

Labor Costs In China Comparative Costs By Region

According to the South China Morning Post (www.scmp.com) in their 1-April-2002 online edition, the costs of labor expressed in average annual wages in the major city centers of China are as follows:

<u>City</u>	<u>RMB</u>	<u>Dollars</u>
Guangzhou	22,772	\$2,750
Shanghai	21,781	\$2,630
Beijing	19,155	\$2,313
Tianjin	14,308	\$1,728
Chongqing	9,523	\$1,150

Compare these labor rates with those in Mexico which Business Week (www.businessweek.com) in its April 29, 2003 edition identifies as having a \$3.52 average hourly wage. On an equivalent 40 hour* workweek basis, this would translate into an annual wage of \$7322 – a full 323% higher than Tianjin.

Chinafacturing Solutions has headquartered its Chinese Operations in Tianjin, the third largest city in China providing the optimal balance of labor quality and cost along with access to world-class air and sea-going distribution networks.

*Mexico labor standards provide for a 48 hour work week.