CHINA BIWEEKLY

RMB Internationalization Business Promotion Office
Global Business Division

July 16th 2018

■ **BIWEEKLY DIGEST**

[Economy]

- **Business sentiment for FY2018 2Q continuously improving in corporate sector**
- **Manufacturing PMI for June falls to 51.5, down 0.4 point month-on-month**

[Industry]

- **Total amount of EC transactions in 2017 up 11.7% YoY to RMB 29 Trillion**
- **Housing prices in May for 70 large- and medium-sized cities: 61 cities with month-on-month (MoM) growth and 62 cities with YoY growth**
- **The Ministry of Transport announces a 3-year environmental plan**

[Trade/Investment]

- **Policies to enhance inviting foreign investment span 23 measures in six categories**
- **Inward foreign direct investment in May increases 11.7% year-on-year (YoY) while outward gains 49.8% YoY**
- **Guangdong Province, Sichuan Province, and Beijing City announce minimum wage hikes**

MUFG Bank (China), Ltd.
The Bank of Mitsubishi UFJ, Ltd.

[Economy]

◆Business sentiment for FY2018 2Q continuously improving in corporate sector

On June 15, the People's Bank of China announced the results of a survey on business sentiment in FY2018 2Q conducted with corporations, financial institutions, and individuals. The business sentiment index in the corporate sector improved for the ninth consecutive term, while the banking sector saw a drop for the first time in the last 10 terms.

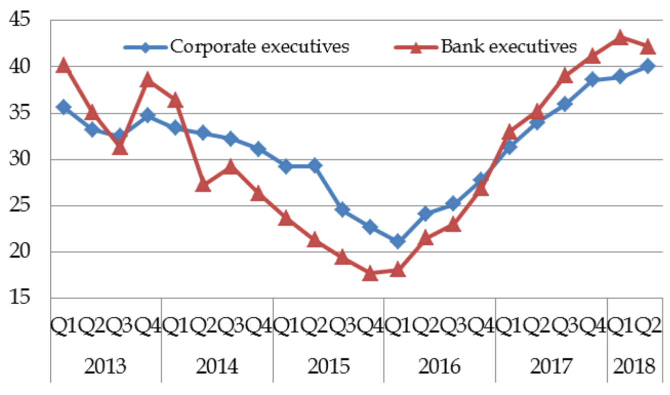
Among corporate executives, macroeconomic sentiment rose 1.2 points to 40.1 from 38.9 in the previous term. 22.5% of respondents answered that the economy is currently slowing down, down from 25.0% in the previous term, while 74.8% of respondents answered that they felt neutral about it, up from 72.2% in the previous term.

Among bank managers, the macroeconomic sentiment index dropped 1.1 points to 42.2 from 43.2 in the previous term. 17.4% of respondents answered that the economy is currently slowing down, up from 16.5% in the previous term, while 81.0% of respondents gave a neutral response, slightly increasing from 80.7% in the previous term.

In the survey of depositors in urban areas on their willingness to save, spend or invest, 43.5% of respondents stated that they intended to save more, up from 42.5% in the previous term, and 24.7% stated that they intended to spend more, almost unchanged from the 24.8% in the previous term. On the other hand, respondents indicating an intention to invest more decreased from 32.7% in the previous term to 31.7%.

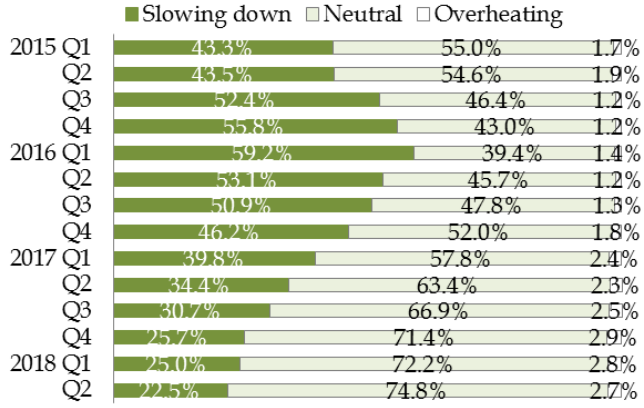
The top seven responses (multiple answers) for what urban depositors most wish to spend more on in the next three months were: ① travel (32.2%), ② education (27.3%), ③ health care (23.9%), ④ homes (23.0%), ⑤ luxury products (21.1%), ⑥ entertainment/culture/leisure (16.9%), and ⑦ insurance (14.5%).

<Trends in Macroeconomic Sentiment Index>



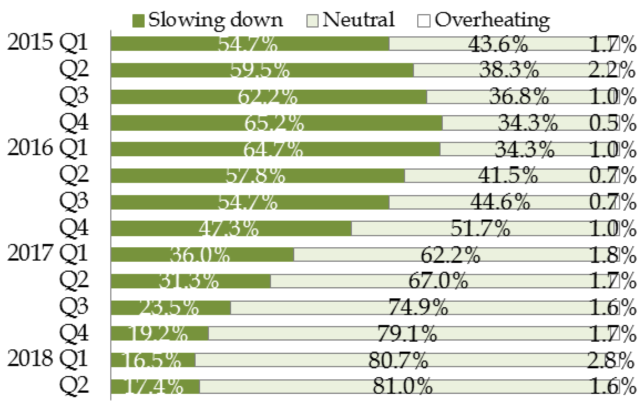
Source: Created based on data released by the People's Bank of China

<Business Sentiment of Corporate Executives>



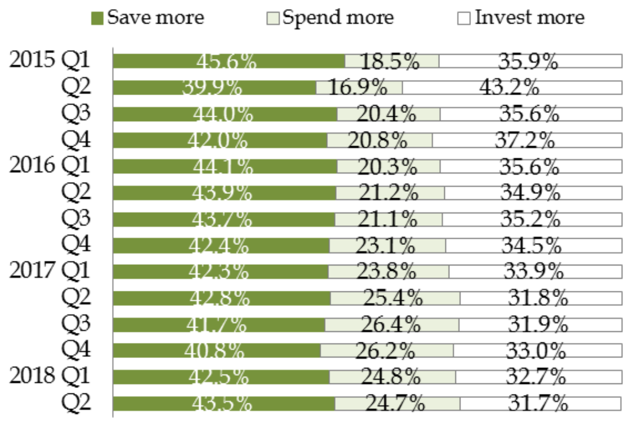
Source: Created based on data released by the People's Bank of China

<Business Sentiment of Bank Executives>



Source: Created based on data released by the People's Bank of China

<Business Sentiment of Urban Depositors>



Source: Created based on data released by the People's Bank of China

◆Manufacturing PMI for June falls to 51.5, down 0.4 point month-on-month

According to the June 30 announcement by the National Bureau of Statistics (NBS) and the China Federation of Logistics & Purchasing (CFLP), the manufacturing PMI for June fell 0.4 point month-on-month (MoM) to 51.5, but it surpassed 50 points, which is the turning point in judging the economy, for the 23rd consecutive month. The main indices fell MoM across the board. Production dropped 0.5 point to 53.6, imports fell 0.9 point to 50.0, and new export orders decreased by 1.4 points to 49.8.

NBS commented that by type of business, production of pharmaceuticals, specialized equipment and communication equipment were high at over 54.0, and the manufacturing sector is continuing its economic expansion. Meanwhile, CFLP analysis indicated that the decreases in import- and export-related indices were the result of intensifying trade friction between China and the U.S. and uncertainty over the international trade environment, and indicated that attention to future developments needs to be paid.

<Trends in Major Manufacturing PMI Indicators>

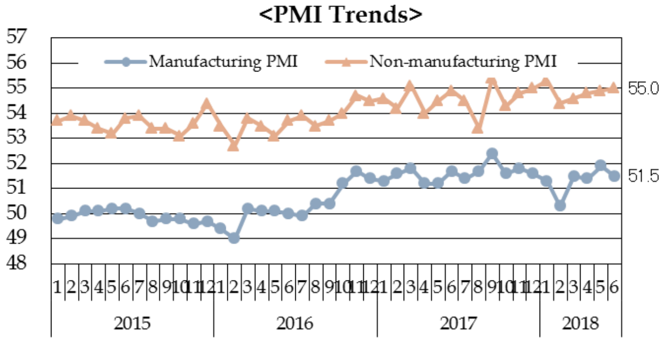
		Manufacturing PMI	Production	New Orders	New Export Orders	Raw Materials Price Index	Imports	Employment	Expected Production and Business Activities
2017	Jan.	51.3	53.1	52.8	50.3	64.5	50.7	49.2	58.5
	Feb.	51.6	53.7	53.0	50.8	64.2	51.2	49.7	60.0
	Mar.	51.8	54.2	53.3	51.0	59.3	50.5	50.0	58.3
	Apr.	51.2	53.8	52.3	50.6	51.8	50.2	49.2	56.6
	May	51.2	53.4	52.3	50.7	49.5	50.0	49.4	56.8
	Jun.	51.7	54.4	53.1	52.0	50.4	51.2	49.0	58.7
	Jul.	51.4	53.5	52.8	50.9	57.9	51.1	49.2	59.1
	Aug.	51.7	54.1	53.1	50.4	65.3	51.4	49.1	59.5
	Sep.	52.4	54.7	54.8	51.3	68.4	51.1	49.0	59.4
	Oct.	51.6	53.4	52.9	50.1	63.4	50.3	49.0	57.0
	Nov.	51.8	54.3	53.6	50.8	59.8	51.0	48.8	57.9
	Dec.	51.6	54.0	53.4	51.9	62.2	51.2	48.5	58.7
2018	Jan.	51.3	53.5	52.6	49.5	59.7	50.4	48.3	56.8
	Feb.	50.3	50.7	51.0	49.0	53.4	49.8	48.1	58.2
	Mar.	51.5	53.1	53.3	51.3	53.4	51.3	49.1	58.7
	Apr.	51.4	53.1	52.9	50.7	53.0	50.2	49.0	58.4
	May	51.9	54.1	53.8	51.2	56.7	50.9	49.1	58.7
	Jun.	51.5	53.6	53.2	49.8	57.7	50.0	49.0	57.9

Source: Created based on data released by NBS and CFLP
Note: Historical data for Expected Production and Business Activities has been revised, as the calculation method was changed in Jan. 2017.

The non-manufacturing PMI for June increased 0.1 point MoM to 55.0, rising for the fourth consecutive month. Among non-manufacturing sectors, construction rose 0.6 point MoM to 60.7, the highest index since the beginning of this year, leading the non-manufacturing sector as a whole.

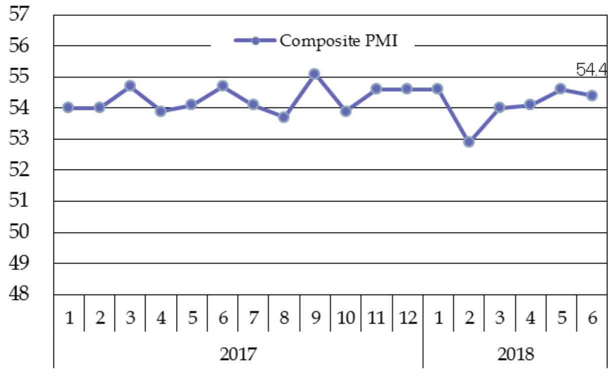
The composite PMI for June fell 0.2 point MoM to 54.4. The composite PMI is an index for monitoring the current status and the cyclic change of the overall economy, derived from a weighted average of the manufacturing PMI and the non-manufacturing PMI.

<PMI Trends>



Source: Created based on data released by NBS and CFLP

<Composite PMI Trends>



Source: Created based on data released by NBS and CFLP

[Industry]

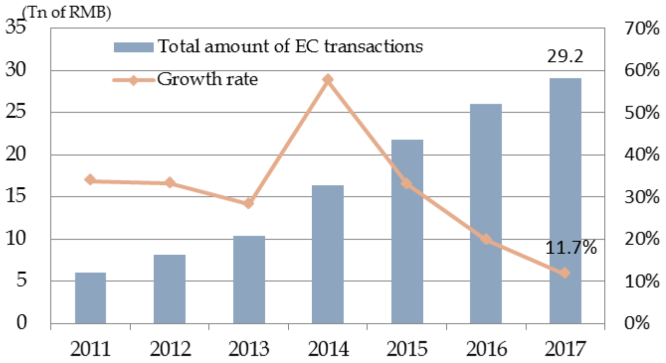
◆Total amount of EC transactions in 2017 up 11.7% YoY to RMB 29 Trillion

According to the report on e-commerce (EC) transactions in China for 2017 released by the Ministry of Commerce on May 31, the total amount of EC transactions in China for 2017 rose 11.7% year-on-year (YoY) to RMB 29.16 trillion.

By category, transactions related to goods increased 21.0% YoY to RMB 16.87 trillion, expanding its growth by 8.7 points from the previous year. Transactions involving services rose 35.1% YoY to RMB 4.96 trillion, expanding 13.2 points from the previous year. Both categories rose considerably, and the increase of EC transactions involving services was especially striking due to the rapid growth in services such as delivery and ride-hailing. Meanwhile, EC contract transactions* fell off significantly, down 28.7% YoY to RMB 7.33 trillion. This decrease was probably caused by the government's strengthened regulations related to EC contract transactions as part of their measures against financial risk.

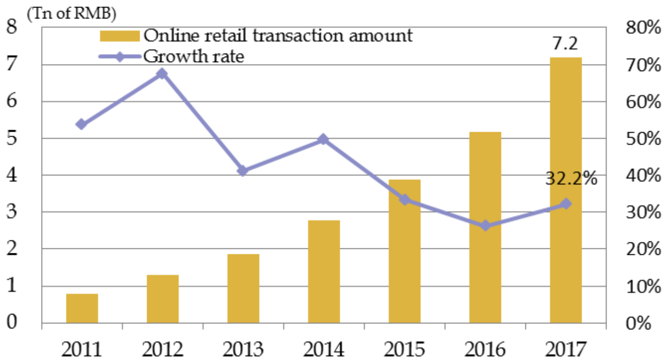
* EC contract transactions: Online transactions conducted through electronic contracts, dealing with commodity products, rights and interests (excluding equities and financial futures), and cultural items and artwork, characterized by their availability for transferring and leveraging.

<Trends in Total Amounts of EC Transactions in China>



Source: Created based on "E-commerce in China 2017" by the Ministry of Commerce

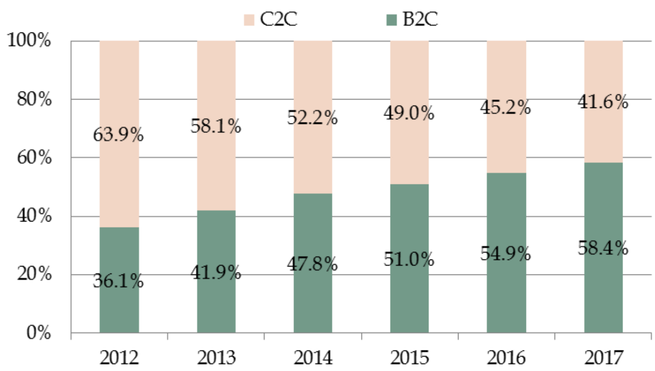
<Trends in Online Retail Transaction Amounts in China>



Source: Created based on "E-commerce in China 2017" by the Ministry of Commerce

The amount of online retail transactions, which indicates the total individual purchases of goods and services, increased 32.2% YoY to RMB 7.18 trillion, including rural areas, which saw an increase of 39.1% YoY to RMB 1.24 trillion. As China's online retail market became one of the biggest in the world, the number of users rose 14.3% YoY to 530 million as of the end of 2017. By type of online retail transactions, B2C is gradually increasing its share, currently 58.4%, while C2C stands at 41.6%. Two of the top B2C platform companies hold more than an 80% share of the entire transactions market: Tmall, a subsidiary of Alibaba Group, with 57.0%, and JD.com with 25.5%.

<Trends in the Ratio of Online Retail Transactions Types>



Source: Created based on "E-commerce in China 2017" by the Ministry of Commerce

When looking at the market for electronic payments accompanying EC transactions in 2017, banks processed electronic payments of RMB 2,491.2 trillion for 152.58 billion transactions, and non-bank payment institutions issued RMB 143.3 trillion for 286.75 billion transactions. The three non-bank companies with the top shares in the electronic payments market are Alibaba-affiliated Alipay with a 24.5% share, UnionPay (23.9%), and Tencent (10.2%), based on the cumulative results from October–December 2017.

Meanwhile, the total amount of cross-border retail EC transactions through customs increased 80.6% YoY in 2017 to RMB 90.24 billion. Both imports and exports rose considerably, with the former up 120.0% YoY to RMB 56.59 billion and the latter up 41.3% YoY to RMB 33.65 billion. Imports from Japan, the US, South Korea, Australia, and Germany topped the list, as did exports to Hong Kong, the US, Russia, South Korea, and the UK.

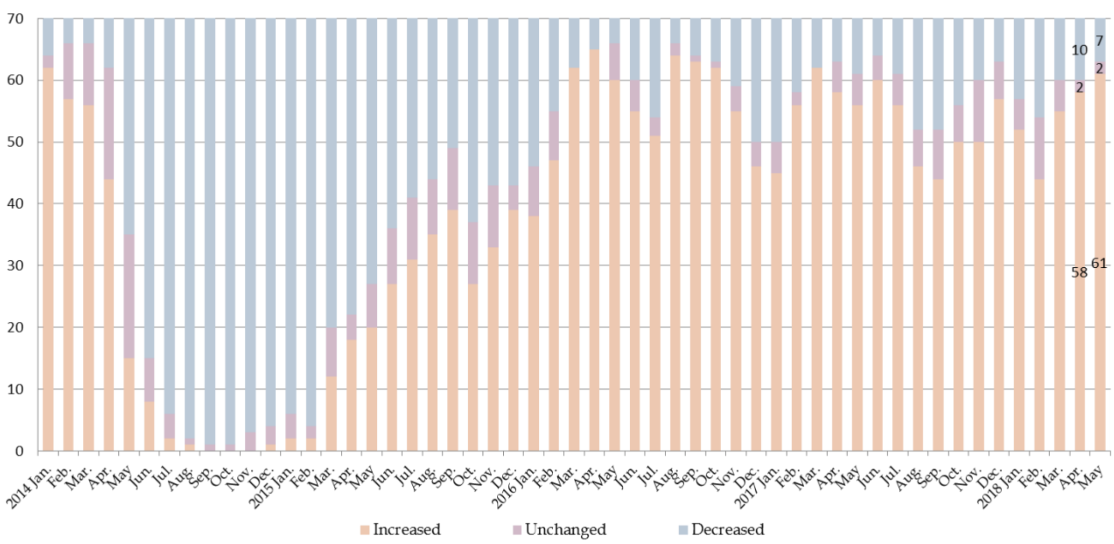
◆Housing prices in May for 70 large- and medium-sized cities: 61 cities with month-on-month (MoM) growth and 62 cities with YoY growth

On June 15, the National Bureau of Statistics (NBS) announced the housing price indices for 70 large and medium-sized cities for May.

Sales prices of newly constructed commercial residential buildings rose in 61 cities month-on-month (MoM) in May for the third consecutive month, up three from April, while prices declined in seven cities, down three from April.

The cities with a large MoM increment include Dandong (Liaoning), up 5.3%, Sanya (Hainan), up 2.4%, and Haikou (Hainan) and Chengdu (Sichuan), both up 2.1%. Prices dropped considerably MoM in Fuzhou (Fujian), down 1.1%, and in Shanghai and Nanjing (Jiangsu), both down 0.2%.

The average rate of MoM increase in housing prices expanded for all cities, with first-tier cities* up 0.3% (April: unchanged), second-tier cities* up 0.9% (April: up 0.5%), and third-tier cities* up 0.7% (April: up 0.5%).



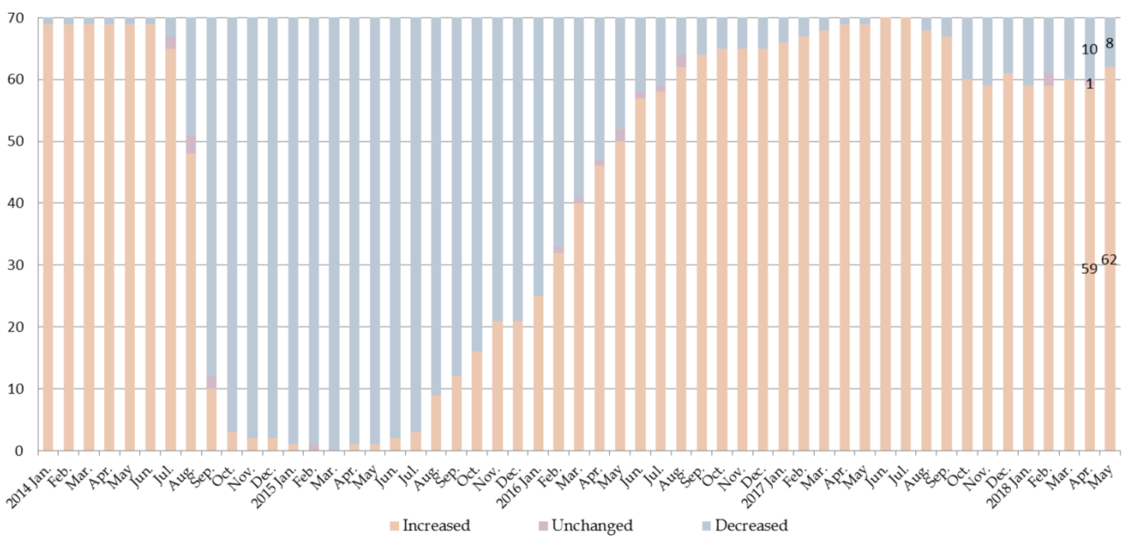
Source: Created based on data released by the National Bureau of Statistics

On a year-on-year (YoY) basis, house prices rose in 62 cities, up three cities from the previous month, and dropped in eight cities, down two cities from the previous month.

The prices increased significantly YoY in Dandong (Liaoning), up 11.7%, Dalian (Liaoning), up 11.6%, Harbin (Heilongjiang), up 11.1%, and Xi'an (Shaanxi), 11.0%. The prices dropped considerably YoY in Fuzhou (Fujian), down 2.8%, Wuxi (Jiangsu), down 2.3%, and Shenzhen (Guangdong), down 1.7%.

The average rate of price increase in first-tier cities was down 0.6% YoY, decreasing 0.4 point from the previous month, while for second-tier cities it increased 5.4% YoY, up 0.3 point from the previous month, and for third-tier cities it increased 5.4%, down 0.3 point.

Dandong increased its figures both MoM and YoY. Expectations for progress on economy-building in neighboring North Korea due to the easing of tensions in the Korean peninsula are said to be giving rise to the housing boom in Dandong.



Source: Created based on data released by the National Bureau of Statistics

* First-tier cities: Beijing, Shanghai, Guangzhou, and Shenzhen
Second-tier cities: 31 cities including provincial capitals and sub-provincial cities

Third-tier cities: The 35 remaining cities of the 70, excluding the above first- and second-tier cities

◆The Ministry of Transport announces a 3-year environmental plan

The Ministry of Transport (MOT) announced a three-year environmental plan for traffic and transportation in a regular press conference held on June 25. This plan is a response to the statement on comprehensively strengthening ecological and environmental protection and winning the battle against air, water and soil pollution* issued by the State Council and the Central Committee of the Communist Party of China on June 16 to serve as a guideline for enhancing environmental protection efforts. The MOT plan describes measures such as reducing emissions from cars, ships, etc. by adopting new energy and clean energy, and overhauling transport systems including switching from road transport to water and rail transport, for the goal of establishing China as "a transportation powerhouse" and building a "beautiful China." Specific details include the following measures.

<Summary of Pollution Control Measures in the Ministry of Transport's 3-Year Environmental Plan>

Measures against pollution by vehicles
・Introduce new energy vehicles -Change all public buses to new energy vehicles by the end of 2020 in municipalities, provincial capitals, and individual cities designated as focus areas under the economic development plan -Introduce 600,000 new energy vehicles for public buses, taxis, and delivery trucks in urban areas by the end of 2020 ・Eliminate older models of vehicles -Eliminate 1 million or more large trucks falling below level 3 of China's automobile emissions standard (China's national automobile emissions pollution standard level 3) in Beijing, Tianjin, and Hebei Province and their surrounding area by the end of 2020
Measures against pollution by ships and for the maintenance of ports and harbors
・Adopt clean energy for ships -Promote the building of and conversion to LNG-powered ships and electric-powered ships ・Improve the environment in ports and harbors/waters -Designate the Pearl River Delta, the Yangtze River Delta, and the waters of the Beijing-Tianjin-Hebei region as waters subject to emission control -Establish facilities to supply shoreside electric power at major moorages of the main channels of the Yangtze and Xi rivers and the (Beijing-Hangzhou) Grand Canal by the end of 2020
Overhauling the transport structure
・Reduce medium- and long-distance motor freight transport -Shift coal transport at main ports and harbors, etc. in the Bo Hai Gulf coast, Shandong province coast, and Yangtze Delta regions to water or rail transport by the end of 2018 ・Restructure the passenger transport system -Develop a passenger transport system mainly for high-speed and inter-city railways that is connected to air and water transport, and gradually reduce motor passenger transport routes with a transport distance of 800km or greater ・Innovation in methods of transportation -Intermodal transport by rail and water by 2020, increasing the volume of intermodal freight transport that uses direct marine or river transport, etc. 2.5 times by 2015

[Trade/Investment]

◆ Policies to enhance inviting foreign investment span 23 measures in six categories

On June 15, the State Council issued the "Circular on Measures to Actively and Effectively Utilize Foreign Capital to Promote High-Quality Economic Development" (Guo Fa [2018] No.19). This follows and further defines the policy to further commit to inviting foreign investment that was decided at the State Council Executive Meeting on May 30.

The circular contains 23 topics in six categories including opening up access to the market, simplifying administrative procedures, enhancing the quality of methods to attract foreign investment, improving investment protection standards, optimizing the regional distribution of investments, and promoting innovation in China's National Economic and Technological Development Zones. Later on, the responsible departments in charge are expected to announce circulars with more specific stipulations.

Note: Please refer to the relevant article in the "Trade/Investment" section of the June 15, 2018 issue of

China Biweekly.

http://rmb.bk.mufg.jp/files/topics/775_ext_02_en_0.pdf (in English)

<Overview of the "Circular on Measures to Effectively Utilize Foreign Investment and Promote High-Quality Development of the Economy">

1. Widening Market Access
・Improving the nationwide practice of pre-establishment national treatment and negative list on foreign investment - The special administrative measures on foreign investment nationwide and in free trade pilot zones, known as "negative list", will be revised and published before July 1, 2018, aiming to enhance opening-up in an all-around way.
・Further opening-up in the financial sector - Ease restrictions on setting up foreign financial institutions. - Revise regulations related to Qualified Foreign Institutional Investors (QFII) and RMB Qualified Foreign Institutional Investors (RQFII). - Develop the market of crude oil futures, and attract overseas traders in iron ore futures trading. - Encourage domestic companies that fulfill certain conditions to be listed abroad and promote overseas-listed domestic companies to circulate the unlisted shares in overseas market steadily and in order. - Support foreign financial institutions in underwriting local government bonds.
・Further opening-up in services sector - Ease restrictions on foreign investment access to transportation, commercial logistics and certain specialized service sectors. - Promote trial implementations to open the telecommunications, cultural enterprises, and tourism sectors within Pilot Free Trade Zones.
・Further opening-up in sectors such as agriculture, mining, and manufacturing - Remove or ease restrictions on foreign investment access in agricultural industries such as seeds and seeding, mining of coal and certain non-metallic minerals, and manufacturing of automobiles, ships or aircraft.
2. Deepening Administration Reform for Foreign Investment Facilitation
・Simplify the procedures related to foreign investments - Provincial-level governments will be entitled to review registration and modification of foreign-invested enterprises investing less than USD 1 billion in sectors included in the negative list. - Local governments are encouraged to carry out integrated approval procedures. - Enterprises' registration and filing will be handled in one stop for foreign traders that invest sectors excluded in the negative list nationwide.
・Capital use of foreign-invested enterprises will be easier than before - Permit centralized settlements and netting upon examination of true and lawful documents of evidence in electronic form conducted by the bank. - Ease requirements for multinational corporations on the centralized operation and management of foreign exchange funds (interim). - Encourage two-way cross-border RMB cash pooling by multinational corporations.
・Foreign talents' work in China will be easier than before - Encourage a one-stop application procedure for foreign high-end talents through further simplifying procedures for their work permission.
・Foreign talents' exit and entry will be easier than before - With a confirmation letter of foreign high-end talents, the qualified foreign talents working for enterprises registered in mainland China could apply the multiple-entry visas valid for 5-10 years (up to 180 days per stay) and obtain within 2 working days without fee for visa and emergency.
3. Promoting High-quality Investment
・Attract investments - Support foreign investors to participate in the construction of Hainan free trade port so as to strengthen the leading role of pilot free trade zones in attracting foreign investment. - Further implement policies related to overseas-earned income exclusion, direct investment through profit gained from mainland China and taxation on advanced technology service enterprises.
・Encourage innovation by foreign-invested enterprises - Encourage foreign-invested enterprises to reinforce R&D, put more capital in advanced technologies.
・Encourage foreign investment to participate in mergers and acquisitions in China - Permit foreign natural persons that meet certain conditions to invest in listed companies in mainland China. - Permit foreign investors to invest in companies listed on the National Equities Exchange and Quotations (New Third Board). - Further improve the transparency of state-controlled listed companies and the transfer of state ownership.
・Reduce the operating cost of foreign corporations - Charge no additional land fee for manufacturing corporations when they make land improvements on factory sites or construct extensions to their factories or storage buildings for the sake of efficient land use. - Support the development of a flexible employment framework implementing fixed-term contracts with the required period of time to complete a business, or short-term contracts with a fixed expiration date.

- Accelerate conclusions of bilateral social security agreements with foreign governments.
・Enhance promotion of investment - Support local governments in contributing public funds to promote investment.
4. Creating a High-standard Business Environment
・Enhance measures to protect intellectual property rights (IPR) - Revise IPR-related laws and regulations such as patent laws, etc. Lift the upper limit of IPR infringement compensation.
・Protect the legitimate interests of foreign corporations - Improve the framework for dealing with complaints from foreign corporations. - Restriction is not allowed for foreign corporations to conduct cross-regional businesses, relocation or cancellation of registration.
5. Optimizing Investment Layout
・Expand financing routes for foreign-invested enterprises - Permit foreign-invested enterprises registered in western or northeastern regions to issue RMB- or foreign currency-denominated bonds outside mainland China, as well as to make inbound remittances in full after acquiring the procurement funds externally for the investment in their registered regions. - Permit financial institutions and asset management corporations in western and northeastern regions to transfer non-performing loans denominated in RMB to offshore investors in the framework of macro-prudential management model for full-aperture cross-border financing. - Permit the banks in western and northeastern regions to transfer trade finance assets in RMB to banks outside mainland China on the basis of substantial evaluation.
・Cut logistics costs for foreign-invested enterprises - Construct intermodal transport terminals in central, western, and northeastern China. - Enhance the infrastructure construction related to regular freight train service between China and Europe.
・Enhance methods for attracting investment in border areas - Support the development of key border areas and the establishment of international cooperation zones. - Encourage development and policy financial institutions to provide companies registered in border economic cooperation zone and cross-border economic cooperation zone for credit support within their business scope. - Encourage companies which meet certain conditions to apply for IPO.
・Create new investment destinations in the western regions - Establish high-standard international cooperation zones in various locations
6. Promotion of Innovations in China's National Economic and Technological Development Zones (ETDZ)
・Improve administrative services - Confer ETDZs with sufficient investment control authority.
・Enhance the role of ETDZs as model regions for utilizing foreign capital. - Preferential land supply. More flexible recruiting system at departments in charge of promoting investments in ETDZs.
・Enhance financial support - Use various green funds to promote environmental reservation. Encourage the establishment of government-affiliated financial institutions.
・Return to a sound cooperative framework among ETDZs in eastern, western and northeastern regions - Develop a platform to shift industry from the eastern region to the western and northeastern regions. Promote personnel exchange between ETDZs in the eastern, western and northeastern regions.

◆ Inward foreign direct investment in May increases 11.7% year-on-year (YoY) while outward gains 49.8% YoY

On June 14 and 15, the Ministry of Commerce (MOFCOM) announced the statistical data of inward and outward foreign direct investments for May.

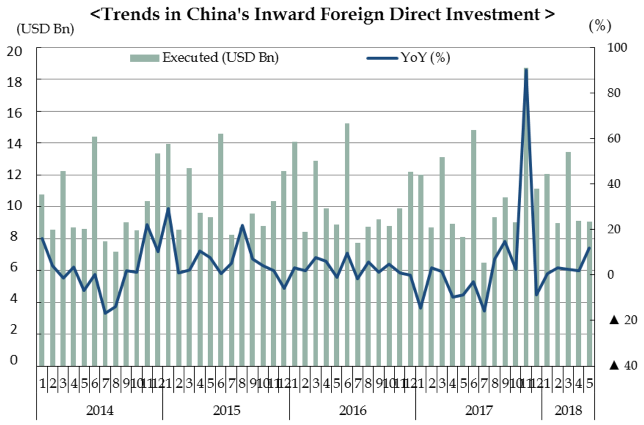
<Inward foreign direct investment>

In terms of inward foreign direct investment for May (excluding the financial sector), the number of newly-established foreign corporations increased 106.5% year-on-year (YoY) to 5,024 companies and the amount of inward foreign direct investment (executed amount) rose 11.7% (April: up 1.9%) YoY to USD 9.06 billion.

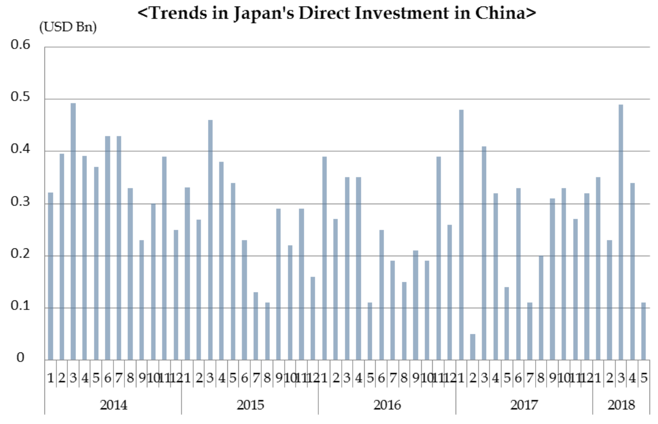
Cumulatively for January-May, the number of newly-established foreign corporations increased 97.6% YoY to 24,026 companies and inward foreign direct investment (executed amount) grew as well, increasing 3.6% YoY to USD 52.66 billion.

By country/region, the amount of direct investment from Japan rose 8.6%* (January–April: up 11.9%*) YoY to USD 1.52 billion, and investment from ASEAN countries and the US also increased, up YoY 44.4% (January–April: up 63.8%) to USD 3.12 billion and 19.8%* (January–April: up 1.0%*) to USD 1.39 billion respectively. Meanwhile, investment from the EU continued to decrease by 16.5% (January–April: down 16.0%) YoY to USD 3.41 billion.

*Calculated by MUFG Bank based on the amount of inward direct investment announced by MOFCOM.



Source: Created based on data released by MOFCOM



Source: Created based on data released by MOFCOM

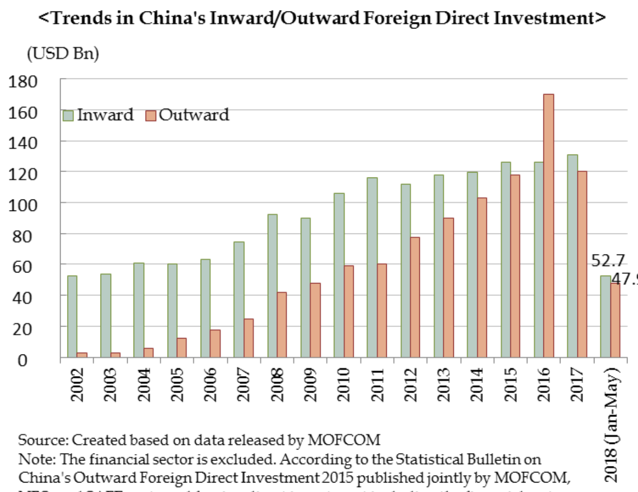
By industry, investments in the manufacturing sector increased 16.0% (January–April: up 21.5%) YoY to USD 15.36 billion, while investments in the service sector fell 1.9% (January–April: down 5.8%) YoY to USD 36.51 billion.

<Outward foreign direct investment>

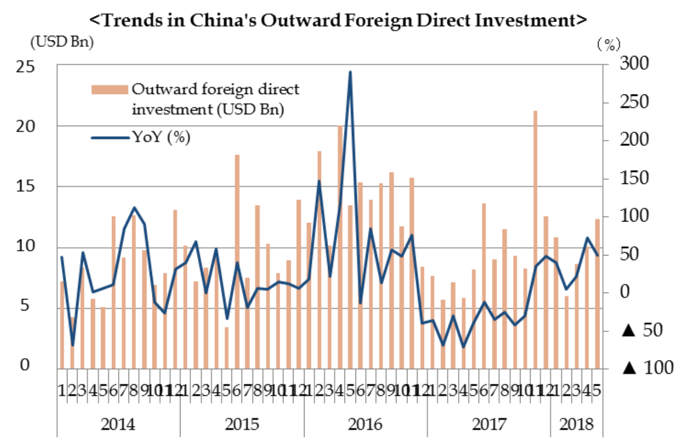
Outward foreign direct investment for May (excluding the financial sector) rose 49.8%* (April: up 72.9%*) YoY to USD 12.31 billion,* exceeding the amount recorded the year before for the seventh consecutive month. On a January-May cumulative basis, outward foreign direct investment rose 38.5% (January–April: up 34.9%) YoY to USD 47.89 billion.

* Calculated by MUFG Bank based on the amount of outward foreign direct investment announced by MOFCOM.

By country/region for January–May, the amount of investment in the Belt and Road Initiative region increased 8.2% (January–April: up 17.3%) YoY to USD 5.93 billion. The breakdown by industry shows that the major industries for outward investment are leasing/trade and services (accounting for 29.9%), manufacturing (15.0%), mining (12.3%), and wholesale/retail (7.6%).



Source: Created based on data released by MOFCOM
Note: The financial sector is excluded. According to the Statistical Bulletin on China's Outward Foreign Direct Investment 2015 published jointly by MOFCOM, NBS, and SAFE, outward foreign direct investment including the financial sector exceeded inward foreign direct investment in 2015.



Source: Created based on data released by MOFCOM
Note: YoY data is calculated by MUFG Bank based on the Chinese outward foreign direct investment data released by MOFCOM.

◆ Guangdong Province, Sichuan Province, and Beijing City announce minimum wage hikes

The governments of Guangdong Province, Sichuan Province, and the city of Beijing recently announced minimum wage hikes.

Minimum wages were raised in Guangdong Province's cities of Shenzhen, from RMB 2,130 to RMB 2,200, and Guangzhou, from RMB 1,895 to RMB 2,100, while in Sichuan Province they were raised from RMB 1,500 to RMB 1,780, taking effect as of July 1, 2018.

Beijing raised the minimum wage from RMB 2,000 to RMB 2,120, to take effect from September 1, 2018.

While the last revisions for Shenzhen and Beijing were made about one year ago, the last revisions for Guangdong Province, excluding Shenzhen, and for Sichuan Province took place about three years ago.

Upon these revisions in minimum wages, the region with the highest minimum wage will be Shanghai at RMB 2,420, followed by Shenzhen at RMB 2,200, with Beijing in third place at RMB 2,120.

＜Minimum Wage Hikes in 3 Regions>

Region		Previous rate	Revised rate	Rate of Increase
Guangdong Province	Shenzhen City	RMB 2,130 (Revised in June 2017)	RMB 2,200 (Revised in July 2018)	3.3%
	Guangzhou City	RMB 1,895 (Revised in May 2015)	RMB 2,100 (Revised in July 2018)	10.8%
	Zhuhai City	RMB 1,650 (Revised in May 2015)	RMB 1,720 (Revised in July 2018)	4.2%
	Dongguan City	RMB 1,510 (Revised in May 2015)	RMB 1,720 (Revised in July 2018)	13.9%
Sichuan Province		RMB 1,500 (Revised in July 2015)	RMB 1,780 (Revised in July 2018)	18.7%
Beijing City		RMB 2,000 (Revised in Sept. 2017)	RMB 2,120 (To be revised in Sept. 2018)	6.0%

Source: Created based on regional government announcements

Note: Rates of increase are calculated by MUFG Bank