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LABOUR INTENSIVE MANUFACTURING

LABOUR INTENSIVE MANUFACTURING, SHIFT OUT OF CHINA TO INDIA BASED ON LABOUR COST AND RECENT TARIFF ISSUES



Tariff & Trade Tension – U.S.-China Trade War

\$300Bn+ in U.S. tariffs on Chinese goods	125% China Tariffs on US
145% US Tariffs on China	Mineral export restrictions by China
Chips & AI tech export curbs by US to China	Pivot to Global south for trade by China



Labour Cost Comparison

China - \$6–\$8/hour Avg. manufacturing wage	India - \$1–\$2/hour Avg. manufacturing wage
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Labour-Intensive Manufacturing Opportunity

“China Plus One” Global Manufacturing Shift

Why India Stands out?

- **Workforce:** Young, Abundant Workforce
- **Skilling push:** Skilling via multiple programs like *Skill India*
- **Competitive Wages:** Lower than China & other major economies
- **Infrastructure:** Expanding infrastructure & logistics network (e.g., PM Gati Shakti, BharatMala Pariyojana, etc.)
- **Strategic Location:** Easy access to global trade routes

Potential Sectors for growth in India

Textile & Garment	Footwear & Leather goods	Toys & Handicrafts	Furniture	Electronics assembly
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