

# Global Labor Rates Comparison Shows China is No Longer the Low-cost Labor Market

*Labor Rates in 12 Countries Are Compared*

SILICON VALLEY, CA, UNITED STATES, October 18, 2022 /EINPresswire.com/ -- China is no longer the global low-cost labor market. The [Reshoring Institute](#) publishes major research citing how manufacturing wages have risen in China and what this means for companies going forward.



## Reshoring Institute

**Non-profit and Non-partisan**

Reshoring Institute

The Reshoring Institute has published major research on global [labor rates](#) in 12 countries, comparing production workers, machine operators, manufacturing supervisors, and managers. China can no longer be considered a low-cost labor country, as its labor rates have significantly increased. The lowest-cost countries in the study are now India, Mexico, and Vietnam. While there are even lower-cost areas of the world, the Reshoring Institute focused its study on where most manufacturers are moving to now, after leaving China.

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With labor rates in China doubling over the past few years, companies are now considering moving back to America”

*Rosemary Coates, Executive Director, the Reshoring Institute*

Despite significantly higher labor rates in the U.S., manufacturers are also coming back to America. "To be

competitive in world markets and at home, U.S. manufacturers must automate production and redesign processes to extract labor costs, and make manufacturing more efficient," said Rosemary Coates, Executive Director of the Reshoring Institute. "When comparing manufacturing in America versus other countries, you must consider the total cost of ownership and include all costs such as logistics, quality, time-to-market, import duties, inventory carrying costs, and geopolitical risks," she said. "Our clients are often surprised to find that when all costs are considered, American manufacturing can be competitive."

The pandemic changed almost every aspect of life around the globe, including how and where we [manufacture](#). With worldwide shortages and supply chain disruptions, companies have changed how to source and manufacture parts, sub-assemblies, and finished products. A major

factor in these changes is how much manufacturing workers are paid.

“Our study has revealed that where in the world to manufacture is a complicated decision and involves a comprehensive analysis of labor costs, productivity, geopolitics, risk, where customers are located, and how markets are growing. With labor rates in China doubling over the past few years, companies are now considering moving back to America,” said Ms. Coates

With new funding and tax incentives now available through the Chips and Science Act, the Inflation Reduction Act, and the Build Back Better Infrastructure Bill, reshoring and expanding operations in America have rapidly become popular and economic choices for American manufacturers.

For more information on this study and other research by the Reshoring Institute, visit our website at [www.ReshoringInstitute.org](http://www.ReshoringInstitute.org) or email us at [info@ReshoringInstitute.org](mailto:info@ReshoringInstitute.org)

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