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ALERT: China's Manufacturing Sector Labor Cost Approaching US\$1 Per Hour

Posted in May 21, 2011 → 9:16 amh.[jeff184 Comments »](#)

Much has been written recently about the significant wage increases in China's manufacturing labor force. Notably, last fall Apple/HP/Dell assembler Foxconn DOUBLED the monthly wage of their 500,000 factory workers in Shenzhen to RMB 1,200 and Chongqing Province saw a 28% increase in their minimum wages in 2010.

While the percentages look dramatic, it's important to cite the relative nature of these cost increases to similar factory jobs in the US and EU. Example: Honda's Ohio factory has an average hourly wage (including benefits) of \$50, and Hundai's Alabama factory is \$27.

Here are several major Chinese cities monthly 'Minimum Wages' as of March 2011 in Yuan after increases ranging from 14-28%:

Jiangsu 1,140

Shanghai 1,280

Chongqing 870

Zhejiang 1,310

Guangdong 1,300

While the increases are significant, note the range based on current exchange is \$133 to \$200 USD per month. Chinese labor laws are strict and from this figure there are worker contributions to social security, housing fund and requisite tax deductions, thus on a gross basis this maintains an hourly rate from \$0.83 to \$1.25 per hour.

Going forward, companies may seek lower cost labor for certain low skilled manufacturing in countries like Viet Nam and India which pleases the Central Chinese government as China continues to move up the value chain and lead the world in higher skilled production including electronics

manufacturing. These relative increases may impact end user pricing albeit marginally, but likely won't deter China from their continued dominance in high quality/low cost producers to the world, unless of course US Labor Unions can compete with a loaded hourly wage of \$1.25.

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[http://www.orjinkepenk.com./.](http://www.orjinkepenk.com/)

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sinemafilmizleyin.net...

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dalpi, müzik, sanat, popüler kültür, sinema...

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An impressive share, I just given this onto a colleague who was doing a bit analysis on this. And he in reality bought me breakfast as a result of I found it for him.. smile. So let me reword that: Thnx for the treat! But yeah Thnkx for spending the ti...

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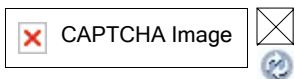
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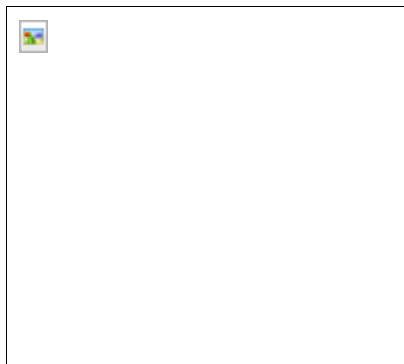
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