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Manufacturing in China – New Challenges and Developments

With China's rapid economic development, the government has been aware of the need and importance of initiating and implementing relevant rules and regulations. These will provide additional protection for employees as well as raise their living and working standards. Hand-in-hand with these developments, global factors, such as rising oil prices and the appreciation of the Renminbi, are exerting challenges on the entire manufacturing process.

The Standing Committee of the National People's Congress passed a new Labor Contract Law ("LCL") which became effective on January 1, 2008. This new law enhances the scope of legal protection for employees while, at the same time, providing clearer and more comprehensive guidelines on employment conditions and employers' obligations. Areas covered by the new legislation include: probationary periods, redundancy, liquidated damages, severance pay, non-compete and labor dispatching issues, among others. This regulates employers' behavior so as to respect and protect employees' rights.

According to the article "Creeping Costs Mean Higher Prices in Asia" from Publishers Weekly of April 7, 2008, "Fully implemented, the new law will increase labor cost by 15%-18% over the next 12 months..." Coupled with the minimum wage which keeps increasing, employers will at least need to allocate more resources.



We have assessed the impact of LCL on our human resources, management practices and our wider business strategies. As a socially responsible company, we fully support government policy and are well prepared to face the challenges. This has been demonstrated by a number of international certifications for our code of conduct and occupational health and safety, as well as quality environmental practices that we have put in place. The Astros Greenfield Garden continues to grow with new and improved facilities to enhance staff well-being.

The new legislation will have an impact on both our customers and ourselves. We regularly review our strategies and operational plans, taking proactive actions and doing our very best to minimize cost pressures and maintain competitive advantages for our customers. As such, we have introduced a number of new initiatives – a major example is our "Lean Way" project introduced to eliminate wastage, over-production and other counter-effective cost practices.

We will be able to face the market's many challenges to maintain our role as one of the leading print production specialists in the region, creating higher value and offering better services to our customers.

Sources:

- Hong Kong Print Media Vol. 23, Dec 2007
- Publishers Weekly, April 7, 2008
- www.molss.gov.cn

UPCOMING...

In line with environmental policies both in China and around the world, we continue to promote green products and green materials. The upcoming **BookExpo America 2008** will be held from May 29th to June 1st at the Los Angeles Convention Center in Los Angeles, California. Visit us at **Booth 5031 in Hall A**, under the theme "Creating a Greener Future", and see for yourself how our latest developments, products, and processes can help you make printing a much cleaner and greener process.



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Hong Kong Green Mark Certification Scheme

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