



# WMTA November 2011

## SEPTEMBER 2011 TIJUANA WAGE AND SALARY SURVEY **Final Results and Projections**

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# PRESENTATION OBJECTIVES



## 1.0 Results from R-M September 2011 Wage and Salary Survey

### PROJECT:

**WAGE & SALARY SURVEY FOR THE  
TIJUANA MAQUILADORA INDUSTRY**

**DATA COLLECTED BETWEEN  
SEPTEMBER 12<sup>th</sup>. and OCTOBER 26<sup>th</sup>. 2011**

**Sample Size: 127 Companies  
Total Employees in our Sample: 98,636**

Salary Strategies –Directs  
 Sept. 2009 81.5% No Change



**PERSONAL DIRECTO**

ESTRATEGIA TOMADA	SEP. 2010 EMPRESAS	%	SEP. 2011 EMPRESAS	%
Ningún cambio salarial	79	62.2%	70	55.1%
% de Incremento igual al Incremento del Salario Mínimo General (1 <sup>o</sup> de Enero 2011: 4.1%)	3	2.4%	2	1.6%
% de Incremento Menor al Incremento del Salario Mínimo General	6	4.7%	14	11.0%
% de Incremento Mayor al Incremento del Salario Mínimo General	8	6.3%	16	12.6%
Ajustes por Evaluaciones de Mérito	14	11.0%	14	11.0%
Ajustes de Mercado	5	3.9%	5	3.9%
Otro (ejem.: Ajustes por Devaluación, Cambios de Estructuras Salariales, etc.)	4	3.1%	4	3.1%
Incremento en Bonos	1	0.8%	1	0.8%
Incremento General en Salarios	5	3.9%	0	0.0%
Incremento Gral. en Salarios y Bonos	2	1.6%	1	0.8%
<b>MUESTRA TOTAL</b>	<b>127</b>	<b>100.0%</b>	<b>127</b>	<b>100.0%</b>





## Salary Strategies –Indirects

Sept. 2009 78.2% No Change



### INDIRECT PERSONNEL

SALARY STRATEGY TAKEN	SEPT. 2010 COMPANIES	%	SEPT. 2011 COMPANIES	%
No Change	69	54.3%	61	48.0%
% Increase Less than the Increase in the Legal Minimum Wage	0	0.0%	5	3.9%
% Increase More than the Increase in the Legal Minimum Wage	3	2.4%	4	3.1%
Adjustments due to Merit Appraisals	36	28.3%	39	30.7%
Market Adjustments	10	7.9%	11	8.7%
Other (i.e. Devaluation, Changes in Salary Structures, etc.)	4	3.1%	5	3.9%
Changes in Bonuses	1	0.8%	1	0.8%
General Increase in Salaries	4	3.1%	1	0.8%
<b>TOTAL SAMPLE</b>	<b>127</b>	<b>100.0%</b>	<b>127</b>	<b>100.0%</b>



# IMPORTANT INDICATORS

## Increases in Headcounts Slowing Down



TABLE-A COMPANIES SURVEYED BY CITY AREAS / CUADRO-A EMPRESAS ENCUESTADAS POR AREAS DE LA CIUDAD									% Difference Sept 2011 vs Sept. 2010 Avg. Employees
CITY AREAS AREAS DE LA CIUDAD	SEPTEMBER 2010 SAMPLE				SEPTEMBER 2011 SAMPLE				
	NUMBER OF COMPANIES	TOTAL EMPLOYEES	AVERAGE EMPLOYEES	% OF SAMPLE	NUMBER OF COMPANIES	TOTAL EMPLOYEES	AVERAGE EMPLOYEES	% OF SAMPLE	
OTAY	33	22,977	696.3	23.6%	34	20,559	604.7	20.8%	-13.2%
CENTRO	2	890	445.0	0.9%	2	883	441.5	0.9%	-0.8%
LA MESA	18	10,329	573.8	10.6%	18	10,557	586.5	10.7%	2.2%
LIBRAMIENTO INSURGENTES	27	24,661	913.4	25.3%	25	25,067	1,002.7	25.4%	9.8%
EL FLORIDO	11	17,319	1,574.5	17.8%	12	19,349	1,612.4	19.6%	2.4%
TIP	9	6,140	682.2	6.3%	9	6,366	707.3	6.5%	3.7%
PACIFICO	15	7,466	497.7	7.7%	15	8,778	585.2	8.9%	17.6%
FUNDADORES / VALLE SUR	6	3,701	616.8	3.8%	5	3,371	674.2	3.4%	9.3%
OTHER AREAS	6	3,844	640.7	3.9%	7	3,706	529.4	3.8%	-17.4%
<b>TOTAL SAMPLE / MUESTRA TOTAL</b>	<b>127</b>	<b>97,327</b>	<b>766.4</b>	<b>100.0%</b>	<b>127</b>	<b>98,636</b>	<b>776.7</b>	<b>100.0%</b>	<b>1.3%</b>
% Difference Sept. 2010 vs Sept. 2009 Avg. Employees /% Diferencia Sept. 2010 vs Sept. 2009 Promedio Empleados =>									11.4%
% Difference Sept. 2009 vs Sept. 2008 Avg. Employees /% Diferencia Sept. 2009 vs Sept. 2008 Promedio Empleados =>									-7.8%
% Difference Sept. 2008 vs Sept. 2007 Avg. Employees /% Diferencia Sept. 2008 vs Sept. 2007 Promedio Empleados =>									-8.4%
% Difference Sept. 2007 vs Sept. 2006 Avg. Employees /% Diferencia Sept. 2007 vs Sept. 2006 Promedio Empleados =>									-2.8%



# EMPLOYMENT INDICATORS

## Tijuana Hiring Levels and Voluntary Turnover slowly Decreasing



TABLE-D VOLUNTARY TURNOVER BY HIRING MODE / CUADRO - D NIVELES DE CONTRATACION

POSITION OF THE COMPANY POSICION DE LA EMPRESA	Sept.2010 COMPANIES	Sept.2010 % OF SAMPLE	TURNOVER Sept. 2010	Sept.2011 COMPANIES	Sept.2011 % OF SAMPLE	TURNOVER Sept. 2011
NOT HIRING PERSONNEL /NO CONTRATANDO PERSONAL	44	34.6%	1.5%	60	47.2%	1.9%
HIRING REPLACEMENTS /CONTRATACION P/MANTENERSE	32	25.2%	2.5%	24	18.9%	1.3%
HIRING TO INCREASE SIZE /CONTRATA P/ CRECER	51	40.2%	3.8%	38	29.9%	3.4%
* INFORMATION NOT AVAILABLE /INFORMACION NO DISPONIBLE	0	0.0%	N.A.	5	3.9%	3.1%
TOTAL SAMPLE /MUESTRA TOTAL (Promedios Ponderados)	127	100.0%	2.8%	127	100.0%	2.4%





INSTITUTO NACIONAL  
DE ESTADÍSTICA Y GEOGRAFÍA

## ESTADÍSTICA MENSUAL SOBRE ESTABLECIMIENTOS MANUFACTUREROS CON PROGRAMA IMMEX<sup>1</sup> CIFRAS DURANTE AGOSTO DE 2011

BOLETÍN DE PRENSA NÚM. 446/11

15 DE NOVIEMBRE DE 2011

AGUASCALIENTES, AGS.

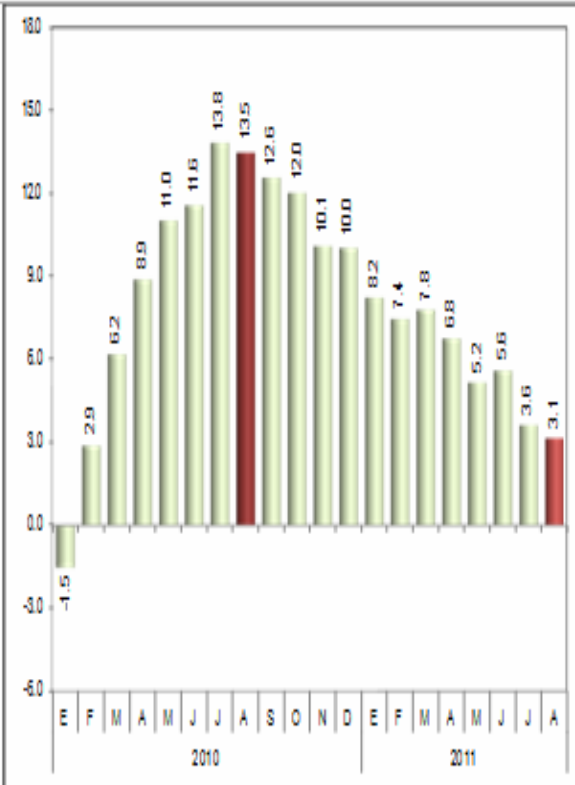
PÁGINA 1/2

El Instituto Nacional de Estadística y Geografía informa los resultados sobre los Establecimientos Manufactureros con Programa IMMEX reportados en el octavo mes de este año.

El personal ocupado en los establecimientos manufactureros adscritos a este Programa **aumentó 3.1% en agosto de 2011** con relación al de igual mes de 2010. Este personal laboró en su conjunto en **5,109 establecimientos a nivel nacional.**

### PERSONAL OCUPADO AL MES DE AGOSTO DE 2011

(Variación % anual respecto al mismo mes de un año antes)



	Employment % Growth Aug. 2011 vs Aug. 2010	Employment Growth Aug. 2011 vs Aug. 2010	IMMEX Employment Aug. 2011	% of National Employment
Tijuana	0.5%	826	151,370	8.1%
Tecate	10.3%	1,013	10,853	0.6%
Mexicali	-4.4%	-2,160	46,741	2.5%
Ensenada	-3.6%	-563	15,259	0.8%
B.C.	-0.4%	-884	224,223	12.0%
<b>National</b>	<b>3.1%</b>	<b>56,928</b>	<b>1,865,322</b>	<b>100.0%</b>
Chih.	-0.1%	-233	250,540	13.4%
Coahuila	13.5%	21,198	177,797	9.5%
N.L.	4.0%	8,875	228,727	12.3%
Tamps.	0.2%	396	159,476	8.5%

Fuente: Elaboración Propia con datos del INEGI

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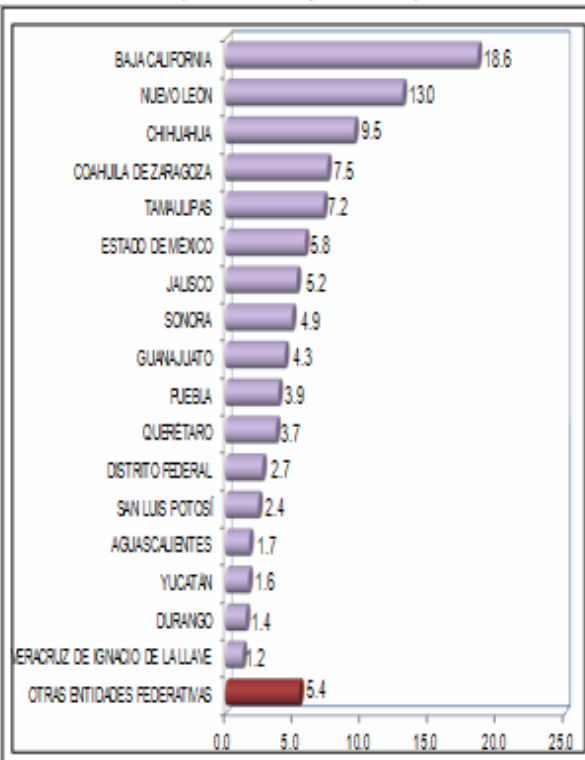
INSTITUTO NACIONAL  
DE ESTADÍSTICA Y GEOGRAFÍA

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**ESTABLECIMIENTOS MANUFACTUREROS IMMEX  
POR ENTIDAD FEDERATIVA DURANTE AGOSTO DE 2011**  
(Distribución porcentual)



	Establishments % Growth Aug.2011 vs Aug.2010	Establishments Growth Aug.2011 vs Aug.2010	IMMEX Establishments Aug. 2011	% of National Establishments
Tijuana	-1.9%	-11	563	11.0%
Tecate	2.3%	3	135	2.6%
Mexicali	1.3%	2	156	3.1%
Ensenada	-6.0%	-6	94	1.8%
B.C.	-1.3%	-12	948	18.6%
<b>National</b>	<b>-1.8%</b>	<b>-92</b>	<b>5,109</b>	<b>100.0%</b>
Chih.	-0.8%	-4	483	9.5%
Coahuila	0.5%	2	381	7.5%
N.L.	-2.5%	-17	665	13.0%
Tamps.	-2.4%	-9	367	7.2%

Fuente: Elaboración Propia con datos del INEGI



# TIJUANA TOTAL HOURLY DIRECT LABOR COSTS Decreased - 7.04% since March 2011.

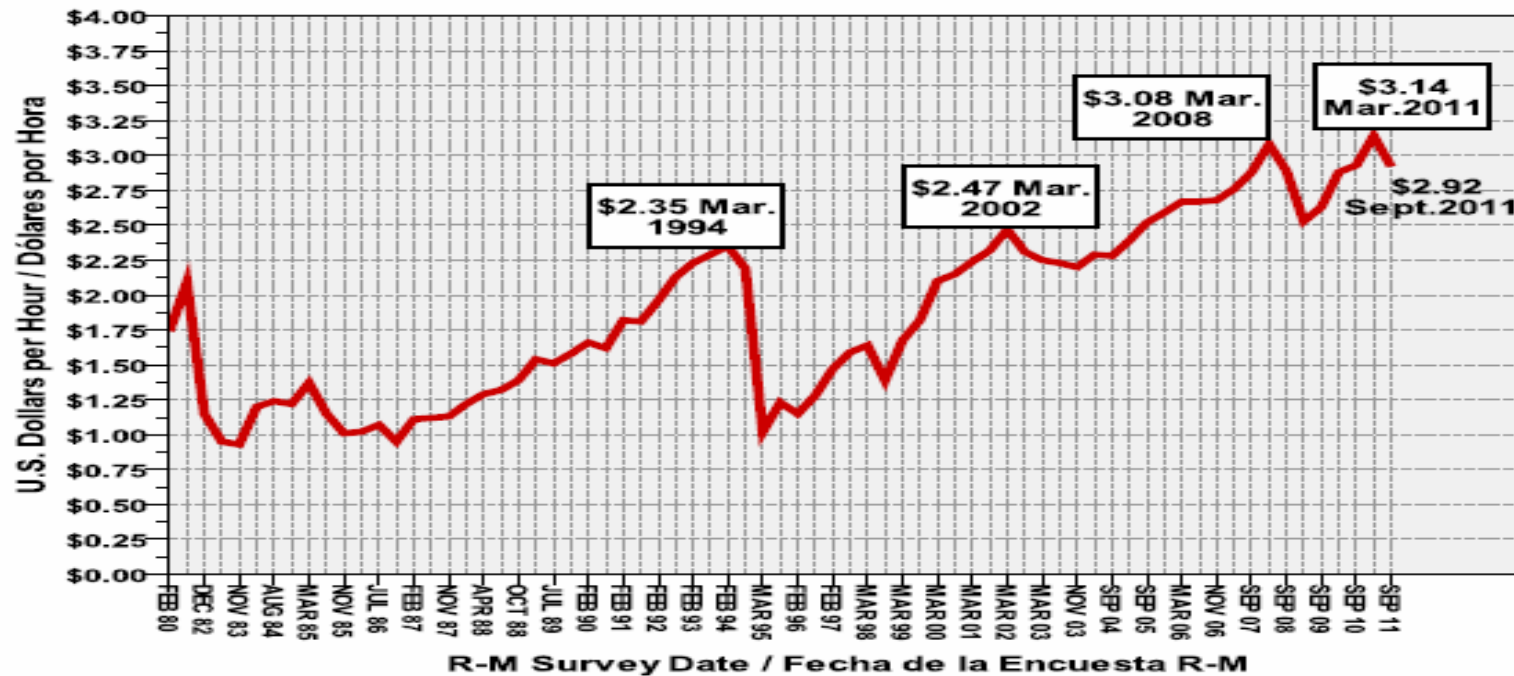


## IMPORTANT INDICATORS

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### TIJUANA AVERAGE TOTAL HOURLY DIRECT LABOR COSTS



Source/Fuente: RUIZ-MORALES Y ASOCIADOS Tijuana Wage and Salary Survey

#### KEY POINTS

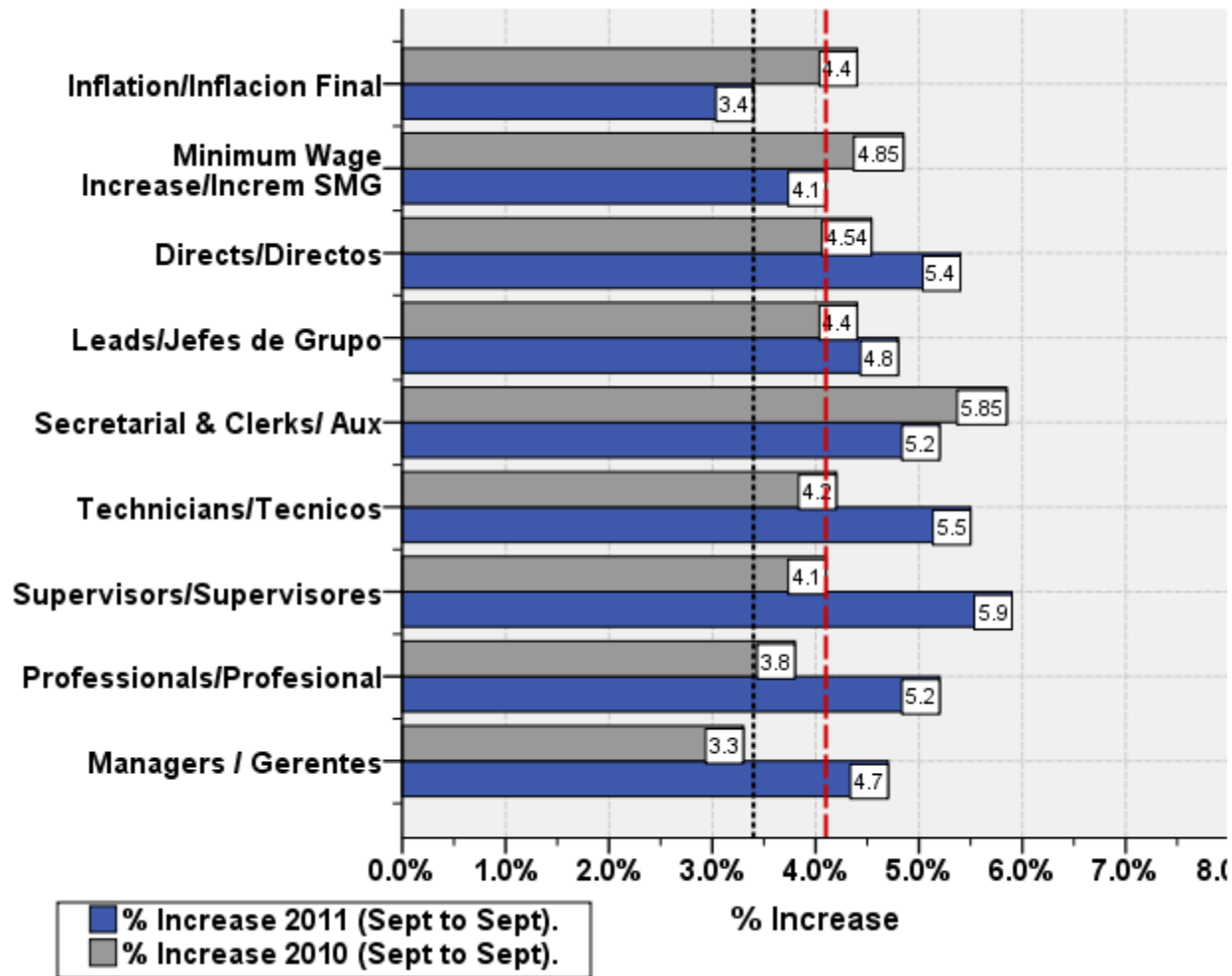
While there has been no change since the Legal Minimum Wage increased 4.1% the 1st of January, Tijuana Maquila Assemblers on Average Increased their Wages 1.8% from March 2011 to September 2011 and 5.0% Annualized from September 2010 to September 2011. (See Page 2.1)

Total Hourly Tijuana Direct Labor Costs in U.S. Dollars Decreased 7.04%, from \$3.14 in our March 2011 Survey to \$2.92 in our current September 2011 Survey. Although Average Direct Wages in Pesos increased 1.8% since our March 2011 Survey, the Decrease in Hourly Direct Dollar Costs, was due the Peso Exchange Rate which Depreciated 9% from \$12.01 (March 2011) to a current \$13.09. (See page 4 of our Introductory Letter).

Although the Mexican Economy is basically sound, it is not immune to speculative attacks that could result in temporary increases in the exchange rate. In spite of possible temporary increases, Projections by Analysts see the Mexican Peso Closing 2011 at about \$12.89 (See Page 2.10 for our revised Projections).



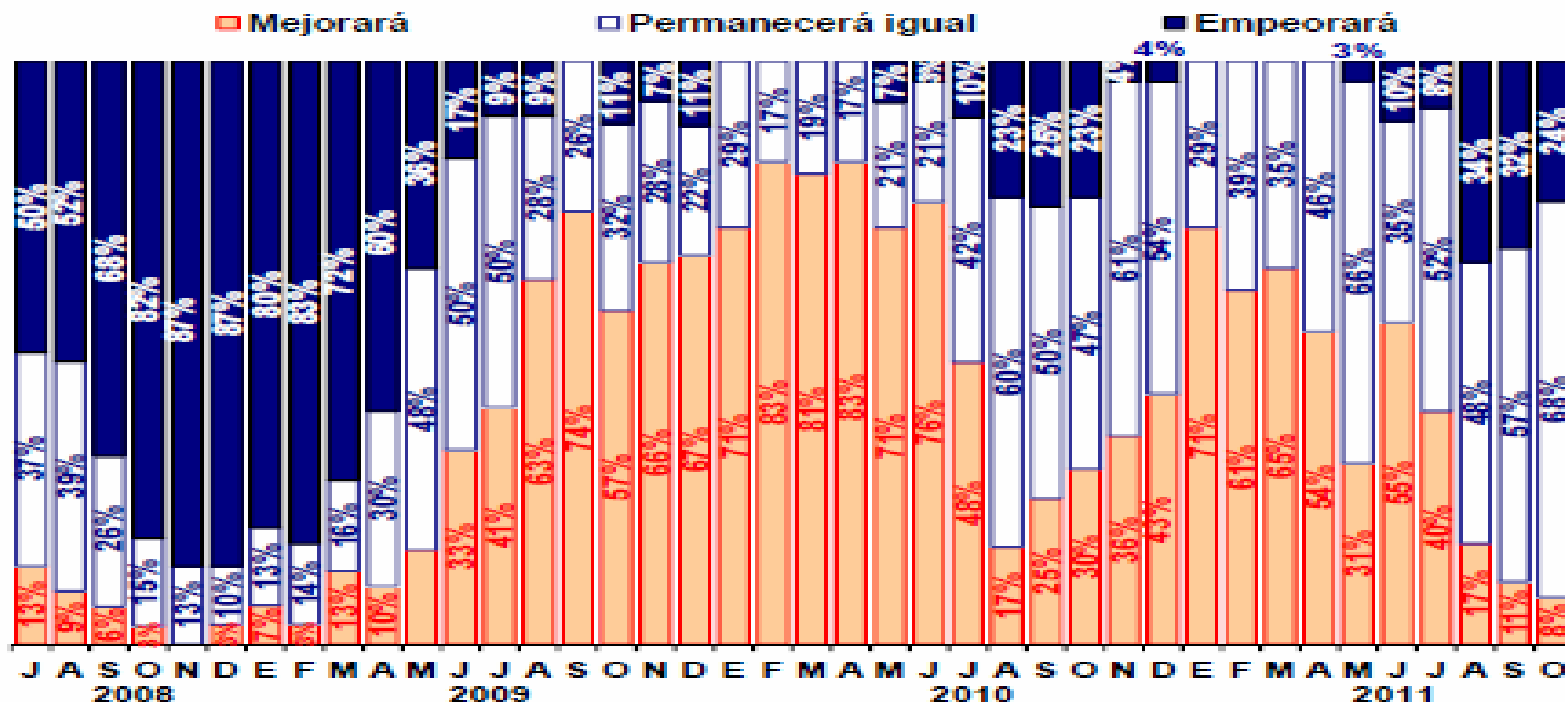
# WAGE AND SALARY ANNUALIZED INCREASES BY EMPLOYEE LEVEL (4.8% to 5.9%)



**Disminuyen las expectativas de los especialistas respecto al crecimiento económico para 2011 y 2012.**

**Expectativas sobre el Clima de los Negocios que Prevalecerá durante los Próximos Seis Meses en Comparación con los Pasados Seis Meses**

Porcentaje de respuestas



**Disminuyen las expectativas de los especialistas respecto al crecimiento económico para 2011 y 2012.**

Noviembre 1, 2011

**Factores que en los Próximos Meses Podrían Limitar el Ritmo de la Actividad Económica**

**Distribución de las respuestas (por ciento)**

Encuestas de:	2010								2011									
	May.	Jun.	Jul.	Ago.	Sept.	Oct.	Nov.	Dic.	Ene.	Feb.	Mar.	Abr.	May.	Jun.	Jul.	Ago.	Sept.	Oct.
Debilidad del mercado externo y de la ec. mundial	15	12	20	25	24	21	19	21	10	11	11	11	20	28	24	28	28	25
Incertidumbre sobre la situación financiera internacional	14	14	7	6	6	8	17	11	13	10	16	12	15	18	25	20	23	25
La ausencia de cambios estructurales en México	23	23	25	19	18	21	20	19	24	20	20	17	17	17	17	16	17	17
Problemas de inseguridad pública	14	12	15	16	16	17	19	21	24	23	21	23	28	22	15	23	17	15
Debilidad del mercado interno	13	13	11	16	13	12	10	12	11	5	4	5	2	0	4	5	2	4

# Is your Company planning Salary increases for 2012?



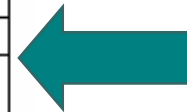
YES (32) 55.2%

NO (2) 3.4%

NOT DETERMINED YET (24) 41.4%



<b>SALARY PROPOSAL INCREASES FOR 2012</b>		
	<i>DIRECT PERSONNEL</i>	
	COMPANIES	%
1) THE SAME % OF INCREASE TO THE LEGAL MINIMUM WAGE FOR 2012	2	6.3%
2) THE SAME AMOUNT IN PESOS THAT THE LEGAL MINIMUM WAGE INCREASED IN 2012	0	0.0%
3) GENERAL INCREASE PROPOSED FOR 2012 (See Details Below)	15	46.9%
4) PROPOSED INCREASE BASED ON MERIT EVALUATIONS (See Details Below)	15	46.9%
DATE OF INCREASE TO BE APPLIED =>		
JAN	7	21.9%
FEB	7	21.9%
MAR	4	12.5%
APR	4	12.5%
MAY	1	3.1%
JUN	1	3.1%
JUL	2	6.3%
TO BE DETERMINED	8	18.8%



## % OF GENERAL INCREASE PROPOSED FOR 2012

DIRECT PERSONNEL → MINIMUM 3% MAXIMUM 5.5% AVERAGE 4.4%

## MERIT INCREASE PROPOSALS



DIRECT PERSONNEL → MINIMUM 1% MAXIMUM 5.5% AVERAGE 4.3%



# Revised Projections 2011-2012

Revised: November 4th, 2011



	2008	2009	2010	2011p	2012p
<b>Growth / Crecimiento</b>	1.5%	-6.1%	5.5%	3.8%	3.2%
<b>National Inflation / Inflación Nacional</b>	6.53%	3.57%	4.4%	3.4%	3.4%
<b>Exchange Rate December / Tipo de Cambio Fin de Año</b>	\$ 13.46	\$ 12.87	\$ 12.34	\$ 12.89	\$ 12.50
<b>Average Exchange Rate / Tipo de Cambio Promedio</b>	\$ 11.17	\$ 13.52	\$ 12.65	\$ 12.31	\$ 12.51
<b>Minimum Wage Increase (Zone-A) / Incremento Salario Mínimo (Zona-A)</b>	4.0%	4.2%	4.85%	4.10%	4.5%- 5.0%

Source/Fuente: BANXICO, CNSM, Tendencias Económicas y Financieras, BANAMEX / p=R-M Projection



***Thank You !***

**Questions ?**