

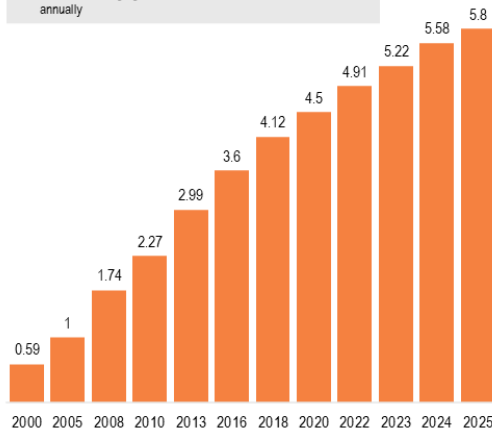
China's Wages Have Risen, But Its Cost Advantage Remains

Manufacturing wages have risen almost tenfold since 2000, but remain around one-eighth of U.S. levels and well below other advanced manufacturing economies.

China Manufacturing Wages, USD/hr (Selected Years, 2000-2025)

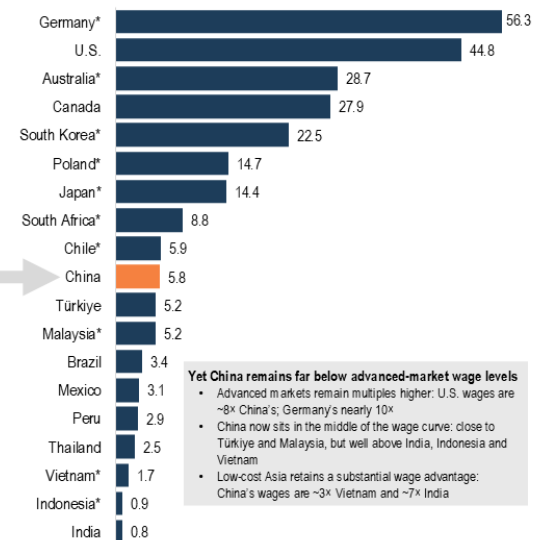
China's manufacturing wages have risen almost 10x since 2000

- Wages more than doubled from 2005-2010, rising by roughly 18% annually
- Growth progressively moderated as the economy matured, averaging around 7% annually during 2010-2020
- Since 2020, wage growth has slowed further to around 5% annually



China is now a middle-wage manufacturer, but remains far below advanced-economy wage levels

Selected Markets Manufacturing Wages, USD/hr (2025)



Yet China remains far below advanced-market wage levels

- Advanced markets remain multiples higher: U.S. wages are ~8x China's; Germany's nearly 10x
- China now sits in the middle of the wage curve: close to Türkiye and Malaysia, but well above India, Indonesia and Vietnam
- Low-cost Asia retains a substantial wage advantage: China's wages are ~3x Vietnam and ~7x India

Note: Countries marked with * denote 2024 data. Source: International Labour Organisation, NBS, ANDAMAN PARTNERS Analysis

China's days as an ultra-low-wage manufacturing economy are over. Factory wages have risen almost tenfold since 2000, transforming what Chinese workers earn and steadily narrowing one of the cost advantages that helped underpin the country's manufacturing rise.

But the comparison with the rest of the world is revealing. At around USD 5.80 per hour, Chinese manufacturing wages are now roughly three times Vietnam's and seven times India's, placing China firmly above Asia's lowest-cost manufacturing locations. Yet they remain only around one-eighth of U.S. levels, while German manufacturing wages are almost ten times higher.

The pace of change is also slowing. Wage growth exceeded 18% annually during 2005-2010, moderated to around 7% during 2010-2020, and has fallen to roughly 5% since 2020. China has effectively moved into the middle of the global manufacturing wage curve, less able to compete on cheap labour alone, but still retaining a substantial wage advantage over advanced economies.

-----///-----

ANDAMAN PARTNERS

September 2026

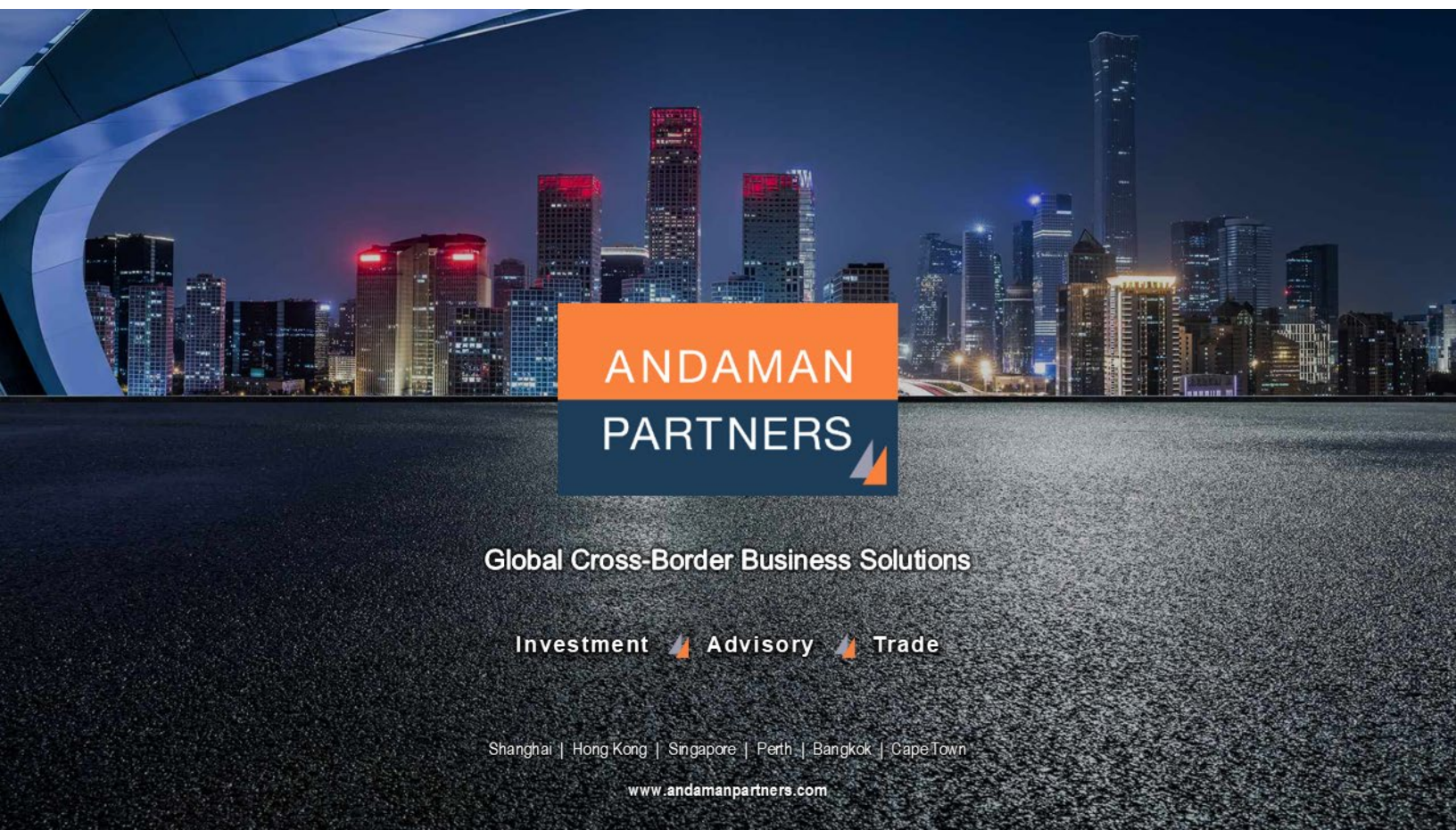
andamanpartners.com

**ANDAMAN
PARTNERS**

Also by ANDAMAN PARTNERS:

- [Services Are Reshaping Global Trade](#)
- [Transition and Transformation: How China's Five-Year Plans Shaped 35 Years of Growth](#)
- [China Is Rewiring Its Innovation Model for Higher-Value Output](#)

ANDAMAN PARTNERS *supports international business ventures and growth. We help launch global initiatives and accelerate successful cross-border expansion. If your business, operations or project requires cross-border support, contact connect@andamanpartners.com.*



**ANDAMAN
PARTNERS**

Global Cross-Border Business Solutions

Investment  **Advisory**  **Trade**

Shanghai | Hong Kong | Singapore | Perth | Bangkok | Cape Town

www.andamanpartners.com