

Apparel Manufacturing Labor Costs – 2008

MFA⁺³

LABOUR RIGHTS IN A CHANGING GARMENT INDUSTRY

THESE CHARTS were produced by US-based consultants Jassin-O'Rourke Group. While the labour costs listed for some countries are consistent with some of our own research, in other countries MSN has noted some discrepancies between the average labour costs reported in this study and prevailing wages reported to us by labour rights advocates on the ground.

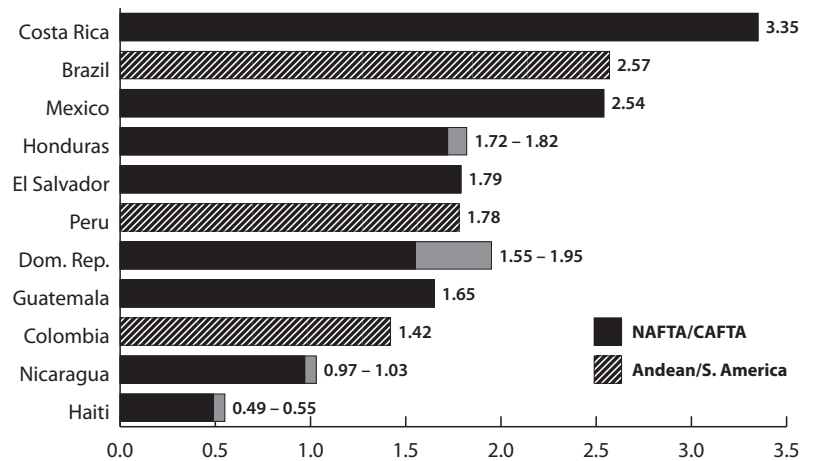
These differences are likely a result of different methodologies and sources. Because labour costs are often a combination of minimum wages, piece rates, attendance and production bonuses, social insurance payments or other costs depending on the jurisdiction, a difference in what is being measured can easily result in different outcomes. Further, the difference

between what is legally required, what employers report, and what is actually received by workers can vary considerably.

However the charts here do have value in demonstrating the general differences between average labour costs in various countries, even where the exact numbers may differ.

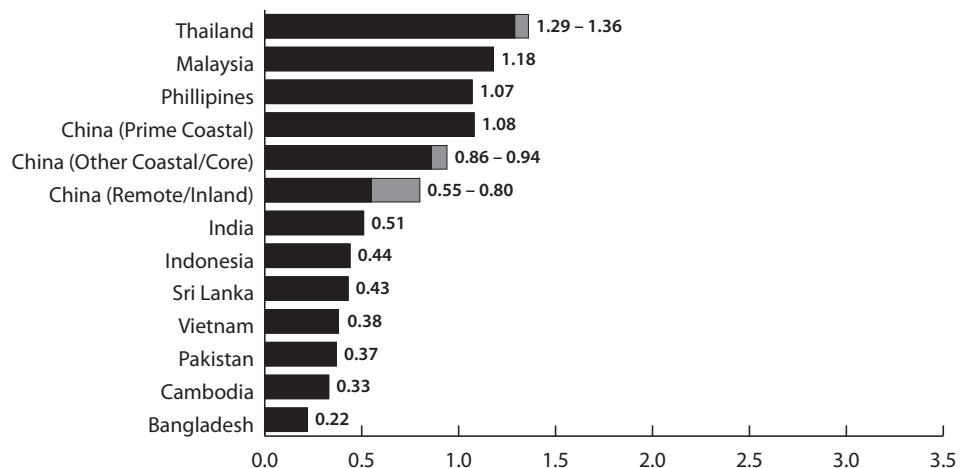
USA Regional Import Supply Base

(US \$/hour, incl. social charges)



Core Asian Import Supplier Base

(US \$/hour, incl. social charges)



Notes from the study's authors concerning their methodology and results follow. ↪

Notes on the labour cost charts

- Data collection timeline for the analysis presented herein was December 2007 – March 2008
- Data is collected in local currency and converted to US dollars.
- Exchange rates often have *significant impact* on labor costs. Noticeable shifts have occurred in recent years, over the last year, and in some countries, more so than the beginning of 2008, increasing the cost of imported apparel and affecting sourcing decisions in several countries.
- This report depicts average labor costs using the prevailing rates of exchange on March 31, 2008
- The gross hourly labor costs shown by country are representative averages and include:
 - Base average apparel manufacturing labor cost
 - Social benefits and fringes paid
 - Attendance bonuses and mandatory annual or semi-annual bonuses where applicable.
- Costs often vary according to plant location within a country
 - In China, for example, the labor cost is substantially higher in the coastal provinces and major cities, than in inland provinces and more remote areas.
 - Additionally, many developing countries are divided into industrial zones, with each zone having a different government mandated minimum wage (e.g. Honduras).

Source

Global Apparel Manufacturing
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