

The CONASAMI Council of Representatives (National Commission on Minimum Wages) approves the general minimum wage for 2020. The official announcement was made by President Andrés Manuel López Obrador.

I. Increase to the Minimum Wage for 2020

The Council of Representatives of the National Commission on Minimum Wages (CONASAMI) approved on December 16, 2019 an increase to the general and professional minimum wages effective as of January 1, 2020; the objective of this new salary is to compensate the purchasing power of workers.

The new general minimum wage applicable to the "Free Zone of the Northern Border" ("ZLFN"), a geographic area created since 2019 that includes municipalities of Baja California, Sonora, Chihuahua, Coahuila, Nuevo León and Tamaulipas, will be \$ 185.56 pesos per day, amount obtained by applying an inflationary adjustment equivalent to five percent (5%) to the minimum wage in force today.

Daily Minimum Wage ZLFN 2019	⇒	Increase	⇒	Daily Minimum Wage ZLFN 2020
\$176.72 Pesos		5%		\$185.56 Pesos

The aforementioned five percent (5%) increase will also apply to professional minimum wages in the ZLFN.

For the area denominated "Rest of the Country", the general minimum wage will be \$ 123.22 pesos per day, amount obtained by applying an independent recovery amount ("MIR") of \$14.67 pesos per day to the current minimum wage of \$ 102.68 pesos and, afterwards, considering an adjustment of five percent (5%) linked to inflation.

National Daily Minimum Wage 2019	+	MIR	⇒	Increase	⇒	National Daily Minimum Wage 2020
\$102.68 Pesos		14.67		5%		\$123.22 Pesos

Similarly, for professional minimum wages in the Rest of the Country, CONASAMI approved a MIR of \$14.67 pesos and an inflation factor of five percent (5%).

Galicia

Labor Update Increase to the Minimum Wage for 2020

Mexico City, December 17, 2019

It is important to note that in the bulletin number 021/2019 published by CONASAMI on December 16, it is expressly specified that the MIR should not be used as a reference for the annual review processes of collective bargaining agreements. Additionally, it should be noted that the CONASAMI decided not to include within the minimum professional wages those corresponding to the domestic and agricultural workers.

Finally, it is worth mentioning that the increases of the minimum wages have not yet been published in the Official Gazette of the Federation.

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