



Asia Solution Corporation

your HR strategic recruiting partner since 2006



Salary and Labor Market Developments

- ◆ Economic data;
- ◆ General labor market environment and outlook;
- ◆ Wage status and development plan for SMEs in Great Suzhou and Yangtze Delta region.

Data for this survey was collected from 4th Aug to 10th Sep 2021,

with a record of 120 companies of DUSA member, Swedcham member, CICC member and customers of Asia Solution in Greater Suzhou and Yangtze Delta region participating in the survey.

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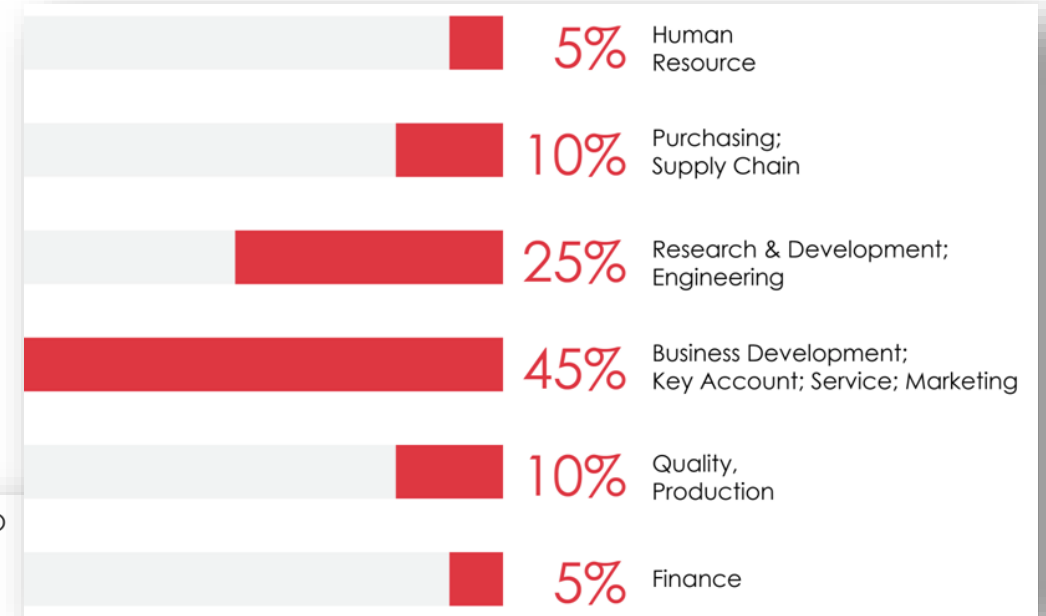


we have a *specialization* in Engineering

- 1 Asia Solution has an in-house engineers
- 2 Speciality in Engineering Recruitment



Specialized Industry Recruitment



Executive, CEO

15%

35%
Senior
Management

Who Do
We Recruit

35%
Middle
Management

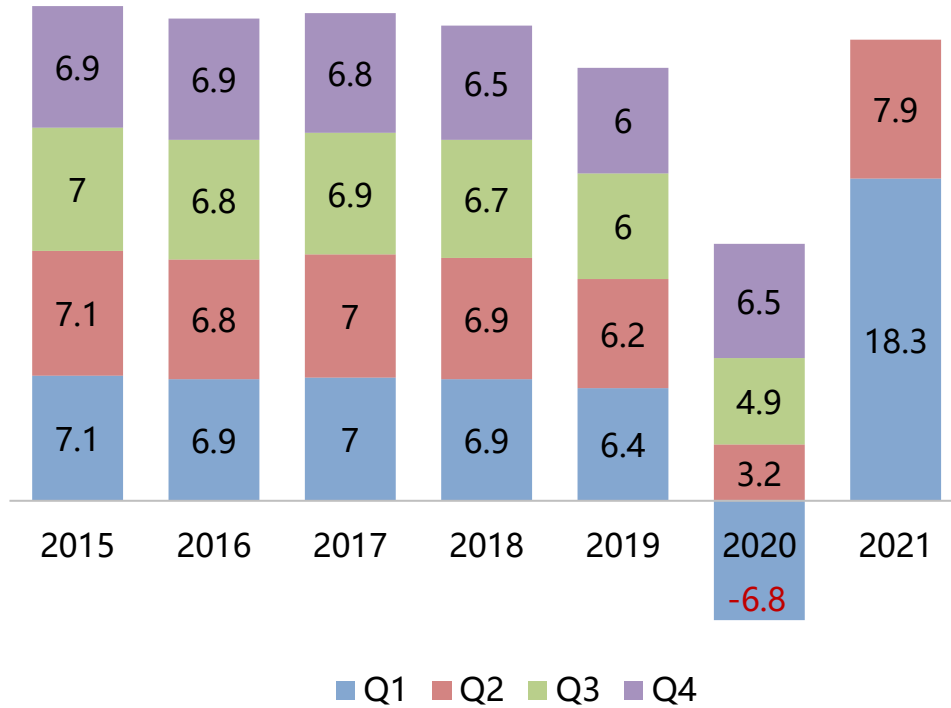
Chinese students
with Masters from overseas

10%

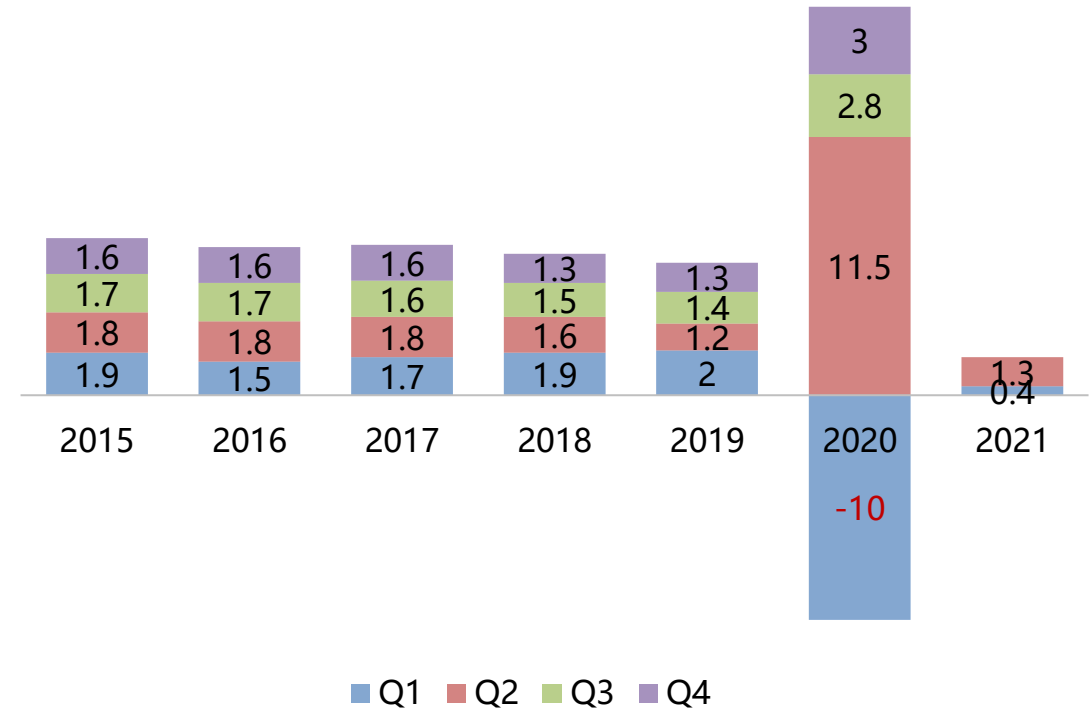
5%

Junior
positions

THE Y/Y GROWTH RATE ON GDP



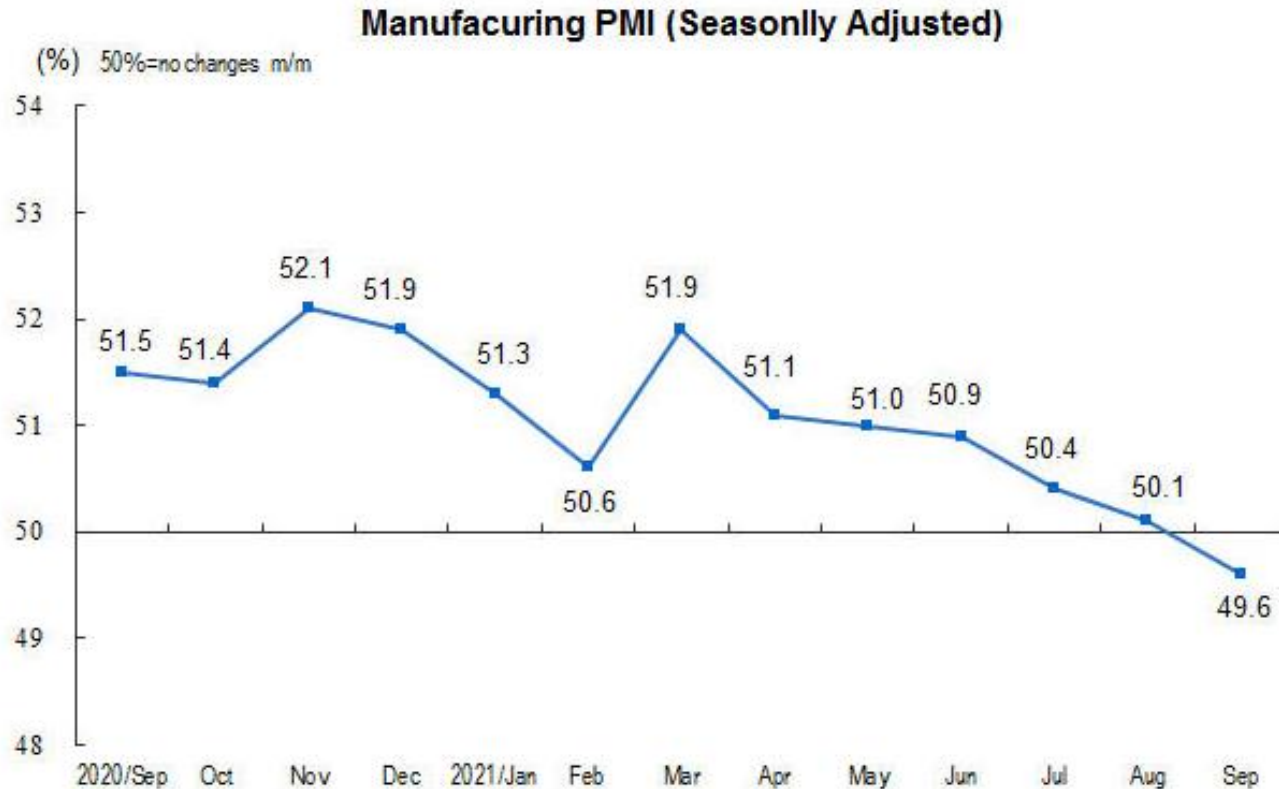
THE Q/Q GROWTH RATE ON GDP



Notes: The Y/Y growth rate is the growth rate over the same period last year.

Notes: The Q/Q growth rate is the growth rate over the previous quarter, with seasonal adjustments.

Purchasing Managers Index for September 2021

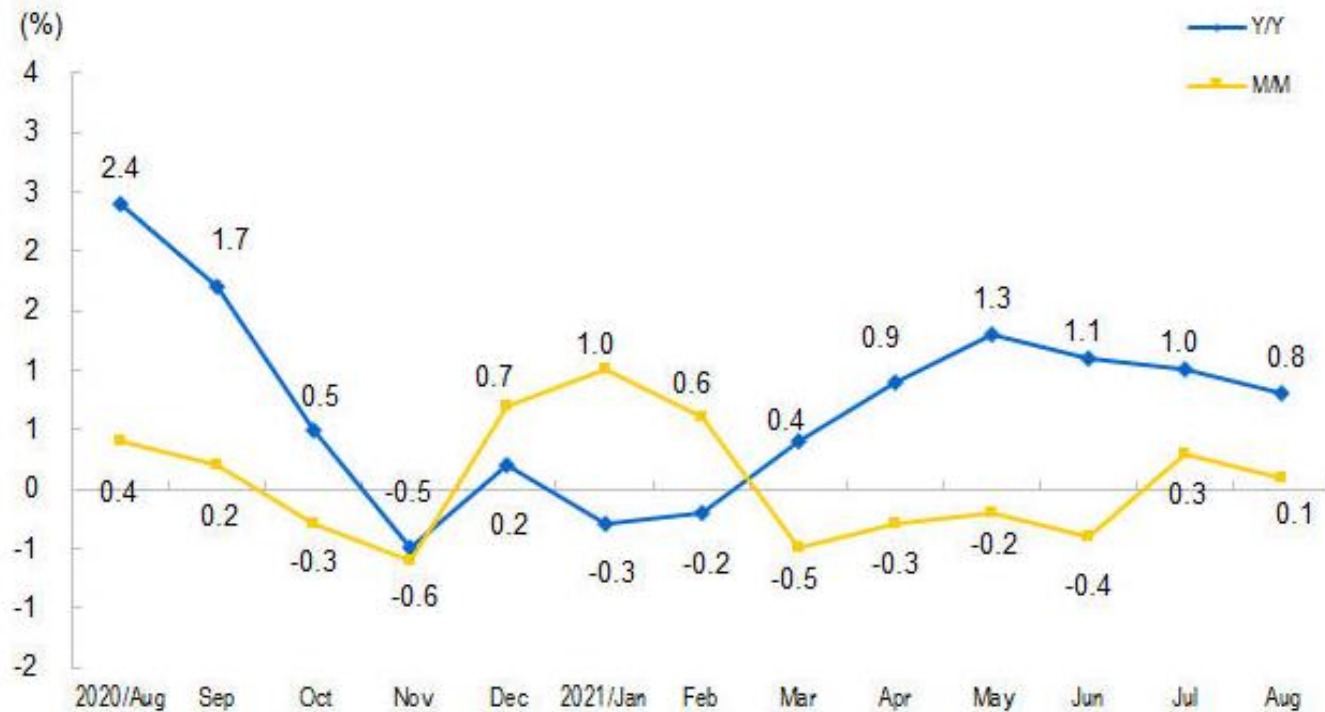


In September, the Purchasing Manager Index (PMI) of China's manufacturing industry was 49.6 percent, 0.5 percentage point lower than that of the previous month, which declined below the threshold, and the prosperity level of manufacturing industry has dropped.

In terms of enterprise scale, the PMI of large enterprises was 50.4 percent, up 0.1 percentage point from the previous month, and continued to be higher than the threshold; the PMI of medium-sized enterprises was 49.7 percent, a decrease of 1.5 percentage points over the previous month, lower than the threshold; the PMI of small enterprises was 47.5 percent, down 0.7 percentage point from the previous month, lower than the threshold.

Consumer Prices in August 2021

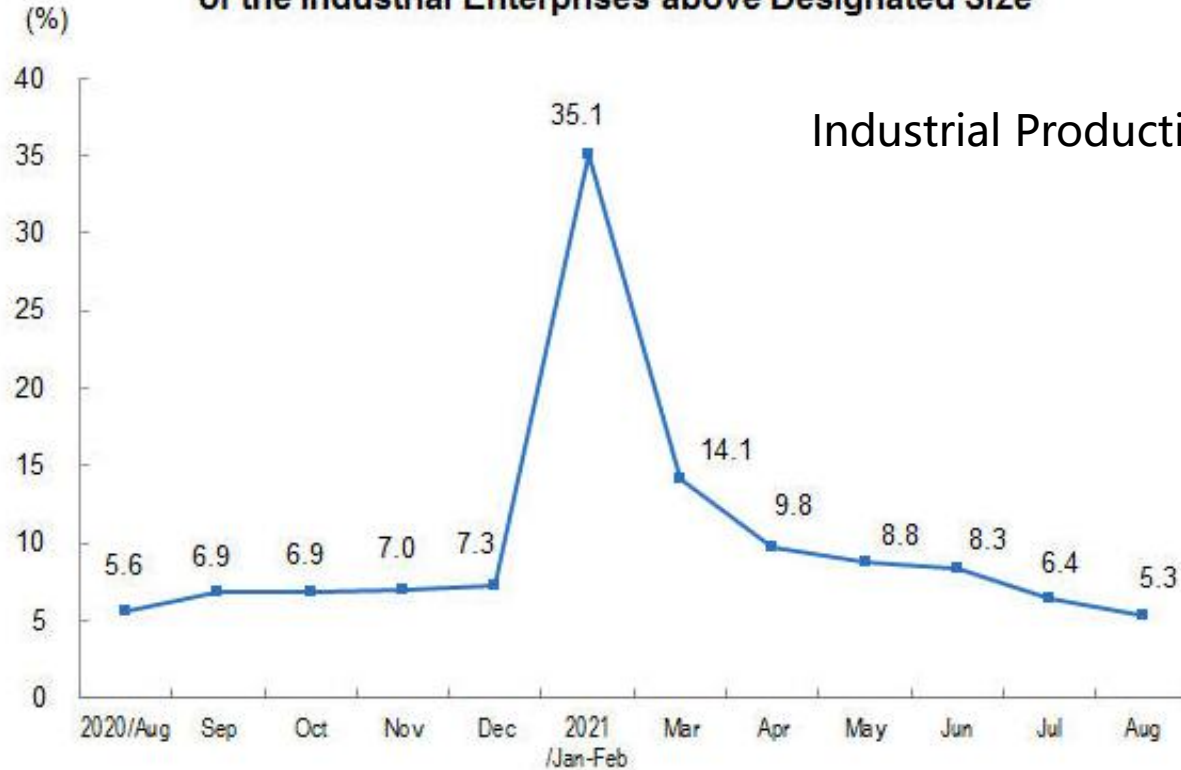
Consumer Prices in August



In August 2021, the national Consumer Price Index (CPI) rose by 0.8 percent year on year. Among them, the prices in urban and rural areas rose by 1.0 and 0.3 percent; the prices of food stuff fell by 4.1 percent, that of nonfood stuff rose by 1.9 percent; the prices of consumer goods and services rose by 0.3 and 1.5 percent. In the first eight months, China's consumer prices increased by 0.6 percent compared with the same period last year.

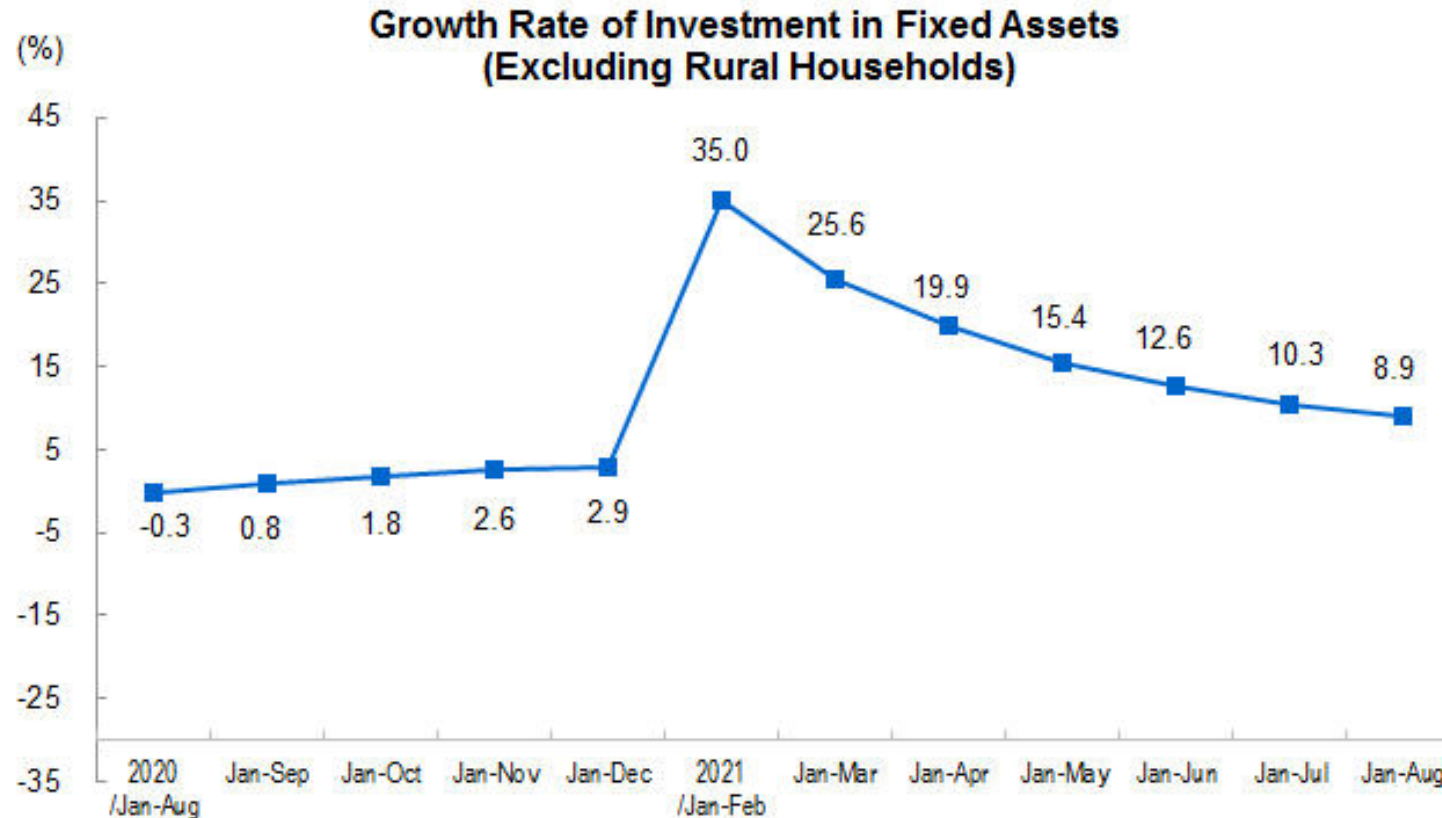
In August, the national consumer price rose by 0.1 percent month on month. Among them, the prices in urban and rural areas rose by 0.1 and 0.2 percent respectively; Food prices rose by 0.8 percent and non-food prices fell by 0.1 percent; consumer prices rose 0.2 percent and service prices were flat.

**Year-on-Year Growth Rate of Total Value Added
of the Industrial Enterprises above Designated Size**



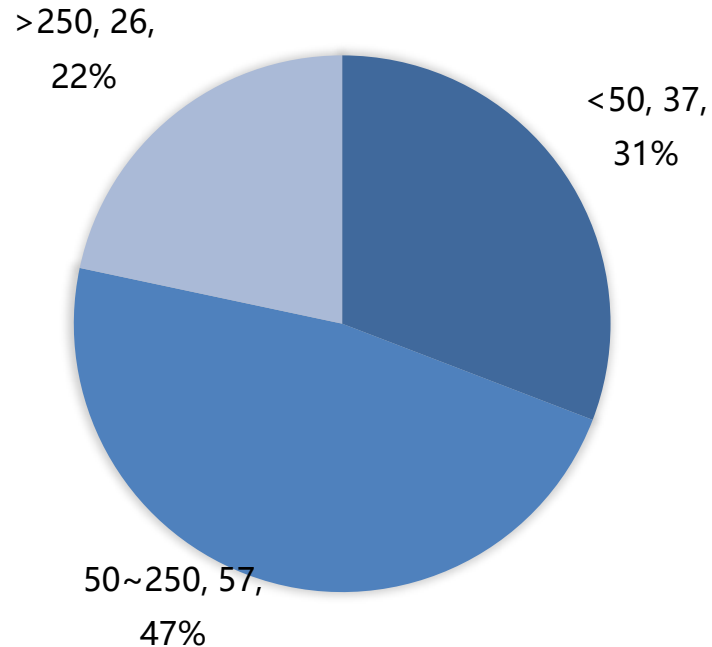
Industrial Production Operation in August 2021

In August, the added value of industries above designated size actually increased by 5.3 percent year-on-year (the growth rate of the following added value was the actual growth rate after deducting price factors), an increase of 11.2 percent over the same period in 2019 and an average increase of 5.4 percent over the two years. On a month-on-month basis, in August, the added value of industries above designated size increased by 0.31 percent over the previous month. From January to August, the added value of industries above designated size increased by 13.1 percent year-on-year, with an average growth of 6.6 percent in two years.



From January to August, the national fixed asset investment (excluding rural households) was 34,691.3 billion yuan, a year-on-year increase of 8.9 percent; it was 8.2 percent higher than that from January to August 2019, with an average growth of 4.0 percent in the two years. Among them, private fixed asset investment was 19,855.9 billion yuan, a year-on-year increase of 11.5 percent. On a month-on-month basis, investment in fixed assets (excluding rural households) increased by 0.16 percent in August.

Number of employees (at current location only)



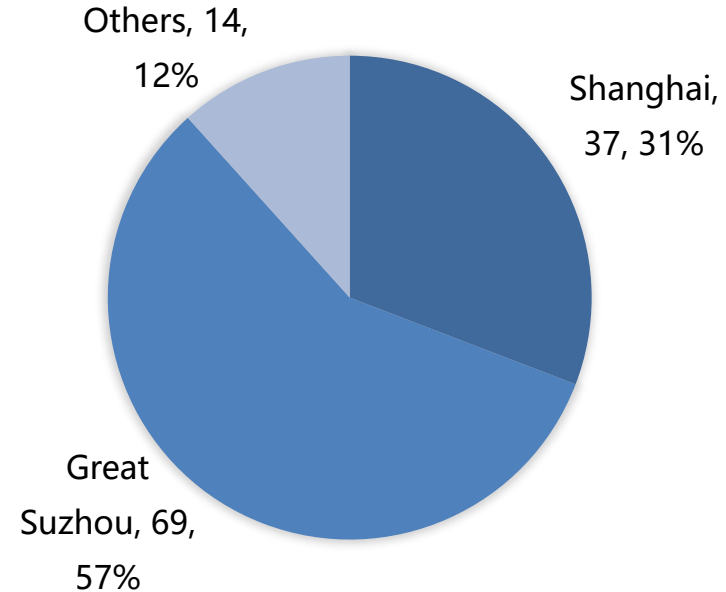
In 2021, 120 companies joined the salary survey.

In 2020, 106 companies joined the salary survey.

Compare with 2020,

- ◆ 50% of respondent's company size is between 50-250.
- ◆ 27% of respondent's company size is 50 or less 50.
- ◆ 23% of respondent's company size is 250 or over 250.

Company Location (city where you are currently located)



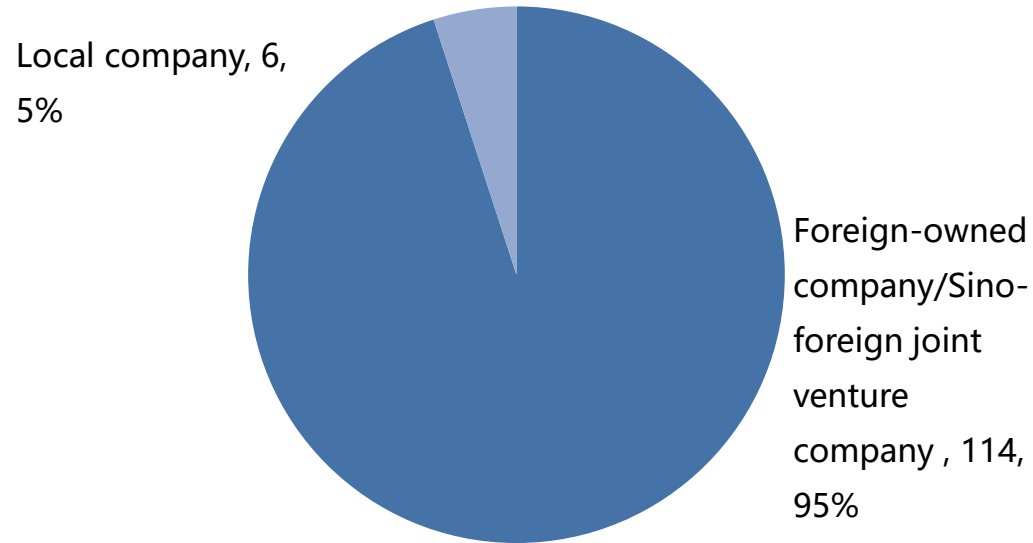
- ◆ 14 respondent's company is from other cities.

(Beijing, Tianjin, Jiaxing, Shenzhen, Wuxi, Changzhou)

Compare with 2020,

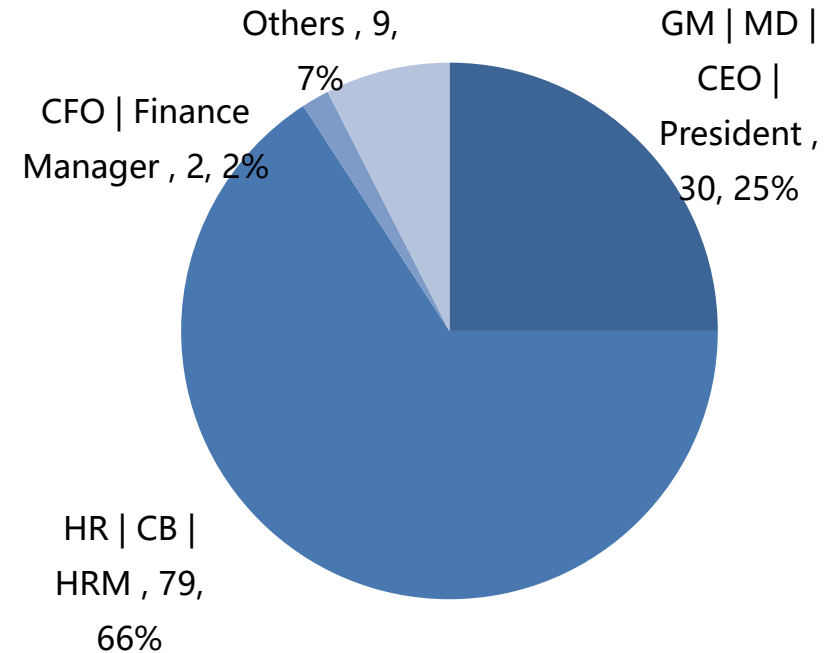
- ◆ 66 respondent's company is from Great Suzhou.
- ◆ 22 respondent's company is from Shanghai.
- ◆ 18 respondent's company is from other cities.
(Hangzhou, Ningbo, Yuyao, Nanjing)

Respondent's Company Type



◆ 5% respondent is from local company, in 2020 no local company.

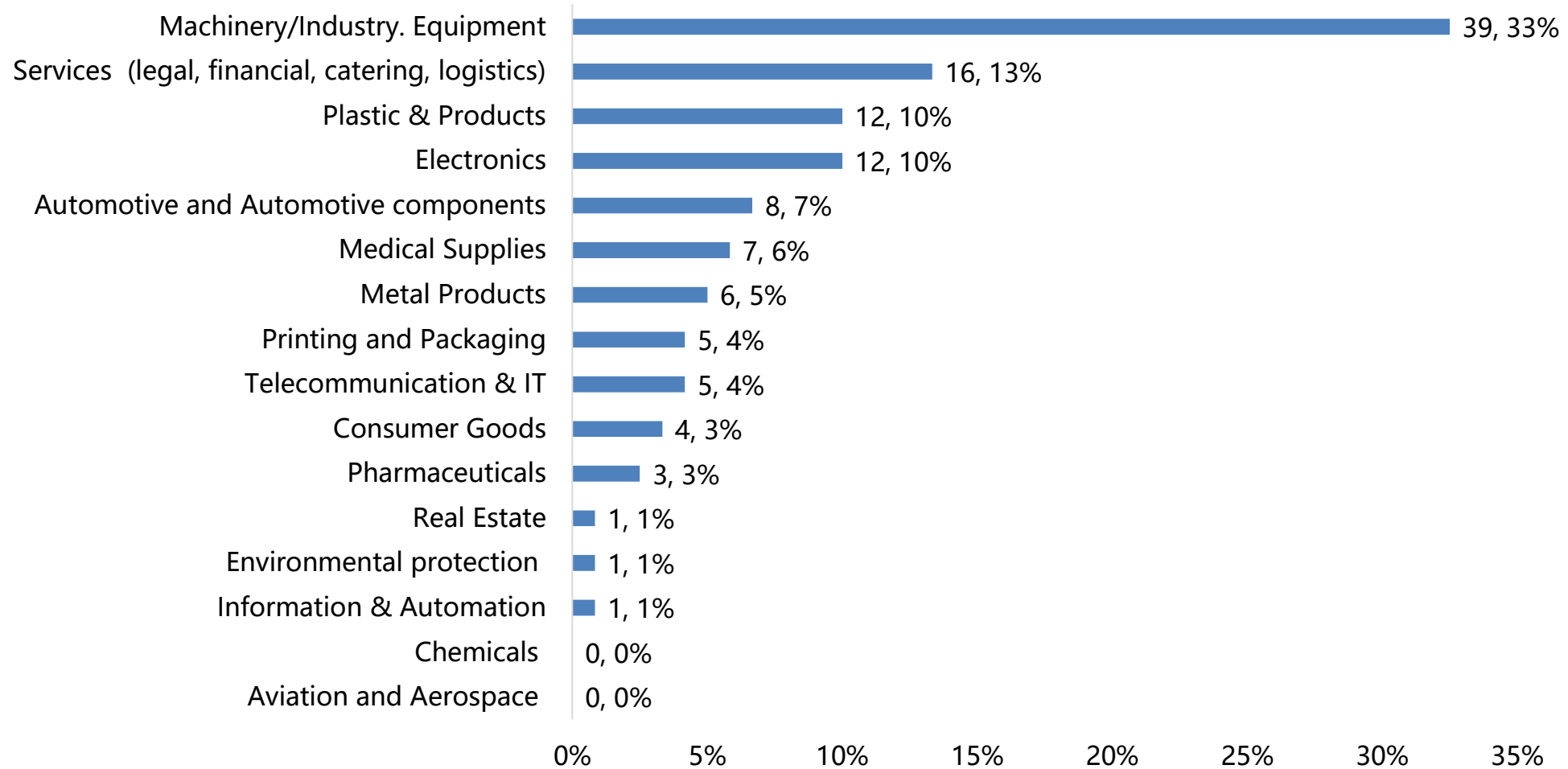
Respondent's job role in their company



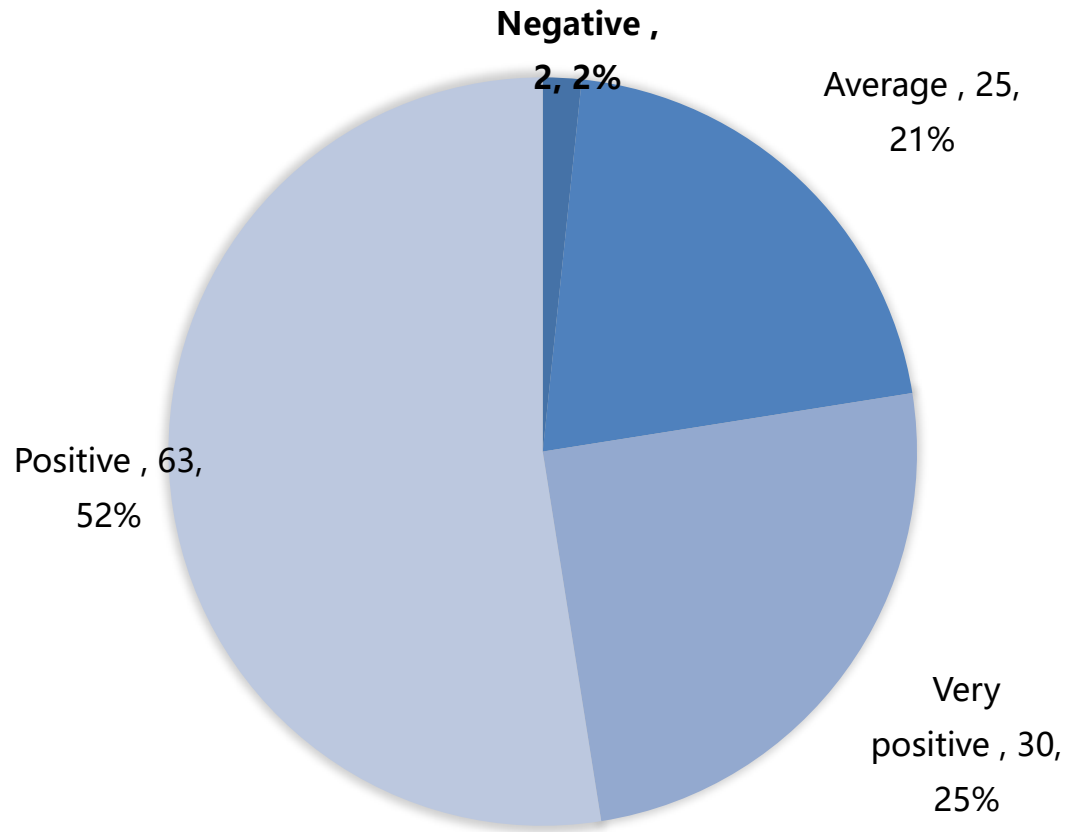
Compare with 2020,

- ◆ 22% of respondent's position is GM | MD | CEO | President.
- ◆ 71% of respondent's position is HR.
- ◆ 3% of respondent's position is CFO.
- ◆ 4% of respondent's position is others (Sales, R&D).

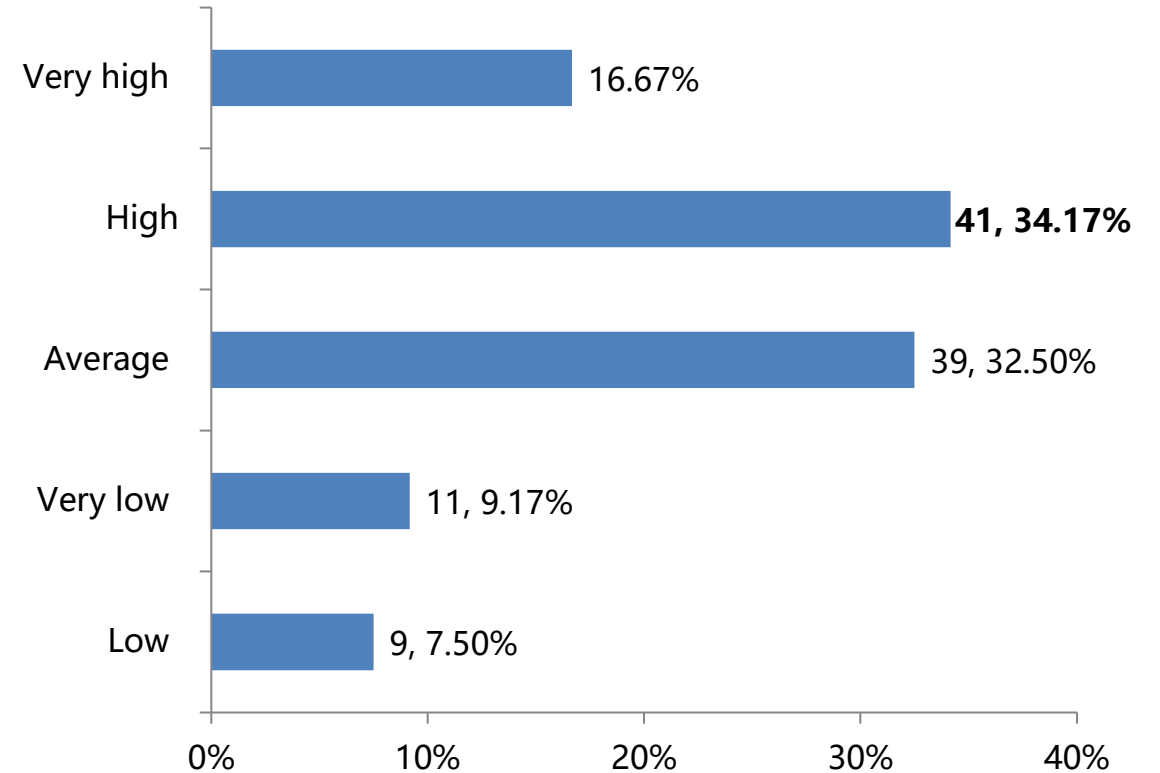
Industry of respondent's company



Evaluate the development of your company in 2021

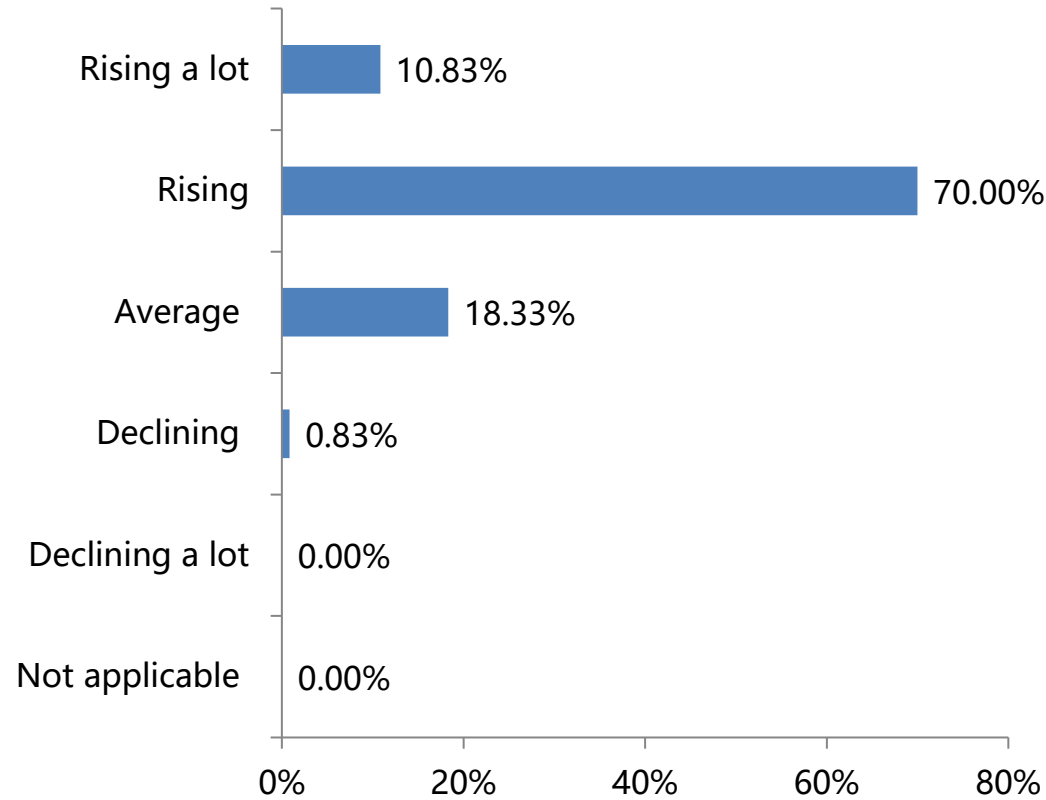


Evaluate your company's recruitment demand in 2021

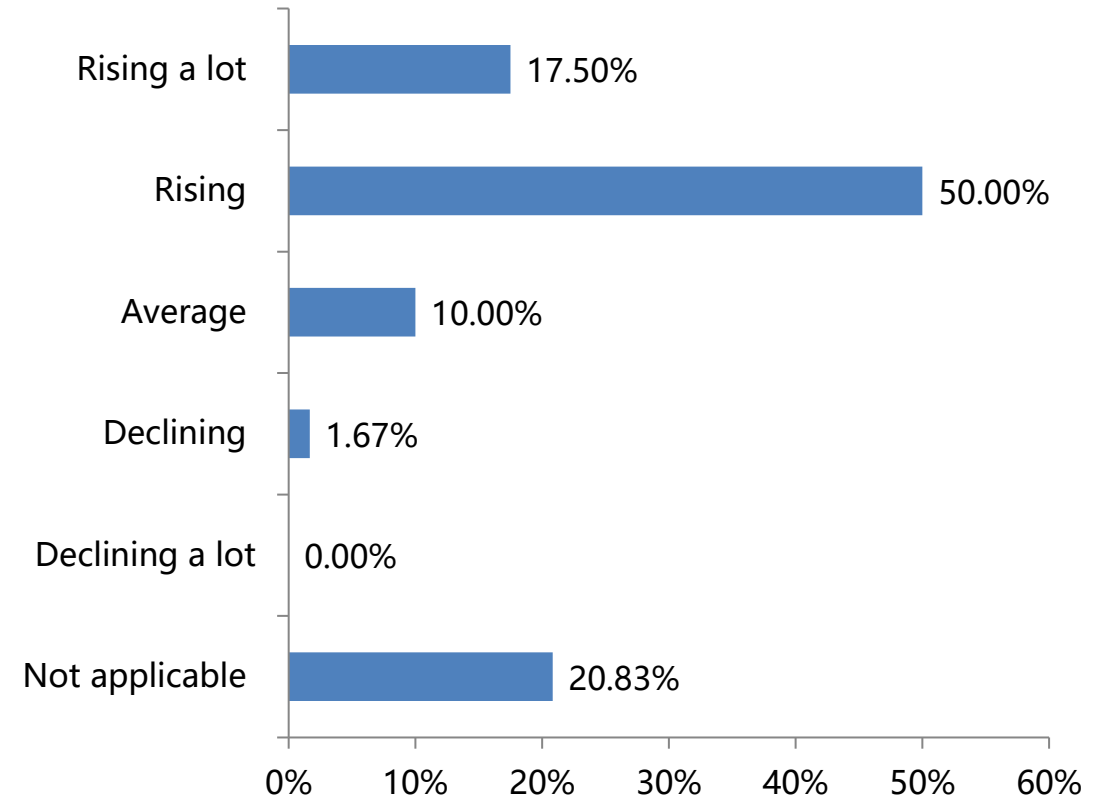


Evaluate your company's labor costs in 2021

About white collar staffs

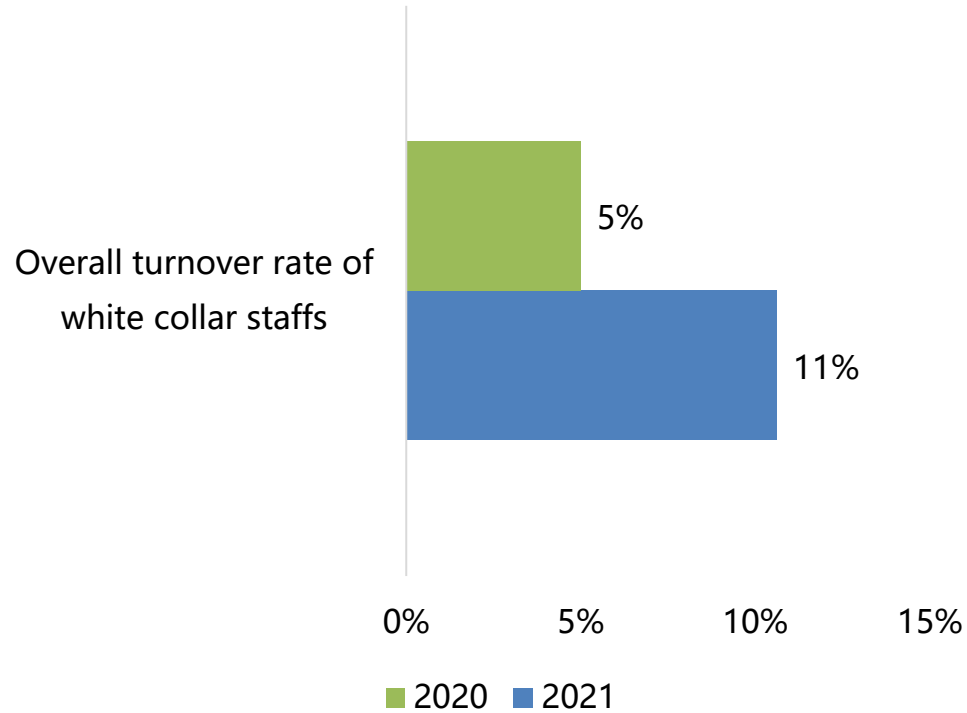


About blue collar staffs

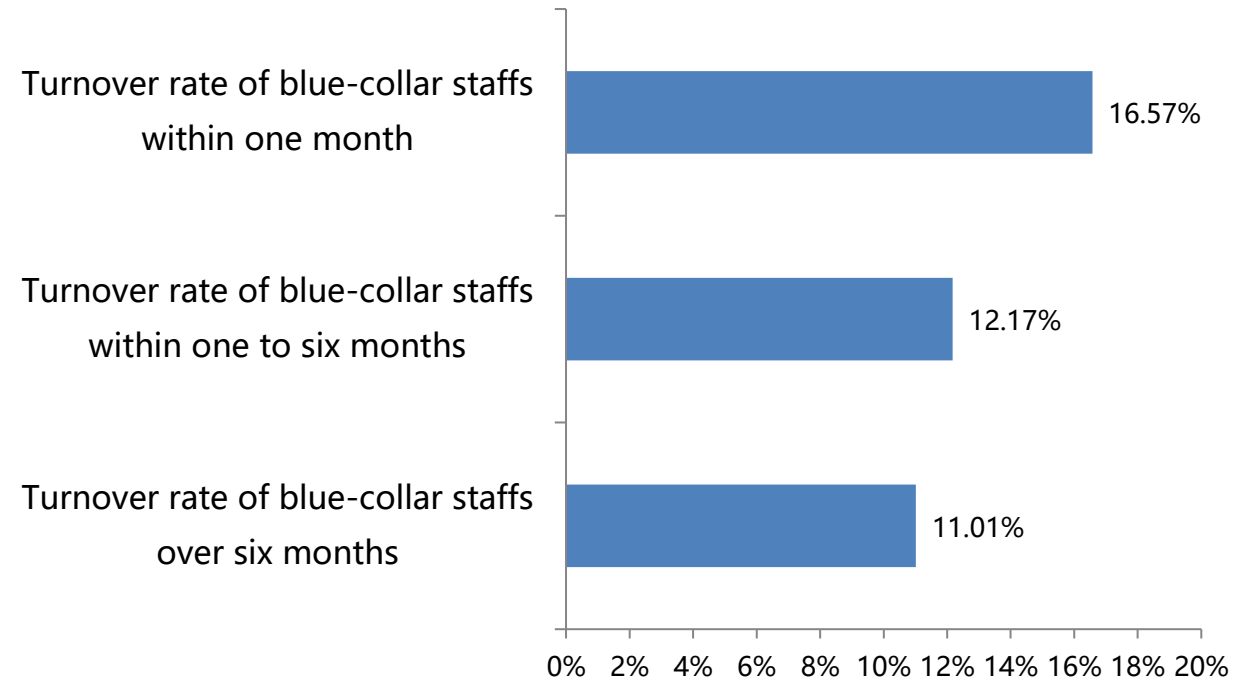


Overall turnover rate of white collar staffs in 2021

White collar staffs

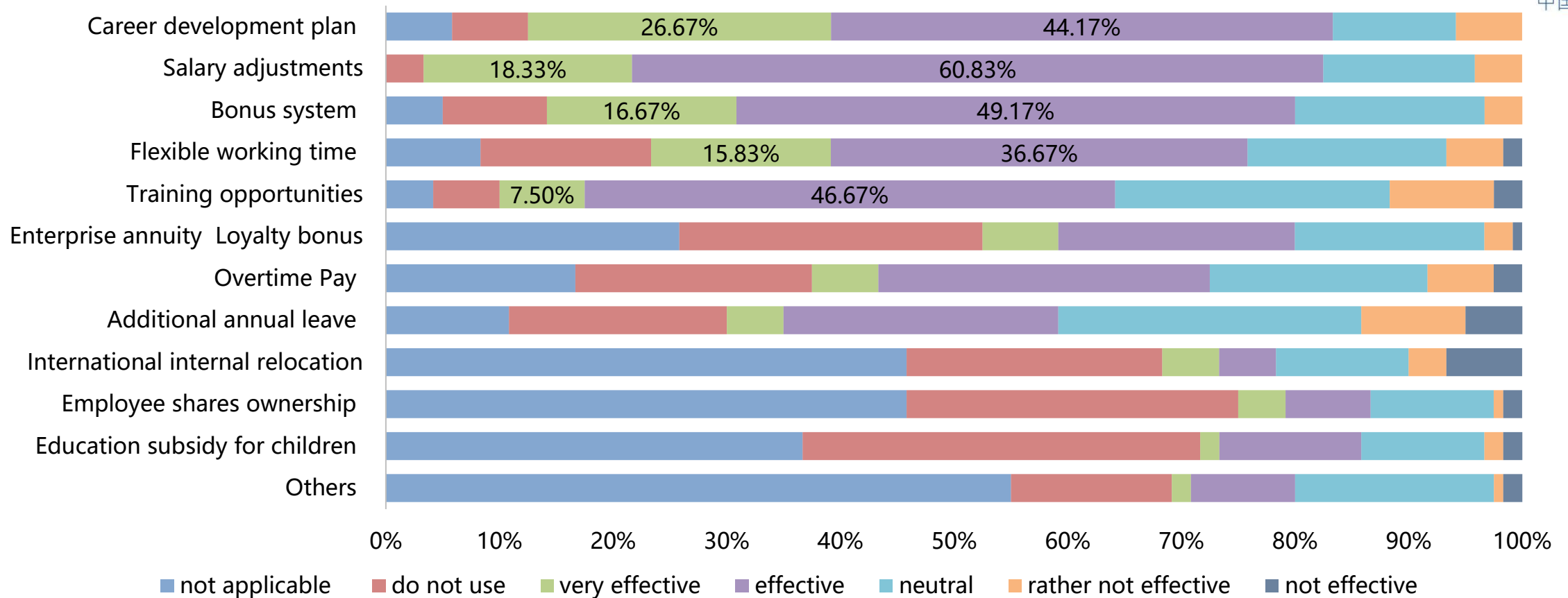


Blue collar staffs in 2021



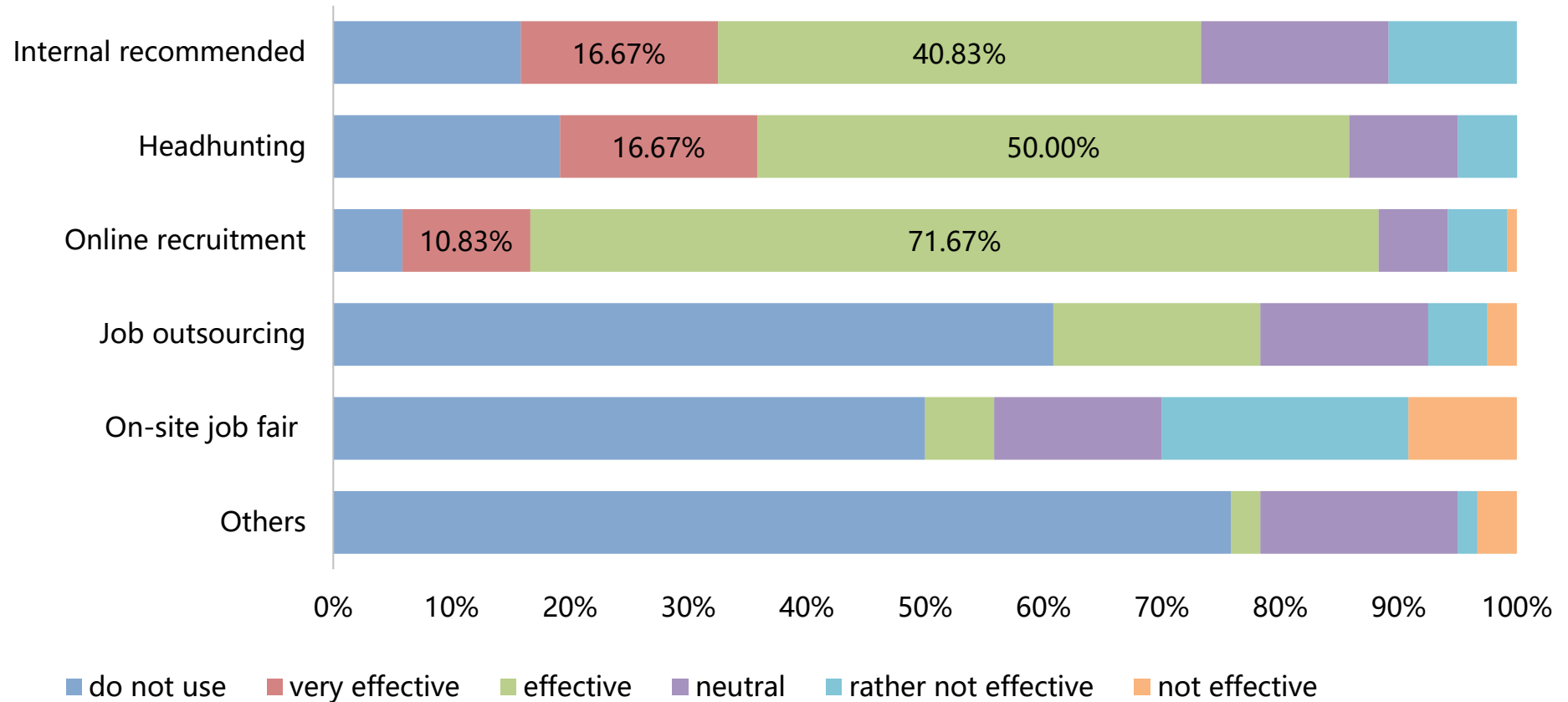
◆ Overall turnover rate of blue collar staffs is 9% in 2020

Evaluate white collar staffs retaining measures of your company in 2021



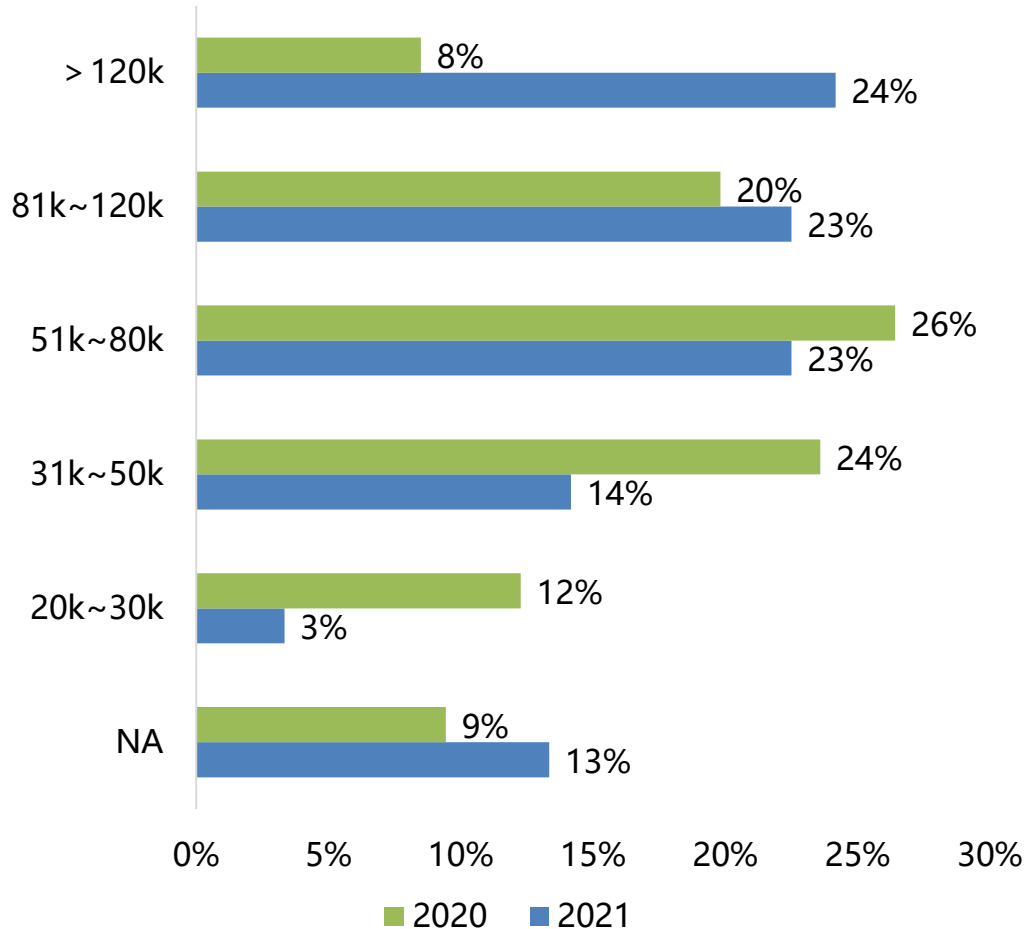
- ◆ **Career development plan** in 2021 (70.84%) is higher than in 2020 (36%) for retaining white collar staffs.
- ◆ Due to Covid-19' s influence in 2020, **Flexible working time** is (59%) , this item decreased to 52.5% in 2021
- ◆ **Career development plan, Salary adjustments and Bonus system** are the top 3 importance in 2021.
- ◆ **Flexible working time** (52,5%) and **Training opportunity** (54.17%) are also vey important to retain staffs in 2021.

Evaluate channels for acquiring white collar staffs in 2021



◆ **Online recruitment, headhunting and internal recommended** are top 3 channels for acquiring white collar staffs.

Analysis the salary of each department-Top Management (C-Level)

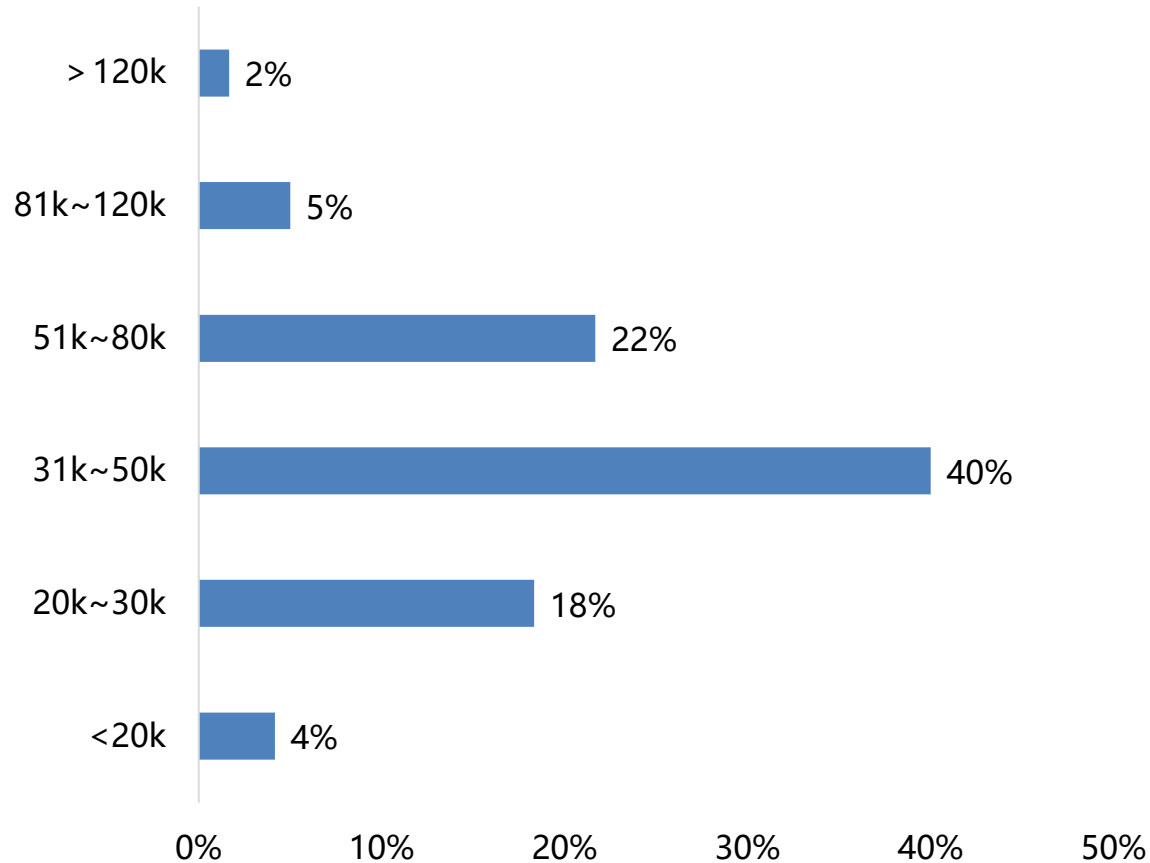


Industry	Average salary
Automotive and Automotive components	78.13K
Consumer Goods	95.00K
Electronics	75.00K
Environmental protection	40.00K
Machinery/Industry. Equipment	84.00K
Medical Supplies	81.00K
Metal Products	110.00K
Real Estate	120.00K
Pharmaceuticals	66.67K
Plastic & Products	87.08K
Printing and Packaging	112.00K
Services (legal, financial, catering, logistics)	72.33K
Telecommunication & IT	82.50K
<i>Average salary</i>	<i>83.80K</i>

Note: There is difference of more than 120K from 2020 (8%) increased to 2021 (24%) is because top management definition changed

Note: Definition of salary: (Yearly fixed salary + bonus or commission + welfare subsidy)/12. Top management(CEO, COO, CSO, CFO, CHO, GM, MD.etc)

Analysis the salary of each department-Senior Management



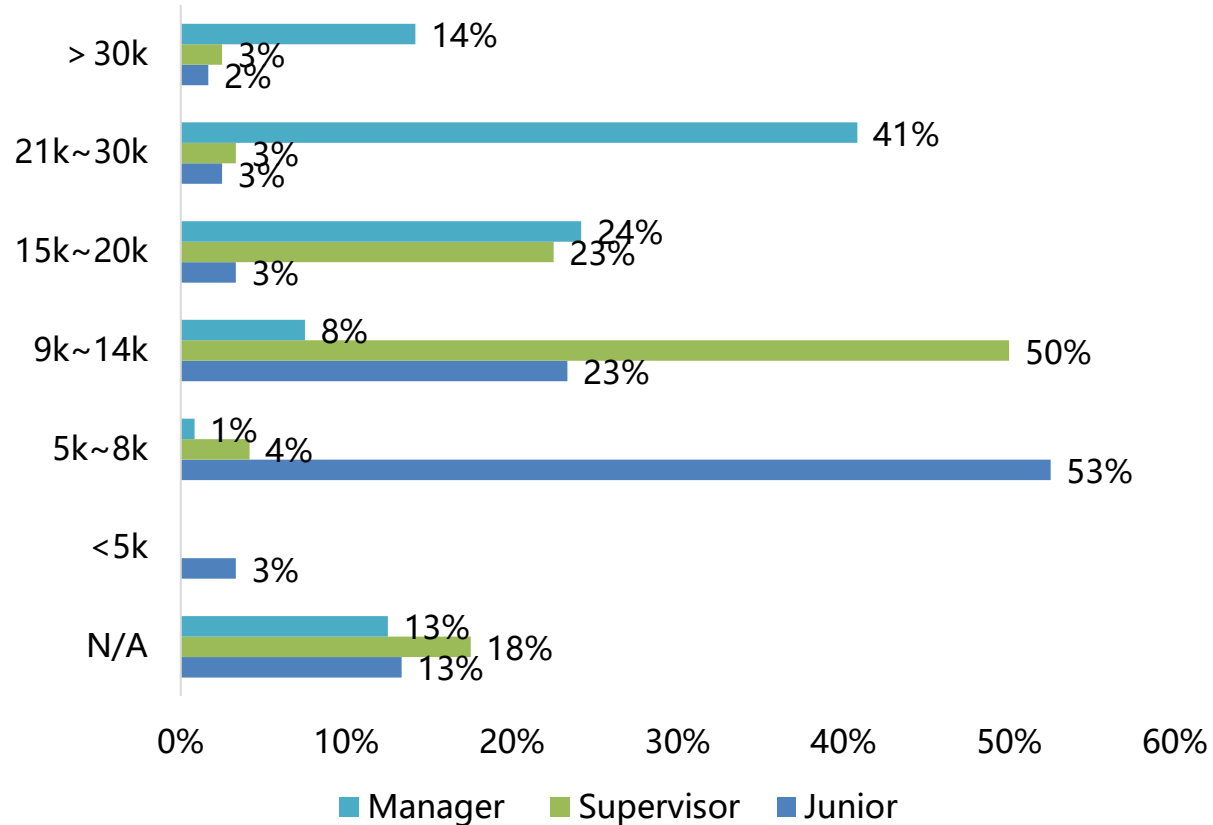
Industry	Average salary
Automotive and Automotive components	45.71K
Consumer Goods	48.75K
Electronics	42.72K
Environmental protection	25.00K
Machinery/Industry. Equipment	50.26K
Medical Supplies	40.00K
Metal Products	45.00K
Real Estate	65.00K
Pharmaceuticals	48.33K
Plastic & Products	51.36K
Printing and Packaging	45.00K
Services (legal, financial, catering, logistics)	38.46K
Telecommunication & IT	49.17K
Average salary	45.75K

Note: Definition of salary: (Yearly fixed salary + bonus or commission + welfare subsidy)/12.

Senior Management(Operation Manager, Plant Manager, Sales & Marketing Director, Finance Director and HR Director etc)

This is Not Applicable in 2020

Analysis the salary of each department-HR/Administration/Finance/IT

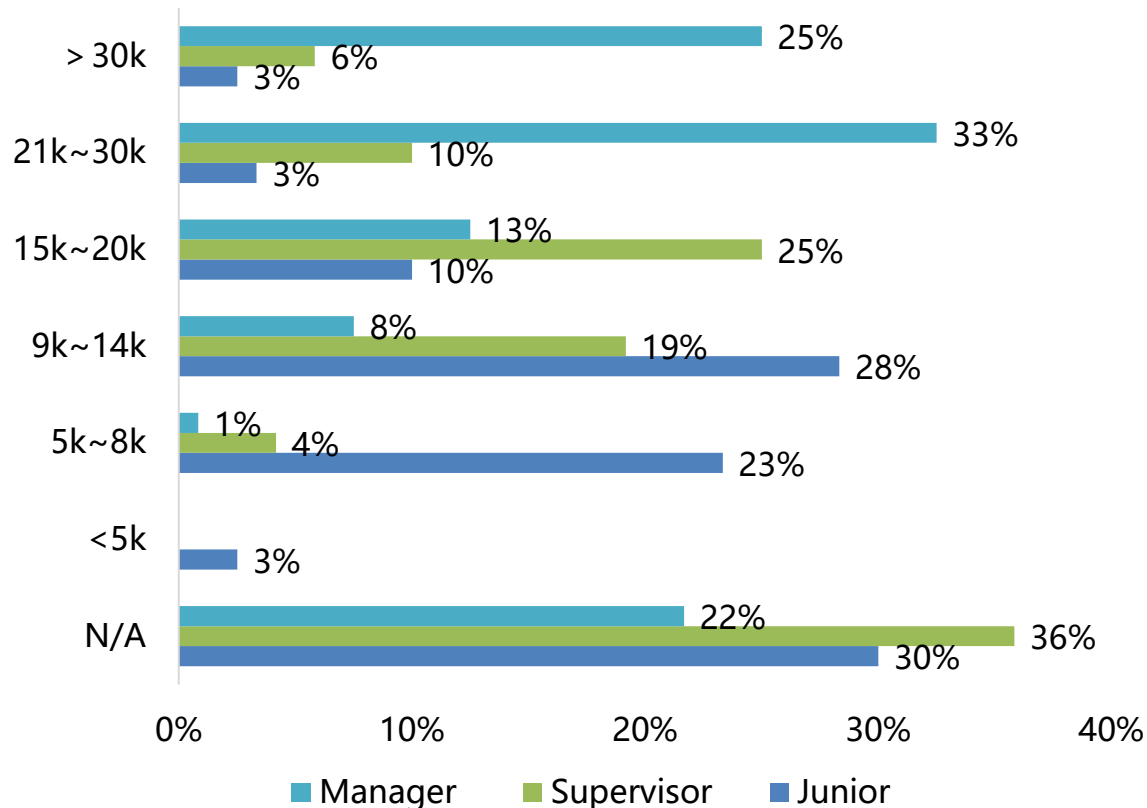


Data from 2020

- ◆64% HR/Administration/Finance/IT's salary is 5k~8k , working 0~3 years
- ◆57% HR/Administration/Finance/IT's salary is 9k~14k , working 4~8 years
- ◆37% HR/Administration/Finance/IT's salary is 15k~20k , working 9 years

Industry	Junior	Supervisor	Manager
Automotive and Automotive components	7.93K	11.70K	20.25K
Consumer Goods	7.67K	14.50K	19.38K
Electronics	10.35K	12.90K	21.41K
Environmental protection	11.50K	17.50K	40.00K
Machinery/Industry. Equipment	8.41K	13.09K	24.37K
Medical Supplies	8.17K	13.90K	26.07K
Metal & Products	9.58K	13.00K	25.00K
Real Estate	11.50K	17.50K	25.00K
Pharmaceuticals	8.17K	11.50K	15.50K
Plastic & Products	9.55K	15.56K	26.90K
Printing and Packaging	7.20K	13.90K	28.00K
Services (legal, financial, catering, logistics)	11.33K	14.50K	24.43K
Telecommunication & IT	11.00K	20.25K	26.25K
<i>Average salary</i>	<i>9.20K</i>	<i>13.99K</i>	<i>24.21K</i>

Analysis the salary of each department-Sales & Marketing

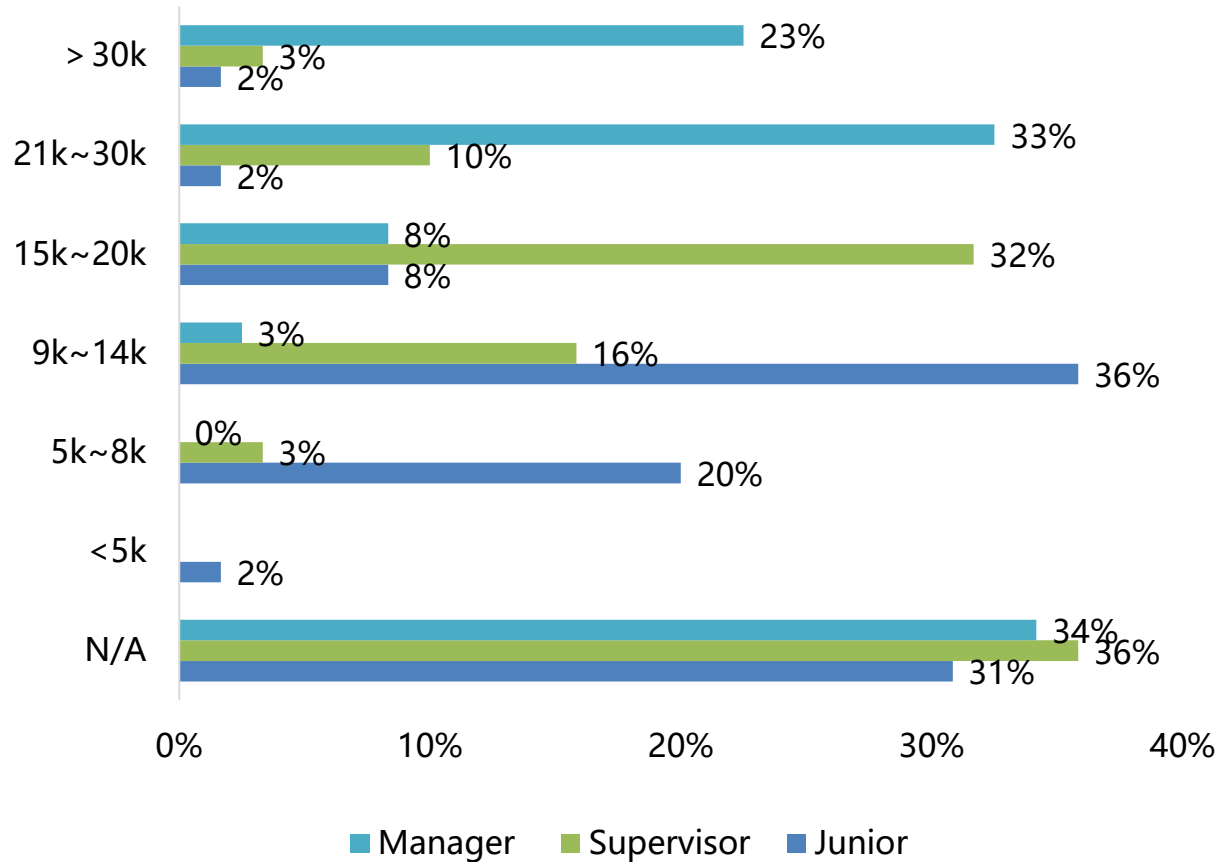


Industry	Junior	Supervisor	Manager
Automotive and Automotive components	10.07K	16.00K	26.25K
Consumer Goods		17.50K	33.75K
Electronics	9.28K	13.72K	20.44K
Machinery/Industry. Equipment	13.21K	19.80K	29.94K
Medical Supplies	6.50K	18.00K	34.00K
Metal & Products	13.67K	21.25K	35.00K
Real Estate	5.00K	6.50K	11.50K
Pharmaceuticals	18.25K	24.33K	24.33K
Plastic & Products	12.55K	21.50K	29.08K
Printing and Packaging	8.50K	13.00K	20.50K
Services (legal, financial, catering, logistics)	12.67K	19.44K	26.70K
Telecommunication & IT	11.83K	22.50K	30.00K
<i>Average salary</i>	<i>11.93K</i>	<i>18.60K</i>	<i>27.95K</i>

Data from 2020

- ◆42% Sales Marketing/Technical service's month salary is 5k~8k , working 0~3 years
- ◆47% Sales Marketing/Technical service's month salary is 9k~14k , working 4~8 years
- ◆35% Sales Marketing/Technical service's month salary is 15k~20k , working 9 years

Analysis the salary of each department – Engineering, R&D

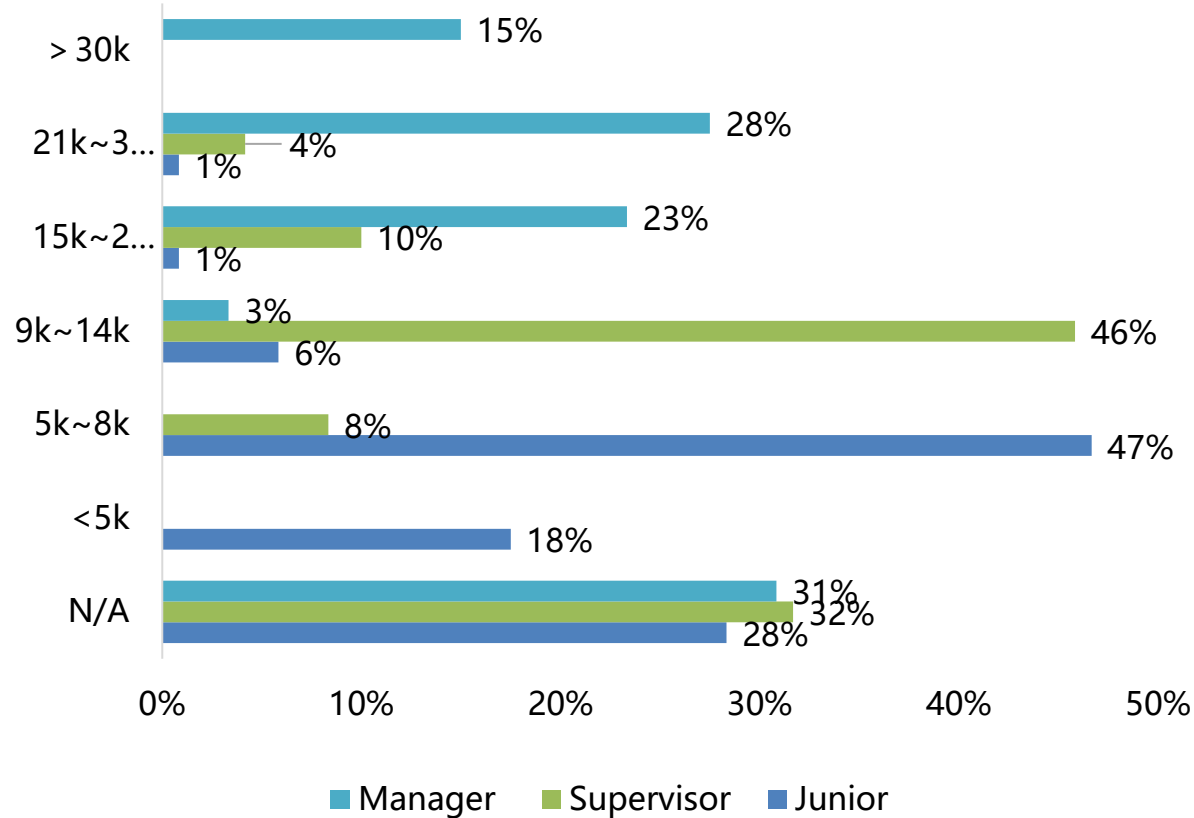


Data from 2020

- ◆43% Engineering/R&D's month salary is 5k~8k , working 0~3 years
- ◆50% Engineering/R&D's month salary is 9k~14k , working 4~8 years
- ◆33% Engineering/R&D's month salary is 15k~20k , working 9 years

Industry	Junior	Supervisor	Manager
Automotive and Automotive components	11.50K	17.50K	25.00K
Consumer Goods	6.50K	17.50K	17.50K
Electronics	10.63K	13.40K	24.33K
Environmental protection	11.50K	17.50K	25.00K
Machinery/Industry. Equipment	9.97K	14.74K	28.17K
Medical Supplies	11.83K	19.75K	30.63K
Metal & Products	11.50K	20.50K	30.00K
Real Estate	11.50K	17.50K	25.00K
Pharmaceuticals	23.75K	24.17K	30.00K
Plastic & Products	12.95K	20.19K	38.06K
Printing and Packaging	6.50K	15.50K	22.50K
Services (legal, financial, catering, logistics, HR)	13.83K	14.33K	33.33K
Telecommunication & IT	15.3K	23.13K	34.00K
<i>Average salary</i>	<i>11.39K</i>	<i>16.93K</i>	<i>29.04K</i>

Analysis the salary of each department - Production

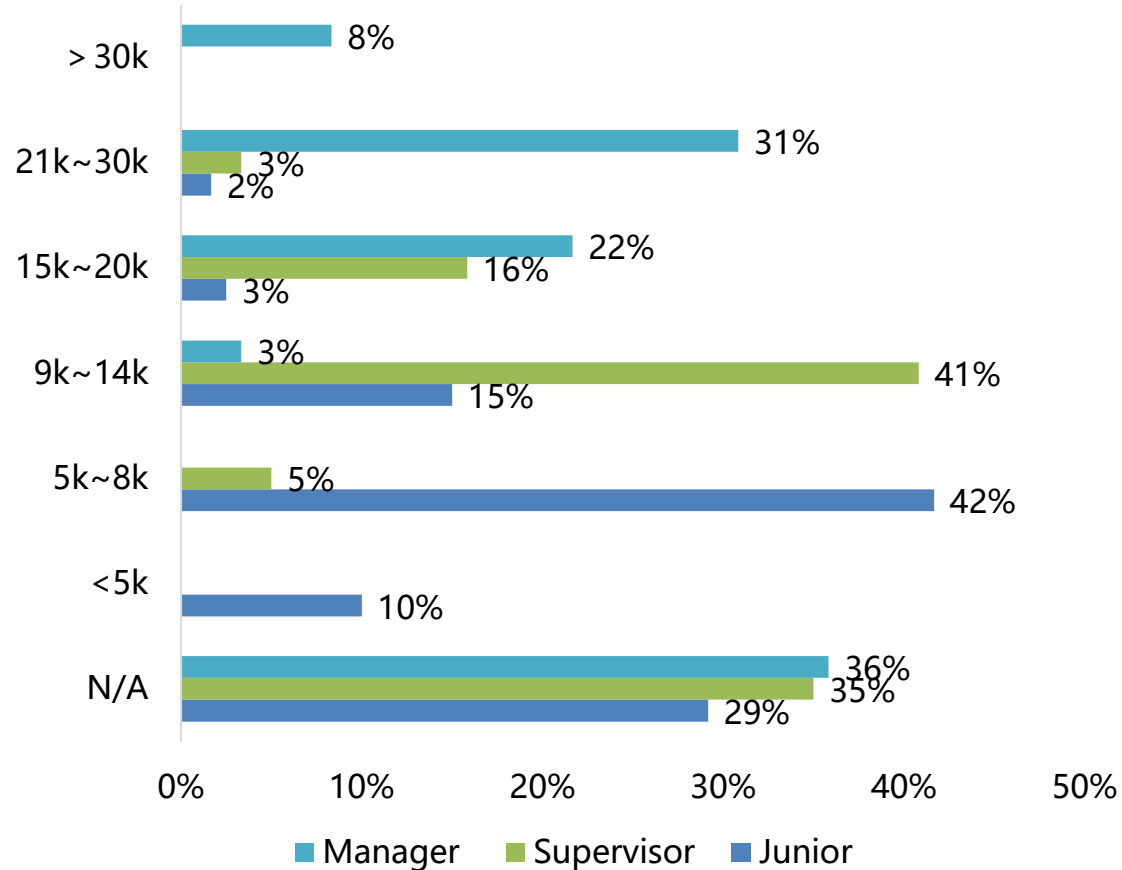


Data from 2020

- ◆67% Production quality/SCM's month salary is 5k~8k , working 0~3 years
- ◆55% Production quality/SCM's month salary is 9k~14k , working 4~8 years
- ◆40% Production quality/SCM's salary is 15k~20k , working 9 years

Industry	Junior	Supervisor	Manager
Automotive and Automotive components	8.38K	12.50K	24.25K
Consumer Goods	5.00K	6.50K	17.50K
Electronics	6.41K	12.30K	22.90K
Machinery/Industry. Equipment	6.00K	11.31K	22.55K
Medical Supplies	5.86K	14.75K	30.63K
Metal & Products	7.33K	13.75K	28.75K
Real Estate	6.50K	11.50K	17.50K
Pharmaceuticals	6.50K	11.50K	14.50K
Plastic & Products	9.05K	15.40K	32.50K
Printing and Packaging	6.20K	12.70K	23.50K
Services (legal, financial, catering, logistics)	7.67K	14.33K	30.00K
<i>Average salary</i>	<i>6.88K</i>	<i>12.59K</i>	<i>25.07K</i>

Analysis the salary of each department - Quality

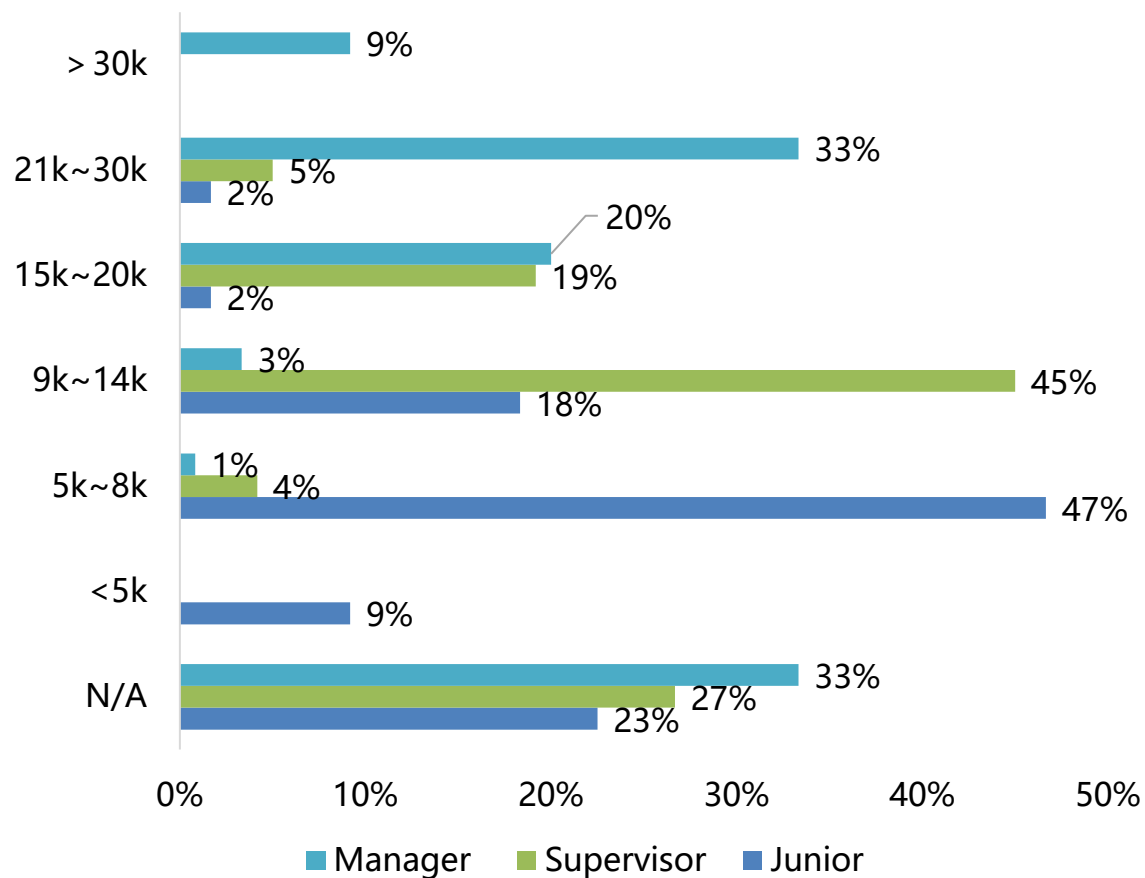


Data from 2020

- ◆67% Production quality/SCM's month salary is 5k~8k , working 0~3 years
- ◆55% Production quality/SCM's month salary is 9k~14k , working 4~8 years
- ◆40% Production quality/SCM's salary is 15k~20k , working 9 years

Industry	Junior	Supervisor	Manager
Automotive and Automotive components	8.64K	15.10K	23.75K
Consumer Goods	5.75K	11.50K	21.25K
Electronics	10.70K	13.88K	26.67K
Machinery/Industry. Equipment	7.08K	11.81K	21.50K
Medical Supplies	7.92K	13.00K	26.50K
Metal & Products	8.17K	15.40K	28.75K
Real Estate	11.50K	17.50K	25.00K
Pharmaceuticals	6.50K	11.50K	22.50K
Plastic & Products	9.35K	15.40K	24.06K
Printing and Packaging	6.90K	11.70K	17.88K
Services (legal, financial, catering, logistics)	7.67K	14.40K	32.50K
Telecommunication & IT	17.50K	17.50K	17.50K
<i>Average salary</i>	<i>8.17K</i>	<i>13.27K</i>	<i>23.71K</i>

Analysis the salary of each department- SCM (Procurement, Logistics)



Data from 2020

- ◆67% Production quality/SCM's month salary is 5k~8k , working 0~3 years
- ◆55% Production quality/SCM's month salary is 9k~14k , working 4~8 years
- ◆40% Production quality/SCM's salary is 15k~20k , working 9 years

Industry	Junior	Supervisor	Manager
Automotive and Automotive components	8.43K	13.50K	25.00K
Consumer Goods	9.33K	17.50K	32.50K
Electronics	8.96K	12.94K	24.40K
Machinery/Industry. Equipment	7.64K	12.50K	22.28K
Medical Supplies	7.20K	13.00K	23.13K
Metal & Products	8.17K	15.75K	31.25K
Real Estate	11.50K	17.50K	25.00K
Pharmaceuticals	6.50K	11.50K	13.50K
Plastic & Products	8.85K	15.05K	28.21K
Printing and Packaging	5.90K	11.70K	19.38K
Services (legal, financial, catering, logistics)	9.29K	16.69K	22.69K
Telecommunication & IT	6.50K	17.50K	25.00K
<i>Average salary</i>	<i>8.14K</i>	<i>13.70K</i>	<i>23.91K</i>

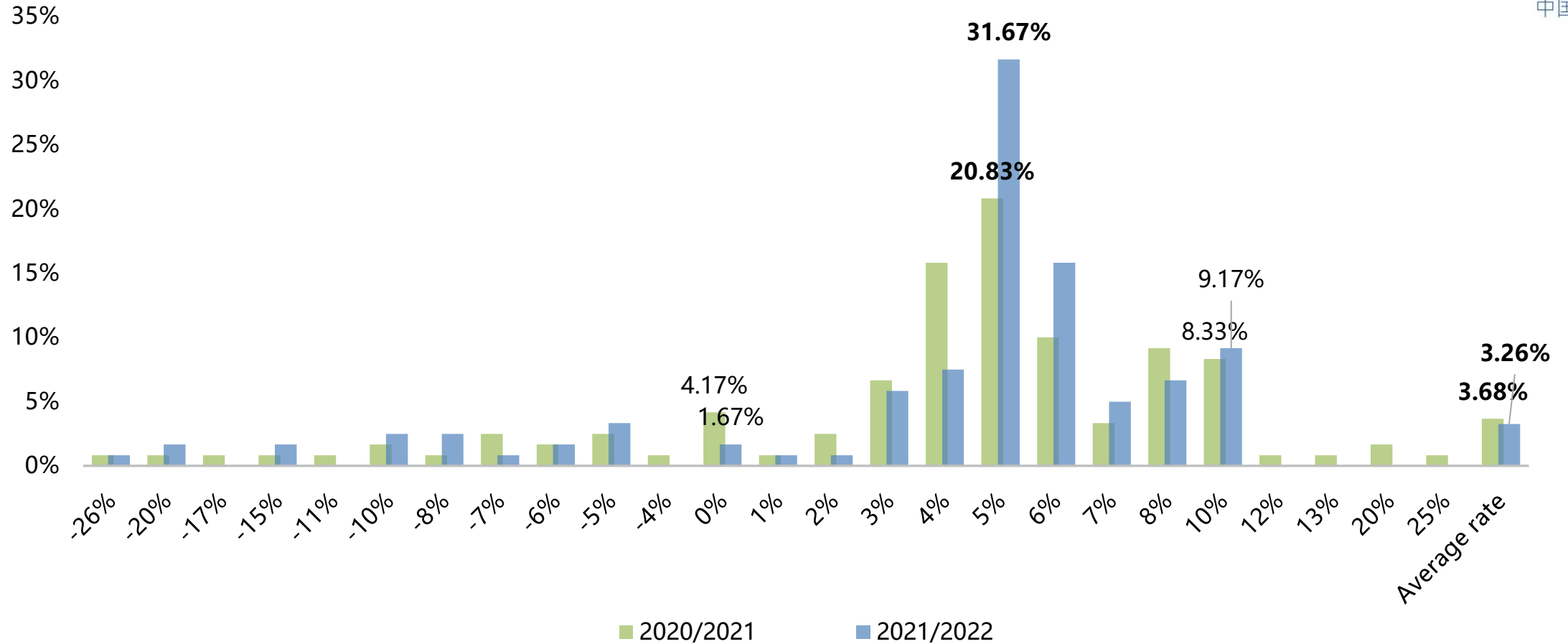
Average salary of each department in Company Size

Company size		<50	50~250	>250	<i>Average salary</i>
Top management		73.71K	90.39K	82.73K	<i>83.80K</i>
Senior Management		44.38K	46.70K	50.21K	<i>46.79K</i>
HR/Administration/Finance/IT	Junior	10.60K	9.01K	8.26K	<i>9.20K</i>
	Supervisor	15.12K	13.98K	12.79K	<i>13.99K</i>
	Manager	23.89K	25.57K	21.76K	<i>24.21K</i>
Sales/Marketing	Junior	13.48K	11.93K	10.45K	<i>11.93K</i>
	Supervisor	20.68K	17.04K	14.74K	<i>17.32K</i>
	Manager	24.79K	27.61K	23.65K	<i>25.90K</i>
Engineering/R&D	Junior	11.21K	11.80K	10.73K	<i>11.39K</i>
	Supervisor	16.43K	17.35K	16.45K	<i>16.93K</i>
	Manager	26.37K	30.87K	27.21K	<i>29.04K</i>
Production	Junior	7.05K	7.17K	6.28K	<i>6.88K</i>
	Supervisor	12.56K	13.44K	11.17K	<i>12.59K</i>
	Manager	25.60K	26.77K	21.63K	<i>25.07K</i>
Quality	Junior	8.04K	8.29K	8.02K	<i>8.17K</i>
	Supervisor	12.25K	13.11K	13.71K	<i>13.27K</i>
	Manager	22.63K	24.54K	22.78K	<i>23.71K</i>
SCM (Procurement/Logistics)	Junior	7.92K	8.32K	7.96K	<i>8.14K</i>
	Supervisor	13.38K	14.13K	13.15K	<i>13.70K</i>
	Manager	22.27K	25.45K	22.00K	<i>23.91K</i>

Note: Definition of salary: (Yearly fixed salary + bonus or commission + welfare subsidy)/12.

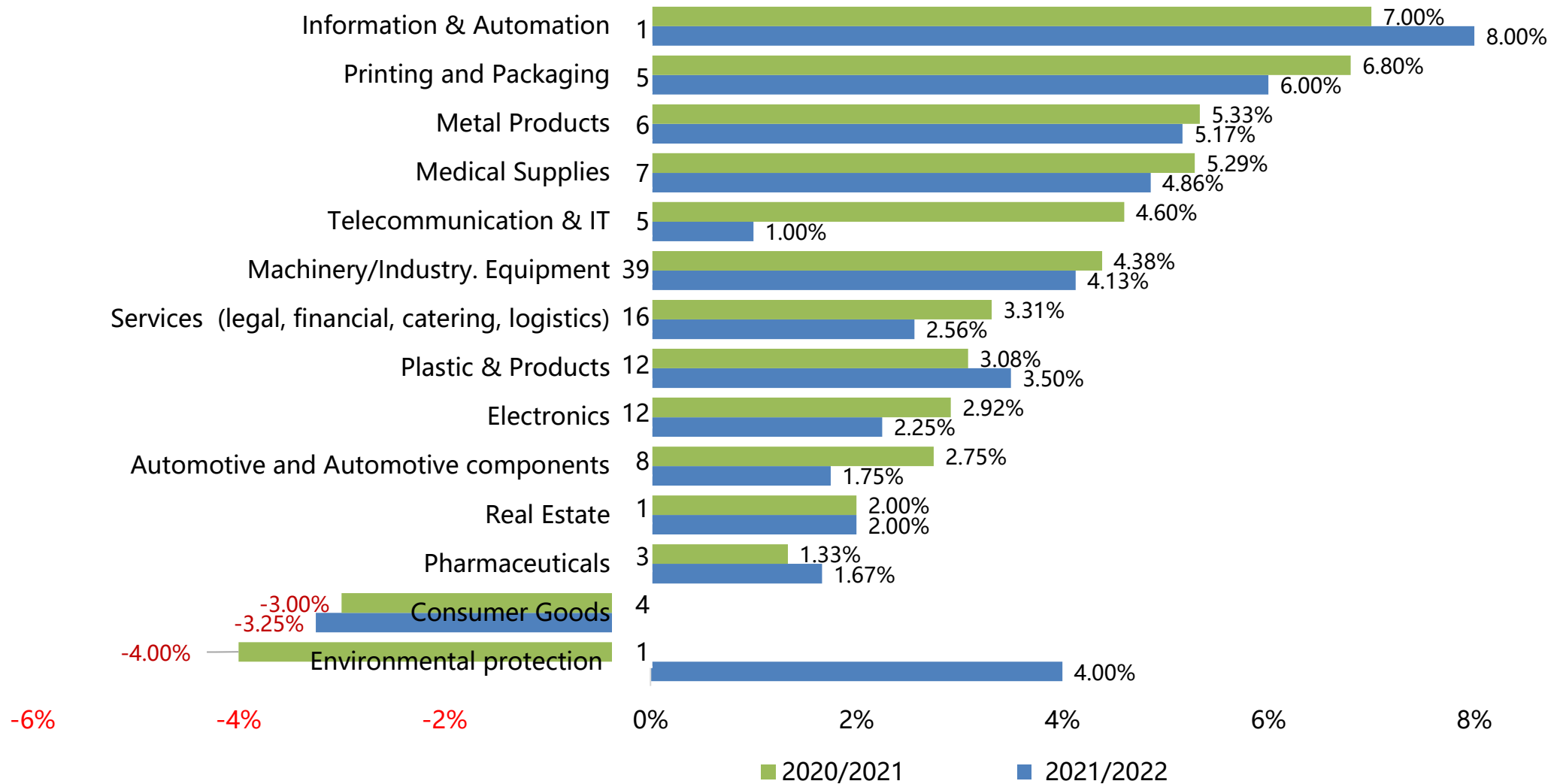
Average salary is calculated according to the questionnaire filled by respondents.

Salary adjustment in 2020/2021 and 2021/2022

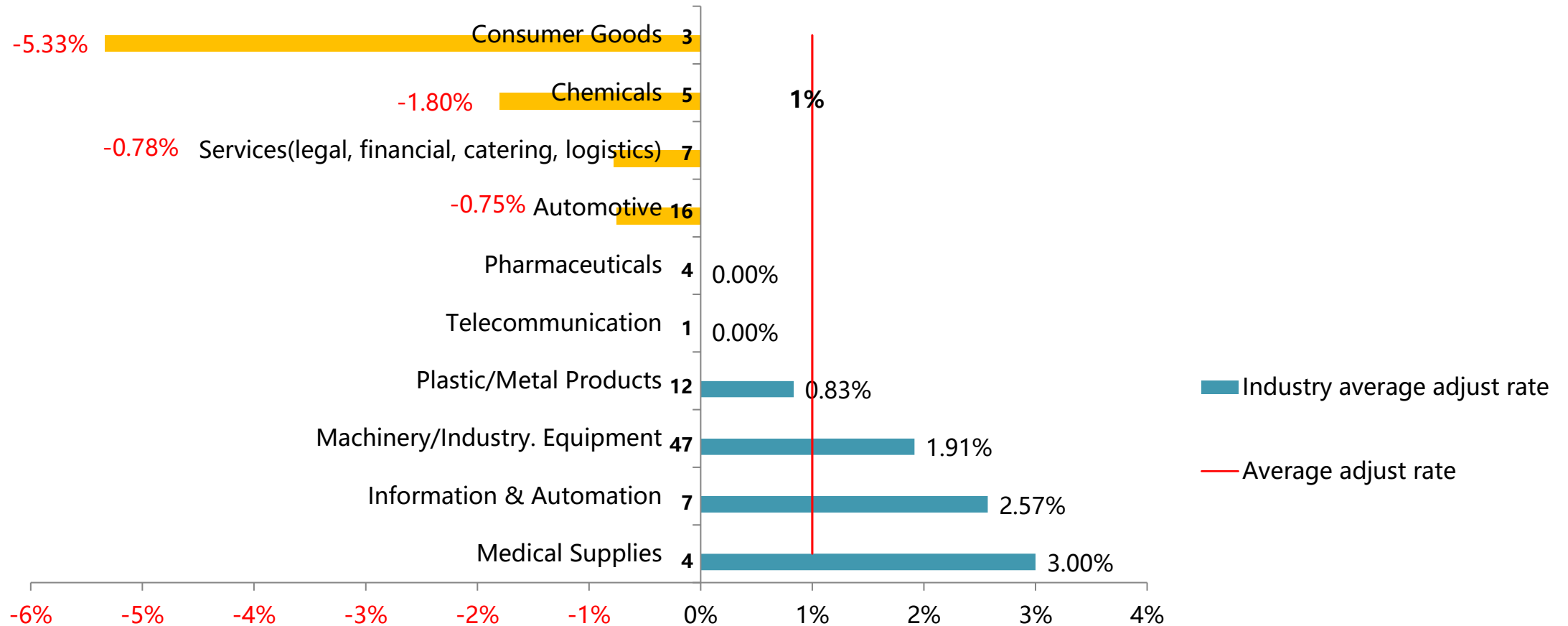


- ◆ Average salary adjustment in 2021/2022 is **3.26%**. Compare with 2020/2021, average salary adjustment is **3.68%**
- ◆ Compare with 2020 average salary adjustment is only **1%**

Salary adjustment in 2020/2021 and 2021/2022 by industry

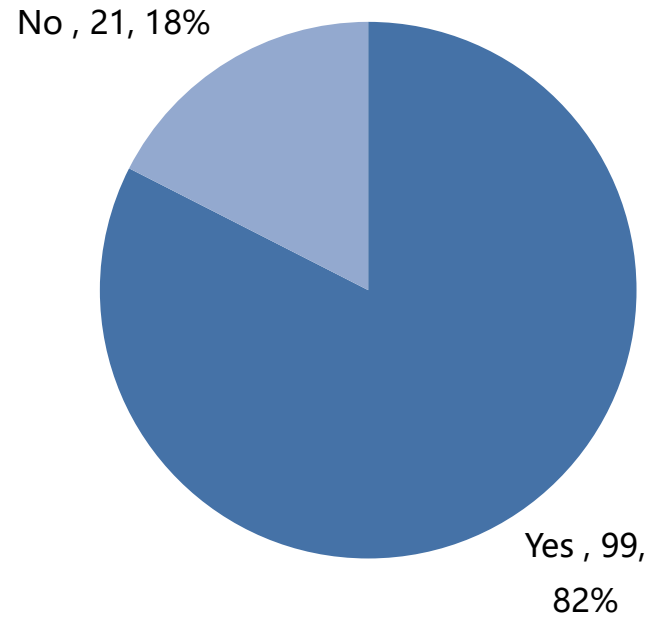


Average salary adjustment in 2020

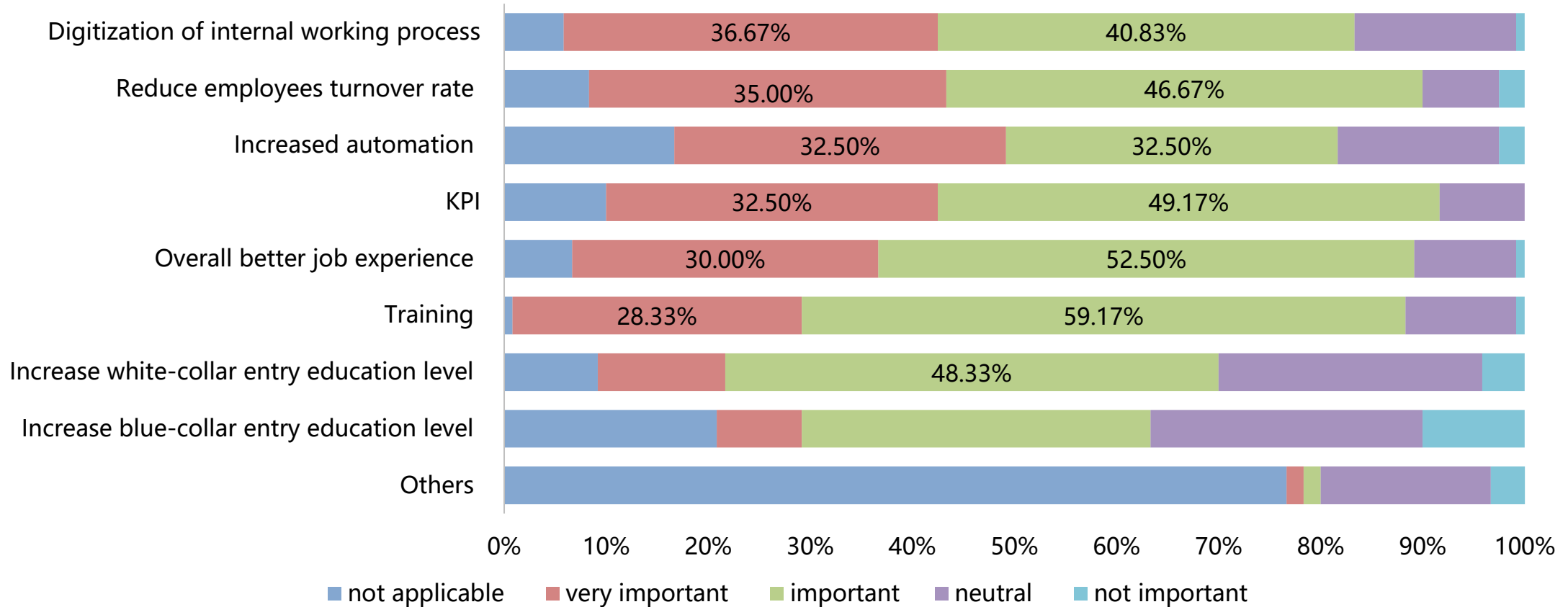


Note: the turnover rate of each respondent company divided by the total number of respondents

Does your company pay a 13th-month salary to employees?



How important are the following factors for productivity increase?

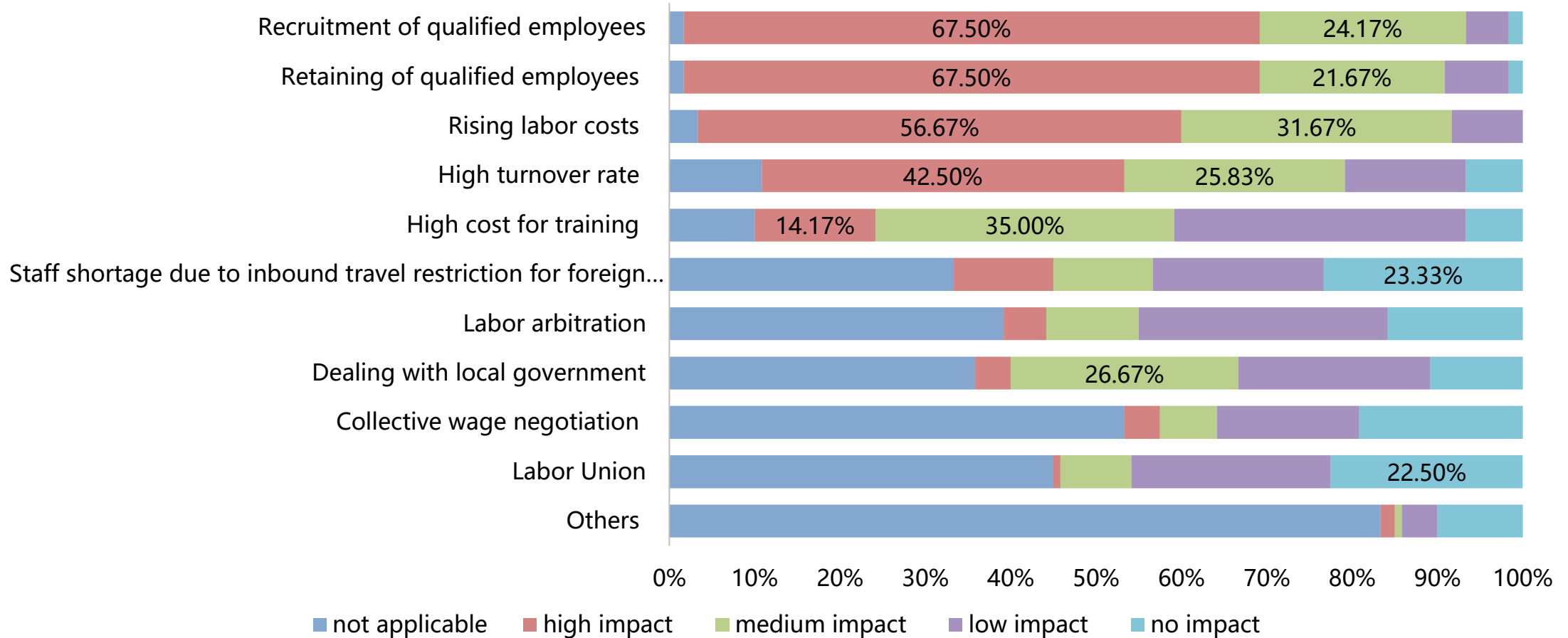


◆ **Training** (87.5%)、**overall better job experience**(82.5%)、**KPI** (81.67%) and **reduce employees turnover rate**(81.67%) are top3 factors in 2021.

◆ **KPI**(89%)、**Training** (88%) and **Overall better job experience** (84%) are top3 factors in 2020.

◆ **Digitization of internal working process**、**Reduce employees turnover rate** and **increased automation** are also very important factors.

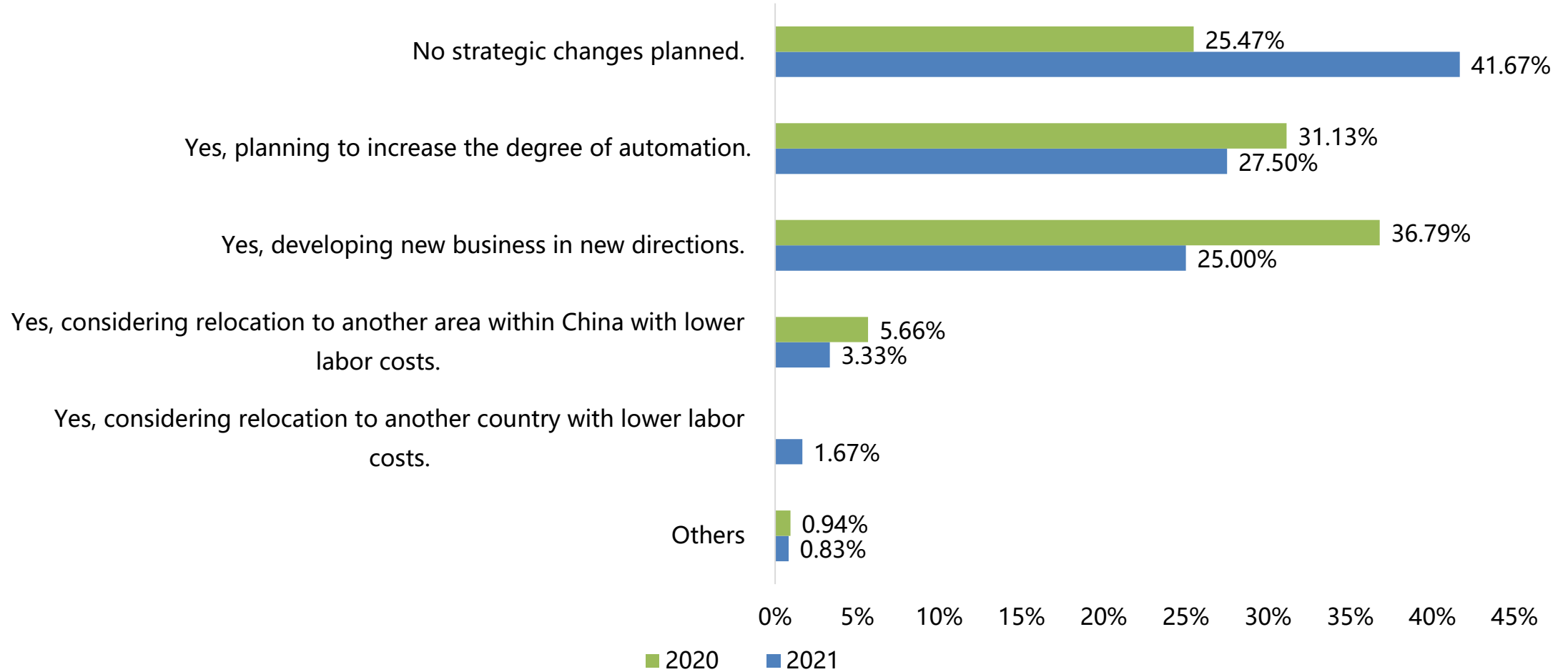
Evaluate factors that affect the business operation of your company from HR perspective



◆ **Recruitment of qualified employees**(90%)、**Retaining of qualified employees**(89%) and **Rising labor costs**(83%) are top3 factors in 2021.

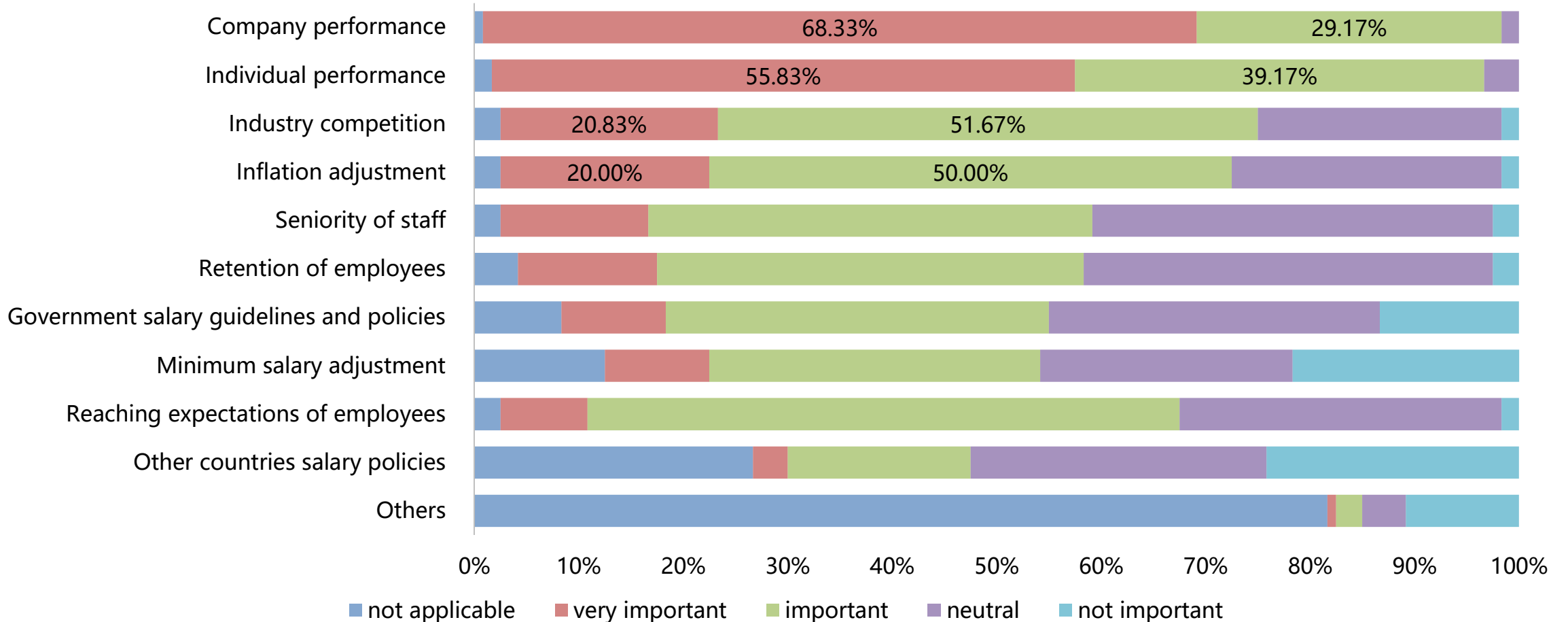
◆ This three facts also are top3 factors in 2020.

Is your company considering strategic changes due to rising labor costs in China?



◆ Due to better market demand in 2021, even the labor cost rising, there are more company compare with 2020 chose no strategic changes planned.

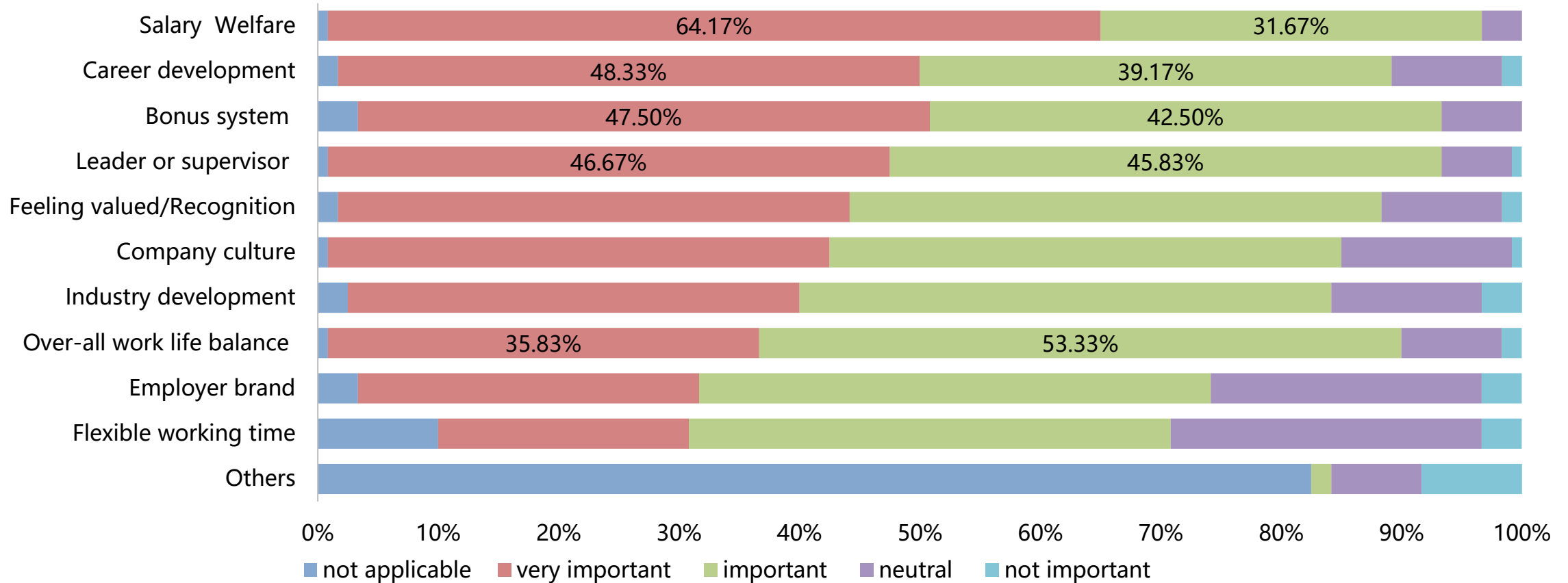
Evaluate the importance of the following factors for your decision on salary adjustments



◆ **Company performance**(98%)、 **Individual performance** (94%) and **industry competition**(76%) are top3 factors for salary adjustment in 2021.

◆ This three facts also are top3 factors in 2020.

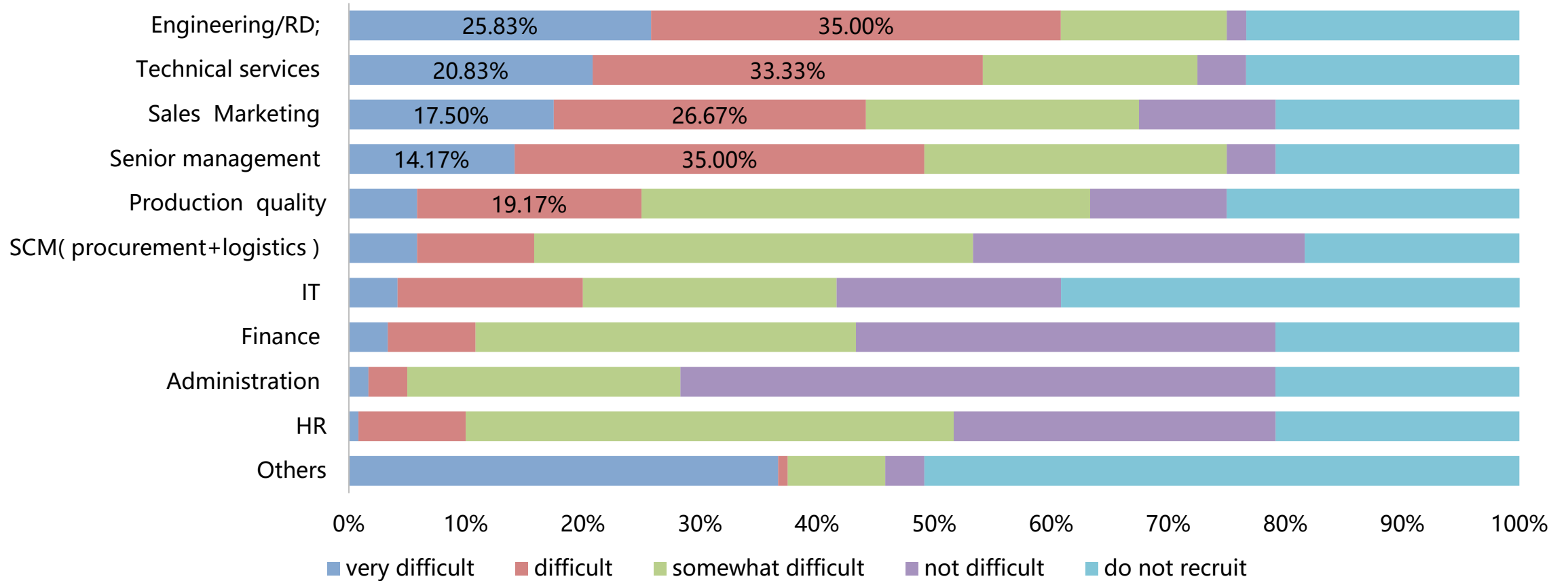
Evaluate the importance of the following factors for staffs to choose your company



◆ Respondents think the factors of **salary welfare** (95.84%)、 **Bonus system** (90%) 、 **leader of supervisor** (92.5%) and **over-all work life balance**(89.16%) are important and very important for choosing company.

◆ The factors of **Career development** (87.5%) is also very important.

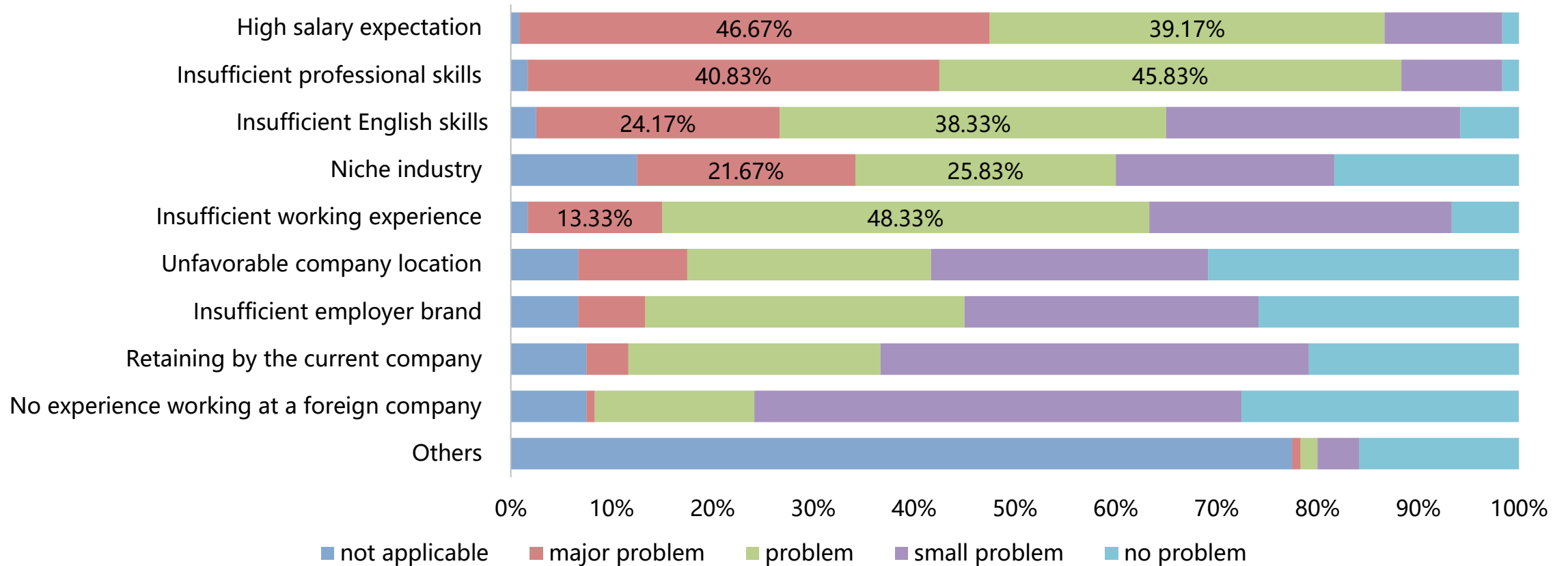
How difficult do you find it to recruit qualified staff in China for the following positions?



◆ **Engineering/R&D**(61%)、**Sales Marketing** (54%) 、**Technical services** (47%) are top3 difficult positions to recruit in 2020.

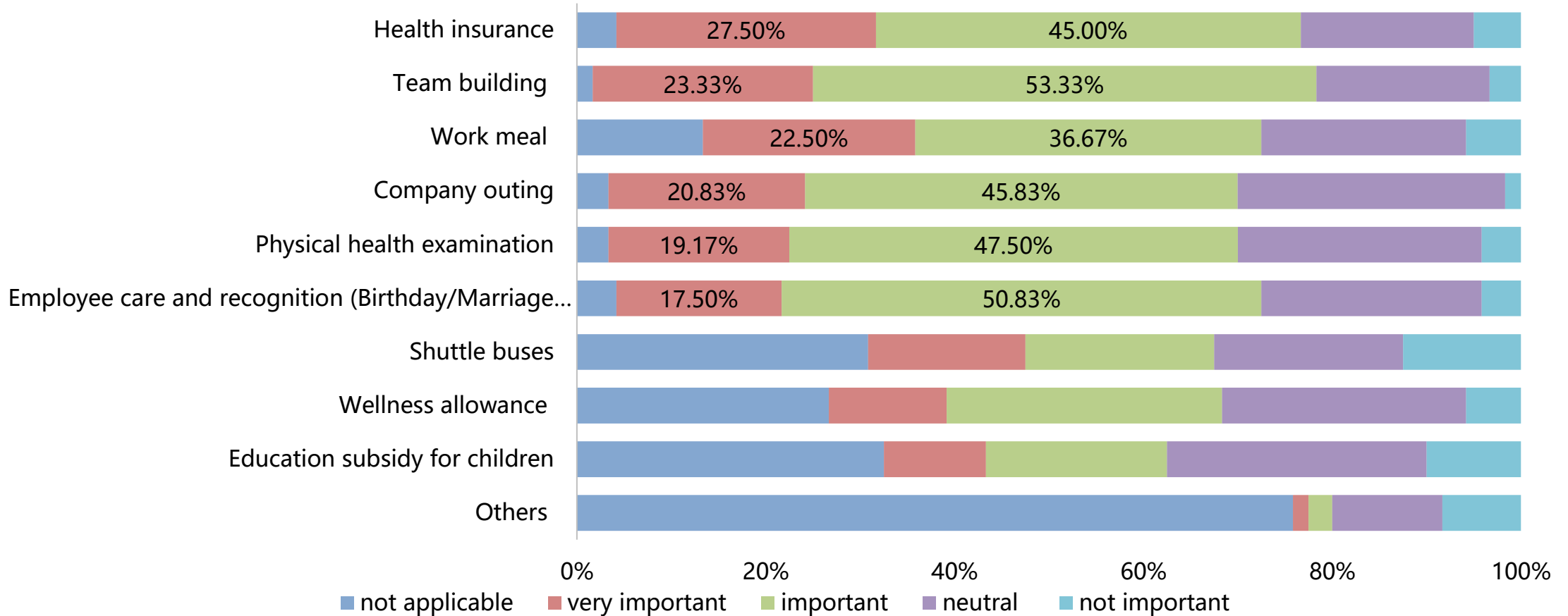
◆ This three positions also are difficult to recruit in 2021.

Evaluate the reasons why vacancies cannot be filled



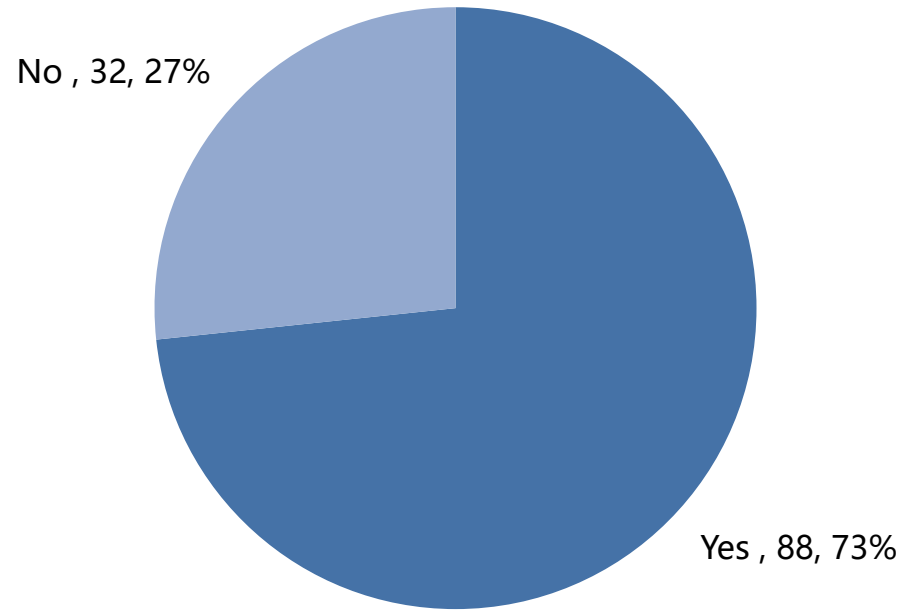
- ◆ **High salary expectation**(83%), **insufficient professional skills** (81%) and **insufficient working experience**(64%) are top3 reasons in 2020.
- ◆ This three reason also are top3 reason in 2021.
- ◆ **Niche industry and insufficient working experience** also are major reasons.

Evaluate the importance of company providing the following benefits to employees



◆ **Health insurance** (72.5%)、 **team building** (76.66%)、 **employee care and recognition** (68.33%) are important and very important.

Do you have expats working at your company?



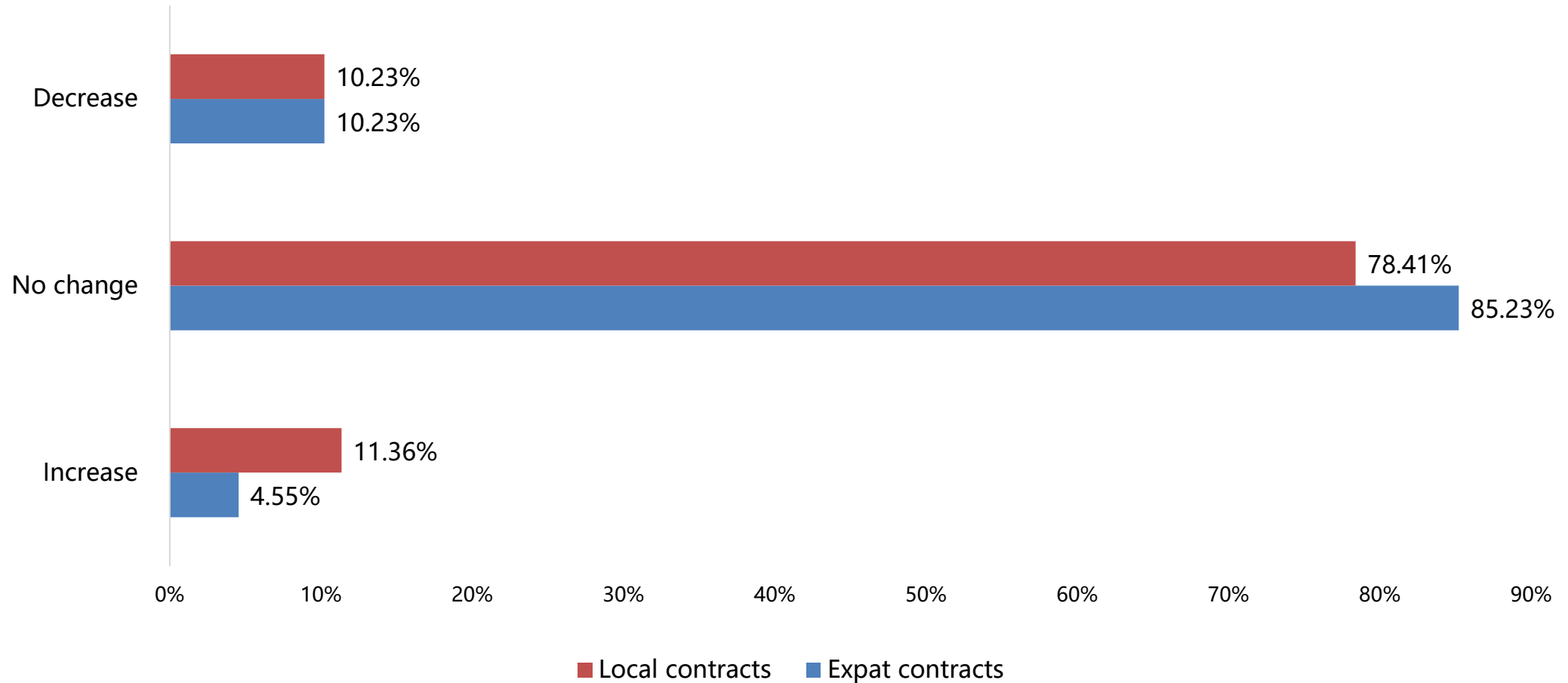
What is the percentage of foreign managers in relation to total number of managers?

◆ Average percentage of foreign managers in relation to total number of managers is 17%.

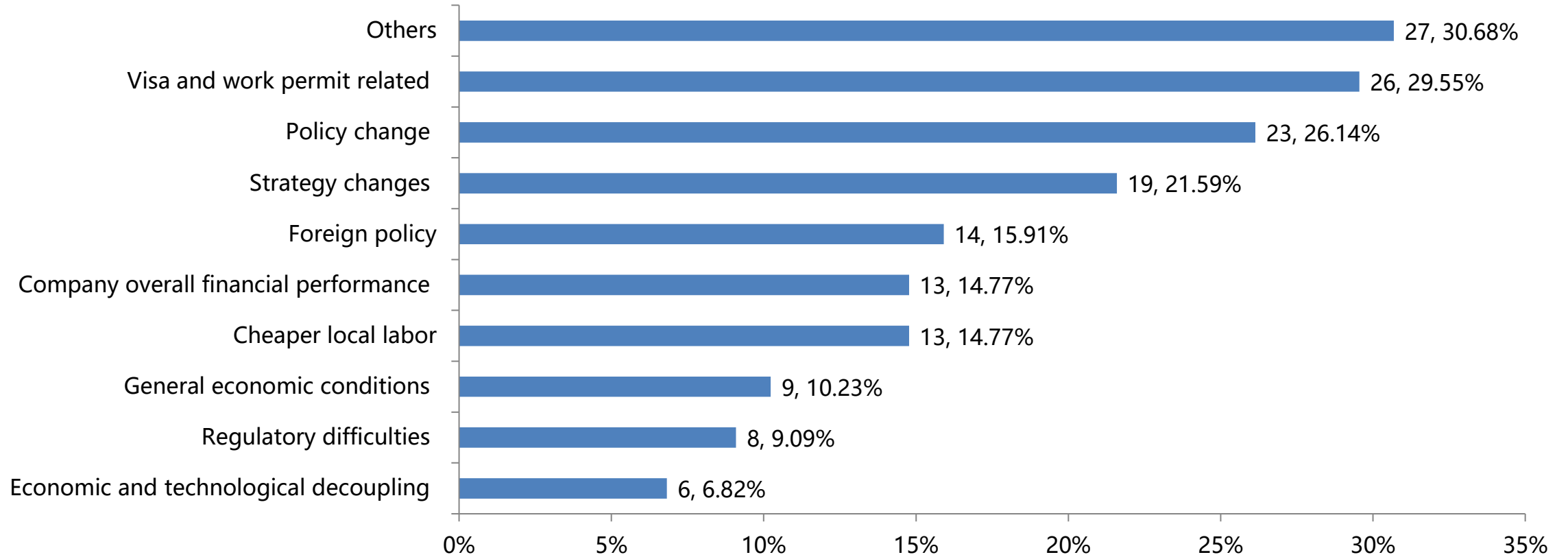
What is the percentage of Chinese native managers in relation to total number of managers?

◆ Average percentage of Chinese native managers in relation to total number of managers is 72%.

Compare the company planning to increase or decrease the number of foreign staffs on expat contracts with local contracts

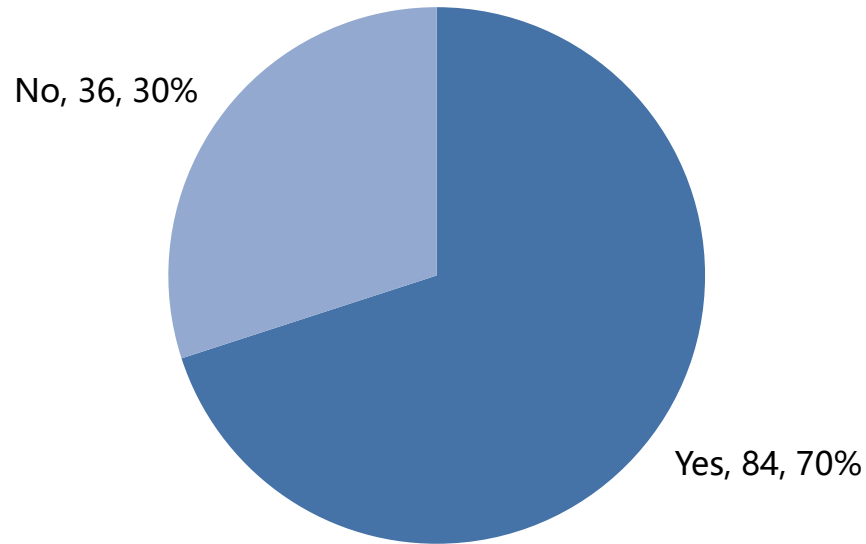


What is the main reason for reducing foreign labor?

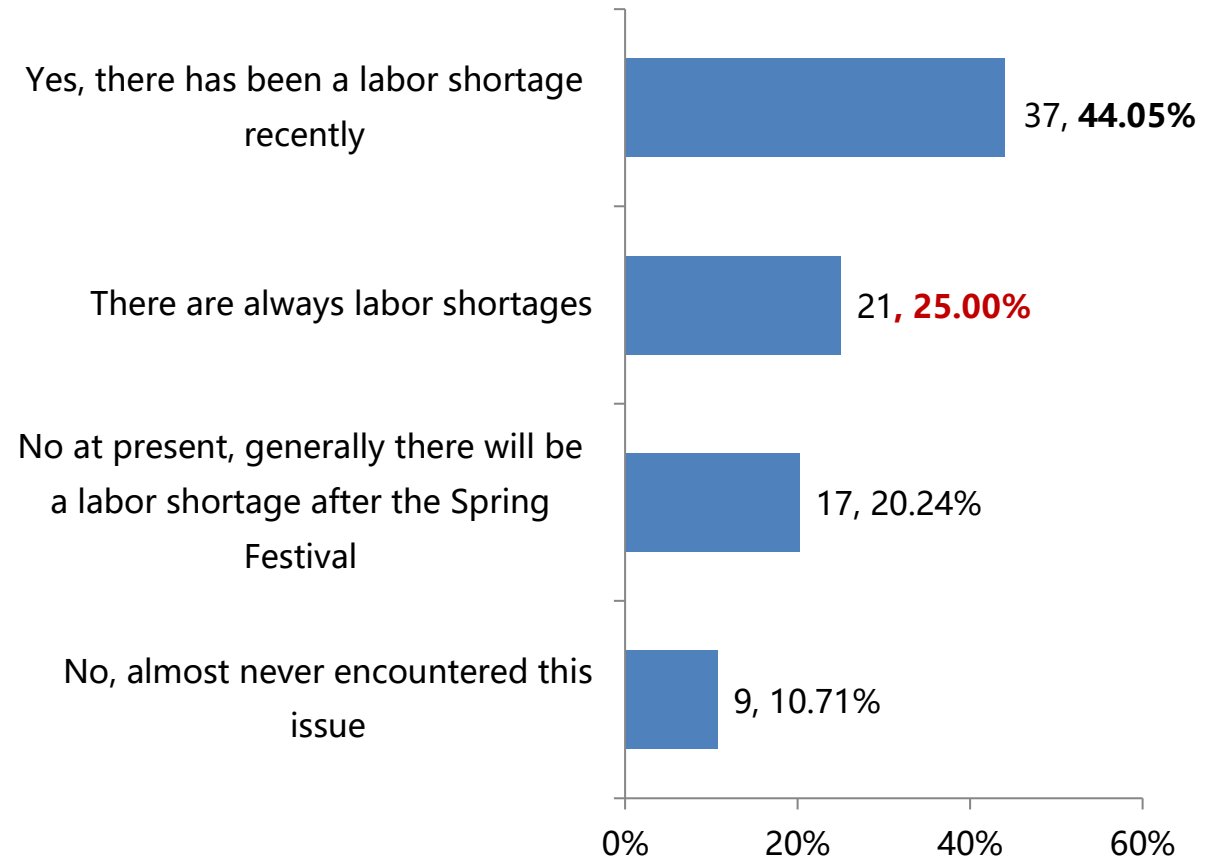


- ◆ Respondents think **visa and work permit related** (29.55%) are the main reason for reducing foreign labor.
- ◆ Respondents think **others** (30.68%) is the main reason for reducing foreign labor.
- ◆ **Others include: More suitable local talents (2), no change(11), personal reason(1), Covid related restrictions(1), not applicable (8), Find foreign staff which want to work in China(1) and so on.**

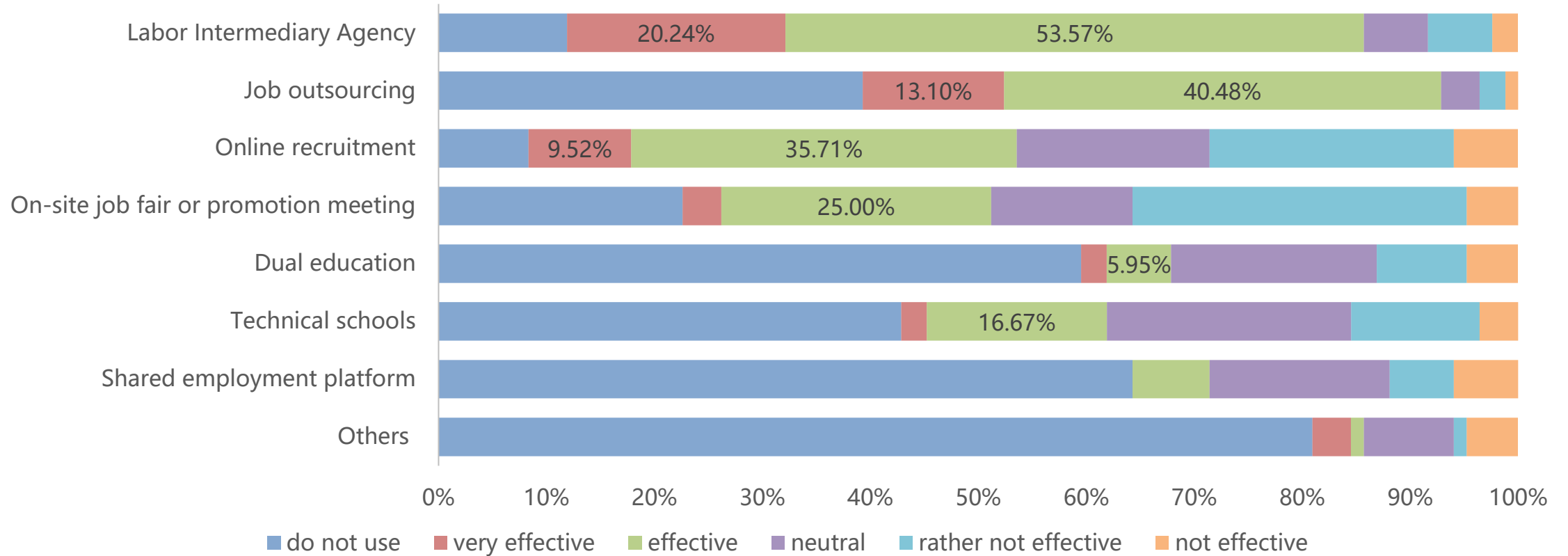
Does your company have blue collar staffs?



Does your company have a blue-collar labor shortage?

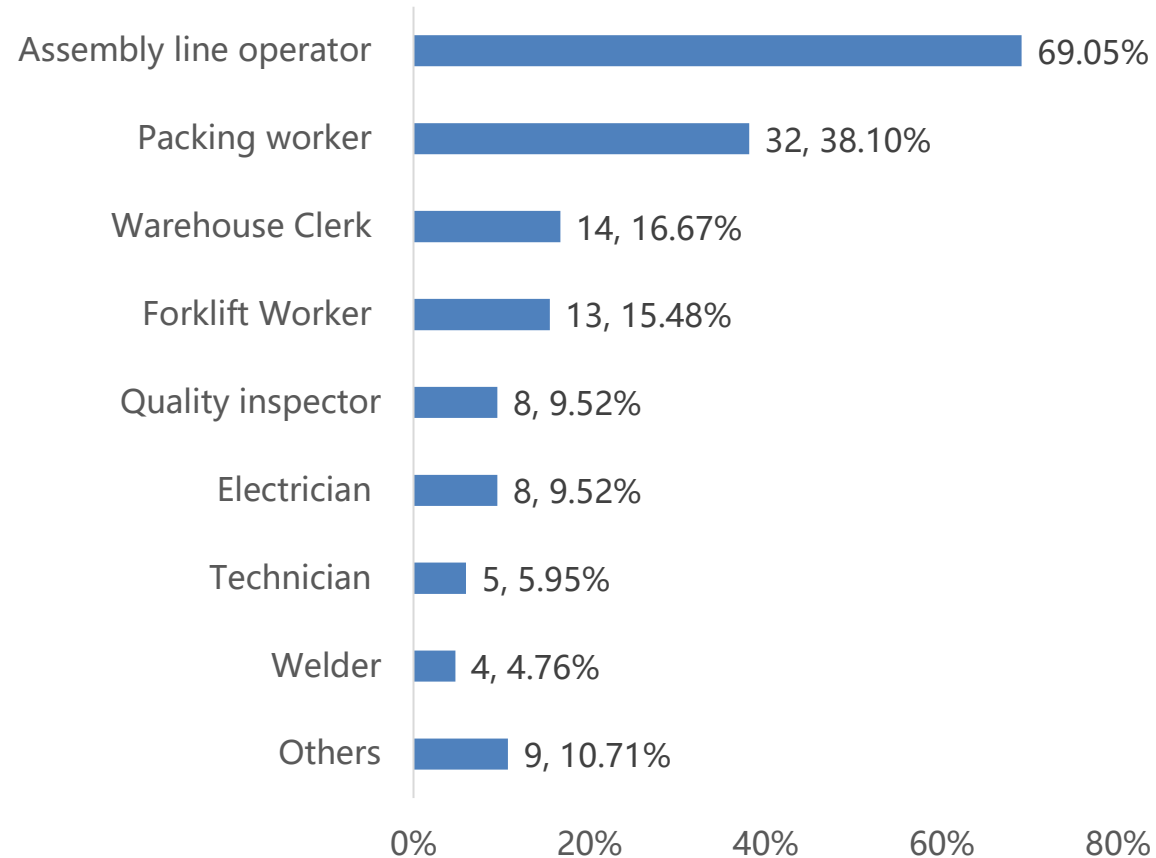


Evaluate channels for acquiring blue collar staffs in 2021



- ◆ **labor intermediary agency** (73.81%)、**job outsourcing**(53.58%) and **online recruitment**(45.23%) are very effective and effective in 2021.
- ◆ In others include **internal recommended**、**internal network**、**advertise**、**internal recommended with award**.
- ◆ **On-site job fair or promotion meeting** and **technical schools** also are effective.

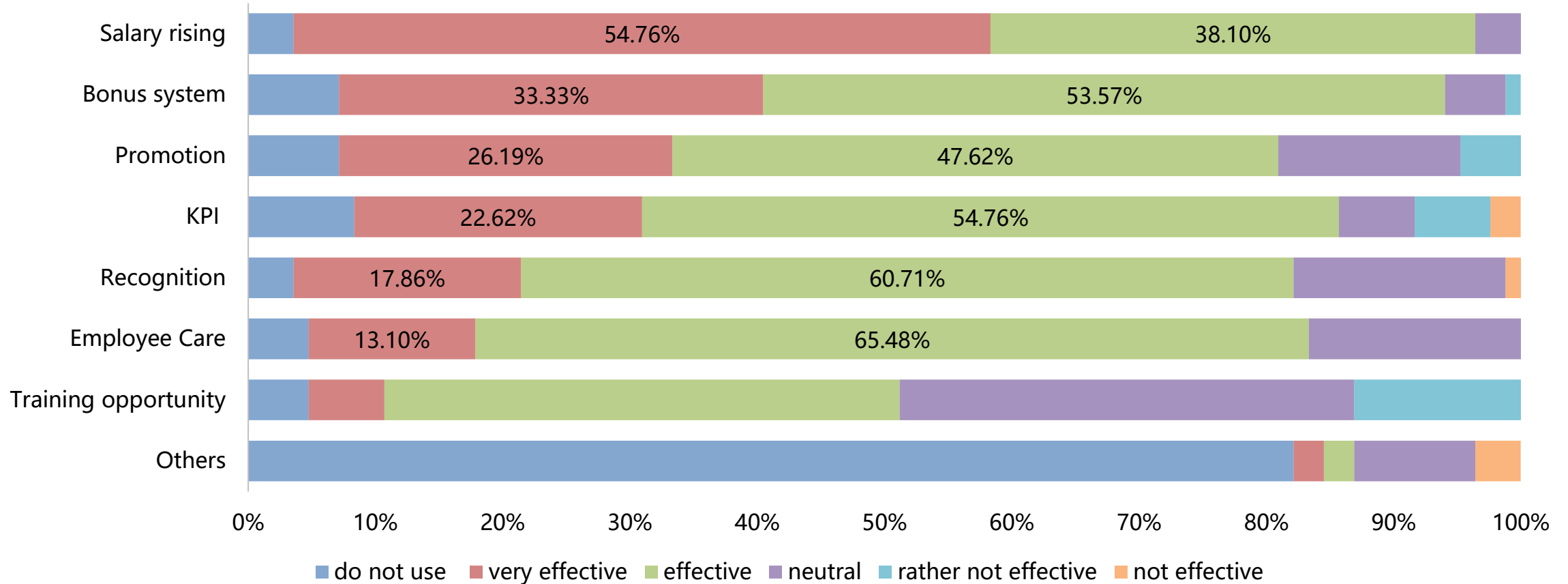
Types of job tend to be outsourced



- ◆ Average proportion of blue collar staffs outsourcing is 26.1%
- ◆ Average hourly costs of internal blue collar staffs (RMB) is 35.66
- ◆ Average Hourly costs of outsourcing blue collar staffs (RMB) is 33.53

◆ In others include Maintenance(1)、Temporary worker(1)、no outsourced plan (6) and blue collar(1).

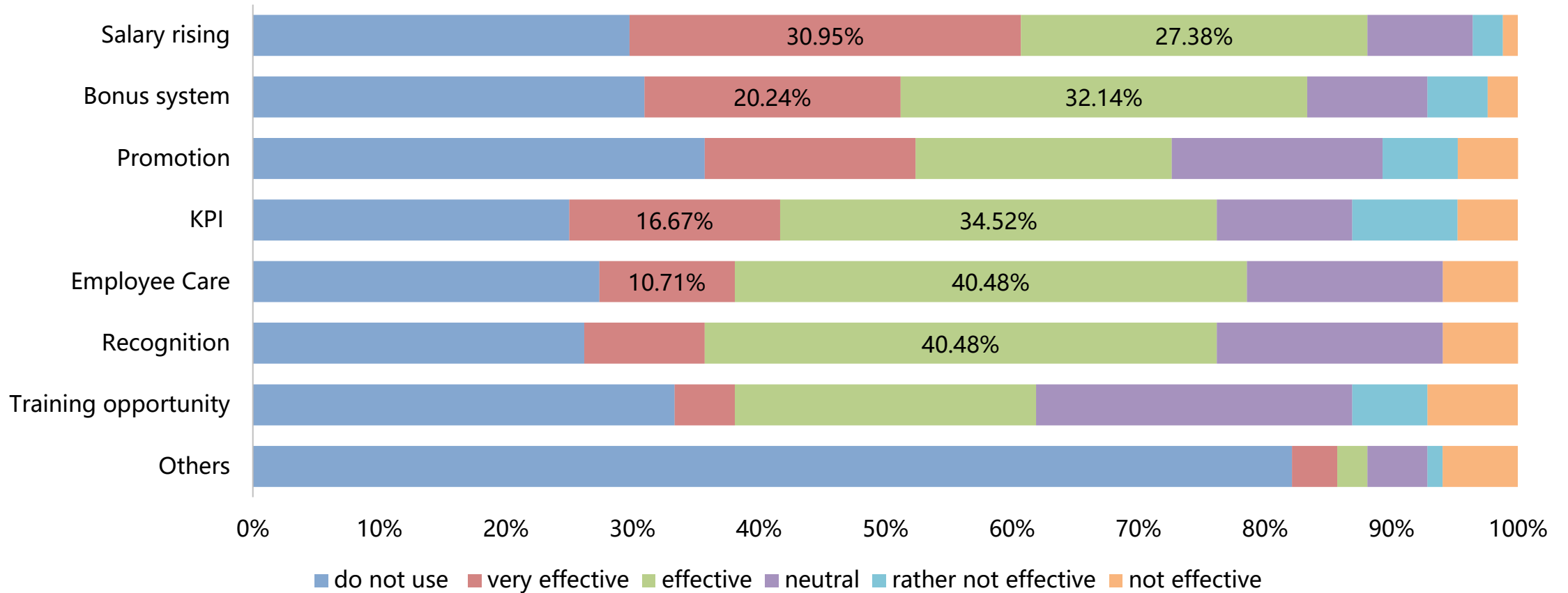
Evaluate effectiveness of incentives system for internal blue collar staffs



◆ **Salary rising** (54.76%)、 **bonus system** (86.9%) and **employee care** (78.58%) are very effective and effective in 2021.

◆ **Promotion**、 **Recognition** and **KPI** also are also effective.

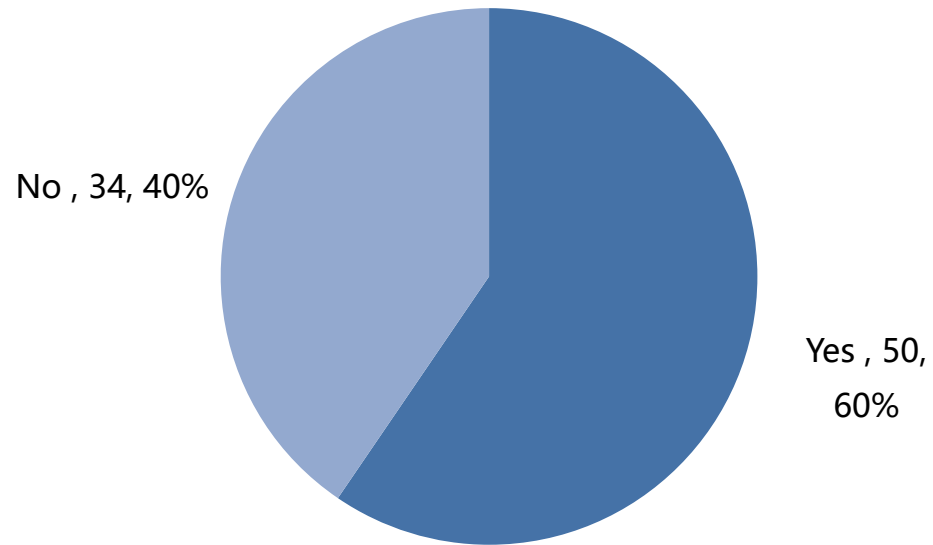
Evaluate effectiveness of incentives system for outsourcing blue collar staffs



◆ **Salary rising** (58.33%)、 **bonus system** (52.38%) 、 **KPI** (51.19%) and **employee care** (51.19%) are very effective and effective in 2021.

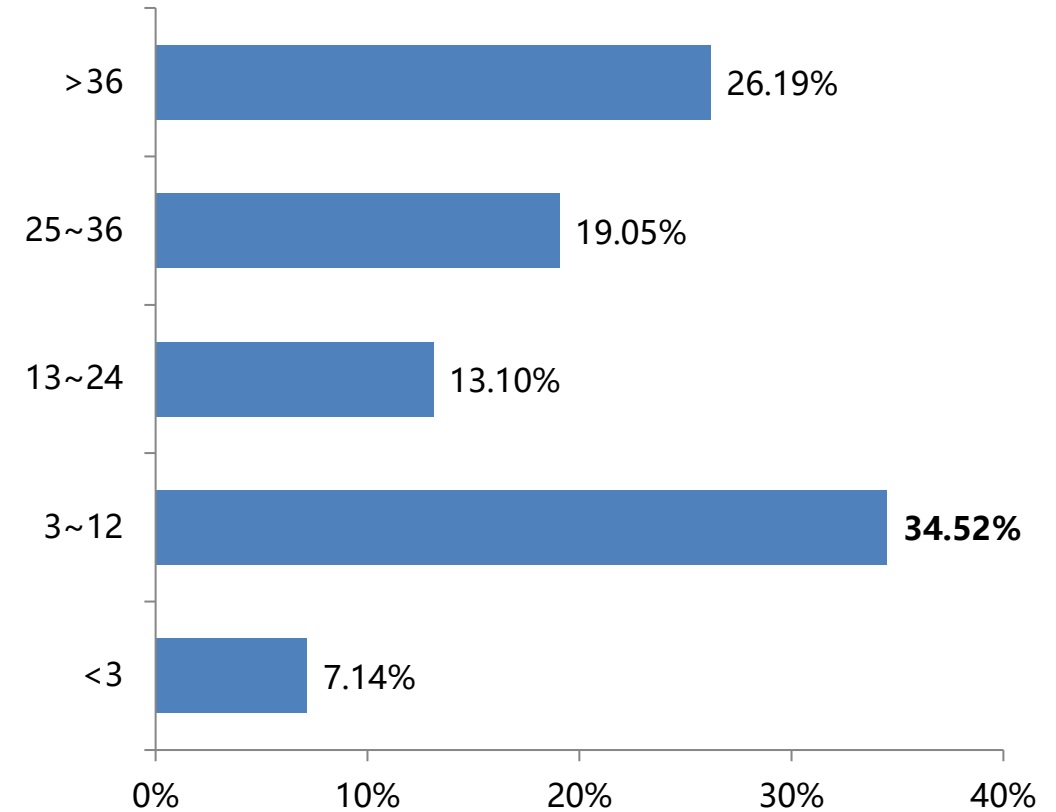
◆ **Recognition is also effective.**

Does your company have mechanism for outsourcing blue collar staffs to become regular staffs?

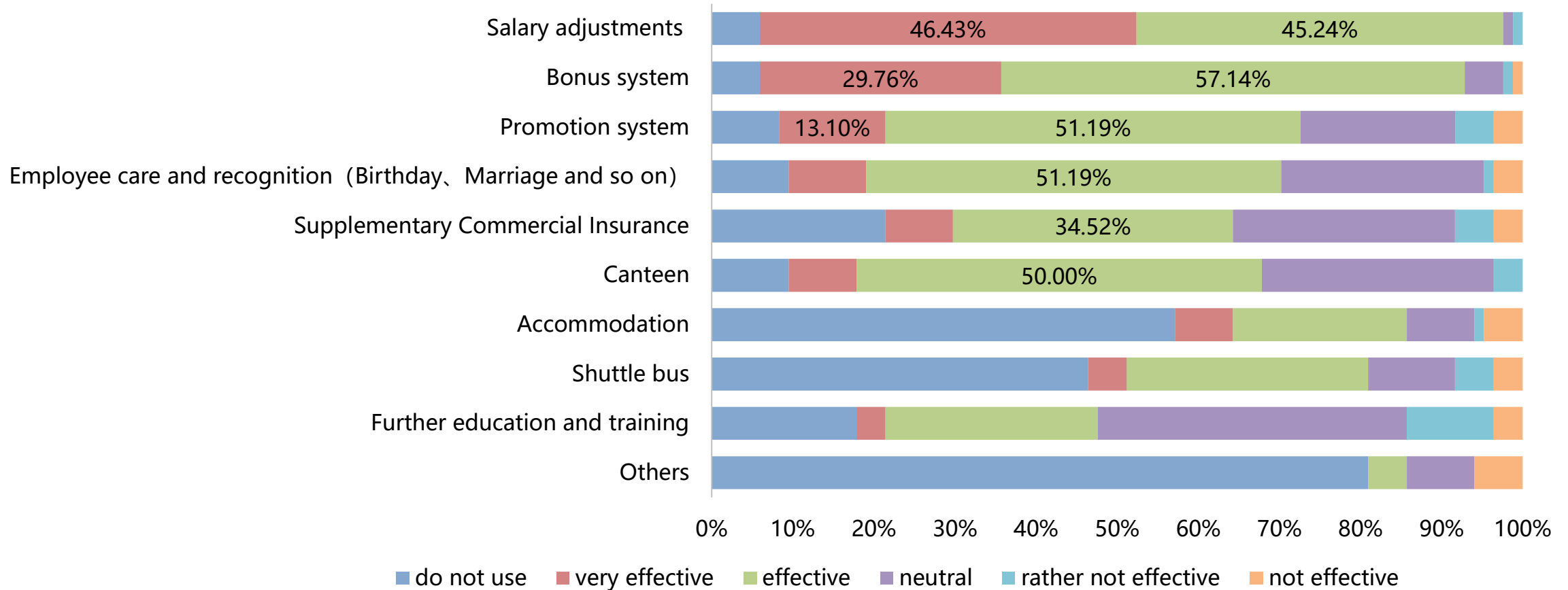


◆ Average percentage of outsourced blue collar staffs retained is 26%

The average duration of blue collar staffs (month)



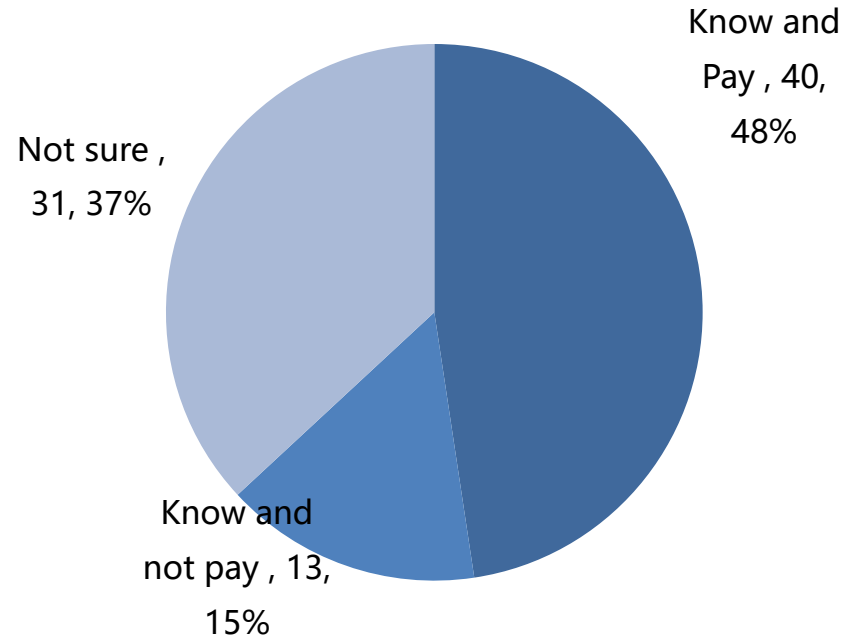
Evaluate the method and effect of your company retention of blue collar staffs



◆ **Salary adjustment** (91.67%)、 **Bonus system** (86.86%) and **Promotion system**(64.29%) are very effective and effective in 2021.

◆ **Employee care and recognition and Canteen also bring our attention.**

Do you know that your blue collar outsourcing vendor pays social insurance for its outsourced employees?



◆ Average blue collar outsourcing vendors are **2**

◆ The lead time of blue collar outsourcing vendors (days) is **12.53**

Conclusion

1. Strong market growth drives the SME leaders following this market.
2. Labor cost rising is the major problem in this market, not only blue collar staffs, but also white collar staffs.
3. Chinese labor cost is still competitive compared with developed country.
4. Automation and digitalization are the important solution against the labor cost rising.
5. R&D and Technical sales are still the most difficult positions to fulfill in Manufacturing industry.
6. The average salary increasing rate is 3.68% in 2020/2021.
7. The average salary increasing rate is 3.26% in 2021/2022.
8. The key to salary growth is work together with the team to get a better company profits and personal KPIs.
9. Keeping the qualified staffs will help your organization saving a lot of cost and improving efficiency.
10. The key to find good talents is that do not save the money on the recruitment.
11. 90% manufacturing company face blue-collar labor shortage in different period.
12. Except salary, employee care & recognition and good canteen are important for retention of blue collar staffs

Swedish Chamber in Partnership with Asia Solution Corporation

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Thank you!

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