

# SAFEGUARDS

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## CHINA 16 PROVINCES HAVE UPDATED THE MINIMUM WAGE 2013 (JAN-MAY)

Implementing and adjusting the minimum wage standard is a significant means to improving the remuneration of workers and especially those on low incomes. All regions have been required to adjust this at least every two years and as of May 1 2013, 16 provinces and cities in China have increased their minimum wage standards in China.

Since the consumer price index continued to rise in 2012, it is not hard to see that is imperative to keep wage rates under review to avoid workers seeing a drop in living standards. According to the report, 24 provinces and cities updated their minimum wage in 2012, most of the adjustments were above 10% and even as high as 20% in some regions. In early 2013, Shanxi province and Beijing were the first to raise their minimum wages again and that has set in motion the rally this year. According to the statistics, 8 provinces and cities have updated their minimum wage in the first quarter 2013, followed by a further 5 in April, and in addition to Guangdong and Yunnan Provinces, Ningxia has also raised the minimum wage for the tenth time from May 1.

As at May 1<sup>st</sup>, 2013, 16 provinces and cities have updated their minimum wage standards, further information is listed in the following table.

PROVINCES/CITIES		EFFECTIVE DATE	MONTHLY(FULLTIME) (RMB)	INCREASE RATE	HOURLY (NON-FULLTIME)	INCREASE RATE
Shanghai		2013/4/1	1620	11.7%	14	12%
Shenzhen		2013/3/1	1600	6.7%	14.5	9%
Tianjin		2013/4/1	1500	14.5%	15	14.5%
Beijing		2013/1/1	1400	11.1%	15.2	8.8%
Guangdong	1st class area	2013/5/1	1550	19.2%	15	20%
	2nd class area		1310 (not including Zhuhai city)	19.1%	12.5	19%
	3rd class area		1130	18.9%	11.1	19.4%
	4th class area		1010	18.8%	10	20.5%

*To be con'd*

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PROVINCES/CITIES		EFFECTIVE DATE	MONTHLY(FULLTIME) (RMB)	INCREASE RATE	HOURLY (NON-FULLTIME)	INCREASE RATE
Zhejiang	1st class area	2013/1/1	1470	12.2%	12	12.1%
	2nd class area		1310	13%	10.7	12.6%
	3rd class area		1200	13.2%	9.7	12.8%
	4th class area		1080	13.7%	8.7	13%
Shandong	1st class area	2013/3/1	1380	11.3%	14.5	11.5%
	2nd class area		1220	10.9%	12.5	13.6%
	3rd class area		1080	13.7%	11	10%
Henan	1st class area	2013/1/1	1240	14.8%	11.7	14.7%
	2nd class area		1100	15.8%	10.4	16.9%
	3rd class area		960	17.1%	9	16.9%
Shanxi	1st class area	2013/4/1	1290	14.7%	14	13.8%
	2nd class area		1190	15%	13	15%
	3rd class area		1090	15.3%	12	15.4%
	4th class area		990	15.8%	11	17%
Jiangxi	1st class area	2013/4/1	1230	41.4%	12.3	41.4%
	2nd class area		1150	43.8%	11.5	43.8%
	3rd class area		1070	46.6%	10.7	46.6%
	4th class area		980	46.3%	9.8	46.3%
	5th class area		900	47.5%	9.0	47.5%
Guangxi	1st class area	2013/2/7	1200	20%	10.5	23.5%
	2nd class area		1045	20.1%	9.5	26.7%
	3rd class area		936	20%	8.5	30.8%
	4th class area		830	20.3%	7.5	25%
Gansu	1st class area	2013/4/1	1200	22.4%	12.7	23.3%
	2nd class area		1140	21.3%	12.1	21%
	3rd class area		1080	20%	11.4	20%
	4th class area		1020	18.6%	10.8	18.6%
Shanxi	1st class area	2013/1/1	1150	15%	11.5	15%
	2nd class area		1050	15.4%	10.5	15.4%
	3rd class area		950	11.8%	9.5	11.8%
	4th class area		870	10.1%	8.7	10.1%

To be con'd

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PROVINCES/CITIES		EFFECTIVE DATE	MONTHLY(FULLTIME) (RMB)	INCREASE RATE	HOURLY (NON-FULLTIME) (RMB)	INCREASE RATE
Guizhou	1st class area	2013/1/1	1030	10.8%	11	10%
	2nd class area		950	14.5%	10	11.1%
	3rd class area		850	14.9%	9	12.5%
Ningxia	1st class area	2013/5/1	1300	18.2%	12.5	13.6%
	2nd class area		1220	19.6%	11.5	15%
	3rd class area		1150	21.1%	10.5	16.7%
Yunnan	1st class area	2013/5/1	1265	15%	11	10%
	2nd class area		1130	15.3%	10	11.1%
	3rd class area		955	15.1%	9	12.5%

For detailed information on the different regions, cities and towns, please refer to: [SGS China's Minimum Wage Map](#).

From the above table it can be seen that Shanghai has adjusted the minimum wage 20 times since its inception in 1993 and has the highest monthly wage at RMB1620 while Beijing leads the table for hourly rates for no-full-time workers. Other notable increases include Jiangxi province which has reported the highest average percentage rise at 45.1% which while Guangxi Province has reported a 24% increase after just 12 months from the last increase in 2012.

The spread in high and low wages is one of the main factors for guiding the

flow of the labor force, and the increase of minimum wage will help enterprises to ease recruitment difficulties, although no doubt it also increases the cost to the enterprise. This year, the State Council issued the "Several Opinions on Deepening Income Distribution System Reform", recommending that minimum wages in the minority regions should reach 40 percent of average wages for local urban workers by 2015. It is reported that other provinces such as Fujian, Anhui and Liaoning have also made it clear that their minimum wage standards will be adjusted this year at an appropriate time. It is anticipated that minimum wages throughout the country will continue to rise in the future.

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Data source: Human Resources and Social Security department (bureau) websites of provinces and cities listed in the table.

Table design: [SGS SAS](#)

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