

Bendorf Associates

105 Regal Court
 Monroeville, PA 15146-4735
 Voice: 412-856-4453, Fax: 412-856-1226
 Email: robi@bendorf.com,
 Web: www.bendorf.com

International Comparisons of Hourly Compensation Costs for Production Workers in Manufacturing,

By Robi Bendorf, C.P.M.
 Bendorf & Associates

It is important for supply management professionals to maintain some awareness of the wage rates around the world. The U.S. Department of Labor has released the results of its study on the 2004 average hourly compensation costs for production workers in manufacturing for trading partners studied by the Bureau of Labor Statistics. The hourly rates reported by the Department are in U.S. Dollars and use the average exchange rates for 2004. To make the data more meaningful to the current time period, the Department's data was modified in the following table of select countries to reflect the current exchange rates. A comparison of the Labor Cost based on current exchange rate for periods 2001 thru 2005 is also shown. The current table reflects the exchange rates as of Nov. 2, 2006.

Country	Labor Cost US \$ 2004	Average Exchange Rate 2004	Current Exchange Rate (1 US \$ in fgn currency=)	2004 Labor Cost Adjusted for Current Rate US \$	Index US=100	% Change Current/ 2004	% Change Current/ 2003	% Change Current/ 2002	% Change Current/ 2001
Australia	23.09	1.36	1.28	24.49	105.71	6.07	23.82	58.94	84.15
Austria	28.30	0.80	0.78	29.07	125.45	2.74	14.79	40.48	52.34
Belgium	29.99	0.80	0.78	30.80	132.95	2.75	16.15	41.69	55.57
Brazil	3.03	2.93	2.14	4.14	17.89	36.79	51.27	61.91	40.50
Canada	21.42	1.30	1.13	24.62	106.24	14.92	27.08	47.76	51.67
Czech Republic	5.43	25.70	21.94	6.36	27.44	17.09	34.71	66.01	103.14
Denmark	33.75	5.99	5.83	34.67	149.61	2.71	14.98	42.95	57.43
France	23.89	0.80	0.78	24.54	105.93	2.73	16.10	43.36	56.83
Germany	32.52	0.80	0.78	33.41	144.20	2.71	12.76	38.06	48.62
Hong Kong SAR (1)	5.51	7.79	7.77	5.52	23.83	0.20	-0.34	-2.45	-3.81
Hungary	5.72	202.70	203.79	5.69	24.57	-0.49	18.59	45.21	80.13
Ireland	21.94	0.80	0.78	22.54	97.27	2.72	18.06	47.69	65.72
Italy	20.47	0.80	0.78	21.03	90.76	2.68	16.12	42.57	54.52
Japan	21.90	108.20	116.89	20.28	87.51	-7.42	-0.22	8.72	4.35
Korea	11.52	1145.00	939.85	14.03	60.57	21.82	39.92	60.02	81.79
Mexico	2.50	11.29	10.79	2.62	11.29	4.62	5.04	0.59	2.97
Netherlands	30.76	0.80	0.78	31.60	136.36	2.72	15.02	42.84	59.17
Norway	34.64	6.74	6.46	36.15	156.00	4.35	14.53	32.45	55.20
Portugal	7.03	0.80	0.78	7.22	31.15	2.83	15.68	42.38	57.27
Singapore	7.45	1.69	1.56	8.07	34.83	8.33	12.40	20.28	15.79
Spain	17.10	0.80	0.78	17.57	75.82	2.73	17.35	47.38	63.27
Sweden	28.42	7.35	7.19	29.04	125.34	2.18	15.29	43.55	57.91
Switzerland	30.26	1.24	1.24	30.33	130.90	0.23	8.99	27.39	40.42
Taiwan	5.97	33.37	33.15	6.01	25.92	0.60	5.55	6.49	-0.73
United Kingdom	24.71	0.55	0.52	25.79	111.30	4.36	21.64	41.31	53.96
United States	23.17	1.00	1.00	23.17	100.00	0.00	4.04	8.27	12.59

Data for China, and India is not available from the Bureau for 2004. The Bureau will publish 2005 Data in the fall of 2006 based on past experience. The above data with more current exchange rates can be obtained by emailing robi@bendorf.com.