



salary hero

ฮีโร่ของมนุษย์เงินเดือน

THAILAND LABOUR TRENDS REPORT 2024



INTRODUCTION

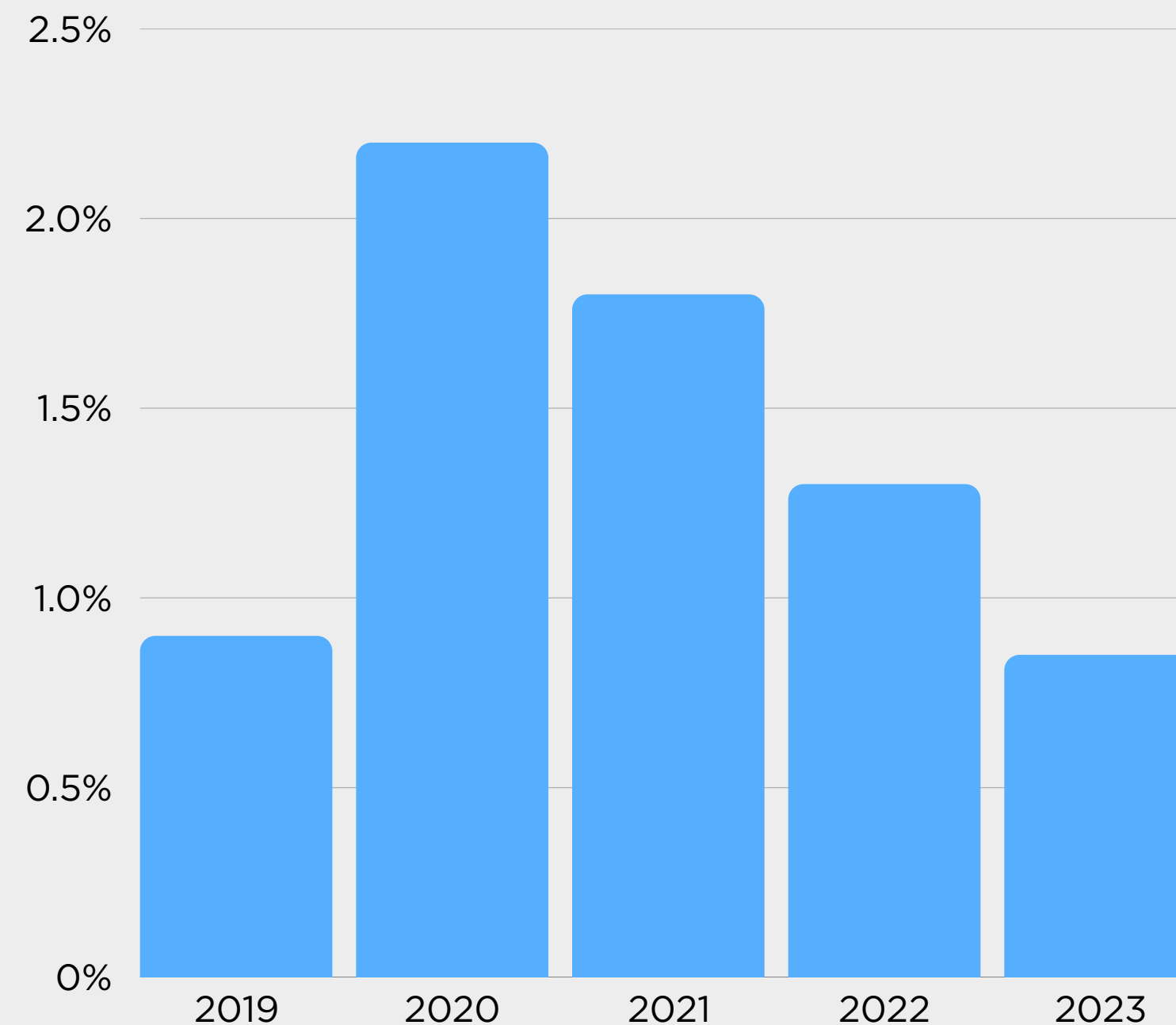
The "Thailand Labour Trends Report 2024" presents an in-depth analysis of critical trends and statistics impacting Thailand's labor market.

The report touches upon 5 trends that companies operating in Thailand should be aware of, and provides actionable recommendations for how companies can navigate this changing landscape.

Trend 1 :

Thai unemployment rate back to pre-pandemic levels of sub 1%

- **Key Statistic:** Thailand's unemployment rate ended 2023 at sub 1%; back to pre-pandemic levels.
- **Why it's important:** Unemployment rates have seen a steady downwards trend, resulting in lower supply of labour in the market. Thailand also continues to have significantly lower unemployment than other SEA countries like Indonesia (~5%), Vietnam (~2%), and Malaysia (~3%).
- **Company Impact:** Talent scarcity makes recruitment highly competitive and challenging for companies.
- **Company Strategy:** Firms must focus on building strong talent acquisition pipelines and improving company branding. Talent retention strategies should include compensation benchmarking, a strong emphasis on leading company benefits and consistent work conditions.



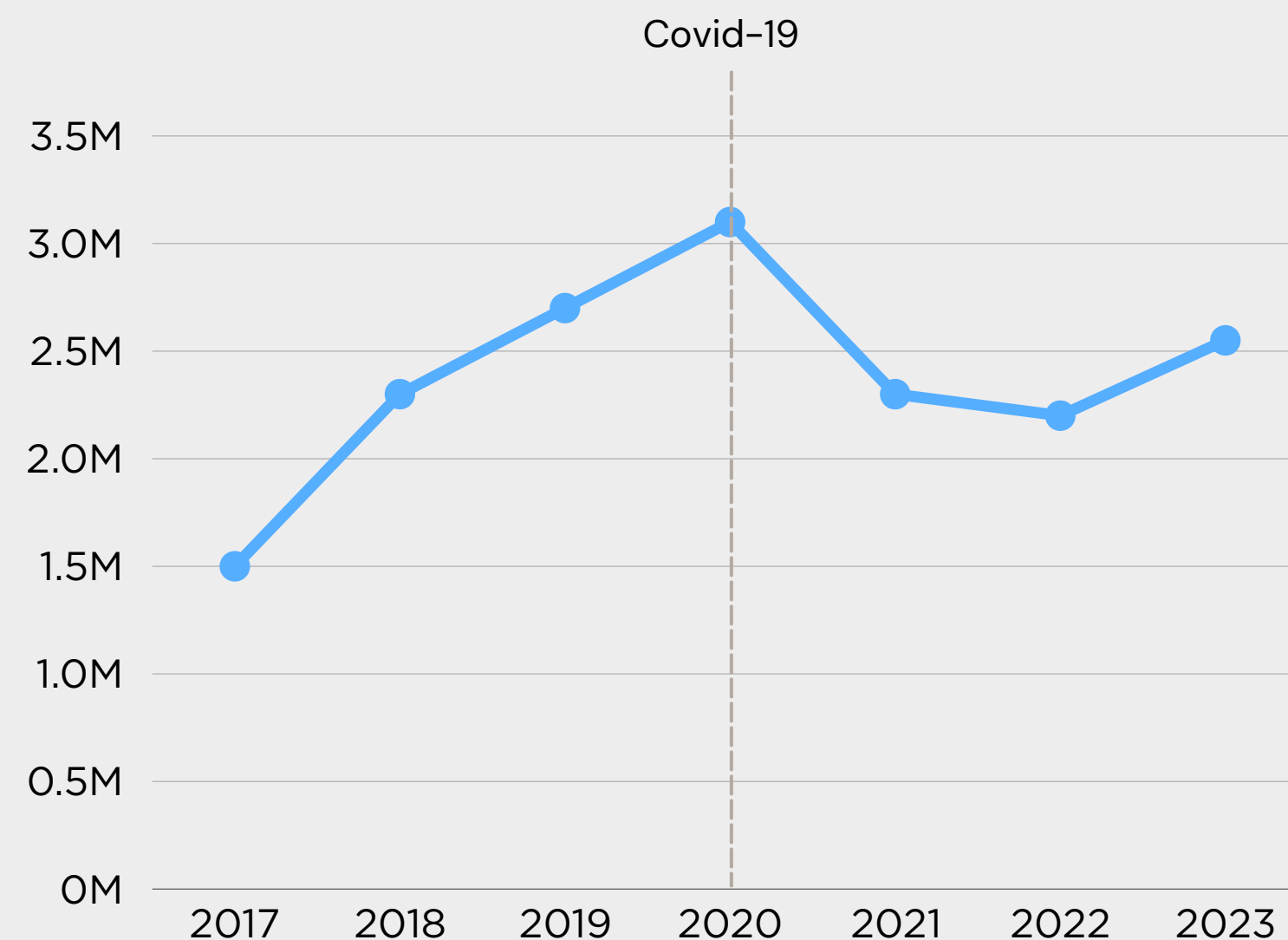
Thailand's 5-year trend for unemployment rates

Source: CEIC Data

Trend 2 :

Supply of legal migrant workers increased by +16% yoy.

- **Key Statistic:** The number of legal migrant workers increased from 2.2M to 2.55M in 2023 (+16% rise), and is expected to grow further in 2024.
- **Why it's important:** Legal migrant workers are essential in labour intensive, blue-collar sectors such as manufacturing, construction and the food sector.
- **Company Impact:** The increase in available migrant workers will positively support companies in a tight labour market. However, challenges relating to integrating and managing a diverse workforce are important to understand.
- **Company Strategy:** Businesses should ensure that they provide accessible working conditions for foreign language workers. This includes multi-lingual HRIS solutions and senior managers with relevant cultural understanding.



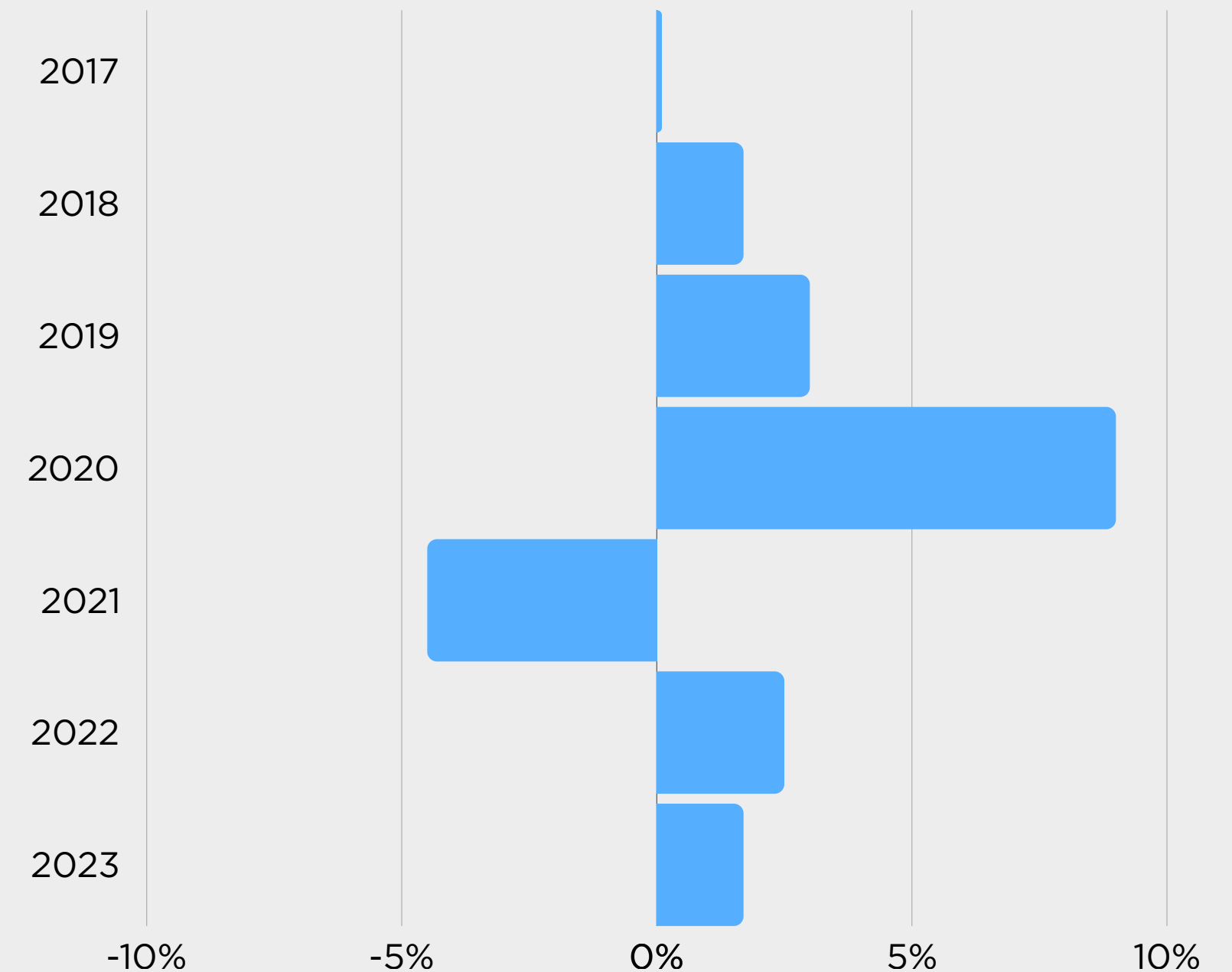
Thailand total legal migrant workers

Source: National Statistical Office (NSO); Foreign Workers Administration Office

Trend 3 :

Thai wage growth stabilising around long-term average of 2%

- **Key Statistic:** Wage growth in Thailand remained around its long-term average of 2% in 2023.
- **Why it's important:** Stable wage growth reflects economic stability, both at a macro level (eg. stable inflation) and at a micro level (eg. stable production input costs).
- **Company Impact:** Limited wage growth brings better transparency on future input costs, making it easier for companies to manage budgets. However, it can also result in employees living on tighter budgets.
- **Company Strategy:** Companies should consider holistic compensation strategies, including broader and more flexible benefits, and career learning opportunities, to attract and retain talent in the labour market.

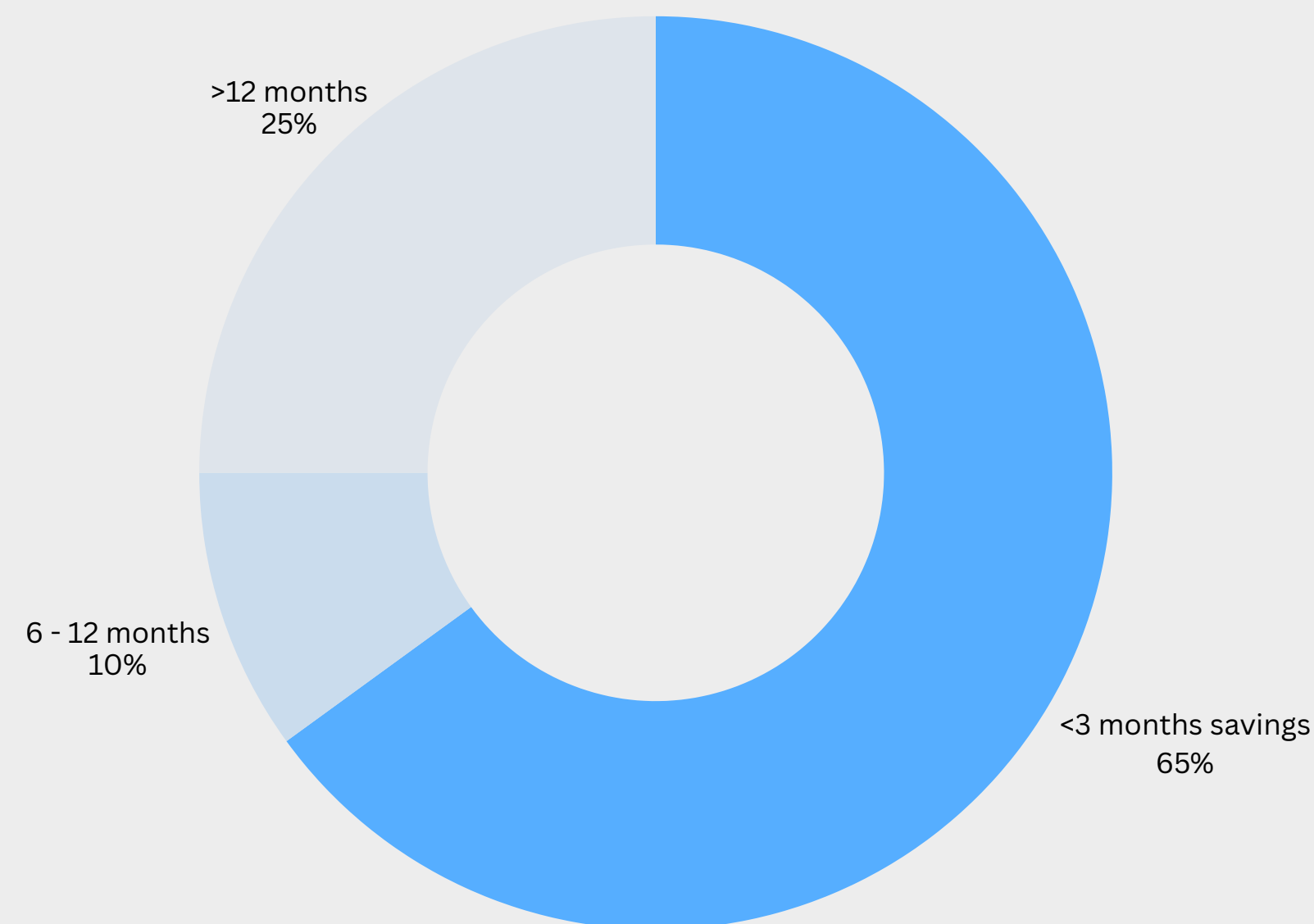


Thailand Wage Growth Index yoy change
Source: Social Security Office (SS); National Statistical Office (NSO)

Trend 4 :

~65% of Thai blue-collar workers have less than 3 months of savings

- **Key Statistic:** ~2/3 of Thai workers in the blue collar segment have less than 3 months of income savings buffer.
- **Why it's important:** Savings buffers are a key indicator of the financial resilience of workers. Savings support them when faced with unforeseen expenses, emergencies, unemployment or short-term employment incapacity.
- **Company Impact:** Employees with low financial resilience are more likely to have higher turnover rates, absenteeism and lower productivity.
- **Company Strategy:** Companies see a high ROI on employee financial wellness initiatives, targeting a key issue for employees in a market with limited savings propensity.



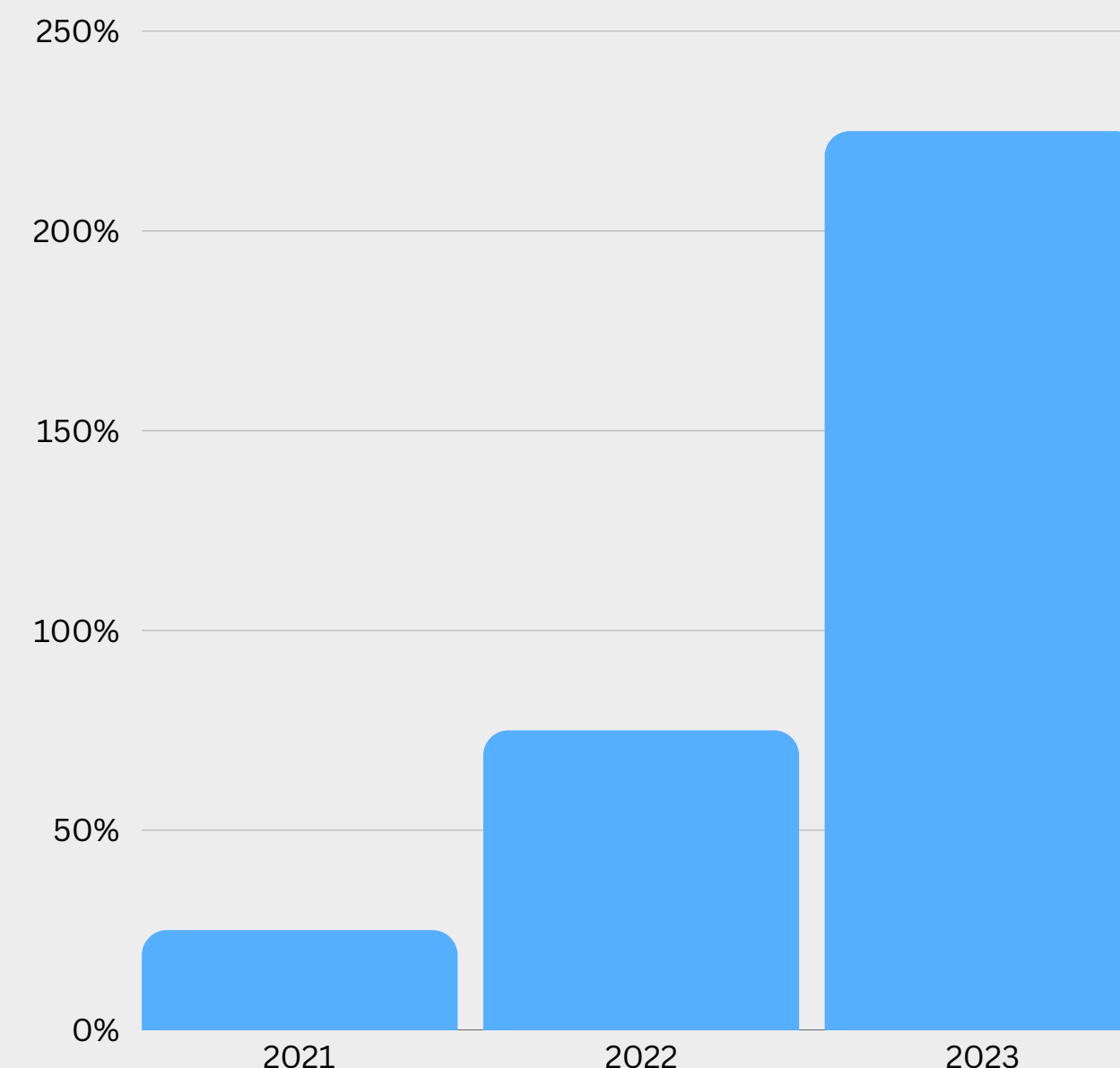
Personal Savings amongst Thai blue-collar workers (number of months income)

Source: Salary Hero Proprietary Data

Trend 5 :

Number of companies with “Financial Health” as an HR strategy grew +200%

- **Key Statistic:** 2023 saw a +200% increase in Thai companies deploying dedicated financial health strategies as part of their HR outreach and benefits package.
- **Why it’s important:** Financial Health has historically been overlooked as part of a company’s benefits strategy. Recent trend is showing a large increase in company adoption.
- **Company Impact:** As companies strive to stay competitive in attracting talent and retaining staff, a more holistic approach to benefits is needed.
- **Company Strategy:** Companies should increase awareness of financial health as a key benefits differentiator, including initiatives in their corporate HR strategy. Using specialist HRIS tools can help with the relevant execution.



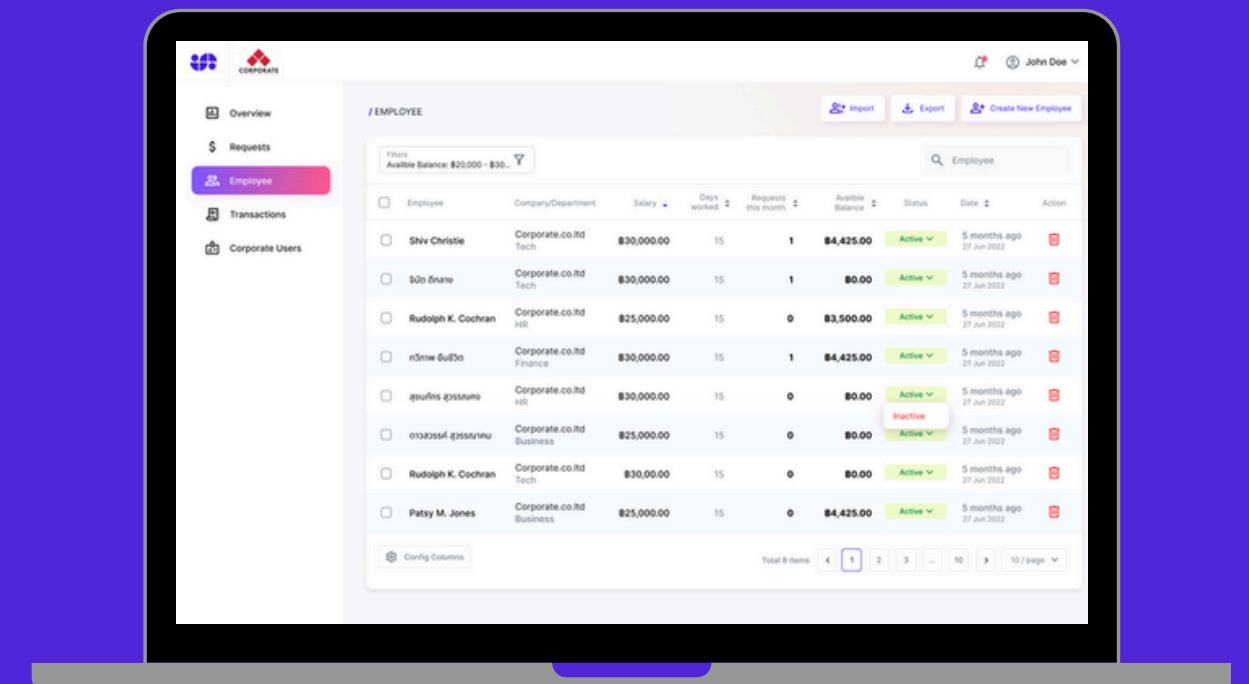
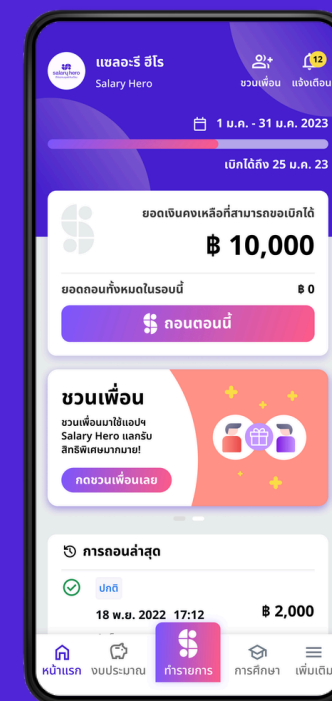
Year-on-year growth in Thai companies with “Financial Health” HR strategies

Source: Salary Hero Proprietary Data

About Salary Hero

Salary Hero is a financial health platform built for the Thai workforce. We provide employers with the tools to help improve the financial resilience of their employees. These incl. Salary on Demand (flexible access to early wages), Financial Education, Budgeting Calculator and High-Interest Savings; all digital through our mobile app.

By supporting the financial health of employees, our company partners have seen bottom-line impact through improved staff retention, quicker recruitment cycles and a more productive workforce.





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