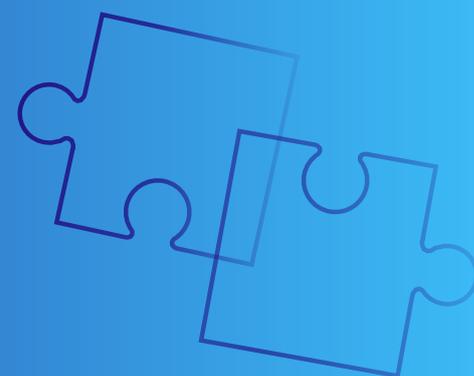


# The Salary Analysis in Asia 2022



# About this Report

The Salary Analysis in Asia 2021, is the latest version of our well-received salary analysis, as prepared by JAC Group drawing upon our extensive experience and record of accomplishments amassed over our many years of conducting business in Japan throughout Asia.

While this year's report is arranged in the same format as those of previous years, we have updated relevant content while also making overall stylistic improvements.

We hope this report is of interest to you in regards to the recruitment market in Asia.

## How to Read the Tables

MNC (multinational corporation)	Multi-national corporations which are globally headquartered outside of the surveyed country
Local Company	Primarily major corporations deemed local entities by the surveyed country on the basis of local equity ownership
Local Staff	Locally hired members of the workforce employed in positions that do not require English or Japanese language skills unless it is the official language of the surveyed country

- The annual salary data presented herein has been collected from job enquiries that we have received over the past year and from the insights of our consultants. The compensation data shown in the tables refer to total annual gross income, often excluding irregular bonuses and/or incentives.
- “N/A” ( “not applicable” ) is indicated with respect to either market segments that are not handled by JAC or those for which the sample size is insufficient.
- The exchange rates presented herein are current as of March 31st, 2022. The information within the overviews of the countries and industries presented herein are current as of the fourth calendar quarter of 2021. Economic statistics without specific explanations are forecasted of 2022 by IMF World Economic Outlook, April 2022.
- “Japanese Speaker” include Japanese and English bilingual or more speakers in this report.
- \* This document was originally created in Japanese.

## Disclaimer

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# Topics

## Recent expansion of Japanese companies into the Asian market

Kengo Atsumi

Head of Strategic Planning

(Japanese Business Operations, ex Japan)

JAC Group

Now in 2022, the world is seemingly poised to recover from the economic and employment slump brought about by the COVID-19 pandemic. Government policy regarding COVID-19 varies from one nation to the next amid country-specific approaches ranging from that of governments maintaining stringent restrictions to that of governments opting to lift restrictions completely. Still, it would seem safe to say that nations worldwide have come to adopt a shared sense of urgency amid sentiment that the status quo is not sustainable.

There has been a continual increase in the number of Japanese companies seeking to expand in Asian markets thus far. This tendency toward expansion in Asia has been persisting essentially unabated since the outbreak of COVID-19, and even seems to have been growing stronger irrespective of industry.



Under such circumstances, Japanese companies have been forging ahead particularly when it comes to expansion throughout Asia with respect to diversifying their capabilities in hopes of entering new markets and setting up new subsidiaries. For instance, such companies have been taking multifaceted approaches to such expansion aligned with degrees of development of target markets. This entails initiatives that include investing in production facilities purely with the intent of pursuing cost advantages, forming alliances with locally-based partner companies capable of production outsourcing, and enhancing operations and sales with sights set on abundant domestic markets underpinned by substantial youth demographics.

Recruitment needs are becoming increasingly sophisticated and complex against this backdrop, which has given rise to mounting demand that transcends industries for recruitment of high-calibre talent. As such, employers are seeking highly-skilled professionals capable of greater flexibility in terms of creativity and approaches to work, with the ability to overcome linguistic and cultural barriers of local markets. The situation is now such that the number of Japanese expatriates employed by Japanese companies in Asia has been decreasing markedly. This trend exemplifies the current tendency among such employers to seek greater workforce localisation, which is proportionally accompanied by intensifying competition to attract highly skilled talent.

Amid this situation of persisting change, we have been building and strengthening support frameworks that optimally serve respective geographic regions with the aim of addressing the inherent recruitment needs of our clients. Our teams of consultants are eager to provide guidance starting from the initial phase of recruitment in terms of drawing up appropriate job descriptions.

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# Singapore

79,576

US\$ GDP PER CAPITA

2.4%

UNEMPLOYMENT

(2022 IMF)

4.0%

GDP GROWTH

(2022 IMF)

3.5%

INFLATION, CONSUMER PRICES

(2022 IMF)

## Economic Trends

Nominal GDP: USD 424 billion

Real GDP growth: -4.1% (2020), 7.6% (2021), 4.0% (2022)

Consumer price inflation: -0.2% (2020), 2.3% (2021), 3.5% (2022)

Total population: 5.3 million (2022), of which approximately 40% are foreign nationals (approx. 10% of whom are Singapore permanent residents)

Workforce: 3.5 million

Unemployment: 2.6% (2021), 2.4% (2022)

Japan Chamber of Commerce & Industry Singapore membership: 793 companies and individuals (2021);

Japanese companies: Approximately 2,000 companies

Japanese nationals in Singapore: 36,200 individuals

The government of Singapore has allocated USD 11 billion (equivalent to 2.2% of Singapore's GDP) to economic stimulus measures prompted by the COVID-19 pandemic. As was the case in 2020, the government has also been providing its support for various measures that include: Singapore's Jobs Support Scheme (JSS) seeking to maintain employment of Singaporean nationals and permanent residents (PR); the Jobs Growth Incentive (JGI) scheme; the SGUnited Jobs and Skills programme promoting employment of Singaporean nationals, and; foreign worker levy (FWL) rebates for work permit holders in the marine shipyard and process sectors.

Singaporean authorities have been placing further restrictions on employment of foreign nationals as a means of promoting the government's policies of maintaining a "Strong Singaporean Core." The government has accordingly reduced the number of S-Pass holders, and since May 2021 Dependant's Pass (DP) spouse visa holders wishing to work are required to secure the Employment Pass (EP) work visa rather than seeking new issuance of the so-called letter of consent (LOC) work permit (certain exceptions apply).



**Singapore Core**



**Regional  
headquarters**

Meanwhile, the Singapore Green Plan 2030 serves as an action plan for achieving a green and sustainable future for the nation, enlisting initiatives such as promoting agriculture, setting up 60,000 electric vehicle (EV) charging stations, and undertaking initiatives related to EVs.

## Recruiting Trends

The official language of Singapore is English, which enables Singapore to be highly competitive on the international stage. Approximately half of Singapore's workforce has graduated from a vocational school or higher-level education program. The population is also known for its intensive focus on upward mobility, whereby a substantial proportion of Singaporeans have obtained high-level qualifications and advanced expertise. As such, many people take part in training to obtain qualifications even after joining the workforce. Approximately 40% of Singapore's university population studies abroad and many Singaporeans are receptive to the idea of living and working overseas.

In 2021, Singapore's recruitment market rebounded amid recovery in business conditions, subsequent the scenario in 2020 when many employers had refrained from hiring amid slowing GDP

growth and a languishing economy due to the COVID-19 pandemic.

Japanese multinationals in Singapore have been hiring locally-based Japanese nationals for positions previously filled by expatriate employees with the aim of achieving greater workforce localisation. Such employers have been increasingly filling job vacancies by promoting locally-hired foreign nationals and hiring mid-career professionals. Now that it is becoming increasingly common for Japanese nationals to take on mid-tier and specialist roles overseas, companies that serve as regional headquarters in Singapore are increasingly hiring professionals in the fields of accounting, finance and taxation, as well as experts in charge of legal affairs. An increasing number of positions are becoming available for candidates who are able to play active roles outside of Singapore in Southeast Asia. In some such cases, companies have also been setting salaries and benefits somewhere between levels offered to expatriate employees and local hires.

Singaporean regulations governing employment of foreign nationals have become even more stringent than before. For instance, the government tightened standards for granting the Employment Pass (EP) work visa twice in 2020, yet had previously done so once every several years. The government increased the minimum qualifying salary for the S-Pass visa for skilled workers, to SGD 2,400 in January 2020 and again to SGD 2,500 in October 2020.

Moreover, there have been an increasing number of instances where the authorities request additional documentation or reject applications during the process of filing for a new visa or seeking renewal.

The Singaporean government has been cracking down on large corporations and SMEs alike for what it deems as unfair hiring of foreigners over Singaporeans. In that regard, the authorities initiated a watch list in 2017, which they use to scrutinize hiring practices of employers who have a low percentage of Singaporeans in their workforces and are consequently deemed reluctant to hire Singaporeans. There have been instances where the authorities have placed employers back on the watch list subsequent to their previous removal from the list, in which case such employers find

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**Employers are increasingly facing difficulties when it comes to recruitment of foreign nationals given that regulations governing employment of citizens from abroad are becoming more stringent.**

”

themselves subject to continual monitoring over a duration of several years.

Such regulations have been resulting in two diverging paths with respect to job categories of foreign nationals working in Singapore, namely: 1.) specialists equipped with expertise, and 2.) generalists encompassing the youth demographic, those with Singapore Permanent Resident (SPR) status, those with Dependent Pass (DP) spouse visa status, and those holding the Long-Term Visit Pass (LTVP) visa for spouses of Singaporeans and permanent residents of Singapore.

Japanese and other foreign multinational corporations in Singapore have been seeking fewer Japanese nationals for mid-career positions in Singapore, partially as a result of the Singaporean government's policies curtailing employment of foreign nationals. There have been instances where the contract of an employee has been terminated because the employee is unable to renew his or her work visa, yet demand for specialists remains high. Employers are still seeking to hire Japanese nationals for regional headquarters operations in Southeast Asia and other regional jurisdictions, particularly in developing nations.

Singaporean workers have a tendency to seek frequent job changes given their focus on upward mobility. This tendency is particularly visible when it comes to the younger generation. Also, employers need to take extra precautions in Singapore when it comes to matters of employee retention, particularly given that even those employees not actively searching for new employment due to the COVID-19 pandemic tend to persistently keep tabs on their value in the job market and otherwise seek information on employment. In addition to their income level expectations, local job candidates place consideration on a myriad of other factors including health and welfare benefits that enable substantial work-life balance, clearly defined career paths, job titles, and management that provides leadership.

## Salary Trends

Total wage growth: 1.2% (2020), 3.3% (2019), 4.6% (2018), 3.8% (2017)

The market for recruitment of Singaporean nationals to take on positions as junior employees and specialists remains a seller's market despite COVID-19 due to government measures that favour hiring of the nation's citizens. As such, many people seeking new jobs have their sights set on salaries that are around 10% higher than their current incomes.

Rates of both recruitment and attrition have been remaining flat or decreasing slightly with respect to Japanese companies in Singapore, according to findings of the Japanese Chamber of Commerce & Industry. Rates of attrition have been decreasing particularly in Singapore's banking and financial

services sector, and have been rising in its services sector. Moreover, the rate of actual salary increase was 2.74% in 2020, which is 0.52 percentage points less than the increase in 2019. The Singaporean government has established guidelines for securing employment in an attempt to encourage solidarity among companies amidst the COVID-19 pandemic.

In 2021 as in 2020, the government continues to implement the Jobs Support Scheme (JSS) seeking to maintain employment of Singaporean nationals and permanent residents (PR), Jobs Growth Incentive (JGI) scheme, and the SGUnited Jobs and Skills programme promoting employment of Singaporean nationals. This culminates in substantial hurdles when it comes to the prospect of bringing in foreign nationals from overseas, and has led to a situation where employers are shifting to hiring of locally based Singaporeans and permanent residents. There have been many instances where professionals seeking to change employers have expectations of a higher salary than in their current positions given a situation where professionals are in tight supply relative to demand.

In fiscal 2020, we encountered a situation of recent Singaporean national university graduates in the IT field attracting starting salaries ranging from SGD 4,500 to SGD 5,400 per month (approx. JPY 350,000 to JPY 400,000). Graduates with other degrees also attracted salaries ranging from at least SGD 3,000 to SGD 3,800 (approx. JPY 250,000 to JPY 300,000). The market has come to exceed that of Japan with offers at the level of SGD 3,600 (approx. JPY 270,000).

Statutory minimum wage: Singapore does not have a statutory minimum wage, with the exception of workers in the cleaning, security and landscaping sectors.



# MALAYSIA

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Annual salaries by industry, job, position, company type, language



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# Malaysia

## 5.6%

**GDP GROWTH**  
(2022 IMF)

## 13,268

**US\$ GDP PER CAPITA**

## 439 billion

**US\$ GDP**

## 3.0%

**INFLATION, CONSUMER PRICES**  
(2022 IMF)

## Economic Trends

Nominal GDP: USD 439 billion (2022)

Real GDP growth: -5.6% (2020), 3.1% (2021), 5.6% (2022)

Per capita GDP: USD 13,268 (2022), having topped the USD 10,000 threshold in 2011

Consumer price inflation: -1.1% (2020), 2.5% (2021), 3.0% (2022)

Total population: 33 million; Ethnicities: 69% Malay (Bumiputera), 23% Chinese, 7% Indian;

Population in the capital city of Kuala Lumpur: 1.78 million

Religion: Islam (61.3%), Buddhism (19.8%), Christianity (9.2%), Hinduism (6.3%), etc.

Malaysia's official language is Malay, and Malaysians of Chinese and Indian ethnicity continue to pass down their respective languages to the younger generation. Meanwhile, the English language serves as the common language of Malaysia upon having become prevalent during the era of British colonial rule.

Unemployment: 4.4% (2022 )

Number of Japanese enterprises in Malaysia: 1,544 companies (50% in the manufacturing sector; as of February 2020, JETRO)

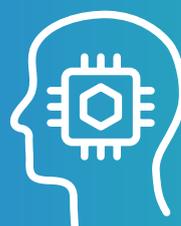
Number of Japanese residents: 27,300 people (as of October 2020), which is 12% fewer Japanese residents than in the previous year due to the COVID-19 pandemic

In March 2020, the Malaysian government imposed its Movement Control Order (MCO) as a measure to address COVID-19. However, with the government having released its National Recovery Plan (NRP) spelling out a four-phase transition process of easing the nation's COVID-19 restrictions in June 2021, there are no longer any regions of Malaysia subject to lockdown as of early 2022. Now that some 75% of Malaysia's entire population has received two doses of the COVID-19 vaccine as of November 2021, the Omicron variant stands as a remaining concern.

Authorities have eased restrictions on social activities and are now allowing a majority of companies to operate, yet restrictions are still being imposed against workplace attendance hinging on vaccination rates even in the vicinity of Kuala Lumpur. With 90% of the nation's adults fully vaccinated, those who have completed their vaccinations are no longer subject to government restrictions on movement across state lines for the first time in nine months as of October 2021. This has culminated in increasing appetite for hiring looking toward 2022 amid resumption of economic activity and recruitment drives.



**Demand for SSC,  
BPO, pharma,  
chemicals, FA &  
logistics sectors**



**Substantial demand  
for professionals in  
robotics, IoT & AI**

On the other hand, companies continue to operate in a challenging environment, particularly firms in the automotive sector and supporting industries, due to factors that include the semiconductor shortage, rising costs of shipping components and materials amid the supply chain crunch, and effects of such supply chain disruptions on delivery schedules.

## Recruiting Trends

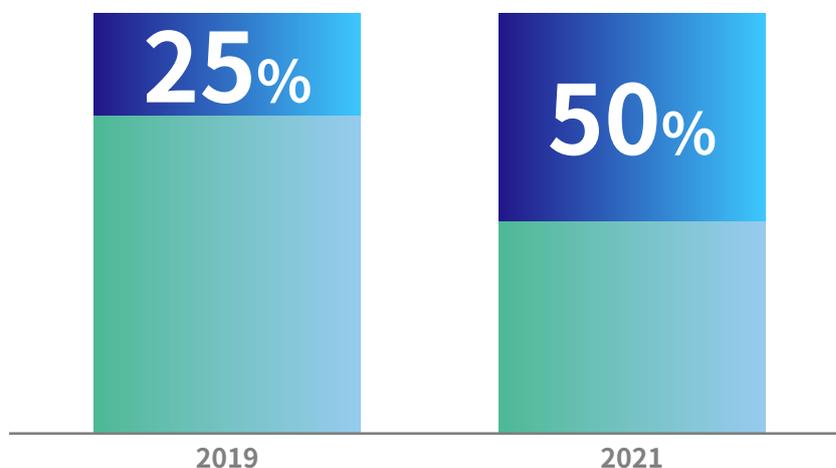
Malaysia is encountering a mounting trend toward a labour shortage as indicated by a negative 15.2 point employee diffusion index (DI), relative to a negative 1.8 point employee DI previously, according to the Business Trend Survey for the second half of 2021, released by the Japanese Chamber of Trade & Industry, Malaysia (JACTIM) in October 2021. Meanwhile, the percentage of companies citing "labour shortage" as a concern has almost doubled relative to the previous survey. The employee DI forecast for the first half of 2022 was at negative 20.4 points, suggesting that the situation is likely to persist in terms of sentiment that labour is in short supply.

The government suspended business operations and imposed many other restrictions with its stringent Movement Control Order (MCO) stipulating the nation's third lockdown beginning in May 2021. However, the latest MCO has not significantly affected appetite for hiring relative to the situation in March 2020 when the authorities issued their initial MCO. Notably, non-Japanese multinationals and local Malaysian companies alike ceaselessly continued to hire employees even amid the lockdown, with an increasing number of employers engaging in recruitment drives with their sights set on a post-corona environment.

Recruitment appetite has been rebounding with the authorities having been gradually easing up on restrictions recently, particularly that involving hiring of replacements by Japanese employers who had previously instituted partial freezes on recruitment. During the October-December quarter of 2021, the number of new job vacancies exceeded that of the same quarter of 2019, prior to the pandemic. Recruitment efforts have been intensifying, especially among electrical and electronic component manufacturers, trading companies, and employers in the construction industry.

There has been a marked shift in recruitment of core personnel. For instance, whereas managerial positions offering base salaries starting at MYR 7,000 constituted some 25% of the overall number of job vacancies listed by base salary level in 2019, such positions accounted for almost 50% of the vacancies in 2021.

### Surge in proportion of high-paying positions offering monthly salaries exceeding MYR 7,000 (managerial level salary)



Source: JAC Recruitment Malaysia

Relative to the situation in 2019 prior to the outbreak of COVID-19, there has been substantial growth in the number of job vacancies for professionals in healthcare and pharmaceuticals, payment solutions and other fintech services, and ICT-related operations. The current recruitment landscape markedly differs from that prior to the pandemic amid a scenario of mounting demand for candidates among startups, amid a situation where the Malaysian government has been actively promoting measures to attract both new entrants and fresh investment particularly in the semiconductor and medical fields encompassing Japanese multinationals and non-Japanese entities alike. With demand for core personnel even greater than before, there has been very high demand relative to the year 2019 prior to the pandemic among employers seeking professionals in the healthcare and pharmaceuticals, finance (primarily fintech), ICT, and electrical and electronics industries.

In Malaysia's Penang district located in the northern part of the peninsula, there has been ongoing construction of new factories over the past few years, particularly involving Western multinational corporations. This is expected to culminate in the creation of 20,000 to 30,000 new jobs amid a scenario where more than 20 factories are still under construction, particularly in areas that include medical devices, electronic and electrical equipment, semiconductors, solar panels, and printed circuit boards. This is inevitably causing tight supply relative to demand with respect to engineers and other top-calibre professionals, and is likely to attract professionals who will relocate from the capitol city of Kuala Lumpur in the state of Selangor in central Malaysia, and the state of Johor in southern Malaysia.

## Salary Trends

Salaries in Malaysia have been climbing by about 5% per year on average. Meanwhile, companies have been increasing salaries across the board, including those offered to recent graduates. This comes amid a scenario of rising consumer prices ever since the government introduced the nation's goods and services tax (GST) in 2015 (Malaysia subsequently shifted to SST in 2018).

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**We are seeing a marked shift toward recruitment of core personnel amid a scenario where vacancies for managerial positions constitute roughly half of all job listings.**

”

Employers in Malaysia increased salaries of their staff members by approximately 3% in fiscal 2020 according to a survey on employment trends administered by JAC Recruitment Malaysia in December 2020. That rate of increase was lower than usual due to the COVID-19 .

Whereas the number of Malaysian nationals who are graduates of Japanese universities has been decreasing over the years, candidates in Malaysia who speak Japanese remain in great demand. They encounter strong demand particularly among Japanese employers, and are sought for positions that involve launching and expanding projects in the shared services centres (SSC) and business process outsourcing (BPO) sector.

In recent years, we have been seeing more instances where employers aim to hire between ten to several tens of professionals for short periods of time in alignment with new projects, for positions that particularly call for Japanese nationals and Japanese-language speakers, as well as multilingual talent proficient in Mandarin, Thai, Korean and other languages. There have been more than a few instances where employers have offered such multilingual professionals high salaries as a means of luring them away from other companies.

Meanwhile, some employers have been making salary offers at levels between 30% and 50% higher than normal in seeking IT professionals, who have been in particularly high demand due to the pandemic.

Base salaries of recent university graduates normally range from around MYR 30,000 to MYR 40,000 per year (approx. JPY 800,000 to JPY 1,050,000).

Statutory minimum wage: The statutory minimum wage has been increased to MYR 1,200, from MYR 1,100 previously, in 57 urban areas across Malaysia since January 2020. The government generally revises Malaysia's minimum wage once every two years. The matter of increasing the minimum wage to MYR 1,500 by year-end 2022 remains under discussion as of February 2022.



# INDONESIA

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Annual salaries by industry, job, position, company type, language



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# Indonesia

**275 million**  
POPULATION

**1.3 trillion**  
US\$ GDP

**5.4%**  
GDP GROWTH  
(2022 IMF)

**3.3%**  
INFLATION, CONSUMER PRICES  
(2022 IMF)

## Economic Trends

Per capita GDP: USD 4,691 (2022)

Japan is Indonesia's third largest export market, third largest supplier of imports, and second largest source of FDI.

Japanese nationals: 16,539 Japanese nationals live in Indonesia (as of October 2020), which is 9.1% fewer than in the previous year largely as a result of Japanese nationals having returned to Japan due to the COVID-19 pandemic.

Total population: Approximately 270 million, fourth most populated nation in the world;

Unemployment: 6.5% (2021), 6.0% (2022)

Number of Japanese companies in Indonesia: 1,740 companies, a majority of which are in the manufacturing sector (JETRO, 2021)

COVID-19: Stringent restrictions remain in effect amid a scenario where the delta variant has resulted in a resurgence of infections since June 2021. Prior to that, it appeared that the number of new cases was starting to fall in April, after a situation at year-end 2020 when the number of new

cases had begun to climb. Economic activity stalled in 2021 due to the outbreak of COVID-19 and tightening of restrictions. On the other hand, Indonesia's rate of economic growth is expected to increase in 2022.

**Omnibus Law on Job Creation (Job Creation Act):** In February 2021, the government announced that it had enacted derivative regulations as stipulated in the nation's Omnibus Law on Job Creation, established in October 2020. Indonesia concurrently amended 79 laws mainly pertaining to labour and investment, thereby opening up possibilities for full foreign investment particularly in the nation's wholesale sector where there had previously been a 67% limit on foreign capital.

Under the amendments, 89 business categories have been deemed either as fields of business exclusively reserved for SMEs and cooperatives, or as fields of business subject to operating as partnerships, as opposed to 145 business categories previously. Although this gives rise to hopes of more foreign investment, barriers to entering the Indonesian market remain high given that the government has increased the minimum amount of paid-in capital to IDR 10 billion (approx. JPY 80 million), from IDR 2.5 billion previously, with the aim of attracting high-quality investment. As



**Omnibus law  
promises to  
stimulate  
substantial FDI**



**ICT power /  
Unicorn companies**

such, success for companies seeking to enter the Indonesian market going forward will substantially hinge on the extent to which such enterprises manage to build favourable partnerships with local Indonesian enterprises.

**Investment trends:** Investment in Indonesia by Japanese companies in 2020 was 40% less than in 2019. This downward trend in investment was mirrored by Indonesia's other top investors, Singapore, Hong Kong, the Netherlands, and South Korea. The value of such investment was roughly half that of 2017. Investment from China and Hong Kong surged in 2019 amid projects involving development of nickel refineries and Chinese high-speed rail (HSR). South Korean interests also continue to undertake investment related to electric vehicles (EV) and other motor vehicles.

## Recruiting Trends

**Education:** Indonesia's rate of university enrolment was 36.3% in 2018, which includes attendance at junior colleges. The nation is subject to substantial educational disparities, which is evident by the

fact that approximately 41% of its workforce has not been educated beyond the primary school level.

Language: Indonesian (Bahasa Indonesia) is the nation's official language. Language proficiency of Japanese expatriate employees at SMEs tends to be low. Also, limits imposed by the Indonesian government on the number of visas it will issue to expatriate employees culminate in strong demand for Japanese-speaking job candidates locally. Although Indonesia is home to more Japanese-language speakers than any other nation in the world besides China, recruitment of such professionals calls for a considerable amount of effort given that demand among respective employers exceeds supply.

Recruitment trends: The number of new job vacancies returned to a downward trajectory beginning in the middle of June 2020 amid the outbreak of the delta variant. The reason for the decrease was twofold: 1.) PPKM (pemberlakuan pembatasan kegiatan masyarakat) public mobility restrictions were put into effect in July 2020, thereby limiting corporate operations, and 2.) many foreign nationals returned to their home countries to take temporary refuge and to get their vaccinations (nearly 70% of expatriate employees of Japanese companies in Indonesia temporarily returned to Japan). However, during the October to December quarter of 2020 the number of job vacancies greatly recovered and were up 60% on a year-over-year basis, reflecting pent-up demand in wake of a downturn of the previous year.

There was notable recruitment demand for professionals in fast-moving consumer goods (FMCG), food products, and logistics, brought about by an increase in domestic consumer demand. Recruitment demand also remains strong for professionals involved in growth industries such as information technology, architecture and construction, and healthcare. In Indonesia's two- and four-wheeled motor vehicle industry, unit sales of automobiles have reached the 880,000 range, which greatly exceeds unit sales of 530,000 vehicles in 2020 yet falls short of unit automobile sales of 1,030,000 vehicles in 2019 amid a luxury tax break on car sales. Amid that situation, there has been more recruitment among employers seeking fill vacancies rather than those aiming to

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**Indonesia's recruitment market holds promise in high profile areas poised of further growth such as electric vehicles, natural resources and nickel, and the IT sector.**

”

increase headcounts amid a conspicuous trend among employers to refrain from hiring for the sake of increasing headcounts due to uncertainties ahead with respect to COVID-19.

**Recruitment of Japanese nationals:** The year 2021 was one of Japanese companies in Indonesia seeking greater workforce localisation. Since 2020, developments involving COVID-19 have given rise to a pronounced shift away from the previous tendency to hire expatriate employees from Japan and more toward: 1.) hiring Japanese nationals already based in Indonesia, 2.) hiring Indonesian nationals who speak Japanese, and 3.) hiring Indonesian managers who don't speak Japanese. The trend of employers seeking Japanese nationals currently based in Indonesia is exemplified by the notion that the number of Japanese nationals hired locally is at a level of roughly 130% that of the year 2020. Moreover, there has been a notable tendency for employers to hire Japanese nationals based in Indonesia given that the government has stopped issuing work visas to foreign nationals. Positions available include those for sales representatives, which are the most common, followed by bookkeepers and accounts, technical experts, and management professionals. Demand for recruitment of senior management class professionals is also trending higher.

**Indonesian nationals with Japanese-speaking proficiency:** There have been notable instances of employers hiring Indonesian nationals equipped with Japanese-speaking proficiency to fill roles previously assumed by Japanese nationals in general affairs, human resources, and other back office and administrative divisions. It has not been easy for companies to find qualified professionals in the job-search market when it comes to employers seeking talent equipped with a combination of skills in areas such as sales and accounting, in addition to Japanese-language proficiency.

**Indonesian nationals:** We have been encountering a distinctive tendency with respect to employers hiring Indonesian managers and those with managerial qualifications. Japanese companies have been finding it difficult to attract top-tier Indonesian managers amid a situation where salary and benefit packages offered by local companies as well as U.S. and European multinationals are as much as 1.5 to 2 times more preferable than those offered by Japanese MNCs in Indonesia. There has also been a conspicuous tendency to attract candidates with substantial employment packages among Chinese and South Korean multinational corporations amid their growing presence in Indonesia since 2019. This situation calls for Japanese employers to offer more on two fronts, both monetary compensation as well as attractive non-monetary benefits such as training programs, career advancement, and fast-tracked promotion.

**Foreign national work visa trends:** In 2021, we encountered many instances where a company would narrow down a list of potential candidates to those residing in Indonesia. This was even the case among employers who previously had been actively recruiting from overseas locations given

that they had been greatly affected by COVID-19 and other developments. Obtaining a work visa in Indonesia tends to be straightforward relative to other ASEAN nations and eligibility requirements in that regard remain unchanged from those prior to the pandemic.

## Salary Trends

Indonesia's rate of salary increase has typically ranged from roughly 5% to 10% in years past, yet was around 3% in 2021 in most locations throughout the nation due to COVID-19. Nevertheless, the rate of salary increase remarkably held to a relatively high level of roughly 5% in the Bekasi and Karawang, which are home to a concentration of Japanese multinational corporations. In 2022, the rate of salary increase is poised to drop to around 3% to 5%.

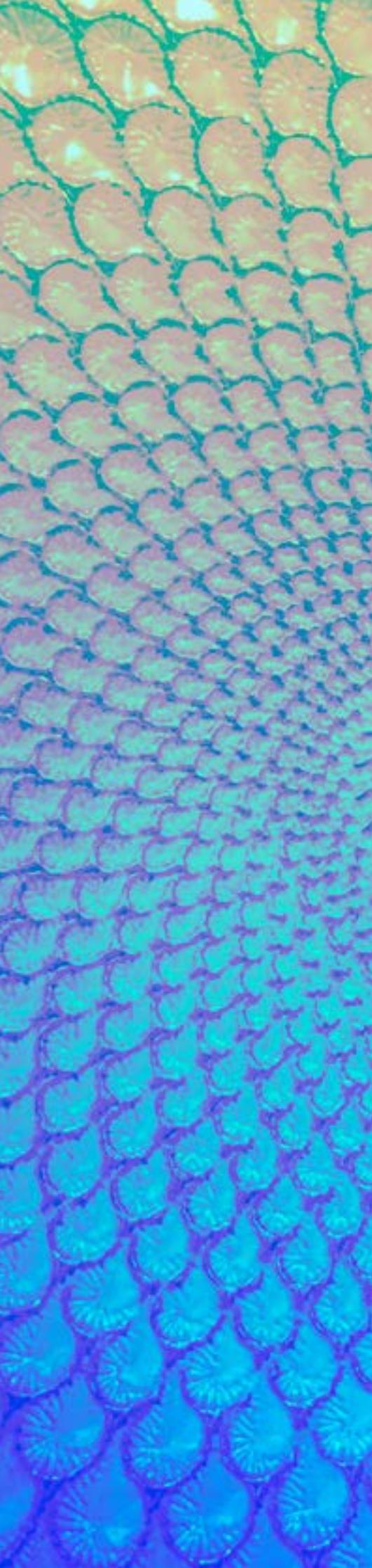
Nowadays, major Indonesian companies have the capacity to offer candidates high salaries relative to levels paid by European and U.S. MNCs operating there.

By industry, salary levels remain high in the petroleum, gas and energy sectors, followed by IT and telecommunications. In the e-commerce industry, salaries are high but also tend to vary substantially. Many candidates from other industries seek employment in the e-commerce sector in pursuit of pleasant working conditions and decent salaries. Many young adults in Indonesia long for careers with unicorn companies and other such enterprises, which is in line with global trends. Generally speaking, salary offers made to those considering career moves have remained in a range of around 10% to 30% higher than was the case previously. In some cases, it is also becoming more difficult to recruit employees in Indonesia given that candidates tend to be wary about the prospect of changing jobs due to the negative state of the economy. Salary offers are sometimes double that of a candidate's annual income for key positions in foreign IT firms newly entering the Indonesian market.

Professionals who speak Japanese have been landing salaries that are as much as 20% to 30% higher than others amid a situation where many employers are paying them additional remuneration labelled as allowances.

On a per-region basis, salaries of management-level sales professionals employed in the suburbs of Bekasi and Karawang tend to be 20% to 30% lower than those holding such positions in Jakarta. Salaries in Surabaya are an additional 10% to 20% lower than those in Bekasi and Karawang, with such regional disparities widening further.

Minimum wage in the Special Capital Region of Jakarta: IDR 4,276,350 per month in 2020, IDR 4,416,187 in 2021, and IDR 4,641,854 in 2022 (approx. JPY 37,000, 5.11% higher than in 2021)



# THAILAND

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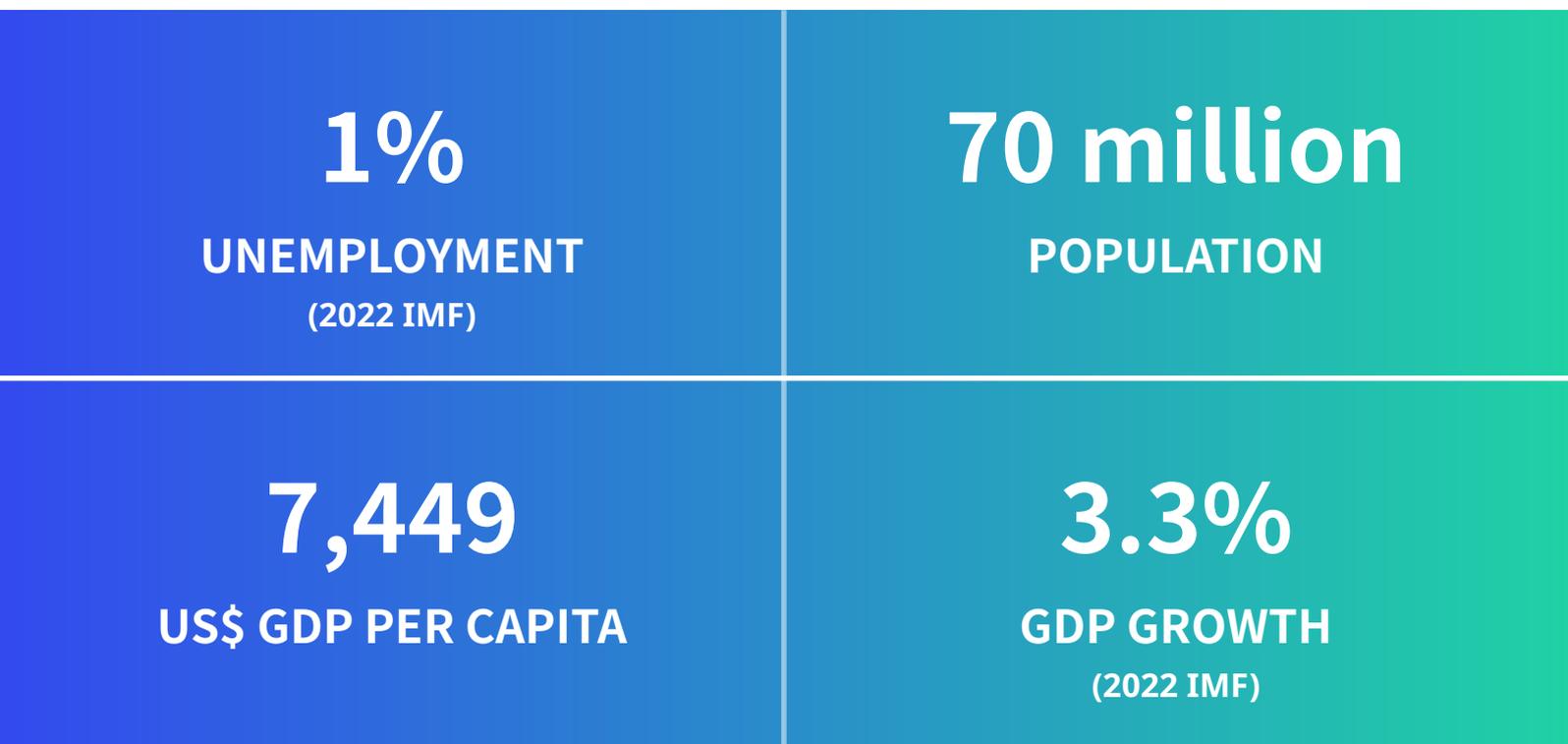
Annual salaries by industry, job, position, company type, language



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# Thailand



## Economic Trends

Nominal GDP: USD 522 billion; Per capita GDP: USD 7,449

Real GDP growth rate: -6.2% (2020), 1.6% (2021), 3.3% (2022)

Consumer price inflation: 1.2% (2021), 3.5% (2022)

Thailand kept COVID-19 in check in 2020 at the expense of the economy, which continued to be hit hard in 2021 with the emergence of the Delta variant. The pandemic has inflicted substantial damage on the tourism sector, which accounts for 15% of the nation's GDP, amid a scenario where cause for concern persists due to the outbreak of the Omicron variant. Nevertheless, recovery seems likely given the prospect of authorities easing up on immigration controls going forward. The automotive sector and other export-oriented industries have been rebounding in tandem with recovery of the global economy. Full-scale recovery has been projected from 2023 onward.

Total population: 70 million

Unemployment: 1%

## Recruiting Trends

**Education:** Although Thailand's education standards have been improving rapidly over the last decade, the average level of education among people in the business realm remains low in comparison with that of developed economies. Meanwhile, the nation's university enrolment rate is approximately 1.5 times higher for women than for men.

**Languages:** Thailand has the second highest number of Japanese language learners in Southeast Asia after Indonesia and ranks fifth worldwide. However, fewer people study Japanese in comparison with those learning English (the ratio of English speakers to Japanese speakers among JAC's candidates is 4:1). People throughout the nation generally use the Thai language, even in business settings.

**Gender-based inequality** in Thailand is diminishing with respect to job hierarchies, amid a situation where women hold some 35% of managerial positions in comparison with 15% in Japan and 41% in the United States (managerial positions constitute those for which no less than 50% of work duties involve management of subordinates).

**Japanese nationals:** The number of Japanese nationals residing in Thailand currently stands at 82,574 people (which includes all members of family units) as of October 2021, and has been consistently increasing except during the COVID-19 pandemic. The situation has remained unchanged over the last several years in terms of difficulties associated with arranging employment visas for white-collar foreign nationals.

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**Recruitment market has consistently been a seller's market. There has been particularly strong recruitment demand for Japanese-speaking candidates among U.S. and European MNCs in Thailand aiming to increase business with Japanese MNCs.**

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Whereas job-changers in Thailand tend to consistently encounter a seller's market, the pandemic caused recruitment to briefly shift more in the direction of a buyer's market for employers. That said, the nation's recruitment market in certain industries has been gradually shifting back to that of a seller's market in favour of job changers. Recruitment in the nation's IT industry is overwhelmingly a seller's market for such professionals, to the extent that employers often fail to attract talent unless they offer high salaries. The pandemic has culminated in a situation where a greater number of companies have been resuming recruitment amid a labour shortage caused by curbs on hiring due to COVID-19 along with a greater number of companies redoubling efforts to recruit local nationals due to risks of restrictions imposed on cross-border movement.

Japanese companies based in Thailand have been seeking more local employees upon finding that they need to replace their managerial-class sales personnel with Thai nationals given that other Japanese firms who serve as their business counterparts have been gradually localising their operations.

Employers in Thailand are increasingly turning to non-expatriate Japanese nationals amid a situation where salaries and positions of locally hired Japanese nationals have been rising over the years. For instance, there has been a conspicuous trend of more SMEs filling positions for top management of overseas subsidiaries in Thailand by hiring mid-career Japanese nationals as local hires than had been the case previously.

Meanwhile, the so-called "highly obedient group mindset" prevalent in Japanese companies does not readily take hold in Thailand amid a situation where companies need to maintain close contact with their Thai workforces while striving to gain an understanding of the Thai way of thinking (such as with respect to the 3Ss and the concept of "kreng jai"). Whereas employment packages are often the deciding factor in a candidate's acceptance of a job offer, companies in Thailand nevertheless need ensure greater levels of satisfaction in terms of the content of employees' work and their workplace relationships upon being hired.

## Salary Trends

Salaries in Thailand had been increasing at a rate ranging from 5% to 6% year on year, followed by a slower pace of around 4% to 5% from 2015 to 2019 due to a sluggish economy. The rate of salary increase slowed considerably to the extent that some employers left salaries unchanged in 2020 and 2021.

Roughly half of the expatriates currently being assigned to Japanese operations in Thailand lack English speaking ability given a situation where Japanese SMEs have been making inroads into

Thailand while moves by major Japanese multinationals to set up operations there have nearly subsided. Consequently, demand continues to be particularly strong for local Thai nationals who speak Japanese, which has caused salaries of such employees to remain at high levels irrespective of business conditions. Meanwhile, there have been instances where some such Thai nationals who speak Japanese refuse to take jobs in areas far from the capital city of Bangkok unless they receive special offers in terms of salaries and benefits.

Chinese manufacturers accompanied by their suppliers have been making inroads into the Eastern Seaboard (ESB) region of Thailand, encompassing Chonburi and Rayong provinces, which has given rise to a likelihood of labour shortages in 2022 and beyond.

Demand has been strong for recruitment of Japanese nationals and Thai nationals who speak Japanese, particularly among European and U.S. multinationals operating in Thailand seeking to expand business with Japanese companies operating there. As a result, some such candidates have been attracting high salary offers amounting to as much as THB 150,000 per month (approx. JPY 500,000). There has been a conspicuous trend of employers hiring Japanese nationals as sales representatives, and offering such candidates salaries that are 1.5 to 2 times higher than those paid when employed by Japanese multinationals.

Annual salaries of civil servants range from THB 200,000 to THB 600,000 (approx. JPY 700,000 to JPY 2,000,000). Annual salaries of factory workers amount to approximately THB 200,000 (approx. JPY 700,000). Annual salaries of shop assistants amount to approximately THB 150,000 (approx. JPY 500,000).

Statutory minimum wage: The statutory minimum wage in the Bangkok area stands at THB 331 per day (approx. JPY 1,100), as of January 2020. That is up from a statutory minimum wage for the Bangkok area of THB 325 per day, which took effect in April 2018.



# VIETNAM

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# Vietnam

**6.0%**

**GDP GROWTH**  
(2022 IMF)

**99 million**

**POPULATION**

**56 million**

**PERSONS EMPLOYMENT**

**2.4%**

**UNEMPLOYMENT**  
(2022 IMF)

## Economic Trends

Nominal GDP: USD 409 billion (2022) Per capita GDP: USD 4,122 (2022)

GDP growth rate: 2.9% (2020), 2.6% (2021), 6.0% (2022)

Consumer price inflation: 3.8% (2022)

Total population: 99 million (2022)

Unemployment: 2.4% (2022)

Amid a scenario where COVID-19 has been substantially weighing on Vietnam's economy, the pandemic has put the brakes on the nation's economic growth over the short term, but economic growth is likely to regain momentum prevailing during the year 2019 over the medium to long term. Meanwhile, Vietnam's retail and consumer goods sector continues to grow amid favourable performance achieved by e-commerce businesses. The nation's market for medical services and pharmaceuticals is also poised for expansion. The real estate and construction markets are likely to gain further momentum if the nation sees a return in direct investment from overseas.

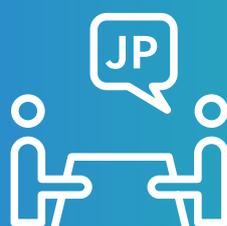
Particularly worthy of attention in 2022, development of Vietnam's metro subway system is

currently underway in the two major cities of Hanoi and Ho Chi Minh. Certain routes of the metro subway were put into operation at the end of 2021. With work crews having already embarked on developing subway station sites of the respective subway lines, Vietnam's economy will surely gain further momentum when the metro lines commence full-scale operation.

Another key trend in Vietnam worthy of focus is that of digitalisation. Today's Vietnam overwhelmingly tends to function as a cash-based society, which is apparent given benchmarks such as rates of bank account opening and credit card penetration. On the other hand, Vietnam is likely to encounter gains in efficiency brought about by more widespread use of mobile payment



**Expansion  
of domestic  
market**



**Demand for Chinese,  
Korean, Japanese,  
and Taiwanese  
speakers**

technologies and the government's increasing reliance on computers for handing administrative services, which seems likely given trends toward higher volumes of e-commerce business online and growth in the nation's population. In terms of government administration, the nation has already rolled out its e-visa and e-invoice systems.

## Recruiting Trends

Some companies in Vietnam have been forced to cut back on production amid a situation where they are unable to secure labour resources necessary for once again ramping up operations after having reduced their workforces.

Going forwards, we anticipate further market development in Vietnam across specialties that include applied chemistry, automation technology, artificial intelligence, biomedical engineering, chemistry, biology, and data analysis. As such, recruitment demand is likely to emerge in relation to these fields of expertise in 2022.

**Japanese companies:** Since the outbreak of COVID-19, there has been an increase in demand for recruitment of Japanese nationals based in Vietnam due to difficulties posed by international travel. Even though authorities have since eased restrictions on travel, many employers nevertheless prefer to hire candidates residing in Vietnam. There has been steady demand for hiring of Vietnamese nationals proficient in the Japanese language for back office positions given that the number of Japanese companies entering the Vietnamese market will most likely continue to rise. Meanwhile,

many employers have been facing uncertainties when it comes to making salary offers adequately aligned with prevailing market rates upon seeking to hire candidates.

**Non-Japanese multinational corporations:** There have been many instances where non-Japanese multinational corporations, particularly Chinese, Taiwanese, and Korean-affiliated enterprises, have lured away and otherwise attracted talent by offering more generous employment packages than those provided by candidates' current Japanese employers. European and U.S. multinationals operating in Vietnam are trying to become more appealing as employers by making numerous training opportunities available to candidates upon their joining the company.

**Local Vietnamese companies:** Major locally-based corporations have been luring talent away from other companies by offering candidates attractive employment packages. However, some employers have established stringent rules governing employment, such that include contractual clauses providing for salary reduction. Many local Vietnamese companies seeking to hire experts end up offering them employment packages that Japanese multinationals would normally make available only to those serving at the level of president of a major company's overseas subsidiary. Such benefits include company cars, housing, payment of children's international school tuition expenses, family health insurance plans, and other such benefits.

**Visa-related trends:** There are no signs that the Vietnamese government may opt to impose visa restrictions. On the other hand, revisions to the nation's labour law that took effect in the year 2021 make the process of renewing work permits even more time consuming, and furthermore spell out the notion that foreign workers are essentially to serve for a fixed term of employment.

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**We are seeing a gradually increasing number of new requests for candidates, due to rapid expansion of internal demand over the medium to long term.**

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## Salary Trends

Whereas salaries in Vietnam normally increase at a rate of between 6% to 10% each year, the rate of increase was lower than usual during the years 2020 to 2021. Some companies have already moved to take action that includes eliminating opportunities for pay rises. Bonus levels are expected to be lower than those paid in typical years, and some companies signalled that they intended to forego payment of Vietnam's traditional Tet bonus altogether in 2021.

Nevertheless, rates of salary increase are poised to begin returning to former levels from the year 2022 onward, given the likelihood of medium- to long-term business trends remaining unchanged in Vietnam amid progress made in developing the nation's economy.

Looking at different industries, companies in the pharmaceuticals and medical, IT, and construction and real estate sectors have featured prominently in terms of offering attractive employment packages.

Annual salaries of civil servants are approximately USD 4,000 (approx. JPY 450,000). Annual base salaries of factory workers are approximately USD 5,000 (approx. JPY 550,000). Annual base salaries of shop assistants range from approximately USD 2,000 to USD 3,000 (approx. JPY 200,000 to JPY 350,000).

Statutory minimum wage: Vietnam's statutory minimum wage is set at VND 4.42 million per month (approx. JPY 20,000) in cities such as Hanoi and Ho Chi Minh. In 2021, the government kept the minimum wage unchanged at the 2020 level, which is an unprecedented move due to COVID-19. Vietnam's minimum wage had previously been subject to revision annually on the first day of the year, but that date has been changed to the first day of July beginning in 2022. The range to be set with respect to minimum wage revision for 2022 is as of yet undetermined. Meanwhile, the government increased the minimum wage by 5.5% in 2020.

# INDIA

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# India

**1.4 billion**  
POPULATION

**8.2%**  
GDP GROWTH  
(2022 IMF)

**3.3 trillion**  
US\$ GDP

**4.9%**  
INFLATION, CONSUMER PRICES  
(2022 IMF)

## Economic Trends

Indian authorities have substantially eased up on restrictions of movement given improvement in the situation surrounding COVID-19 and the Delta variant. Meanwhile, the nation's economy has been holding to a path of recovery following on an economic downturn caused by the Delta variant in the nation's second wave of the pandemic. Conditions have accordingly taken a turn for the better following on economic stagnation amid the second wave, particularly given a scenario of pronounced recovery achieved by the nation's manufacturing sector including production of two- and four-wheeled vehicles, the services sector, and the retail sector. Economic activity has started returning to normal amid prevailing recovery back to pre-COVID-19 levels. Consumers who had been cutting back on purchases due to lockdowns have since been slowly but surely regaining appetite for spending.

Nominal GDP: USD 3.3 trillion

Real GDP growth: -6.6% (2020), 8.9% (2021), 8.2% (2022)

Per capita GDP: USD 2,342

Consumer price inflation: 5.5% (2021), 6.1% (2022)

Inbound foreign direct investment: India began easing regulations governing FDI across respective industries in 2016. This has particularly involved deregulation in the defence-related, retail, and food products sectors.

Total population: 1.4 billion

India's rate of unemployment was thought to have been no less than 20%, but has since been decreasing as a result of the government easing its lockdown measures.

The Indian government adopted a nationwide goods and services tax (GST) in July 2017, which is in lieu of the nation's previously complex system of having individual states levy taxes upon having banned use of the nation's highest denominated currency bills in November 2016.

## Recruiting Trends

With the number of new cases of COVID-19 having seemingly tapered off, Japanese nationals who temporarily took refuge in Japan have been returning to India and previously suspended recruitment initiatives are back in full swing. With the recruitment market having rebounded nearly to where it stood prior to the outbreak of COVID-19, employers have begun to intensify their recruitment efforts, particularly companies in the manufacturing sector, accounting consultancies, service-related firms, and other such businesses. Employers have been seeking to increase headcounts of sales representatives and other professionals, yet there have been many instances where employers ultimately find themselves unable to achieve those goals amid a situation where candidates are receiving informal job offers simultaneously from other employers.

Employers have also been seeking to achieve greater workforce localisation by increasingly seeking Indian nationals particularly to fill positions that entail strengthening manufacturing processes, while also recruiting employees and professionals for senior-level positions that entail enhancing coordination between on-site operations and administrative departments. There have been notable instances where fluent Japanese-speaking Indian nationals have been hired to fill positions previously intended for Japanese nationals.



**Mounting domestic demand prompted by deregulation**



**High rate of salary growth**

A greater number of job openings are seeking candidates equipped with specific skills and practical job experience, given that employers have been more clear about their motives for recruiting candidates than in the past.

**Languages and education:** India is a nation with a rich diversity of languages, individual backgrounds and religions. Although its rate of university enrolment is low at 25%, most people in the nation's white-collar workforce speak English and generally hold either university or graduate school degrees.

India's labour force is extremely mobile and employees often switch over to jobs at competing firms, even within narrow market segments. There have been many cases of employees repeatedly changing jobs every one to three years. This is usually done in pursuit of higher salaries, particularly among those in a range of job categories from general staff to managerial-level professionals.

**Japanese nationals:** The number of locally hired Japanese nationals has been increasing overall in recent years. However, because salaries paid to Japanese nationals are relatively high due to government restrictions on work visas, companies overwhelmingly tend to recruit such individuals to take on essential positions, such as in cases where it is necessary to fill a vacated posting. Japanese firms, other multinational corporations operating in India, and Indian enterprises alike have been ramping up their hiring of Japanese nationals with the aim of capturing business that involves serving the market of Japanese companies assuming the role of Japan desk in India. Moreover, Japanese companies in India usually seek Japanese nationals with work experience in India. The number of Japanese candidates in India with such experience has been increasing relative to previous years, but such candidates remain in short supply relative to demand. Whereas it has remained difficult to arrange employment visas for white-collar foreign nationals in recent years, those involved in recruitment need to be aware that the time it takes to receive a visa upon application can vary.

**Japanese-speaking Indian nationals:** Indian nationals offering Japanese-language proficiency are normally able to find jobs on the basis of such ability amid ongoing demand for such professionals. Employers have increasingly been seeking candidates with managerial and sales skills in addition to Japanese-language fluency, but encounter fairly substantial difficulties in hiring them.

Companies need to have a sound understanding of Indian workplace practices when engaging in recruitment initiatives. Interviewers should take an attentive detail-oriented approach

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**As production recovers, more companies are hiring managers related to manufacturing processes and also hiring HR with the aim of achieving more effective coordination with management.**

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to presenting interview questions and verifying details in order to painstakingly confirm that candidates are actually able to perform specific tasks they would be assigned if hired. To achieve better employee retention, companies need to focus on developing positive environments within their organisations and creating corporate cultures that are conducive to open communications, while also providing salary increases of around 10% upon conducting performance assessments. India's white-collar workforce tends to be quite hesitant when it comes to relocating domestically for the sake of employment. This is particularly due to language differences from region to region as well as variations in climate and food. Another major factor causing resistance to relocation is that of cultural importance attached to family. In this regard, employers in India must contend with the risk of employees opting to leave their jobs because of marriage, given that it is customary for eldest sons to return home upon getting married.

In recent years, Japanese companies in India have been increasingly promoting Indian employees to managerial positions and otherwise considering such options. Japanese enterprises operating in India over many years tend to localise their workforces, which is particularly the case when it comes to large companies.

Employers in the automotive industry continue to seek candidates for managerial-class roles and other key positions, despite the downturn in that sector.

## Salary Trends

As a general rule, employee salaries in India have continued to increase by no less than 10% annually in recent years. In addition, job seekers normally set their sights on salaries that are 20% to 30% higher than those paid by their previous employers. The rate of wage growth tracked a recovery trend in 2021, after having slowed substantially overall due to the COVID-19 pandemic in 2020. Employment visa requirements in India mandate that foreign nationals receive an annual salary of no less than INR 1,625,000 (approx. JPY 2.5 million).

Salaries of professionals who speak Japanese continue to rise amid a scenario where employers have been attaching increasingly greater value to such skills given that they are in short supply.

By region, the highest salaries for white-collar workers are in Mumbai, followed in descending order by Delhi, Bangalore and Chennai. Salaries vary by around 10% to 20% depending on the region. Salaries in India normally tend to be linked with an employee's years of relative experience, given a propensity for few workers to have a definitive employment track record.

Japanese companies in India offer those with an undergraduate degree starting salaries averaging approximately INR 340,000 (approx. JPY 550,000), and those with a graduate degree starting salaries averaging approximately 420,000 INR (approx. JPY 670,000).

Annual base salaries of factory workers in India are approximately INR 250,000 (approx. JPY 400,000). Annual base salaries of shop assistants range from approximately INR 200,000 to INR 400,000 (approx. JPY 300,000 to JPY 600,000).

Statutory minimum wage (Delhi): The statutory minimum wage in Delhi is INR 569 per day (approx. JPY 800). Employers need to be aware that India's minimum wage framework is complex with wages varying depending on industry, occupation, and state.

# CHINA

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# China

**1.4 billion**  
POPULATION

**20 trillion**  
US\$ GDP

**4.4%**  
REAL GDP GROWTH RATE  
(2022 IMF)

**14,096**  
US\$ GDP PER CAPITA

## Economic Trends

China's economy has been maintaining relative cruising speed since 2021 when it mounted a rapid recovery from a downturn due to COVID-19.

Consumer price inflation: 2.1% (2022)

Unemployment: 3.7% (2022)

Everyday life in China maintains a sense of composure due to the nation's high rate of vaccinations and the relative success it has achieved in keeping viral infection under control thanks to its "zero corona" policy. That said, risk involving clusters of the Omicron variant and other mutant mutations still warrants vigilance.

Unit sales of automobiles in 2021 were up by 3.8% relative to the previous year, thereby marking

an increase for the first time in four years. Beginning in the latter half of 2021, focus had been on a looming threat of subsequent defaults among Chinese property developers after Guangzhou-based Evergrande Group defaulted on its debt. However, at this point in time it seems unlikely that this situation will give rise to instability with respect to China's financial system overall. That said, potential defaults in China's real estate sector are likely to increase further on a monetary basis. Meanwhile, a more pressing concern substantially weighing on the economy is that of the nation's electricity shortage attributable to soaring coal prices and environmental measures. The authorities have called for increases in domestic production from October 2021 onward, but it remains unclear as to whether electricity supply is likely to be affected by developments involving COVID-19, natural disasters and other such factors. This situation poses substantial risk to China's manufacturing sector.



Progress of IT & DX



High rate of salary growth among private Chinese enterprises

different sectors are as follows.

**Manufacturing sector:** Companies are gradually slowing their pace of relocating factories situated in coastal China to sites in inland China and even Southeast Asia and Africa. Meanwhile, manufacturers such as those in the motor vehicle industry serving end-users domestically in China have been aggressively undertaking investment in China underpinned by the aim of improving product development and marketing in terms of quality and speed. There has also been demand for recruitment of technical experts who are Chinese nationals amid a scenario where they are relocating some of their development sites from Japan to China. There have been many instances with respect to Chinese technical experts whereby employers require candidates with Japanese-language proficiency at a business level that enables them to communicate with head offices in Japan and with Japanese managers in-house. However, employers have been struggling to recruit such talent given a substantial shortage of candidates dually equipped with both technical expertise and Japanese-language ability. As such, some companies have been hiring Japanese nationals who speak Chinese to serve as managers and technical experts, and by not requiring Japanese-language proficiency when it comes to Chinese nationals who are to serve as technical experts.

**Services sector:** There has been growing demand in China for candidates particularly in the realm of corporate restructuring among employers engaged in withdrawal, downsizing or reorganization as a result of deteriorating earnings performance due to COVID-19, efforts to transform business operations, and other such initiatives. This has led to an increasing need among employers for

business-ready candidates particularly to fill positions involving personnel and labour consulting, management and business restructuring, solutions-based consulting, and taking on responsibilities at law firms. China fully remains a seller's market when it comes to professionals equipped with business-ready practical skills amid deep-seated momentum among companies to expand Japan-desk operations with respect to business geared to serving foreign-affiliated consulting firms enlisting their operations involving Japanese multinationals. Meanwhile, logistics companies have been unable to predict what lies ahead with respect to international business due to government controls on border crossings. Amid such concerns, there has been a tendency among logistics companies to consider options for expanding their domestic business operations, such that entail hiring specialists particularly to facilitate new fields of business such as pharmaceuticals and chemicals.

Fast-moving consumer goods (FMCG) sector (food products & daily necessities): There has been a marked trend of FMCG companies that have been aggressively investing in equipment and human resources with their sights set on the prospect of massive domestic demand. Japanese multinational corporations in China have been showing a tendency to ease up on Japanese and English language proficiency requirements for positions where such ability was previously a must. Instead, they have been placing top priority on hiring talent capable of engaging with the Chinese market. There has been demand for FMCG-industry candidates to fill positions as sales professionals equipped with solid networks in the Chinese markets and as marketing and development experts capable of facilitating efforts to create products that will be well-received by people in China. On the other hand, given the still prevalent salary gap between Japanese companies and Chinese / Western companies in the FMCG sector, there are many instances where a candidate refuses a job offer on the grounds that it fails to match his or her expectations.

Information technology sector: Japanese IT companies in China have been struggling to hire professionals amid a scenario where information technology giants such as Baidu, Alibaba, and Tencent (BAT) have been taking on top talent across the board. Meanwhile, soaring labour costs for employing information technology professionals has been causing some foreign IT multinationals to transfer portions of their labour-intensive offshore development operations to nations that are big players in the IT realm such as India. There have been an increasing number of instances of employers hiring digital technology professionals heralding from Chinese enterprises, placing emphasis on skill levels while doing away with requirements for English and Japanese-language proficiency. This trend comes amid a scenario where we are encountering more companies employing digital transformation (DX) professionals in-house in seeking to transform business models. It often turns out that DX professionals working for Chinese firms do not conform with a prospective employer's existing remuneration framework when it comes to standard salaries,

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**Demand for experienced professionals has been increasing as the market holds to a path of recovery overall.**

”

bonuses, incentives, stock options and other such forms of compensation. As such, there have been instances where an employer is able to overcome such recruitment hurdles by setting up a salary scale tailored to an individual candidate.

**Recruitment of Japanese nationals:** Given that the pandemic has prompted more stringent rules governing new issuance of work visas in China, some employers have been unable to hire Japanese professionals residing abroad even when in need of such talent. On the other hand, employers have been placing more value on candidates already eligible to work in China. When it comes to Japanese expatriates based in China, many employers have been keeping such professionals assigned to operations in Japan amid a situation where employees find themselves unable to travel back to China upon having returned to Japan for what was to have been a temporary basis due to COVID-19. Amid that situation, many Japanese companies in China would like to assign Japanese nationals to roles in China including those that entail serving in top managerial positions handling general management and heading factory operations, as well as serving as general managers of financial departments. Some such companies have also been asking for help finding Japanese managerial candidates who are familiar with China as they carry out workforce localisation of their operations in China. There has been an increase in recruitment demand associated with moves to develop new locations and factories amid signs that desire among Japanese companies to enter the Chinese market has been returning since the outset of 2021.

**Chinese private-sector enterprises:** Demand for recruitment of Japanese technical experts remains strong among Chinese manufacturers in the private sector. There have also been an increasing number of Chinese private-sector enterprises in the medical devices industry seeking to hire Japanese nationals amid recent growth of China's healthcare industry. However, when a Chinese private-sector company hires a Japanese national, the two sides must sometimes contend with issues involving disparities and differences with respect to notions of employment and work arrangements.

## Salary Trends

Employers have been seeking to increase headcounts across a wide range of industries encompassing China's semiconductor industry and its medical and pharmaceutical industries, which are areas of growth, as well as its food products and daily necessities industry, and businesses involving electronics and chemicals. Meanwhile, salaries of mid-career professionals have been rising significantly amid intensifying competition to attract top talent.

The average yearly salary of urban area workers in the non-private sector across China nationwide amounts to CNY 90,501 as of the year 2020. That amount constitutes an increase of 7.6% over the previous year, but a slowing rate of growth relative to the 9.8% increase previously due to COVID-19. On a per-industry basis, the accommodations and food services sector exhibited the only downward trend. Meanwhile, salaries have been growing at an above-average pace of 10% among information technology industry employers engaged in operations across areas that include the Internet, artificial intelligence, and automation.

Chinese private-sector companies continue to pay high salaries and lead the way across China nationwide in terms of offering high rates of salary increase relative to those of Japanese multinationals as well as U.S. and European multinationals alike. Meanwhile, Japanese multinationals in China have been seeing their competitive edges progressively erode year after year in terms of employment packages as they encounter an intensifying salary gap relative to other multinationals. This is particularly the case when it comes to U.S. and European companies, which have long held to high salary levels, and Chinese private-sector enterprises, which have been maintaining high rates of salary growth over the last several years.

Minimum wage (Shanghai): The minimum wage in Shanghai has been CNY 2,590 per month (approx. JPY 45,000) since July 2021, which is an increase of 4.4%. The latest increase in the minimum wage was the first such hike in two years and three months amid a situation where the government raises the minimum wage nearly every year yet atypically left it unchanged in 2020.

# HONG KONG SAR

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# Hong Kong SAR

**49,850**

**US\$ GDP PER CAPITA**

**0.5%**

**GDP GROWTH**  
(2022 IMF)

**1.9%**

**INFLATION, CONSUMER PRICES**  
(2022 IMF)

**370 billion**

**US\$ GDP**

## Economic Trends

Real GDP growth: -6.5% (2020), 6.4% (2021), 0.5% (2022)

Consumer price inflation: 0.3% (2020), 1.6% (2021), 1.9% (2022)

Total population: 7.4 million

Workforce: 3.6 million

Unemployment: 5.7% (2022)

Performance of companies across respective industries in Hong Kong SAR seems to be gradually recovering amid a more upbeat picture in terms of COVID-19 infections due to an increasing rate of vaccinations. Hong Kong SAR's consumption voucher scheme stimulated consumer spending in the latter half of 2021. Meanwhile, e-commerce has greatly accelerated growth in the international trade and logistics sectors. Companies across different sectors of business are beginning to accept worldwide uncertainties despite a lack of predictability with respect to COVID-19 and ongoing transmission of the virus. Authorities still have no plans to ease up on travel restrictions.

Major corporations across the board are keeping their offices in Hong Kong SAR and employers

resolutely continue to engage in recruitment efforts, despite geopolitical tensions persisting since 2019. Employers have not been leaving Hong Kong SAR in any substantial numbers, but instead many major corporations have actually been reaffirming their commitments to the region given that they view Hong Kong SAR and China as key markets.

## Recruiting Trends

Although the overall number of job vacancies has been increasing, Hong Kong's recruitment market remains far from where it was prior to the pandemic. Persisting economic uncertainties are giving rise to hesitancy when it comes to the notion of actively embarking on recruitment efforts. The Hong Kong SAR government has been conveying strong commitment to reopening its borders, which in turn has prompted increasing momentum in the job market as opposed to the previous wait-and-see stance amid the COVID-19 pandemic.

**Japanese companies:** Japanese companies continue to shift their sales operations from Hong Kong to mainland China (South China). When it comes to recruitment of locally-based Japanese nationals, there has been a marked tendency for companies to hire candidates who are already eligible to work in Hong Kong so do not need employer-sponsored work visas, particularly when it comes to positions calling for potential future managers and specialists for Hong Kong operations, and professionals sought by foreign multinational corporations in Hong Kong to deal with the Japanese market. There is also a persisting trend among companies seeking to achieve greater workforce localisation. Meanwhile, Japanese language speakers still tend to have a strong preference for employment opportunities with Japanese companies operating in Hong Kong.

**European and U.S. multinational corporations:** There has been very strong demand over the last several years among multinational corporations seeking bilingual professionals who are Chinese nationals amid a trend of such employers striving to bolster their presence and strengthen hubs in China's tier-1 cities. It is not uncommon to see multiple foreign multinational corporations vying against one another to hire a single Chinese national who is a highly-qualified bilingual professional. There are frequent instances where an employer makes an offer amounting to twice a candidate's current annual salary in order to attract top talent.

**Languages:** Whereas business in Hong Kong is generally conducted in English, Mandarin is becoming increasingly important and deemed a required language.

**Regulations governing employment of foreign nationals:** Barriers to obtaining a visa in Hong Kong SAR are low relative to those imposed by other Asian nations. Still, the process of gaining a visa is becoming increasingly complicated and time consuming even in Hong Kong given the government's

need to promote employment of local nationals.

Employers have been hiring fewer foreign nationals, including Japanese nationals, from outside the geographic region. Instead, employers are mainly hiring local professionals capable of speaking Japanese, for positions that require Japanese language proficiency. Visa support issues have caused Japanese and non-Japanese multinational corporations to continually set their sights on the prospect of hiring local talent. Companies have been striving to hire Hong Kong nationals given that they are equipped with knowledge regarding the local market which offers employers the advantage of exceeding the break-even point more rapidly than would be the case with professionals hired from abroad, under which case recouping investment takes at least three to six months from when a



**Recruitment market  
recovering from the  
COVID-19 pandemic**



**Competition  
to attract  
professionals  
intensifying again**

new recruit begins employment.

Meanwhile, some candidates tend to be sceptical regarding the prospect of working in Hong Kong amid uncertainties with respect to safety and security along with soaring living costs. Comparing with past, employers these days are finding it increasingly difficult in HK to recruit candidates equipped with foreign-language skills combined with suitable capabilities and technical skills.

Moreover, there has been an outflow of professionals from Hong Kong to other countries, which has given rise to a situation where employers have been hiring candidates for the sake of filling vacancies and temporarily supplementing their workforces with employees under contract. Some employers have been seeking to recruit candidates through JAC Recruitment in order to fill vacancies amid a situation in Hong Kong where some 40% of employees in professional roles have left such jobs with the intent of moving abroad.

The recruitment market was more active during the latter half of 2021 than was the case during the latter half of the previous year. Market recovery in 2022 is bound to culminate in ongoing moderate recovery when it comes to planned recruitment of candidates in business growth domains.

## Salary Trends

Based on its survey results, the Hong Kong Institute of Human Resource Management (HKIHRM) projects an average salary increase of around 3% in 2022, which constitutes a recovery relative to 2021 when the rate of increase stood at around 1%. In 2021, medium-sized companies with between 500 to 1,000 employees provided the biggest pay rise at 2.8%, large companies with more than 1,000 employees offered a pay rise of just 0.7%, and small companies with fewer than 500 employees furnished a pay rise of 1.4%. Meanwhile, guaranteed bonuses averaged one month of base pay for the fourth consecutive year. Non-guaranteed bonus in 2021 amounted to 6.4 months, 2.6 M, 1.8 M, 1.2 months of base pay for top-level, senior-level, middle-level, and general staff, respectively.

At any rate, employers in Hong Kong have been increasingly widening the bonus gap on the basis of different posts and individual employees. When it comes to salary ranges, an increasing number of companies in Hong Kong have been setting up performance evaluation schemes specific to the employer's Hong Kong location. Under such evaluation schemes, employers assign rates of pay increase that vary substantially among employees, which serves as an incentive in terms of hiring and retaining high-calibre talent. This even applies to some Japanese companies in Hong Kong whose head offices maintain schemes that provide for periodic pay hikes.

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**Despite the COVID-19 pandemic and prevailing geopolitical turmoil, competition to hire talented professionals is once again intensifying.**

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In the financial sector, over the last twelve months there has been a trend of employers typically offering candidates salaries that are 15% to 25% higher than their current pay levels upon changing jobs, when it comes to front-office, middle-office, and back-office positions alike. On the other hand, over the same twelve-month period Japanese companies in Hong Kong and employers seeking to hire professionals who speak Japanese have been encountering candidate expectations of salary offers that are 10% to 15% higher than current pay levels of such individuals.

Employers in Hong Kong have been unable to readily hire candidates equipped with sophisticated skills needed in areas such as technology and data analysis in order for companies to engage in new operations and new fields of business. As such, employers have had to make salary offers that are more than 30% higher than current pay levels in order to attract such highly-skilled professionals.

Recruitment of C-level executives: Discussions with executives seeking new employment tends to encompass not only salary levels but also considerations that include the inherent importance of their roles and expansion in their scope of responsibilities. It is often possible for a candidate to negotiate for higher levels of monetary remuneration when it seems likely that the individual potentially filling a new position will deliver more substantial results to the employer by leveraging his or her past experience.

Hong Kong's statutory minimum wage is HKD 37.5 per hour (approx. JPY 510). Hong Kong authorities have been increasing the statutory minimum wage once every two years since the minimum wage framework was adopted back in 2011. In May 2019, authorities raised the minimum wage to HKD 37.5 per hour, from the previous minimum wage of 34.5 per hour set in 2017. The authorities opted to leave the statutory minimum wage unchanged when it came time for revision in 2021. The current minimum wage is to remain in effect until April 2023, with discussions regarding the next review slated for October 2022.



# KOREA

**You can download Salary Data Spreadsheet from our Website**

Annual salaries by industry, job, position, company type, language



[corp.jac-recruitment.jp/en/sa/](http://corp.jac-recruitment.jp/en/sa/)



# Korea

## 1.8 trillion

US\$ GDP

## 34,994

US\$ GDP PER CAPITA

## 79.4%

HIGHER EDUCATION ENROLMENT RATIO

(2020)

## 4.0%

INFLATION, CONSUMER PRICES

(2022 IMF)

## Economic Trends

Nominal GDP: USD 1.8 trillion (ranks number 10 worldwide)

Real GDP growth: -0.9% (2020), 4.0% (2021), 2.5% (2022)

Consumer price inflation: 0.5% (2020), 2.5% (2021), 4.0% (2022)

Inbound foreign direct investment (FDI): Inbound FDI in South Korea amounted to USD 29.5 billion in 2021, thereby marking a substantial increase of 42.3% relative to the previous year. South Korea posted record-high FDI in 2021, which constitutes a radical shift from the nation's persisting decreases at the 10% range previously in the years 2019 and 2020. By industry, inbound FDI in the services sector overall gained by 64.2%, with the fields of information and communications technology (ICT) and wholesale-retail having increased substantially at 320% and 140% previous levels, respectively. In the manufacturing sector, inbound FDI decreased by 16.2% overall despite a substantial increase of 82% in semiconductor manufacturing, amid sharp drops in fibres-textiles-apparel and food products of 97% and 42%, respectively. By country and geographic region, investment in South Korea from the United States remained largely unchanged at a decrease of 0.9% relative to the previous year, with the European Union (including the United Kingdom) up by 170%, China down by 5%, Greater China excluding PRC (Hong Kong, Taiwan, Singapore, Malaysia) up by

63%, and Japan up by 53%. From Japan, FDI in the manufacturing sector increased by 69% and FDI in the services sector increased by 45%.

Investment in South Korea's manufacturing sector is likely to mount a recovery going forward amid a situation where that sector is prone to a slower pace of investment recovery relative to the services sector, according to the South Korean Ministry of Trade, Industry and Energy (MOTIE). Prime examples of substantial manufacturing sector investment in 2021 include that in the fields of semiconductor components, bio-based raw and processed materials, and manufacture of fuel tanks for fuel-cell vehicles.

In 2020, some 62 Japanese multinational corporations entered the South Korean market, thereby decreasing from 139 companies in 2018 and 93 companies in 2019.

According to the Business Survey Index (BSI) of the Bank of Korea, business sentiment among all companies in South Korea had been holding to a path of recovery since having bottomed out in May 2020, but has since continued to rise and fall within a certain range since the summer of 2021.

Moreover, the South Korean economy's substantial dependence on exports makes it susceptible to changes in export volume, meaning that managers in the nation must keep a close eye on Chinese government policy and economic developments in light of China's role as both South Korea's top export market as well as its leading supplier of imports (the United States ranks second in terms of both exports and imports). Business sentiment is substantially affected particularly by trade friction between the United States and China, Japan is South Korea's fifth largest export market and the third largest source of its imports. The semiconductor business also weighs heavily on business sentiment, given that semiconductors account for nearly 20% of the nation's overall exports. South



**High university  
enrolment rate  
among OECD  
nations**



**Relative abundance  
of Japanese-  
speaking  
professionals**

Korea is currently encountering substantial growth in imports of semiconductor manufacturing equipment. Meanwhile, Vietnam maintains a strong presence in South Korea given that it serves as South Korea's third largest export market and the fifth largest source of South Korea's imports amid expanding trade brought about by an increasing number of Korean firms entering Vietnam.

Total population: 52 million

Workforce: 28 million

Unemployment: 3.6% (2022)

The unemployment rate of South Korea's youth demographic encompassing those ranging from 15 to 29 years of age stood at 9.0% in 2020, and has remained high at around 9% over the last seven years. South Korea's rate of unemployment is highest in Seoul and lowest in South Chungcheong Province. South Korea's rate of unemployment: has been gradually improving since spring of 2021, and the nation's statistics bureau reports that that the rate of unemployment for the entire year of 2021 was the lowest since 2017.

## Recruiting Trends

**Education:** South Korea's rate of university enrolment was 79.4% in 2020, which constitutes an increase of 2.4 percentage points relative to 2019. Analysis indicates that it has become relatively easy for a student in South Korea to gain admission to his or her university of choice due to a decreasing rejection rate amid a situation where the nation's number of third-year secondary school students has decreased by 70,000 students relative to the previous year. By geographic region, the city with the highest rate of university enrolment in South Korea is Ulsan, and the city with the lowest rate of university enrolment is Seoul. South Korea ranks extremely high with respect to levels of university enrolment relative to other OECD member nations.

**Languages:** Overall English-language competency is high in South Korea, given the population's eagerness to learn the language. However, while English study tends to be largely geared to attaining impressive marks on the Test of English for International Communication (TOEIC) in hopes of better competing in the job market, a high TOEIC score often does not correlate with an individual's ability to conduct business in English. As such, recruiters need to assess English skills of candidates during job interviews. Meanwhile, business in South Korea is generally conducted using the Korean language.

Although the number of job vacancies during the first half of 2020 was approximately 40% lower than in 2019, the market appears to have mounted a gradual recovery over the period extending from the latter half of 2020 through the first half of 2021. Meanwhile, the number of job vacancies has remained largely unchanged since the summer of 2021.

Companies had increasingly been conducting remote interviews because of difficulties interviewers not based in South Korea would likely have encountered in travelling to that nation due to the pandemic, out of consideration for candidates, and on the basis of company policy. However, many employers are once again conducting direct in-person interviews as of year-end 2021.

There were few job vacancies for sales representatives in 2020, but the number of such job vacancies increased in 2021, particularly with respect to positions for junior-level sales personnel. The number of job vacancies for technical experts in information technology has been increasing. There has been steady availability of vacancies for accounting positions, human resources professionals, and administrative support personnel. Meanwhile, there has been strong appetite for hiring of technical experts in particular among Japanese companies involved with semiconductor operations of major South Korean conglomerates amid a scenario where such Japanese employers have been generating consistent and increasing financial results. Companies engaged in business involving rechargeable battery components have been actively seeking employees.

“

**The recruitment market in 2021 has been very competitive in attracting professionals with high potential, which is shown from an increase in the number of employers seeking junior sales representatives.**

”

There has been ongoing demand with respect to external recruitment that entails seeking candidates with experience in the realms of e-commerce websites and online marketing with the aim of increasing online sales volume, amid a scenario where sluggish domestic demand has imposed hardships on some companies whose business entails serving general consumers. Employers in the healthcare and medical devices, information technology, and banking and financial services sectors have been setting their sights on professionals equipped with industry-specific work experience. Job vacancies have been relatively plentiful when it comes to companies in the construction, logistics, and services sectors seeking managerial professionals and individuals as candidates for managerial positions.

Employers seeking to increase headcounts prompted an increase in recruitment in 2021, which is in contrast to the situation during 2020 when the COVID-19 pandemic dampened hiring undertaken for the purpose of augmenting workforces.

There has been robust demand from employers seeking candidates to fill executive-class positions such as executive director and senior managerial roles underpinned by aims of achieving greater localisation of management and reshuffling leadership.

Regulations governing employment of foreign nationals: The prospect of obtaining a work visa in South Korea is somewhat challenging relative to other countries.

Japanese language speakers: Many Japanese companies in South Korea seek South Korean nationals equipped with business-level Japanese language proficiency (advanced-level proficiency). In recent years, there have been instances where such employers seek candidates for positions at an overseas location of a corporate group entity rather than at the head office in Japan, and also many instances where direct customers are not situated in Japan. As such, employers have been increasingly requiring candidates equipped with a certain level of English-language proficiency, in addition to Japanese-language skills.

Japanese nationals: Local hiring of Japanese nationals is much less common in South Korea than is the case in other Asian nations because employers tend not to have a need to hire foreign nationals given that many people in South Korea speak Japanese.

Labour turnover rate: South Korea's labour turnover rate stands at around 14% annually, according to JAC survey results. The labour turnover rate is generally high when it comes to recently established companies and those with few employees. Managers of departments assigning employees should be involved in the task of interviewing candidates, together with representative directors and HR managers, in order to avoid the possibility of employer-employee mismatch.

There have been instances where employers have reconsidered salaries of recent university graduates and other instances where employers located either in Seoul's suburbs or in regional urban areas have succeeded in recruiting candidates upon having arranged housing support schemes for them.

JAC Recruitment's research indicates ongoing changes in terms of job seekers placing greater priority on work-life balance, which is referred to as "warabal" in South Korea.

## Salary Trends

Whereas wages in 2020 increased by a nominal rate of 1.1% in South Korea overall with respect to enterprises with one or more employees, the nation recorded a year-on-year increase of 4.4% over the eight months January through August 2021.

By geographic region, wages increased by 6.5% in Seoul and 5.4% in Busan relative to April 2021. Meanwhile, the lowest rate of increase was 1.4% in North Jeolla Province.

The average rate of actual and planned wage increase among Japanese multinational corporations

in South Korea was slightly below 4%, which stands as a slight increase relative to the previous year, according to JAC survey results.

Meanwhile, one factor that has been weighing on the prospect of higher wages in South Korea is that of its consumer price index (CPI) languishing at around 1% in recent years. As such, the notion that the CPI is likely to exceed 2% in 2021 gives rise to the possibility of wage rate increases going forward. U.S. and European companies in South Korea generally tend to offer somewhat higher salary increases on a percentage basis, but in reality there is substantial variation in that regard depending on earnings performance of respective employers.

According to JAC Recruitment survey findings, maximum salary ranges for non-managerial positions and starting salaries for managerial positions at the senior manager and executive level have been increasing.

Salary levels of recent graduates and young people continue to rise amid spill over effects from the high pace of minimum wage hikes prevailing in recent years.

According to a JAC Recruitment survey for South Korea, some 55% of those looking to either change jobs or get back into the workforce hope to find new employment where they will earn higher salaries than in their previous jobs. Moreover, most survey respondents indicated that they hope to find employment at salary levels 10% higher than in their previous positions.

Annual salaries of civil servants in South Korea for the year 2021 range from approximately SKW 30 million for grade nine positions to SKW 81 million for grade one positions (approx. JPY 2.9 million to JPY 7.8 million). Civil servant remuneration overall including bonuses increased by 0.9% relative to the previous year.

Annual base salaries of factory workers are approximately SKW 23 million (approx. JPY 2.2 million) and average SKW 36 million (approx. JPY 3.4 million). Annual base salaries of shop assistants range from SKW 20 million to SKW 29 million (approx. JPY 2.0 million to JPY 2.8 million).

Statutory minimum wage: South Korea's statutory minimum wage was increased to SKW 9,160 per hour effective from January 2022, which is an increase of 5.0% relative to the previous year. The rate of minimum wage increase has been returning to former levels amid a situation where minimum wage gains had been as low as 1.5% in 2021 and 2.9% in 2020. South Korea's hourly minimum wage of KRW 9,160 is equivalent to JPY 873 (as of year-end 2021) and compares favourably with minimum wage levels in rural areas of Japan. The minimum wage in South Korea applies uniformly nationwide across all industries.

# JAPAN

**You can download Salary Data Spreadsheet from our Website**

Annual salaries by industry, job, position, company type, language



[corp.jac-recruitment.jp/en/sa/](http://corp.jac-recruitment.jp/en/sa/)



# Japan

**4.9 trillion**

US\$ GDP

**39,243**

US\$ GDP PER CAPITA

**125 million**

POPULATION

**1.0%**

INFLATION, CONSUMER PRICES  
(2022 IMF)

## Economic Trends

Real GDP growth: -4.5% (2020), 1.6% (2021), 2.4% (2022)

Consumer price inflation: -0.3% (2021), 1.0% (2022)

Workforce: 67 million

Unemployment: 2.8% (2021), 2.6% (2022)

Japan's second longest post-war economic recovery had persisted since December 2012 before coming to an end in October 2018 against a backdrop of trade friction ensuing between the United States and China and other such developments. Following on a subsequent downward phase, the economy then held to an upward trajectory after having bottomed out in May 2020 when the first COVID-19 state of emergency had come to a close. The delta variant weighed on the economy in 2021, but greater prevalence of vaccinations brought the virus largely under control. The year 2022 brings with it concerns regarding proliferation of the Omicron variant combined with potential tapering of monetary policy whereby the Fed scales back on monetary easing that has been in play ever since the global financial crisis.



**Strong demand  
for IT and DX  
professionals**



**Strong demand for  
executives**

## Recruiting Trends

**Language and education:** Japan's rate of university enrolment is 54%. Nearly the entire population of Japan receives English-language education over eight years, beginning from their later years of primary school through to the end of high school. Nevertheless, the percentage of the workforce with practical business level English language proficiency is near the bottom of global rankings. Business is generally conducted in Japanese.

**Regulations governing employment of foreign nationals:** The Japanese government is heading in the direction of easing employment regulations governing foreign nationals, which includes expansion of its points system for highly skilled foreign professionals.

During the months of April and May 2020, the number of new job vacancies dropped substantially, largely due to hiring freezes among foreign multinationals amid the state of emergency declaration in April 2020 and the outbreak of COVID-19 in the United States and Europe, before which time the number of new job vacancies had stagnated at peak levels reached in October 2018 particularly in the manufacturing sector amid trade disputes and other such developments. From June 2020 onward, the number of new job vacancies mounted a recovery to the point where vacancies had rebounded to their previous level by the summer of 2020. Employers exhibited notable discretion in 2020 with respect to candidate selection and recruitment, but by 2021 appetite for hiring had returned to pre-pandemic levels.

Over the last several years, employers have increasingly needed to locally recruit employees who are equipped to engage in overseas activities of Japanese companies operating abroad.

There has also been growing demand for recruitment of mid-career professionals not only in the manufacturing sector, but in recent years also in the services sector and IT industry. Recruitment of candidates with experience working overseas has been gaining momentum in line with the overall increase in job vacancies. Employers have been assigning such individuals to important positions. For instance, some are hired to replace expatriates in current postings abroad or as part of a firm's talent pool for such purposes. Others are recruited to act as informed sources capable of providing proper support to overseas subsidiaries from respective operating units in Japan. JAC Recruitment

Japan has been placing an increasing number of candidates with overseas work experience over recent years.

In the past, recruitment practices in Japan involving Japanese companies and foreign-affiliated multinationals operating domestically had been such that Japanese companies would tend to hire employees of other Japanese companies and foreign multinationals would hire employees of other foreign multinationals as well as employees of Japanese companies. In recent years, however, Japanese firms are gradually beginning to hire increasing numbers of employees from foreign-affiliated multinationals in Japan.

The market for recruitment of mid-career professionals in the 40-plus age demographic has been gaining momentum over the last several years. The recruitment market has also been active in terms of companies located outside of Japan's metropolitan areas seeking executive talent for tasks that include handling overseas operations and business succession. Meanwhile, employers have also been actively seeking to recruit female professionals to fill managerial roles. There have also been notable instances of employers bringing in outside directors in line with the enterprise's aims of fortifying corporate governance.

In the manufacturing sector over recent years, there has been an increase in the number of job vacancies for division manager and director level positions offering salaries ranging from JPY 12 million to JPY 18 million, with employers seeking such professionals in order to enlist their involvement in initiatives that entail developing overseas business, arranging mergers and acquisitions, and pursuing new business opportunities.

## Salary Trends

Salaries have continued to rise amid a scenario where the recruitment market of 2021 outperformed the pre-COVID market of 2019. In terms of JAC's track record, the number of candidates who decided to change jobs entailing annual salaries of eight million yen or more was 15% higher in 2021 than in

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**Japanese companies have been actively recruiting C-level executives, upper management and DX professionals.**

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2019, prior to the pandemic.

Generally speaking, there has been a difference in salaries approximately amounting to between 10% and 20% across equivalent positions in the Tokyo metropolitan area relative to those in the Kansai region (Kansai salaries being lower than those in Tokyo). Nevertheless, it is also important to understand that there are differences likewise between the two regions in terms of housing costs and other living expenses. On the other hand, salaries with respect to scarce human resources have been surging in rural areas of Japan, largely due to difficulties companies face in finding top talent in such areas.

**English speakers:** Bilingual professionals who speak both English and Japanese tend to attract salaries that are 10% to 20% higher than those with the same level of work experience who do not speak English, which reflects the increasing globalisation of Japanese companies. Salaries offered by foreign multinational corporations in Japan tend to be 20% to 30% higher than those of Japanese companies, partially because such multinationals often require English proficiency. In some industries, salaries of foreign-owned firms are as much as 50% to 100% higher. On the other hand, Japanese companies tend to provide better perks in terms of housing allowances and other health and welfare benefits in Japan, in comparison with multinational corporations.

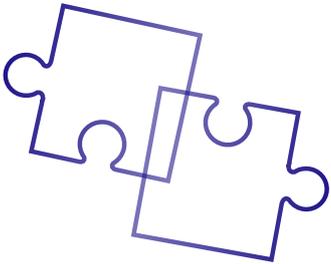
Salaries of Spanish-speaking professionals have been increasing sharply due to a tight market for such job candidates, particularly with companies in the automotive industry shifting production to Mexico in recent years.

Salaries offered to those changing jobs in Japan are often substantially influenced by seniority-based pay scales of Japanese corporations. In other words, there are many cases where an individual making a career change is offered a salary on par with his or her previous salary. Salaries in Japan also tend to greatly hinge upon an employee's number of years of experience and age. Annual salaries of civil servants in Japan range from approximately JPY 3 million to JPY 7 million. Meanwhile, annual salaries of factory workers and shop assistants range from approximately JPY 3 million to JPY 4 million.

**Statutory minimum wage (Tokyo):** As of October 2021, the statutory minimum wage stands at JPY 1,041 per hour, which is 2.76% higher than the previous level. The government left the minimum wage unchanged in October 2020 due to COVID-19.

# About JAC Group

We became the first Japanese recruitment consultancy to commence business in the UK in 1975, and now operate in 25 locations overall, including the UK, Germany, Singapore, Japan, Malaysia, Indonesia, Thailand, China, South Korea, Vietnam and India, whilst still maintaining important strong local foundations as a recruitment consultancy in each of our locations.



## Request for Reader Feedback and Registration

This report has been prepared on the basis of findings of JAC Group, the largest Japanese recruitment consultancy in Asia. As such, we greatly value reader feedback since it will enable us to improve the content and clarity of future editions. In order to provide feedback, please visit our website via the link shown below.

Also, we encourage readers of this report to register with us by providing their e-mail address via the link shown below in order to receive revisions to this report, details regarding the release of future editions and other such updates.

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