ltd.
72. McThai Co., Ltd. (McDonald's)
73. Mission Hospital
74. MSD (Thailand) Ltd.
75. Nancy Chandler Co.
76. Novartis (TH) ltd.
77. Opus Recruitment Ltd.
78. Panalpina World Transport (Thailand) Ltd.
79. Parac (Thailand) Ltd.
80. PB Agencies Co., Ltd.
81. Performa (Thailand) Co.,Ltd.
82. Philips Electronics (Thailand) Ltd.
83. Prodrive Automotive Technology (TH) Ltd.
84. Pro-Log Co., Ltd.
85. Prudential TSLife Assurance PCL
86. PWS Consulting Co., ltd.
87. PZ Cussons (Thailand)
88. Rohm and Haas Chemical (Thailand) Ltd.
89. RSM Nelson Wheeler (Thailand) Ltd.

Joint Chambers Compensation and Benefits Survey 2006

90. Sasin Graduation Institute of Business Administration
91. Schenker (Thailand) Ltd.
92. Schneider (Thailand) Ltd.
93. Seagate Technology (Thailand) Ltd.
94. Slingshot Co., Ltd.
95. Smith & Nephew Ltd
96. Source Thai Co., Ltd.
97. Spansion (Thailand) Ltd.
98. Spirax Sarco (Thailand) Ltd.
99. Standard Chartered Bank (Thailand) PCL.
100. Stanley Works Limited
101. Starbucks Coffee (Thailand) Co., Ltd.
102. Syngenta Crop Protection Ltd.
103. Systems Union Software(Thailand) Ltd.
104. Technicolor (Thailand) Ltd.
105. Thai Leighton Ltd.
106. Thai-Fi
107. The Chillington Tool (T) Co., Ltd.
108. The Post Publishing PCL
109. Tiger Consulting Co., Ltd.
110. Triumph Motorcycles (Thailand) Ltd.
111. Tyco Fire, Security & Service3s (TH) CO. Ltd.
112. United Airlines Incs.
113. Universal Compression
114. Waste Management Siam Ltd.
115. Wyeth-Ayerst (Thailand) Ltd.
116. Yes Technologies (TH) Co., Ltd.
117. ZI-Techasia Solutions

DEFINITIONS

Quartiles and Average

All Forecasted Salary Increments and Bonus are ranked from high to low and the Quartiles are determined.

Upper Quartile (Q₃): 75% of the ranked population in the benchmark or seniority level receives less than this amount and 25% receive more.

Median (Q₂): 50% of the ranked population in the benchmark or seniority level receives less than this amount and 50% receive more.

Lower Quartile (Q₁): 25% of the ranked population in the benchmark or seniority level receives less than this amount and 75% receive more. The minimum sample size required for analysis of quartiles is five.

Average: The Average is the arithmetical Mean, i.e. the sum of increments divided by the number of sample. A minimum sample size of three is required to enable average salary to be calculated. One problem with the average is that extreme values will greatly influence its value.

For comparison the Mid-quartile range or middle 50 percent is the most useful indicator of the span of the range, eliminating the effects of the widely divergent values at either end of the of the pay spectrum.

The Median is considered a more representative measure of central tendency than the average because, unlike the average, the median is not greatly affected by extreme values.

Seniority Levels (examples of manufacturing job positions)

Senior Management

Chief Executive Officer, Production Director, Factory Manager

Middle Management

SHE Manager, Assistant Factory Manager, Quality Control Manager, Production Planning Manager, Production Manager, Technical Training Manager, Process Control Manager, Chief Chemist, Production Superintendent

Professional Staff & Lower Management

Safety Engineer, Technical Training Engineer, Process Control Engineer, Q.C. Supervisor, Laboratory Chemist, Production Planner, R&D Engineer

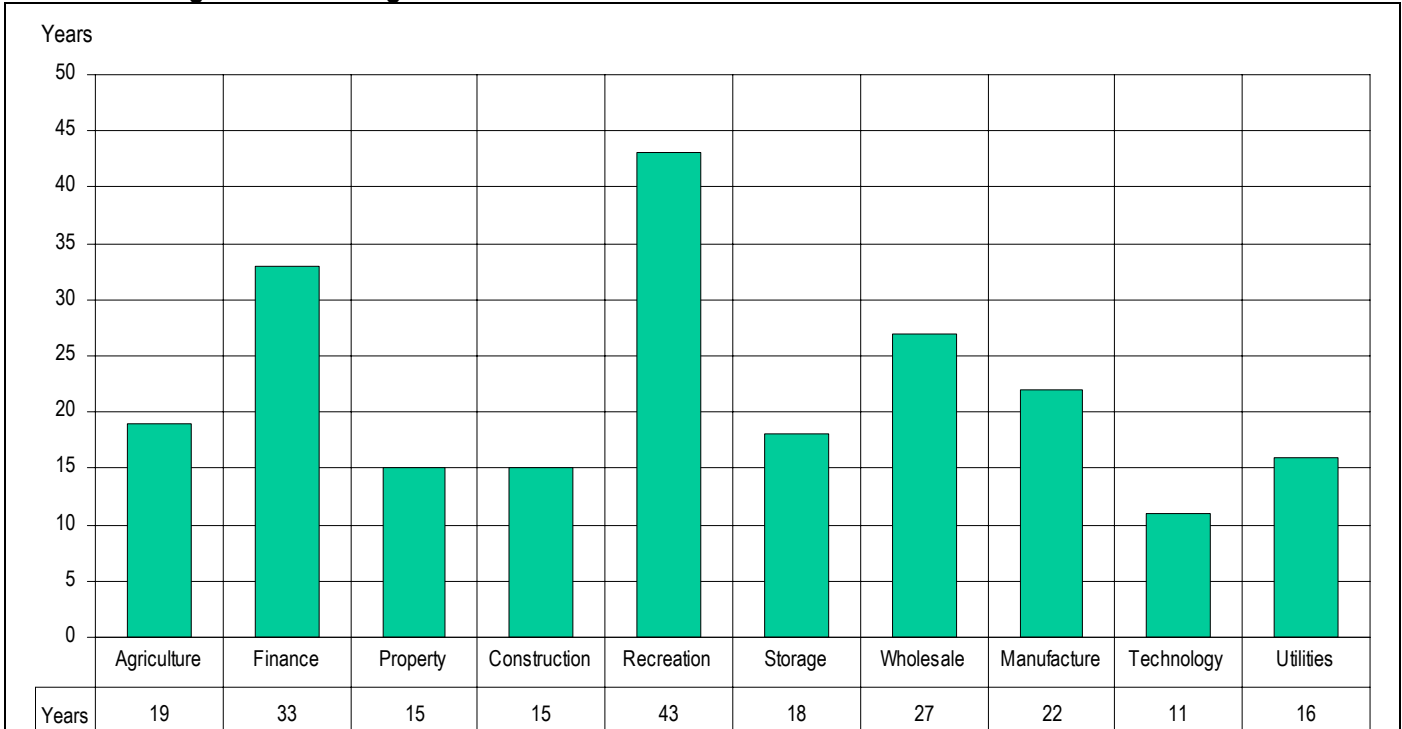
General Staff

Engineer (New Graduate), Production Foreman, Senior Laboratory Technician, Quality Inspector, Production Supervisor, Senior Technician

Operators/ Workers

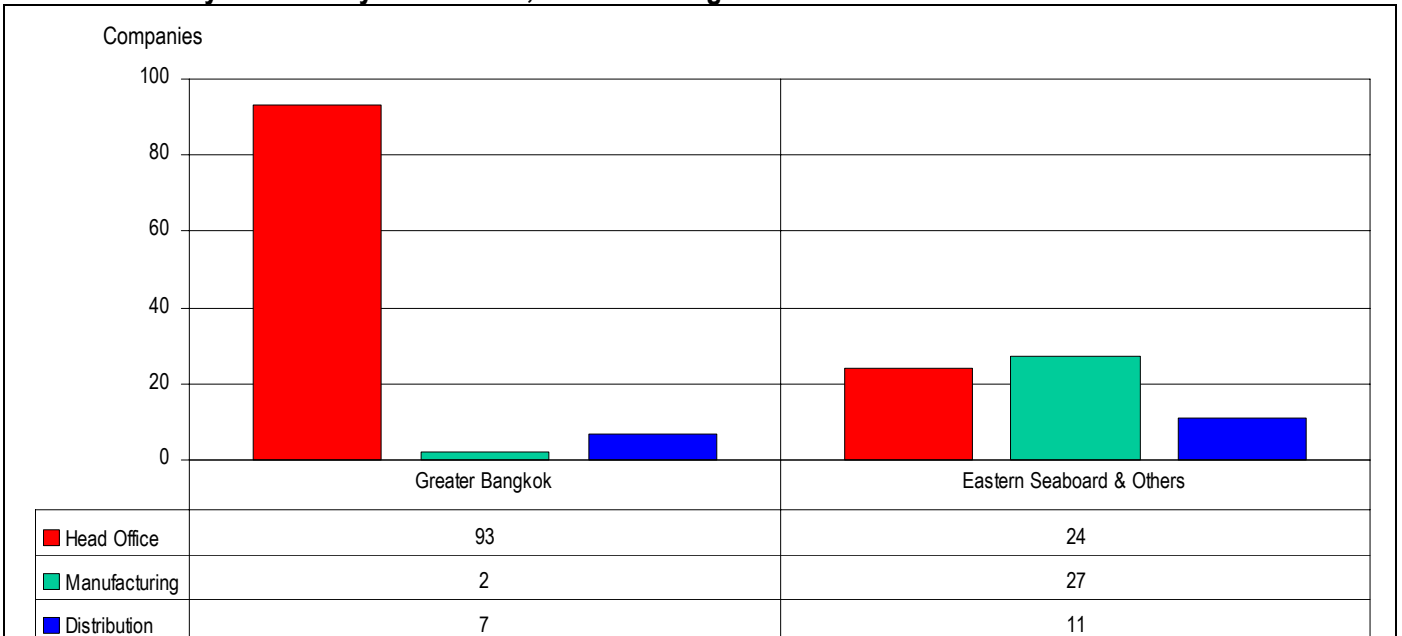
Safety Inspector, Quality Technician, Laboratory Operator, Welder, Production Operators

1.3 Average Years Trading in Thailand



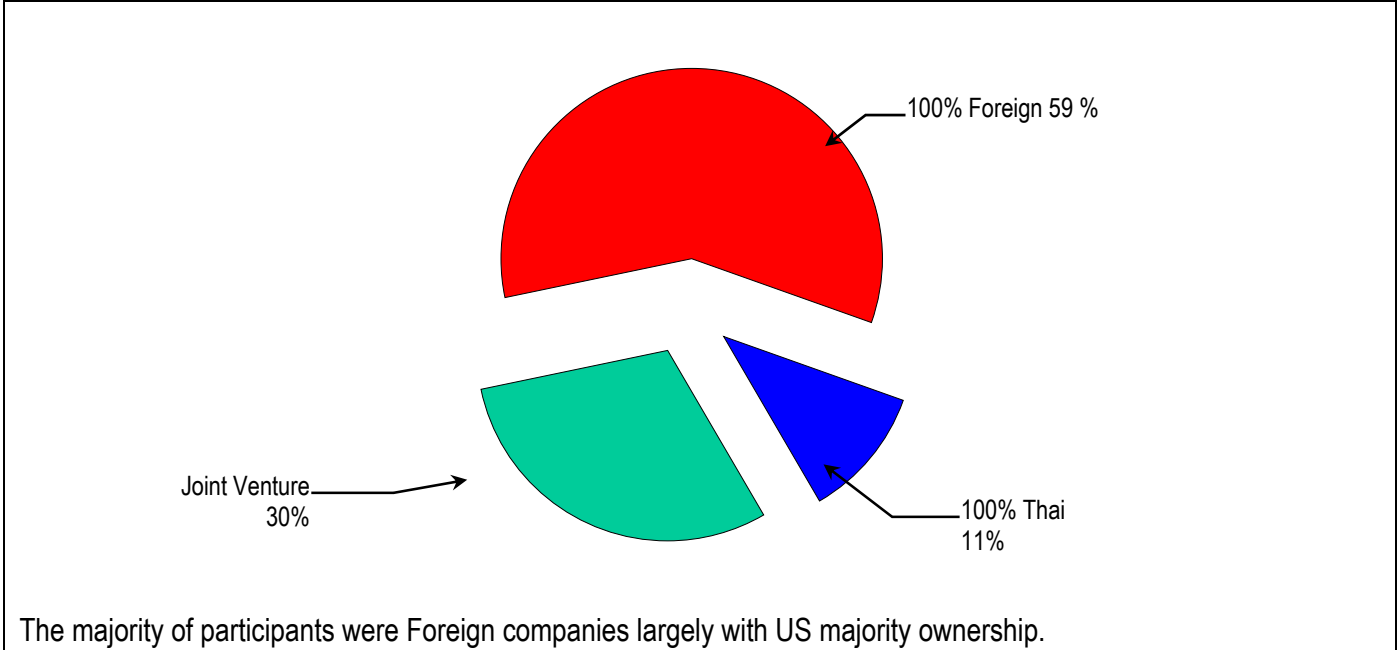
Of the 117 companies surveyed, the earliest established were the Recreation, Finance and Wholesale Companies. A hospital in the Recreation section was established 60 years ago.

1.4 Industry Location by Head Office, Manufacturing and Distribution



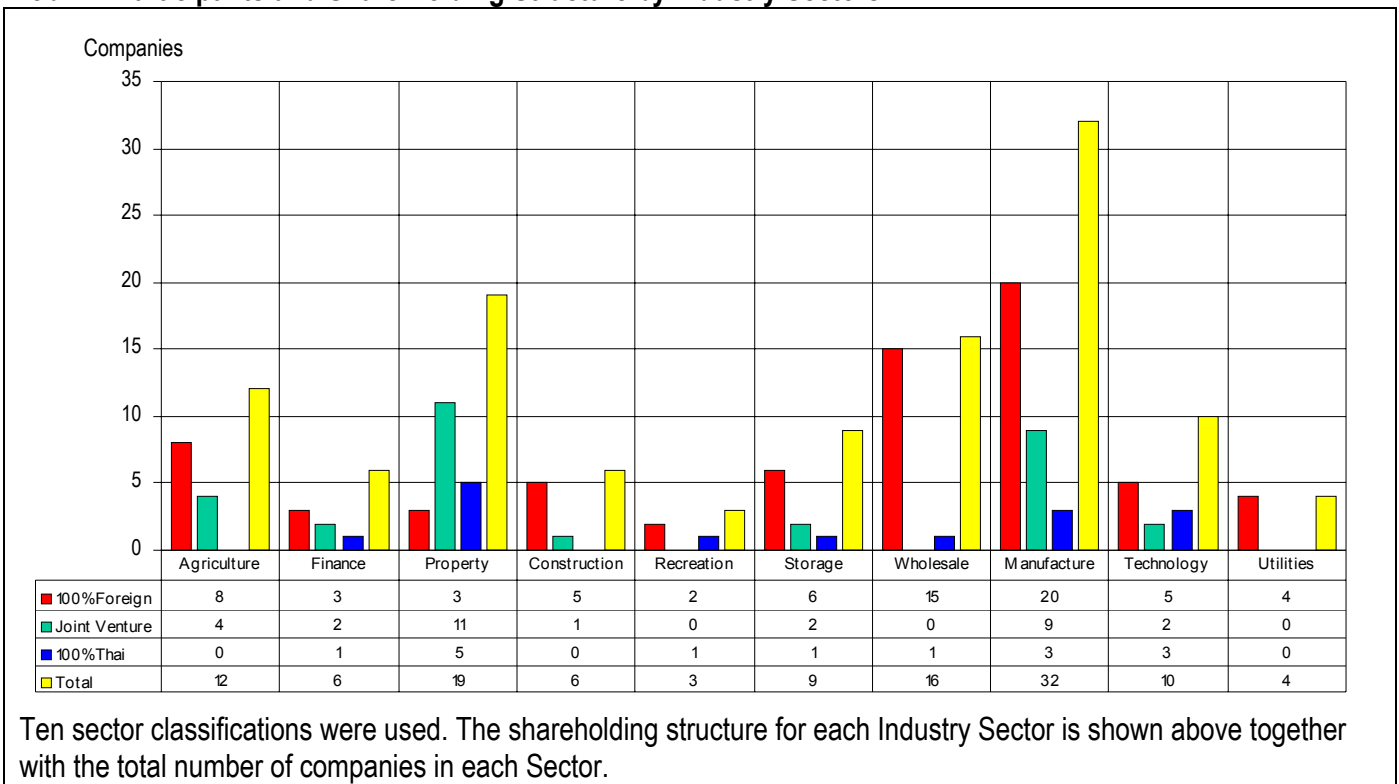
Of the 117 companies surveyed, 93 had their Head Office located in Bangkok. The majority of manufacturing sites were located outside Greater Bangkok.

1.5a Shareholding Structure of all participating companies

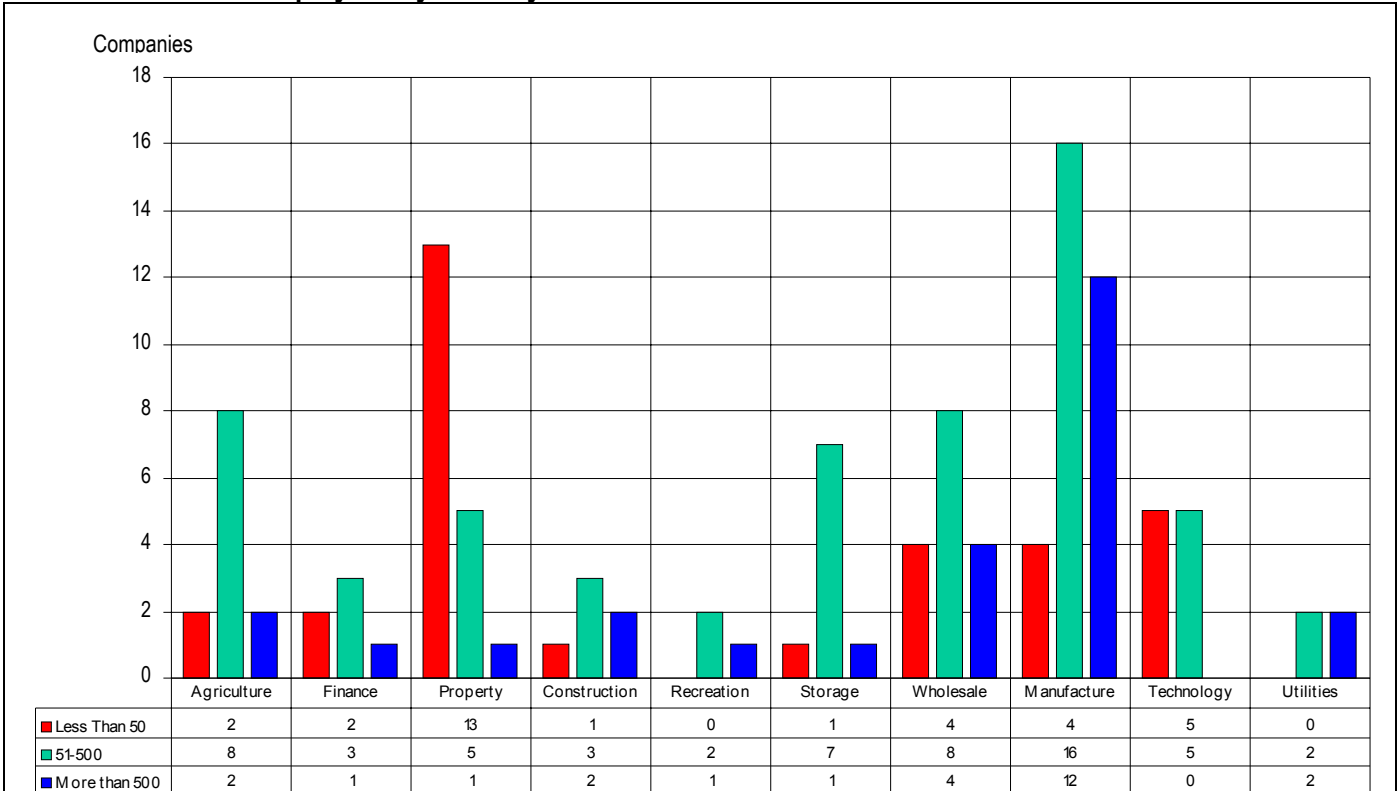


The majority of participants were Foreign companies largely with US majority ownership.

1.5b Participants and Share Holding Structure by Industry Sectors

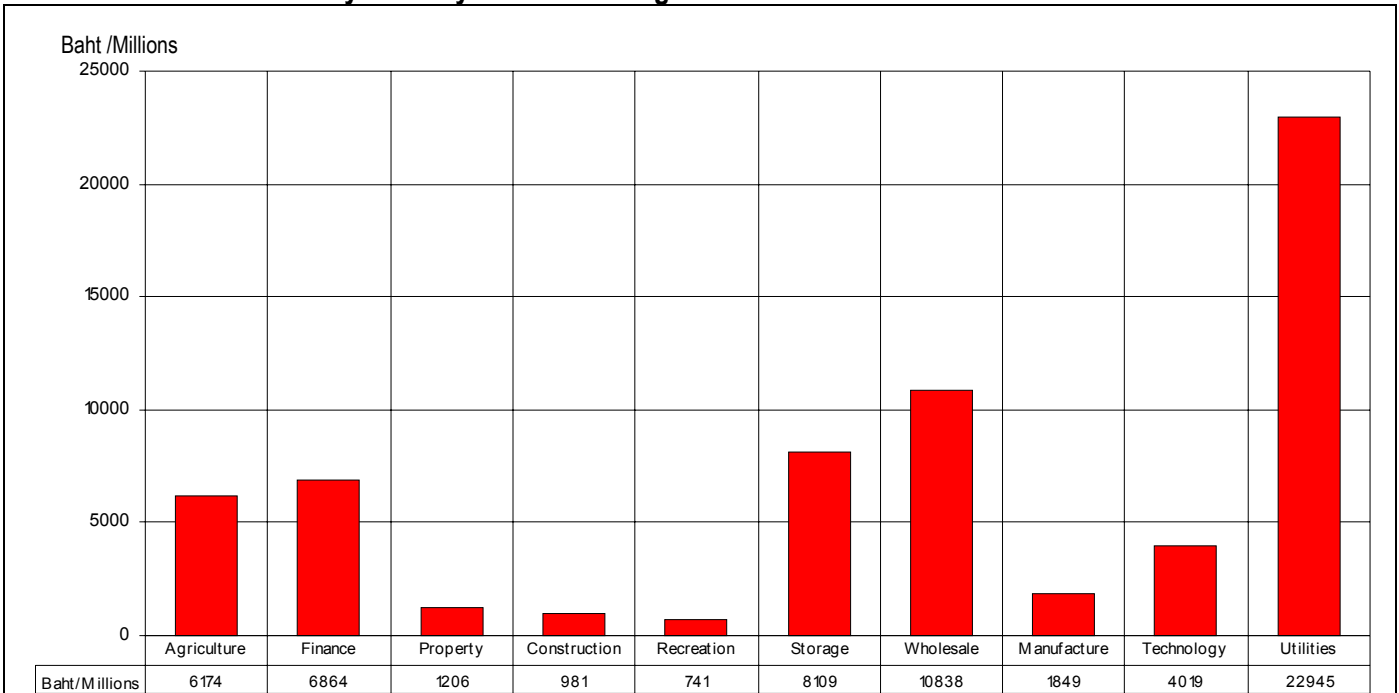


1.6 Number of Employees by Industry Sectors



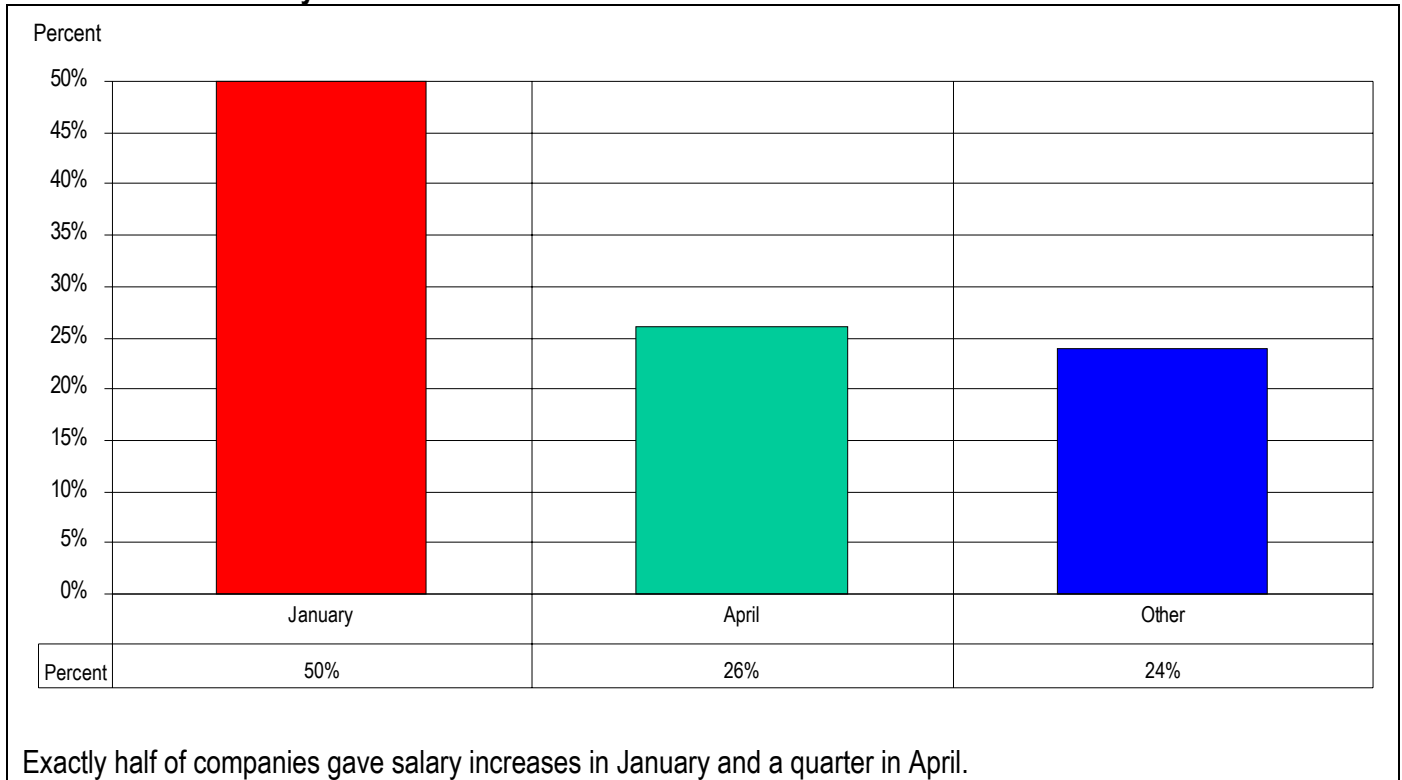
The number of employees in each Industry Sector is shown above. It is noted that 32 companies employ less than 50 people, 59 companies employ between 51-500 people and 26 companies employ more than 500 people.

1.7 Annual Revenue by Industry Sectors Average

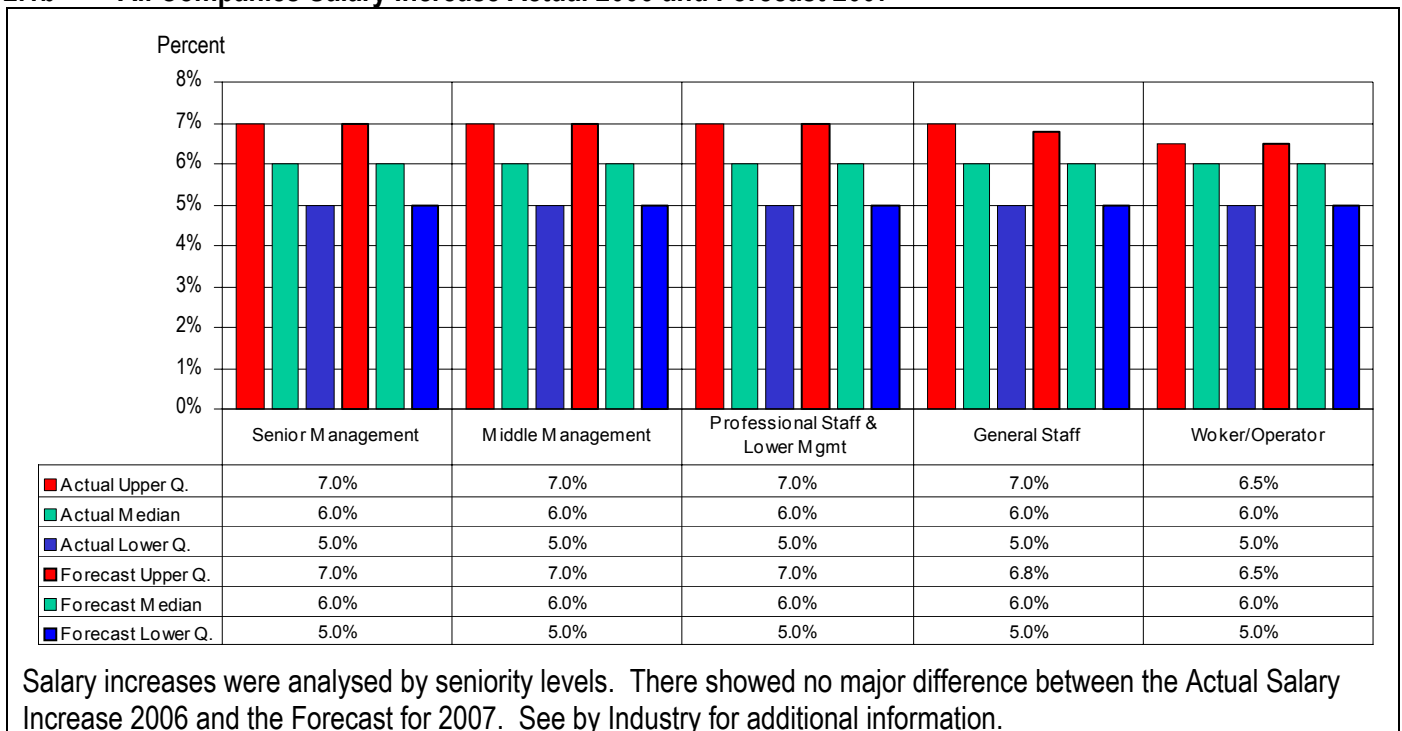


This graph shows the average annual revenue of the companies in each sector. The Oil & Gas Sector was conspicuous because of the proportional dominance of the large oil companies.

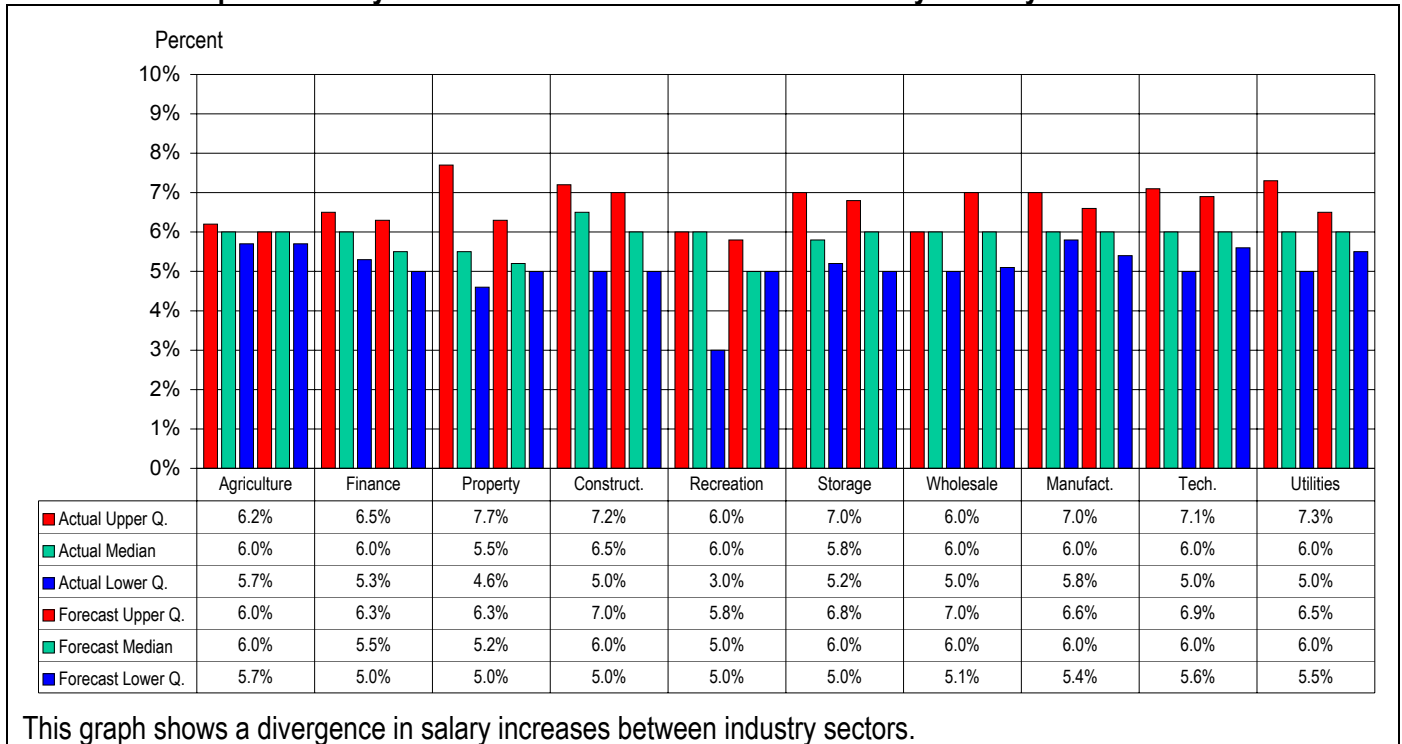
2.1a Month of Salary Increase



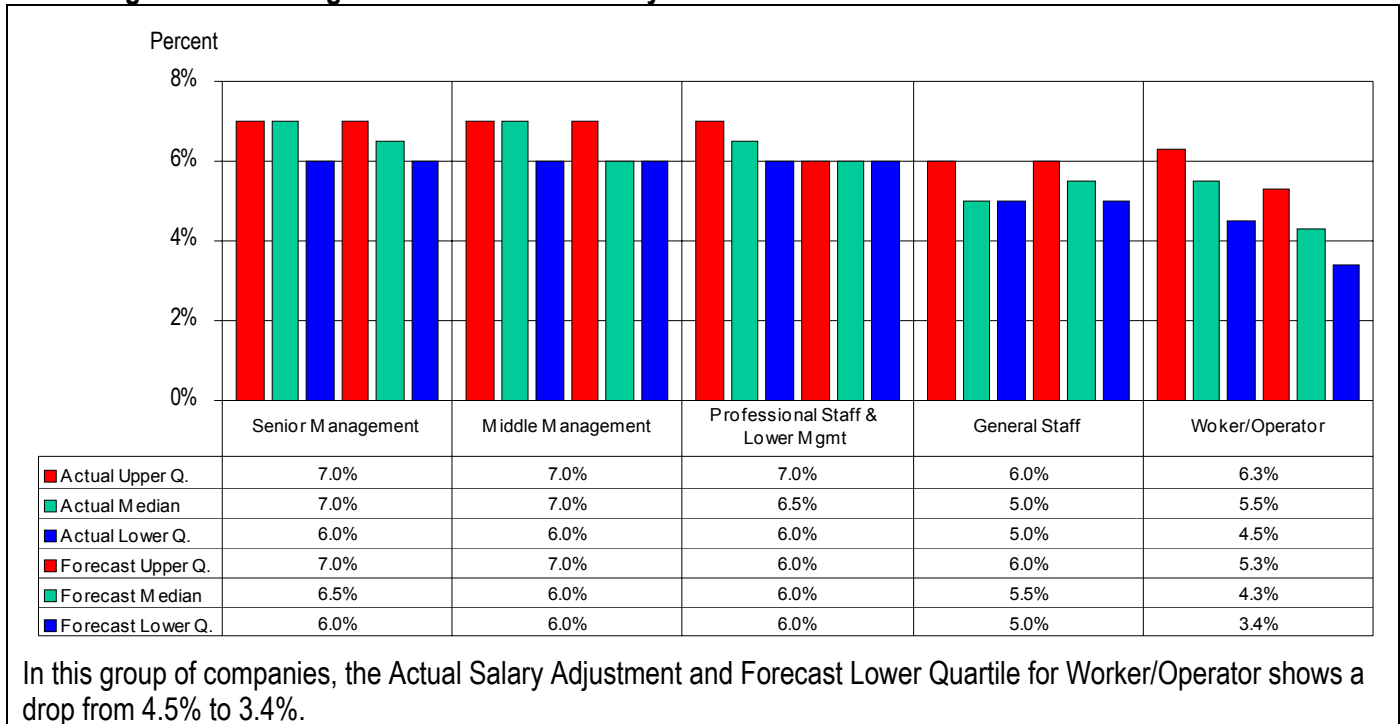
2.1b All Companies Salary Increase Actual 2006 and Forecast 2007



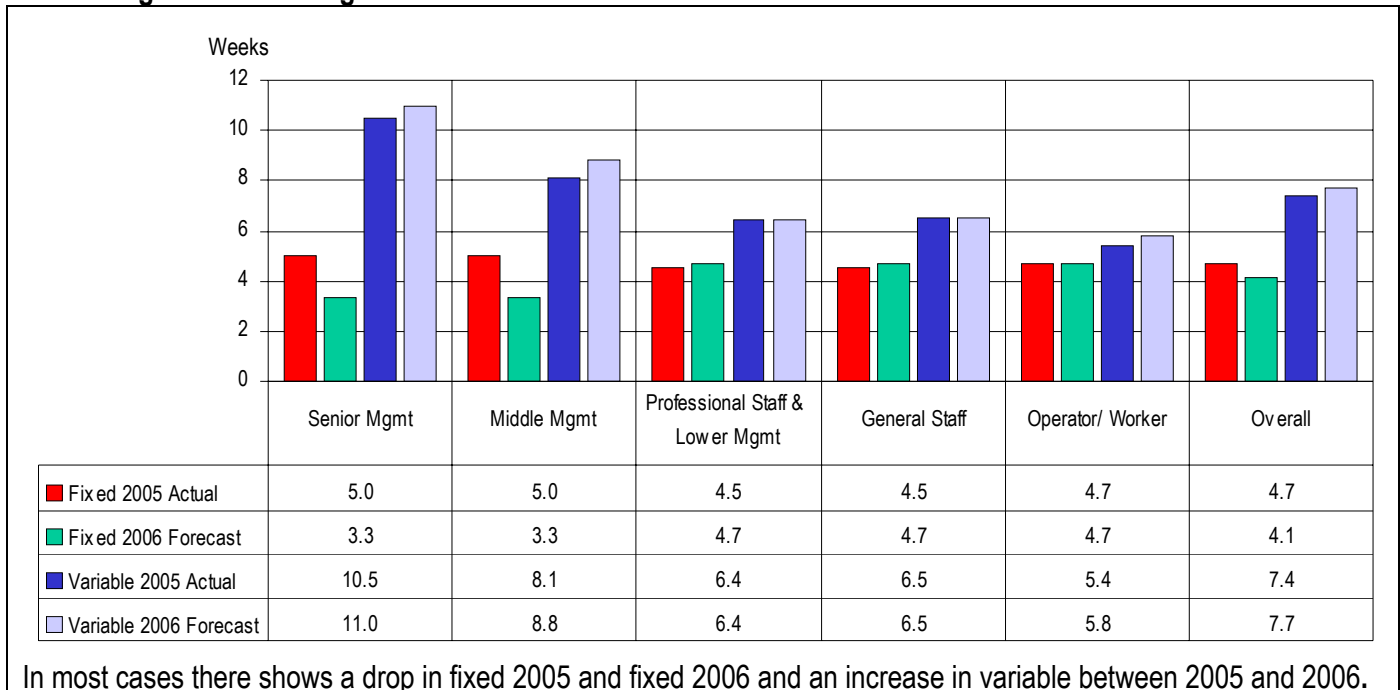
2.1c All Companies Salary Increase Actual 2006 and Forecast 2007 by Industry Sectors



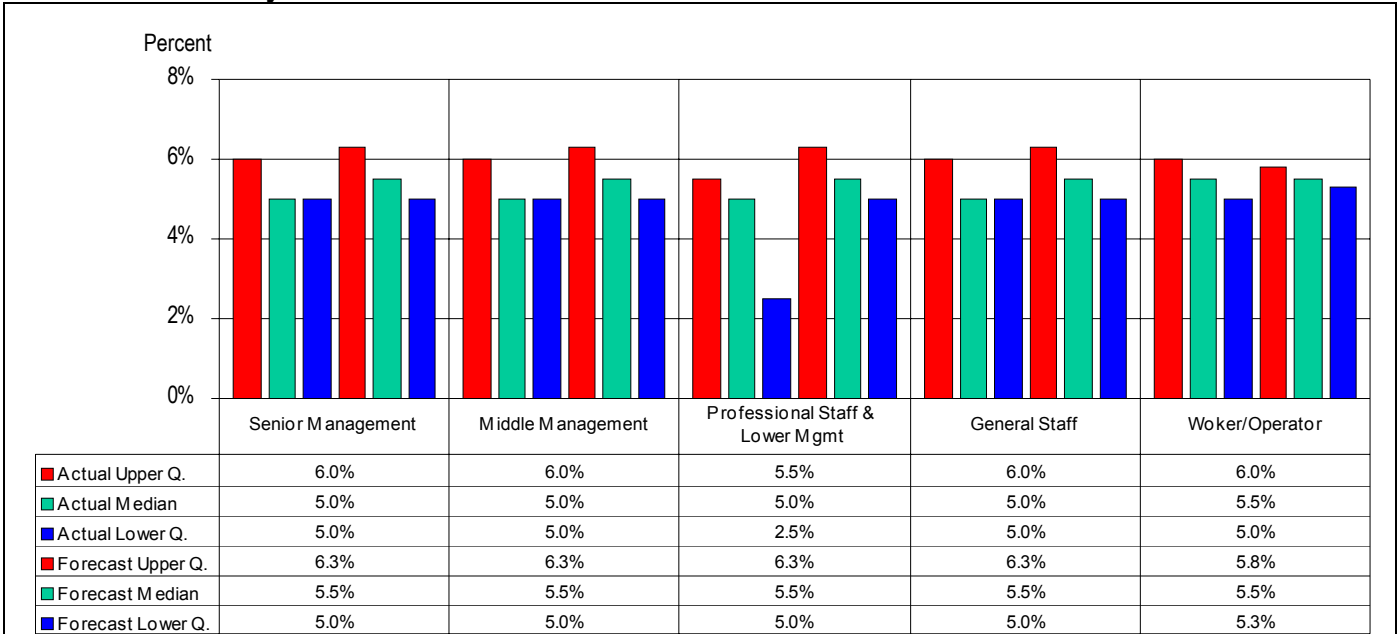
2.1.1a Agriculture and Agricultural Products Salary Increase Actual 2006 and Forecast 2007



2.1.1b Agriculture and Agricultural Products Bonus Actual 2005 and Forecast 2006

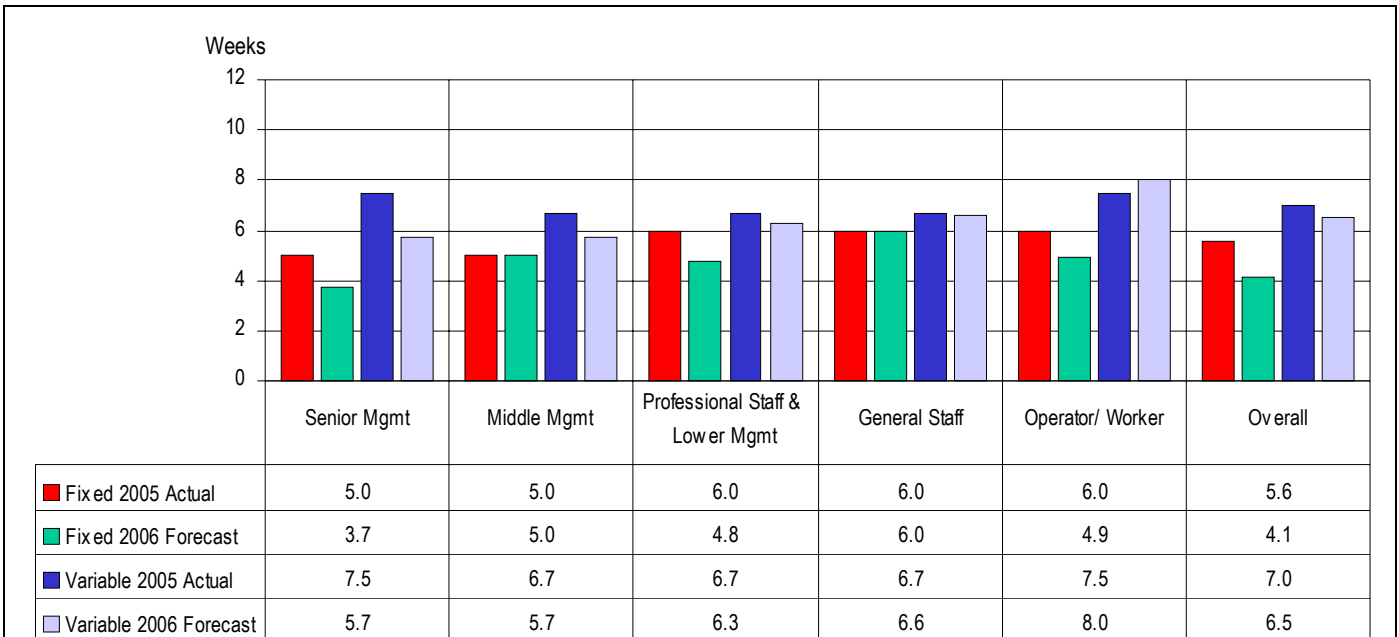


2.1.2a Finance Salary Increase Actual 2006 and Forecast 2007



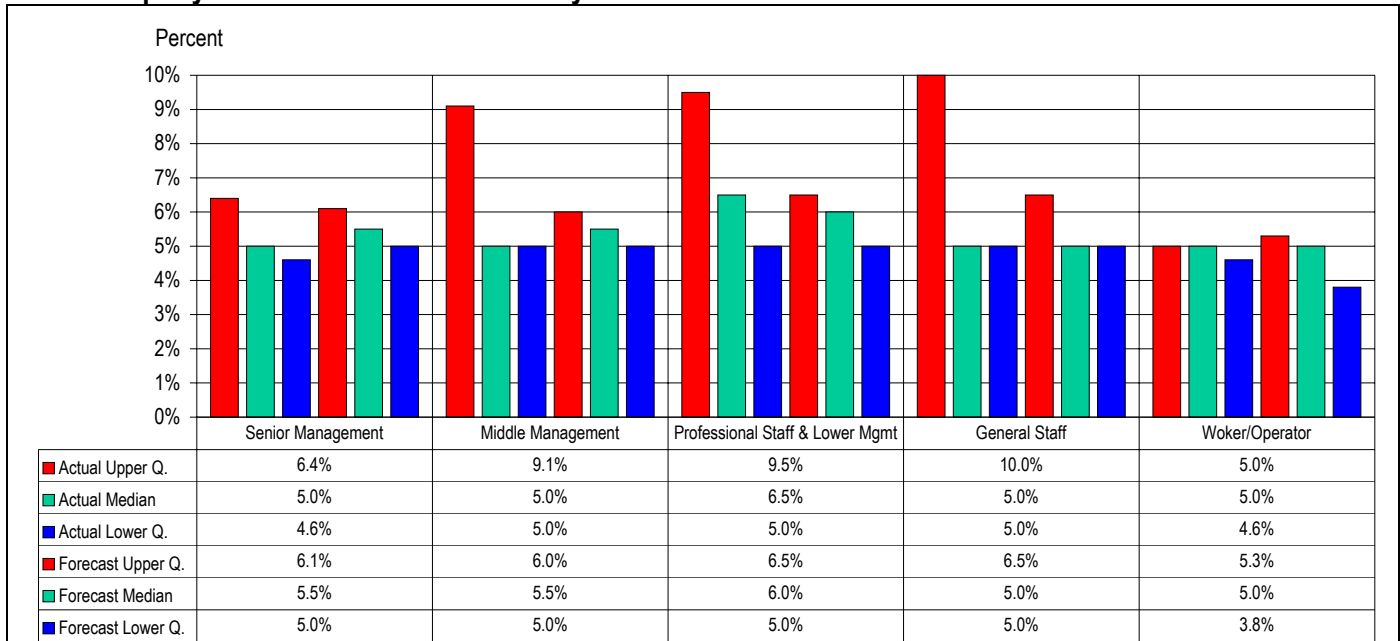
This group consisting of 12 companies in the Finance Sector Includes banks, finance companies, leasing companies, insurance, insurance brokers, and loss adjusters. The median salary increase 2006 was 5.0% for all levels of seniority except Workers/Operators that was 5.5%. The median forecast for 2007 is 5.5% for all levels of seniority.

2.1.2b Finance Bonus Paid Actual 2005 and Forecast 2006



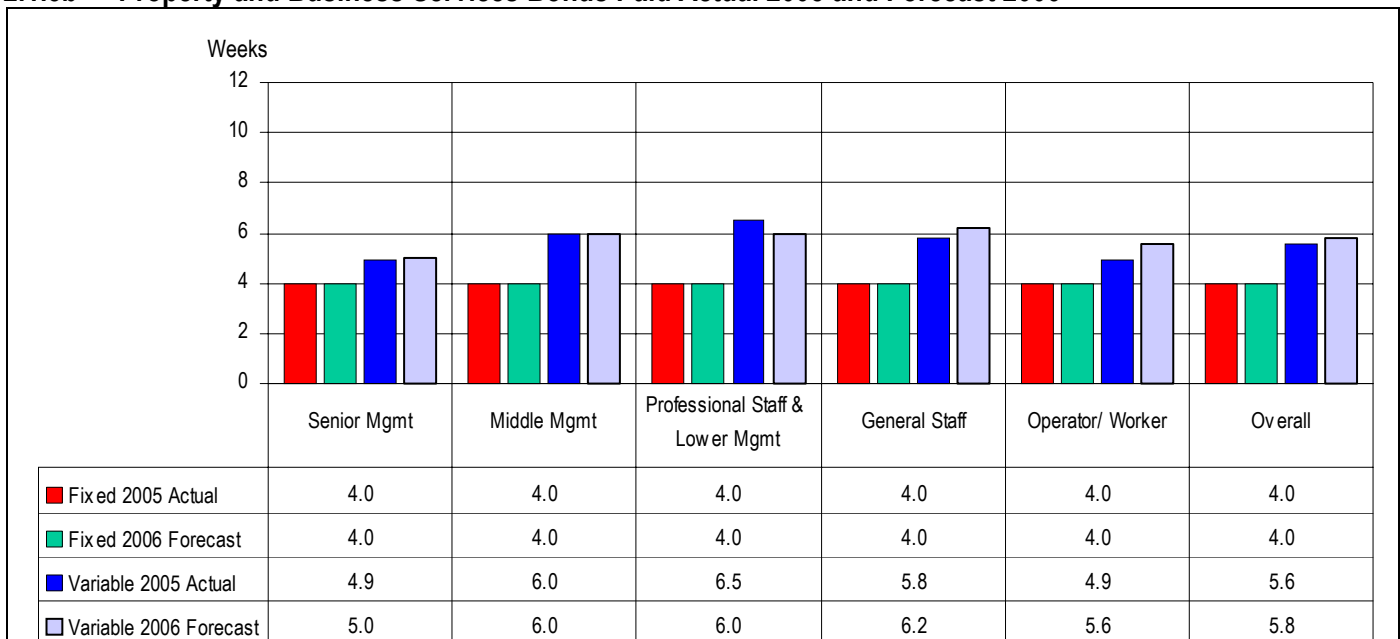
The Finance sector is expecting a drop in fixed and variable bonus this year compared with 2005.

2.1.3a Property and Business Services Salary Increase Actual 2006 and Forecast 2007



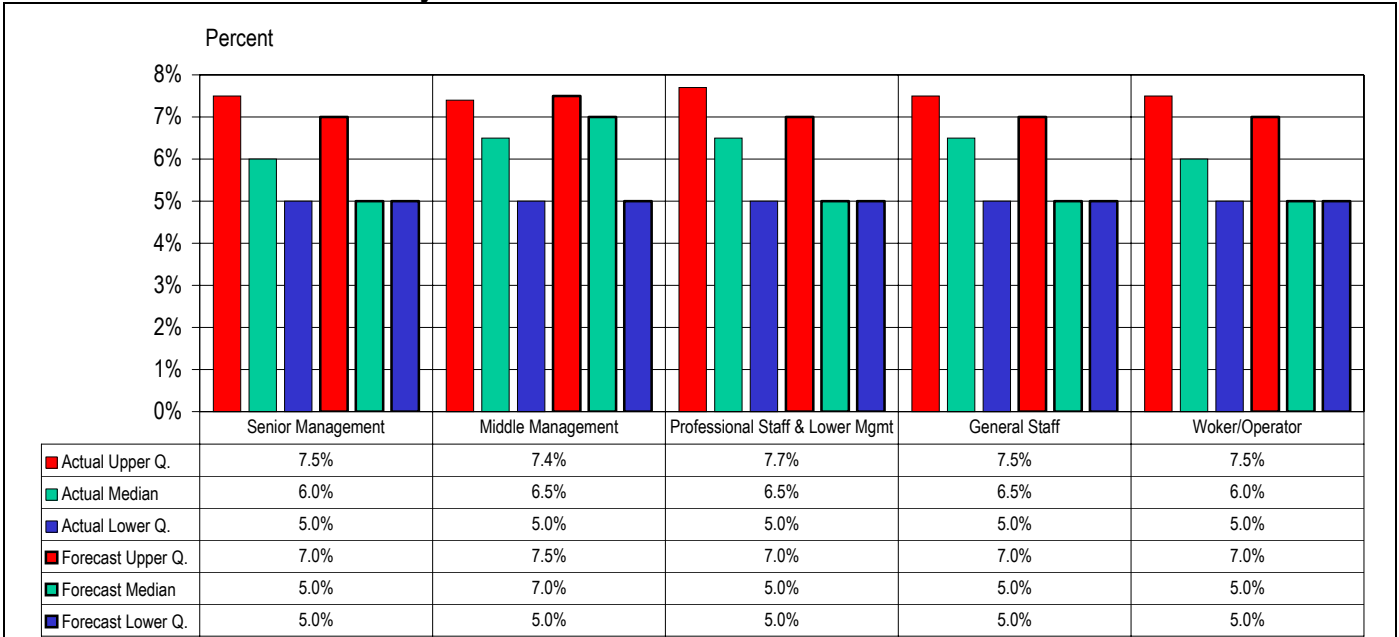
The Property and Business Services sector upper quartile shows a significant drop between 2006 and forecast 2007.

2.1.3b Property and Business Services Bonus Paid Actual 2005 and Forecast 2006



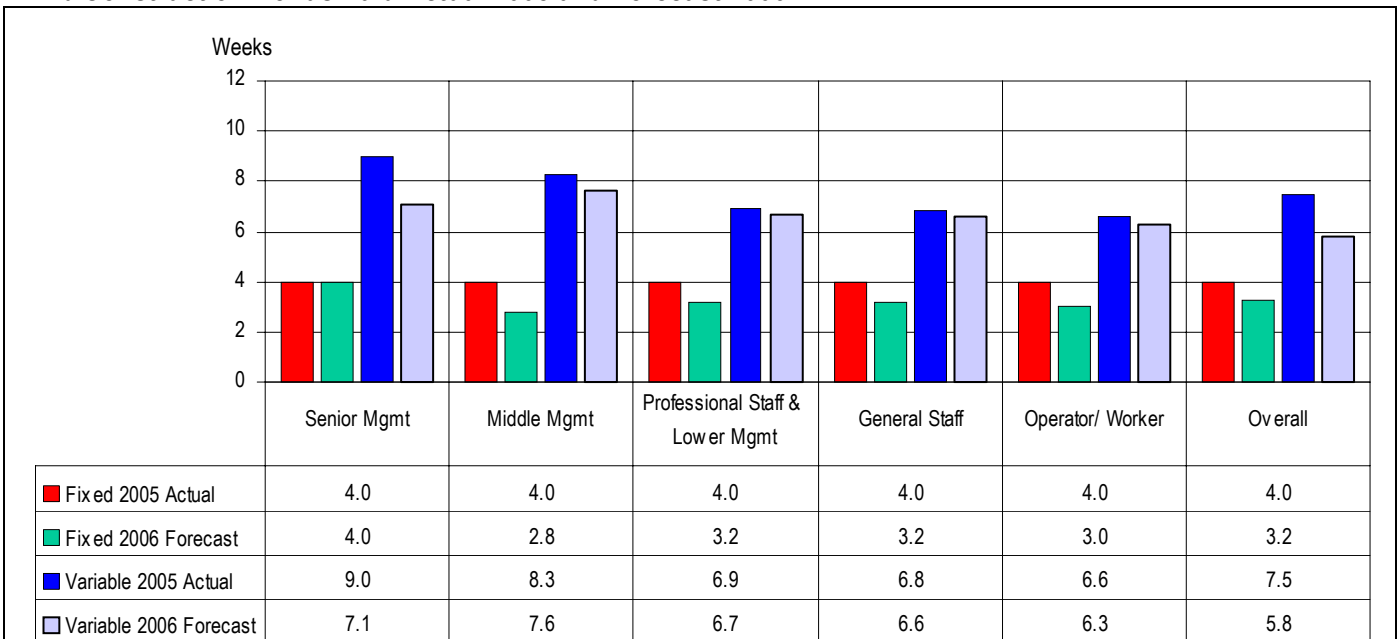
The standard for fixed bonus is 1 month. There is no major forecast change for variable bonus.

2.1.4a Construction Base Salary Actual Increase 2006 and Forecast 2007



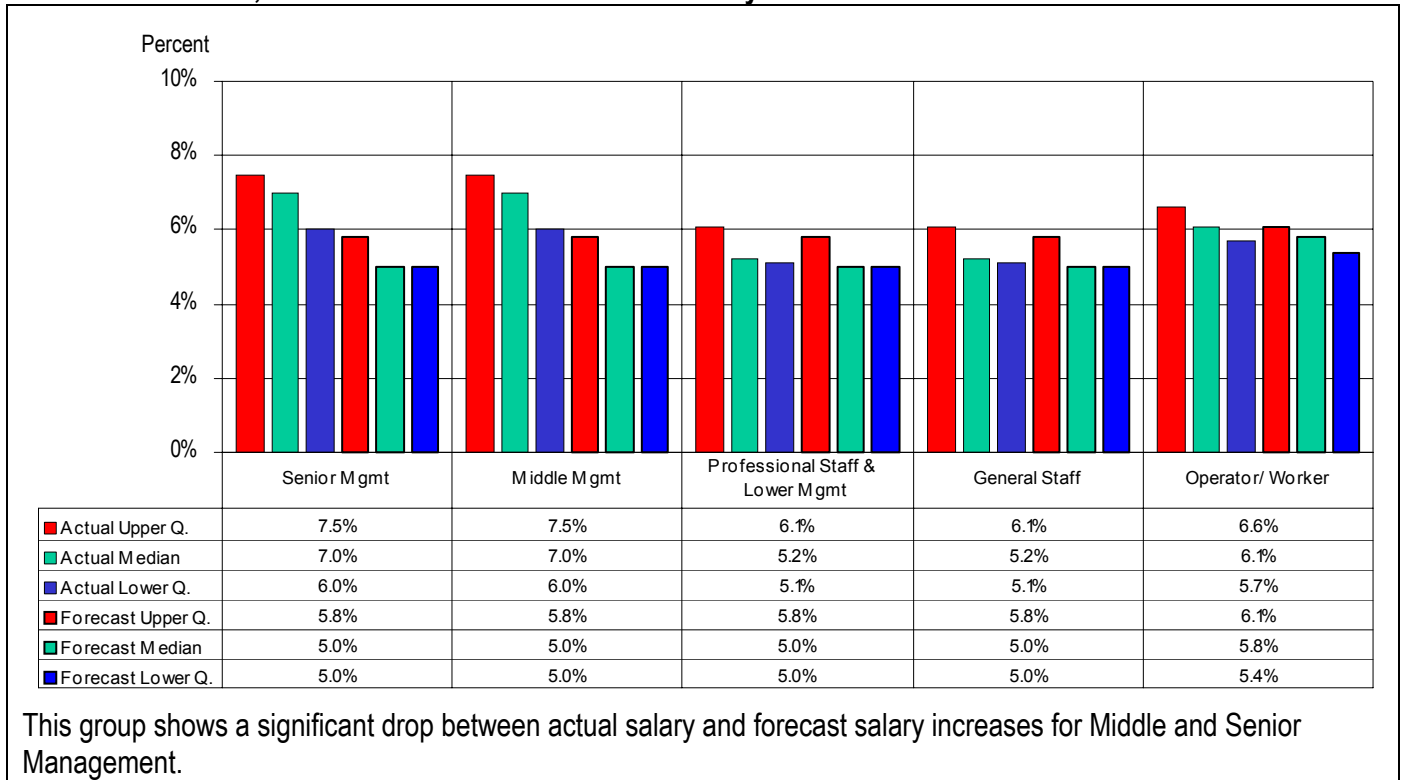
The construction sector forecast a drop in the median salary adjustment by more than 1.0%.

2.1.4b Construction Bonus Paid Actual 2005 and Forecast 2006

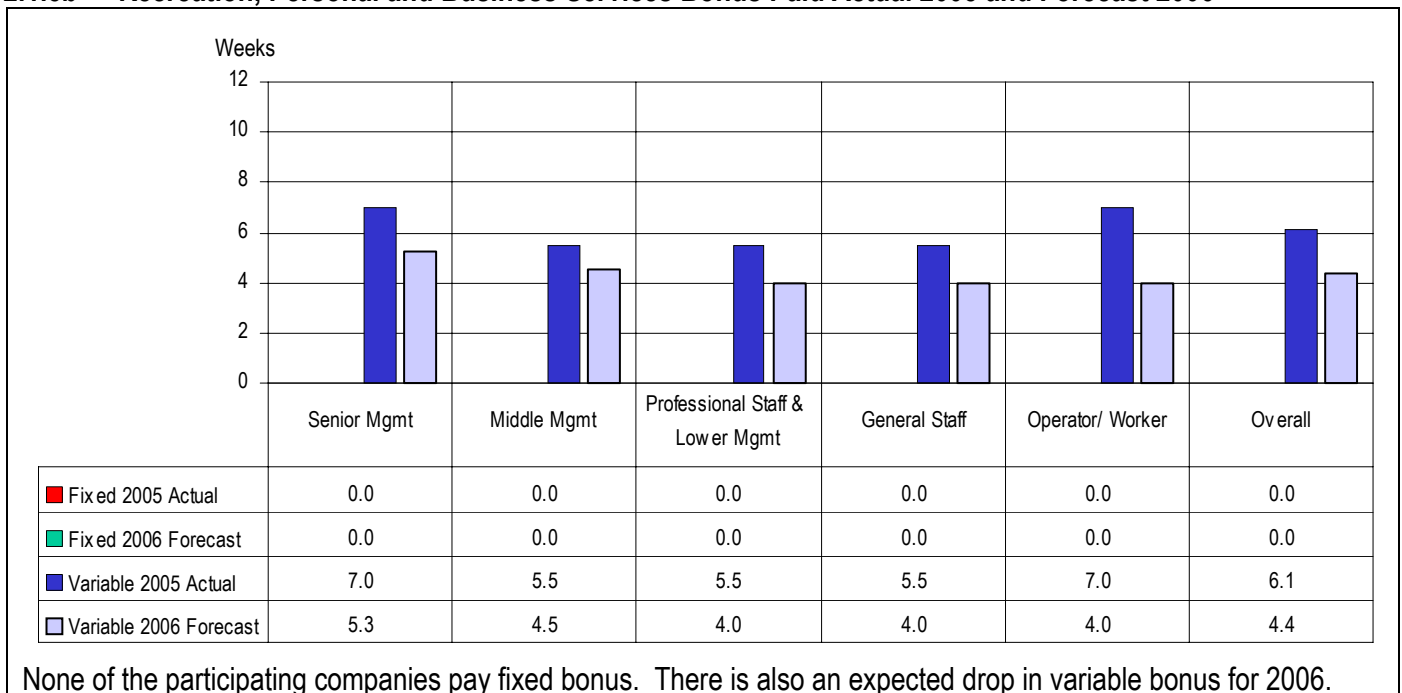


The construction sector is forecasting a drop in fixed and variable bonus for 2006.

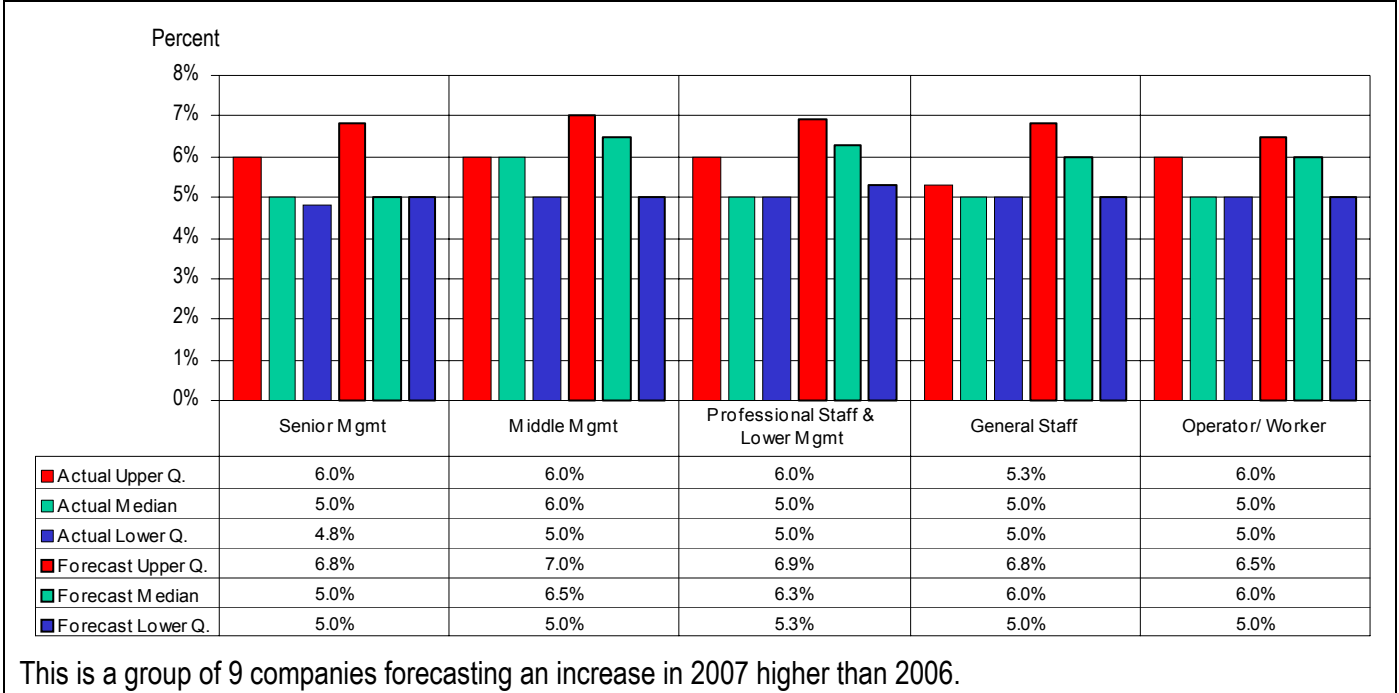
2.1.5a Recreation, Personal and Business Services Salary Increase Actual 2006 and Forecast 2007



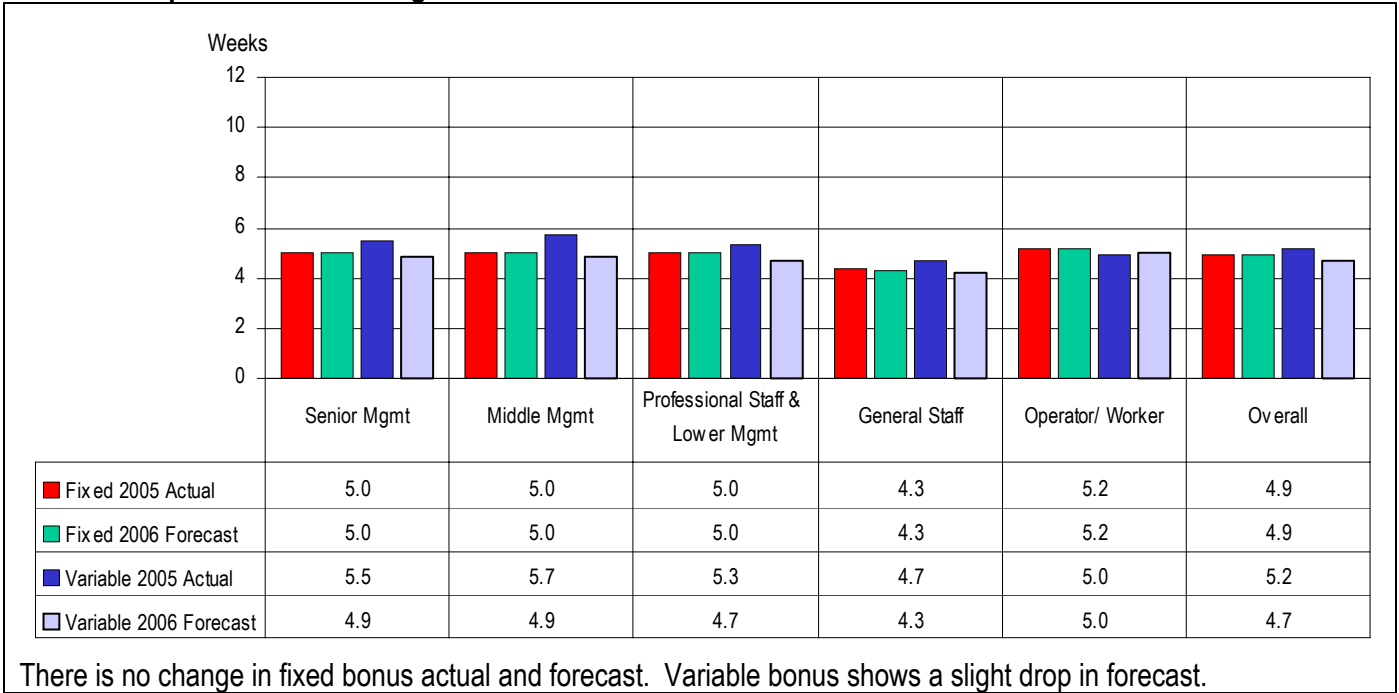
2.1.5b Recreation, Personal and Business Services Bonus Paid Actual 2005 and Forecast 2006



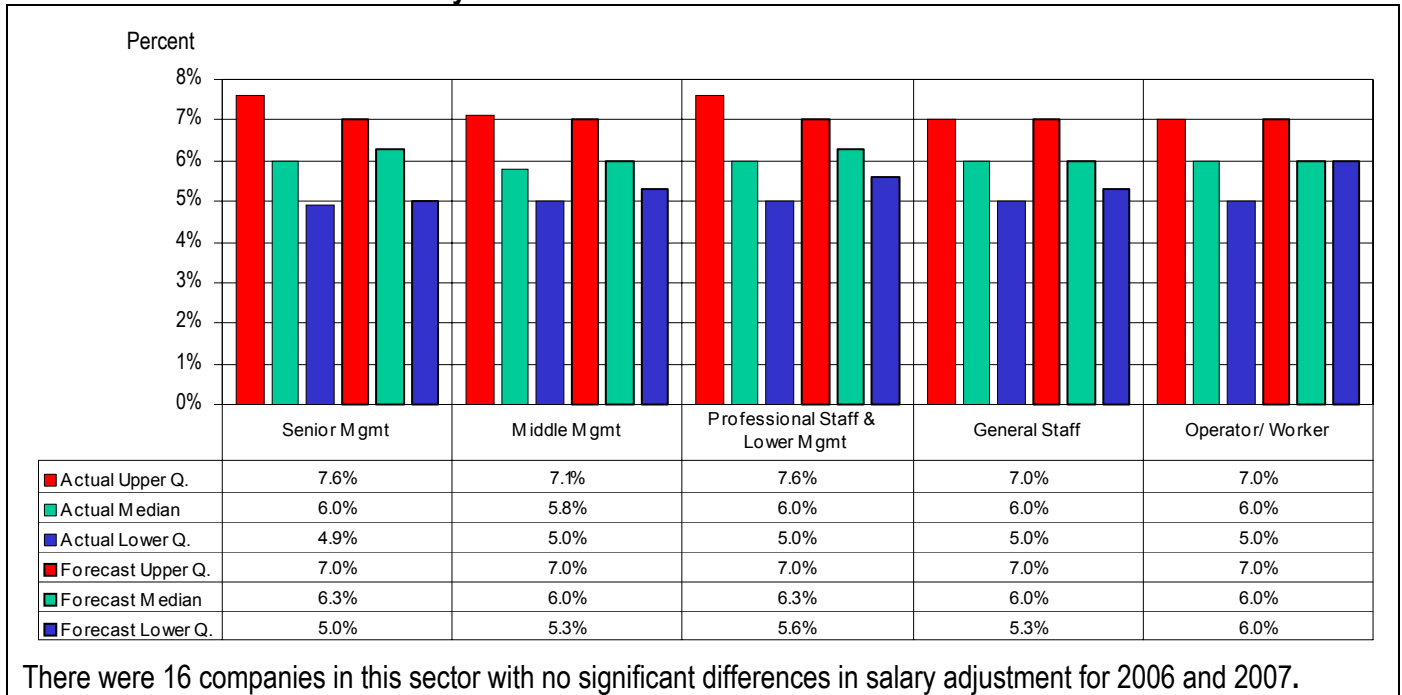
2.1.6a Transportation and Storage Salary Increase Actual 2006 and Forecast 2007



2.1.6b Transportation and Storage Bonus Paid Actual 2005 and Forecast 2006



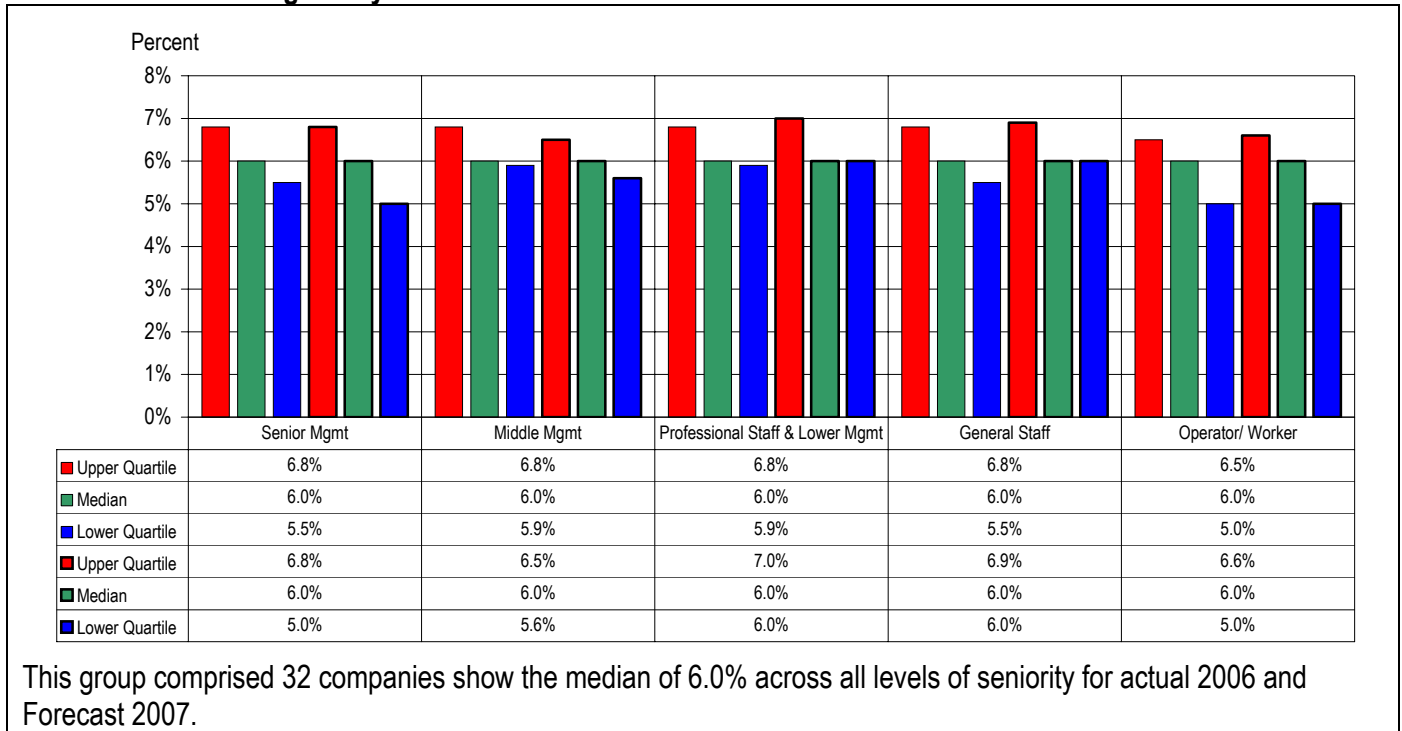
2.1.7a Wholesale and Retail Salary Increase Actual 2006 and Forecast 2007



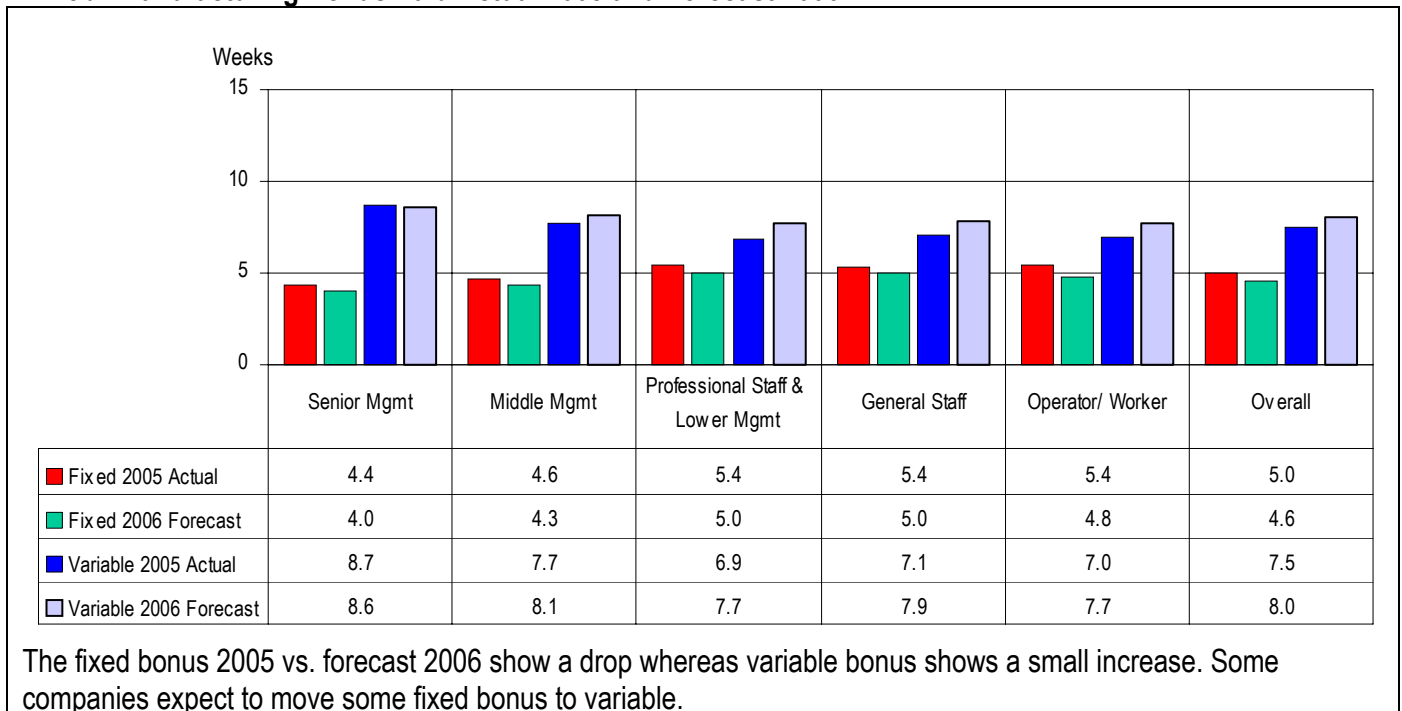
2.1.7b Wholesale and Retail Bonus Paid Actual 2005 and Forecast 2006



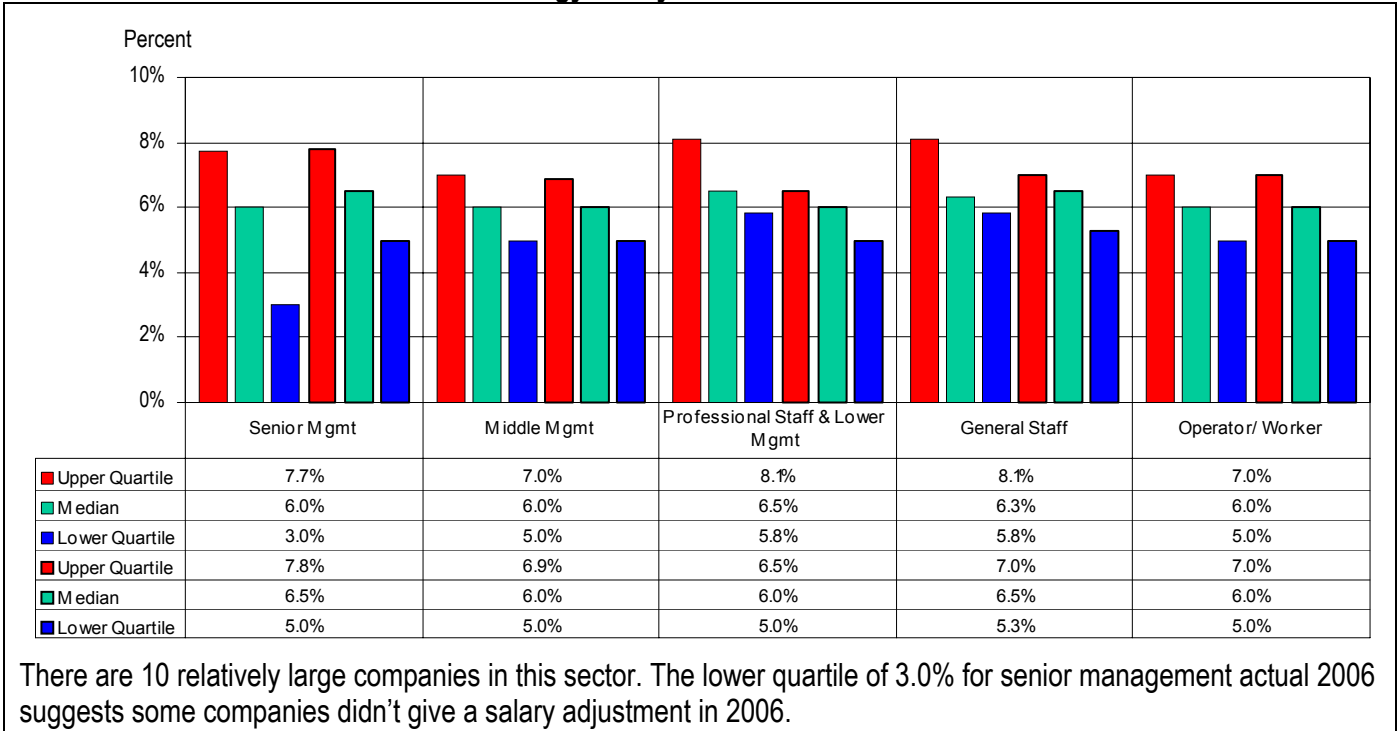
2.1.8a Manufacturing Salary Increase Actual 2006 and Forecast 2007



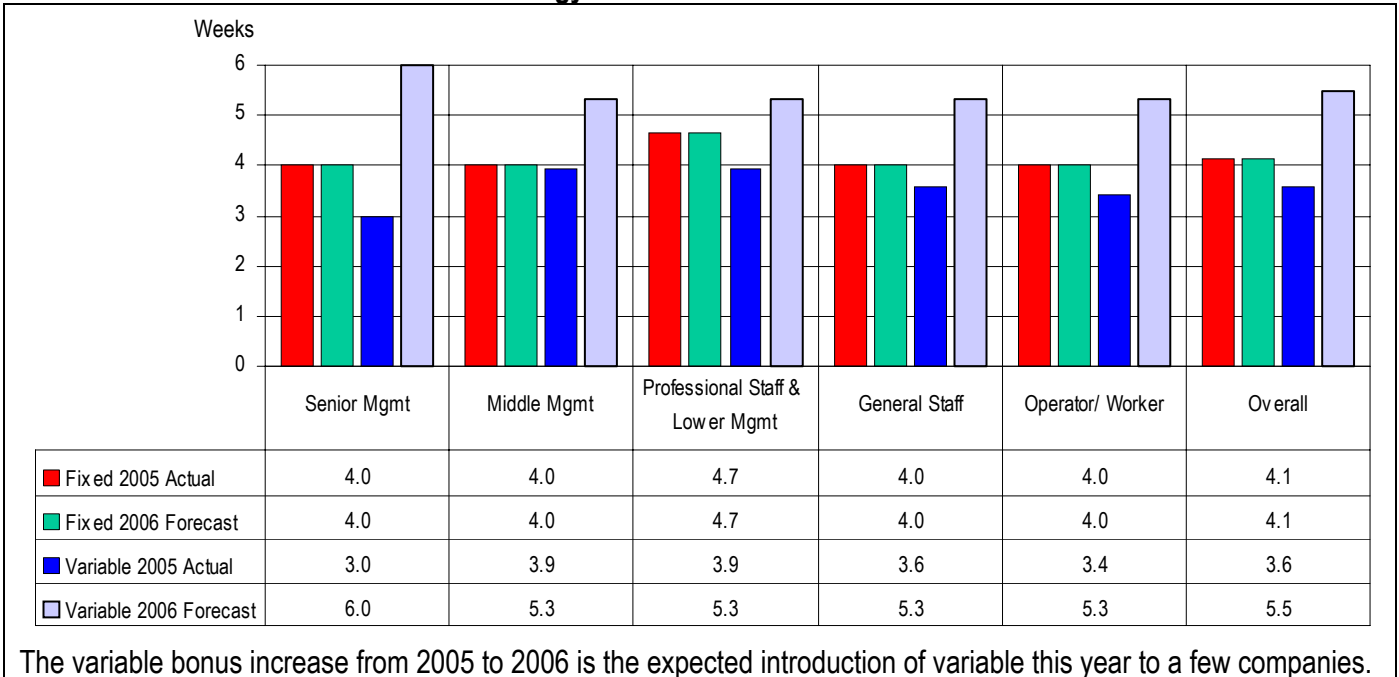
2.1.8b Manufacturing Bonus Paid Actual 2005 and Forecast 2006



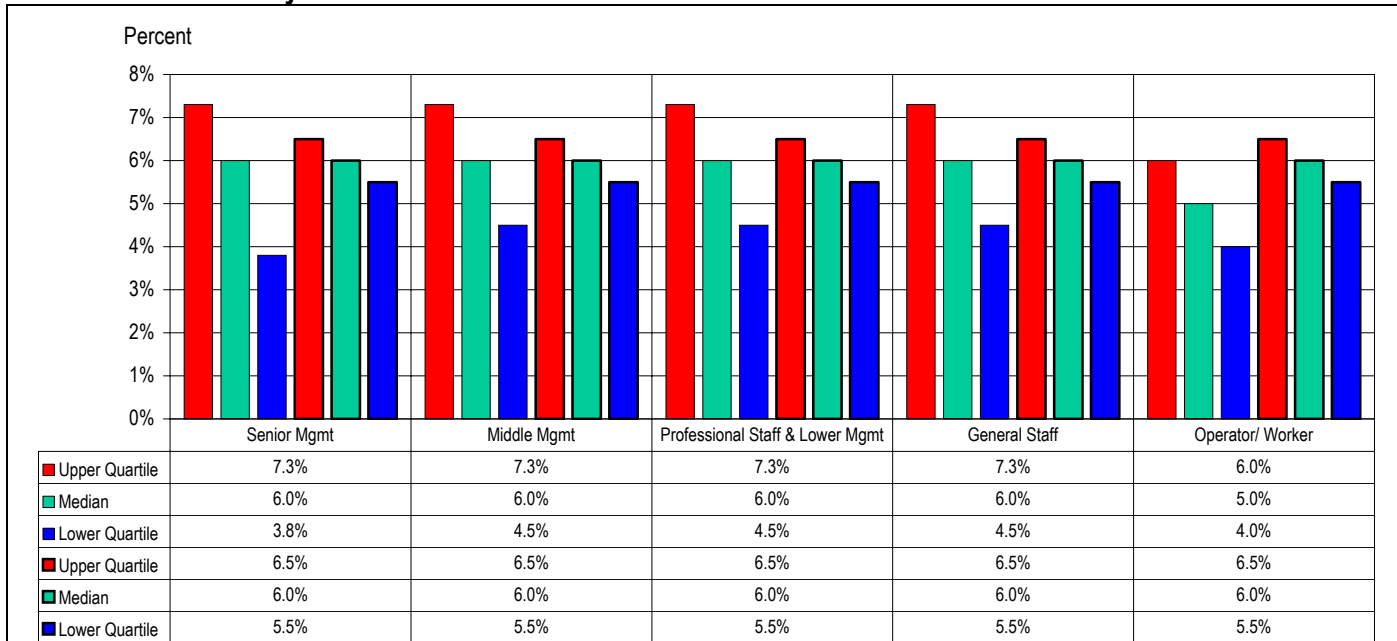
2.1.9a Telecommunications and Technology Salary Increase 2006 and Forecast 2007



2.1.9b Telecommunications and Technology Bonus Paid Actual 2005 and Forecast 2006

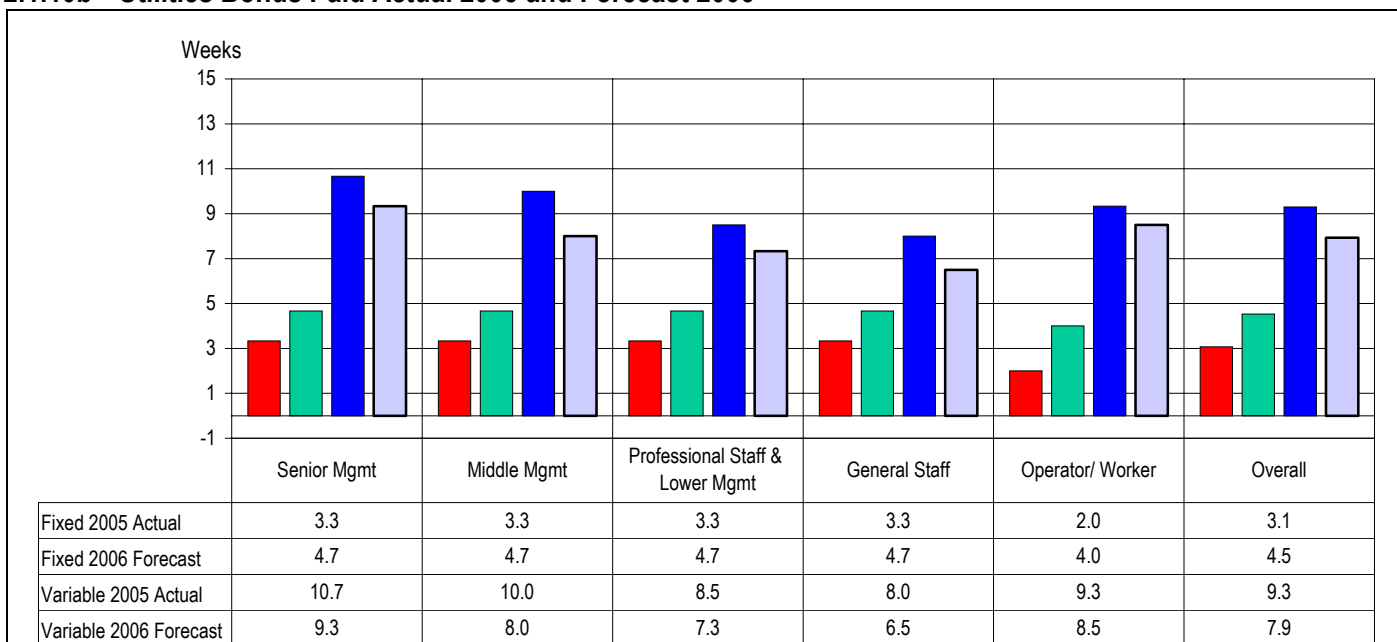


2.1.10a Utilities Salary Increase Actual 2006 and Forecast 2007



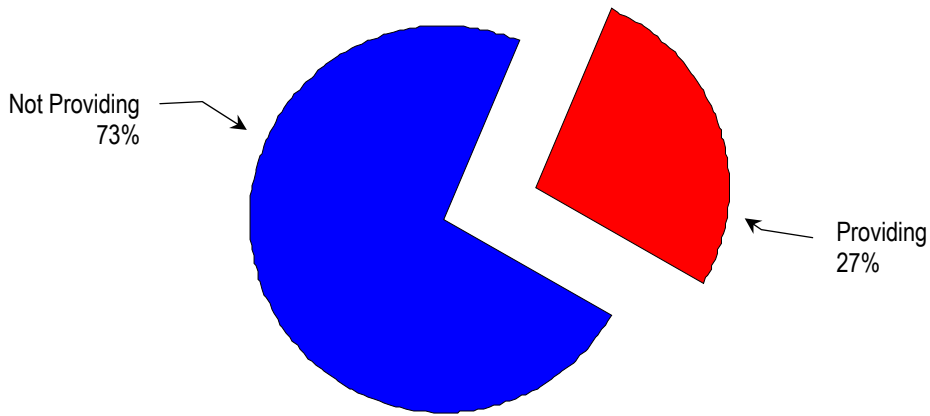
There were only 4 companies in this sector. All 100% foreign ownership. The gap between lower and upper quartile is expected to become closer according to the forecast for 2007.

2.1.10b Utilities Bonus Paid Actual 2005 and Forecast 2006



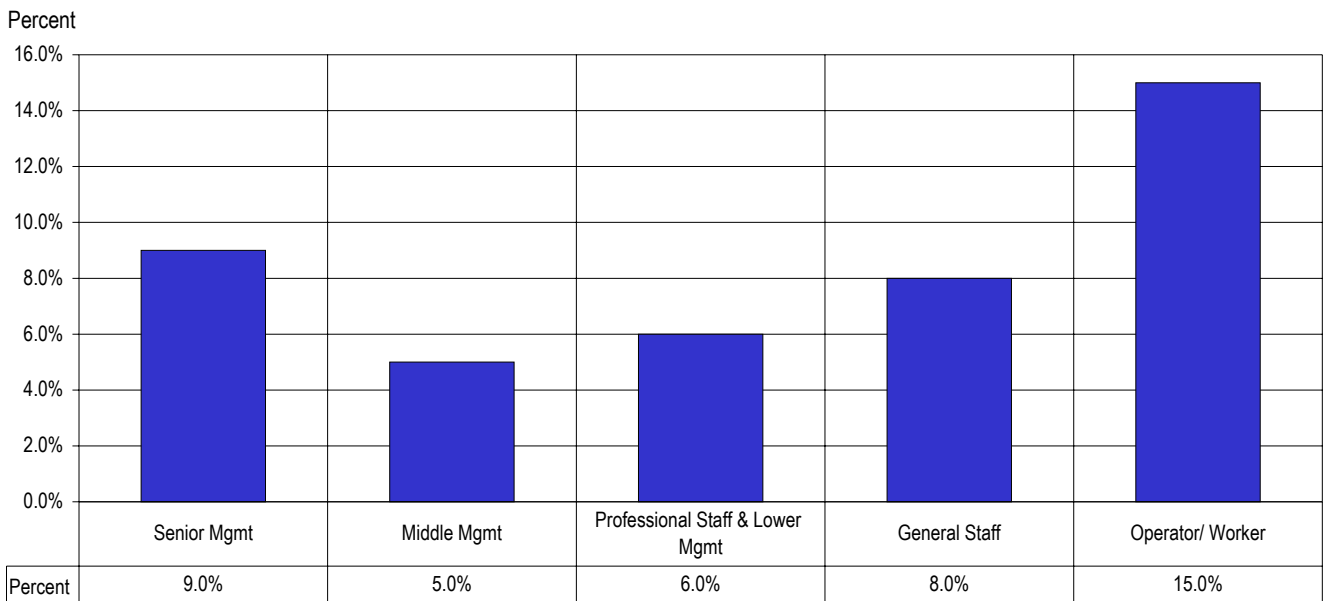
Fixed bonus actual was lower than forecast fixed. Variable bonus 2005 is higher than forecast for 2006.

3.1a Percentage of Companies Providing Housing Allowance



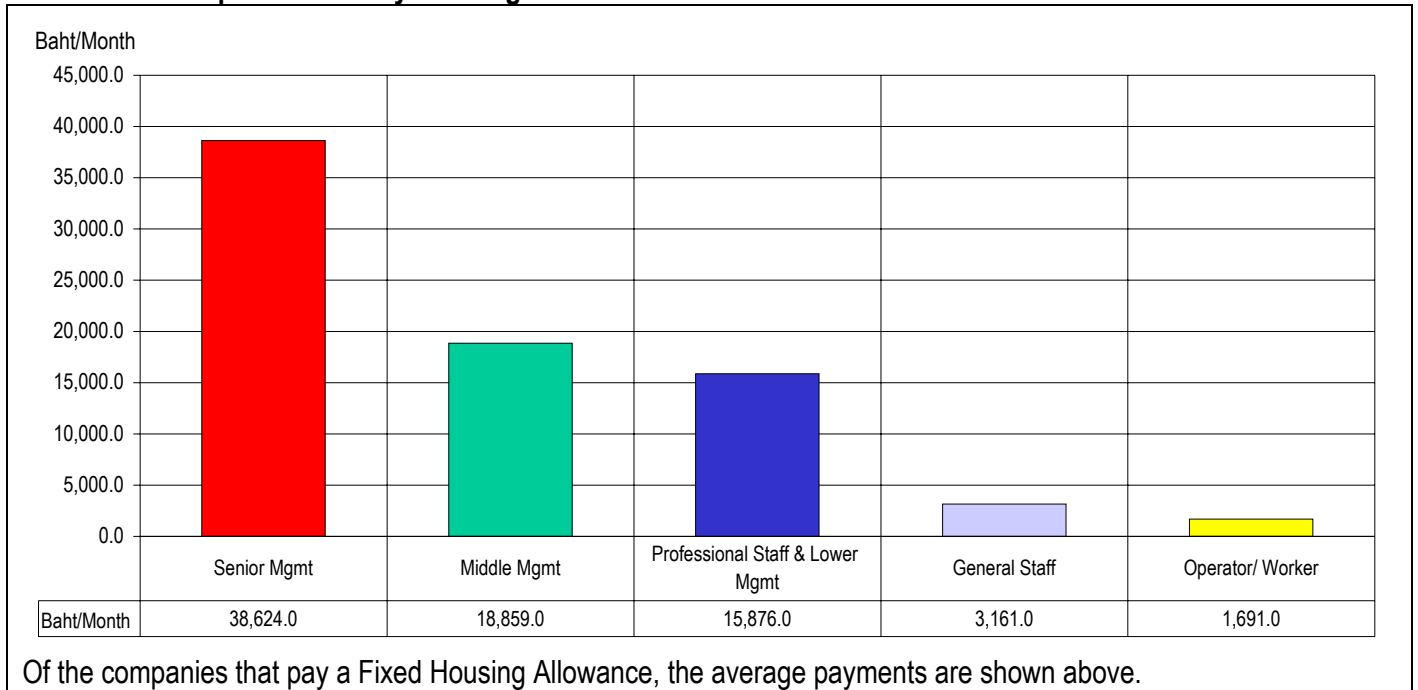
Only 27% provided Housing Allowance, in almost every case for employees located up country.

3.1b All Companies Monthly Housing Allowance as Percentage of Salary

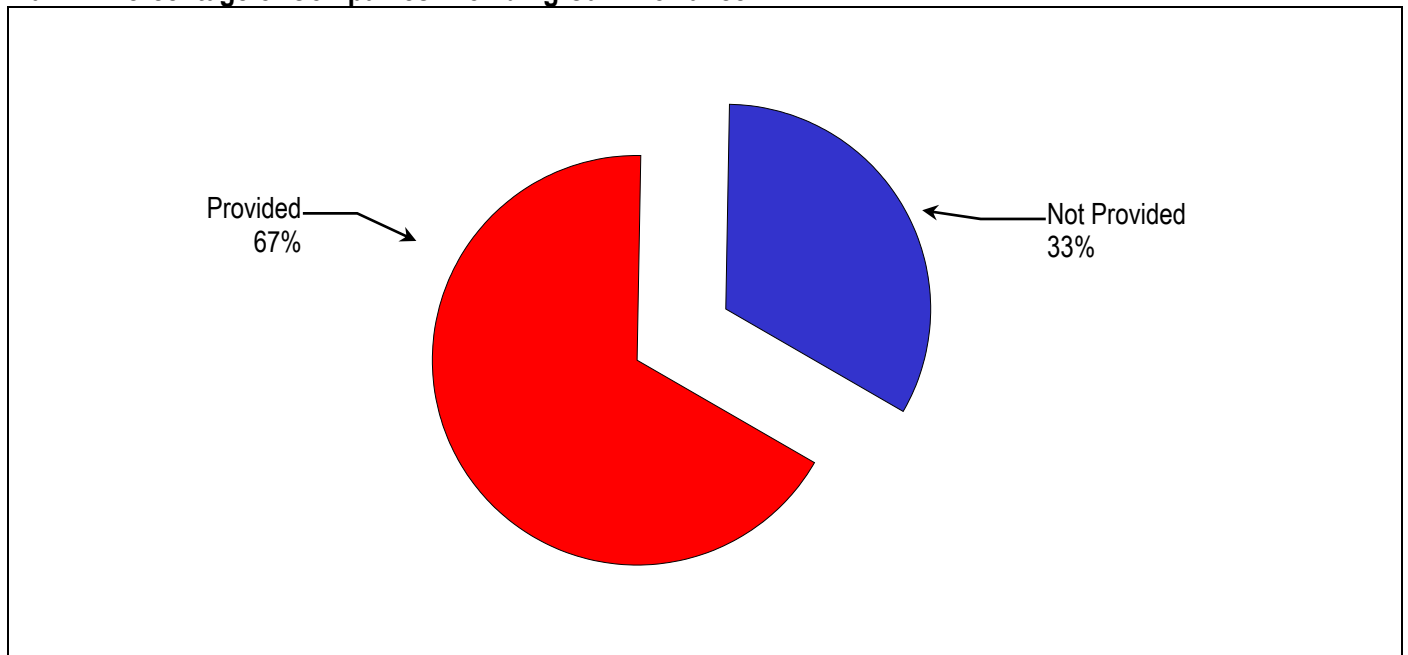


The majority of companies that pay Housing Allowance pay it as a percentage of base salary.

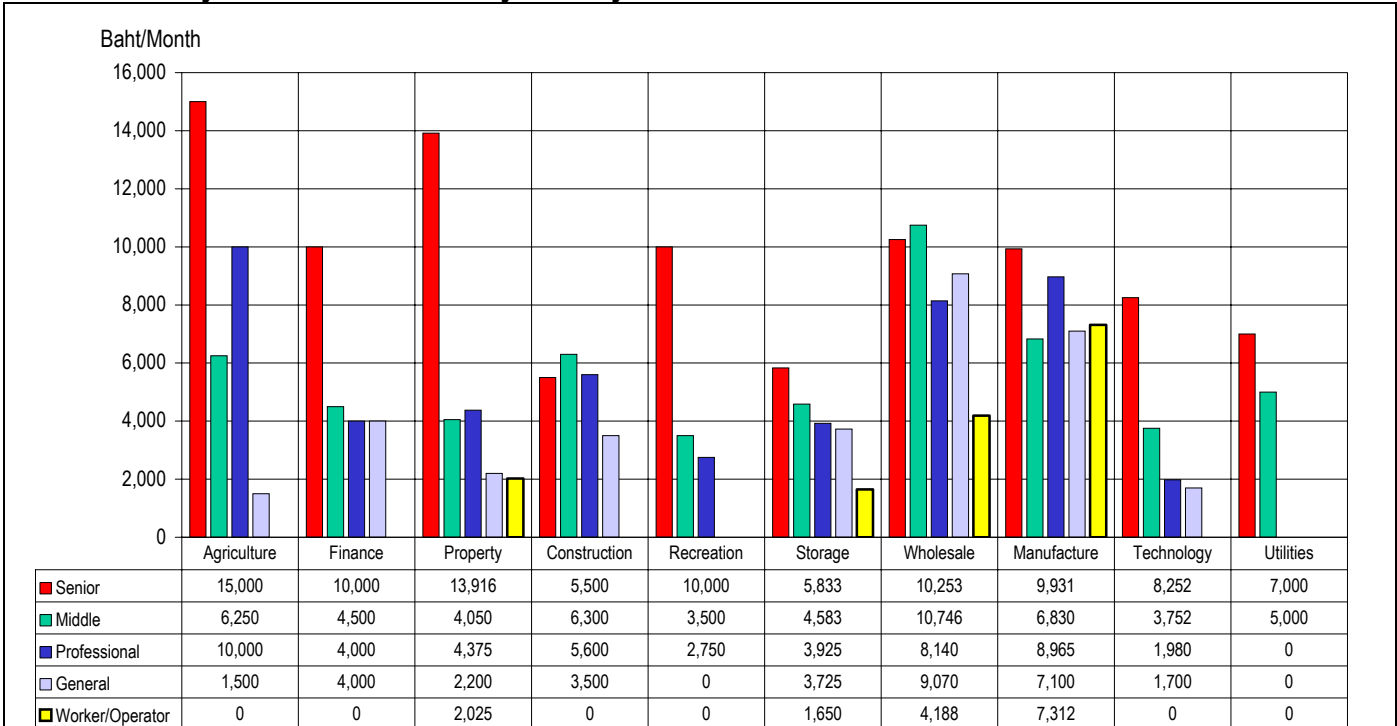
3.1c All Companies Monthly Housing Allowance as a Fixed Sum



4.1a Percentage of Companies Providing Car Allowance

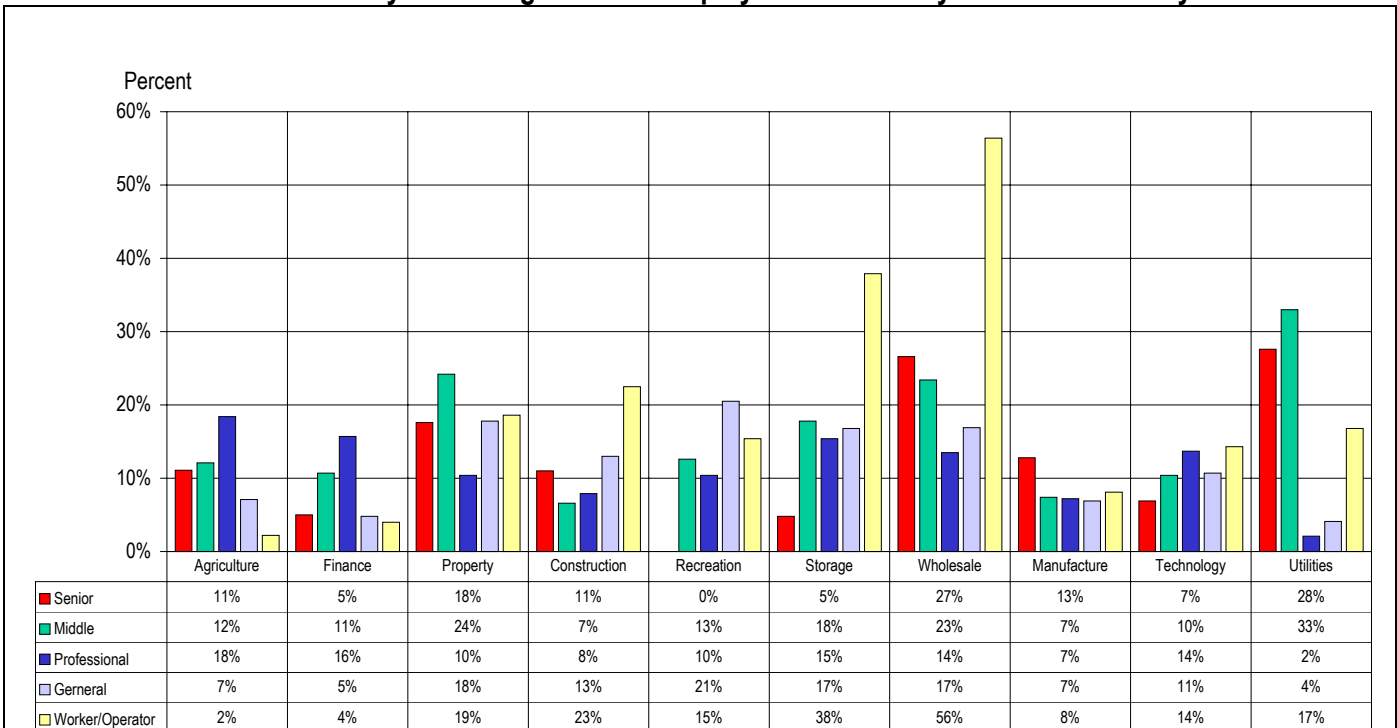


4.1b Monthly Fuel Allowance Paid by Industry Sectors



There is a wide divergence of allowances paid by companies within sectors and to different levels of seniority. In general allowances paid to Senior Management are significantly higher.

5. Personnel Turnover by Percentage of Total Employees 1st January 2005 – 1st January 2006



This graph analyses turnover as a percentage of all employees by sector over the period 1st January 2005 to 1st January 2006. The average turnover for Senior Management was 20%, Middle Management 12%, Professional Workers 11%, General Staff 16% and Workers/Operators 14%.