

March 2021

## Mastercard Caixin BBD China New Economy Index

Released: 10:00 am Beijing Time April-02-2021

### Overview

In March 2021, the Mastercard Caixin BBD New Economy Index (NEI) reading came in at 29.1, indicating that the New Economy accounted for 29.1% of overall economic input activities that month, up 0.9 ppts from February 2021 (Chart 1). The increasing NEI was attributed to the increase in capital inputs. New economy is defined as following: 1) human capital intensive, technology intensive and capital light, 2) sustainable rapid growth, and 3) in line with the strategic new industries defined by the government. Please refer to our previous reports (March 2016 and March 2017) for the list of NEI sectors.

Chart 1: China Monthly New Economy Index



Mastercard Caixin BBD China New Economy Index

财新智库 IBID

### Primary Inputs

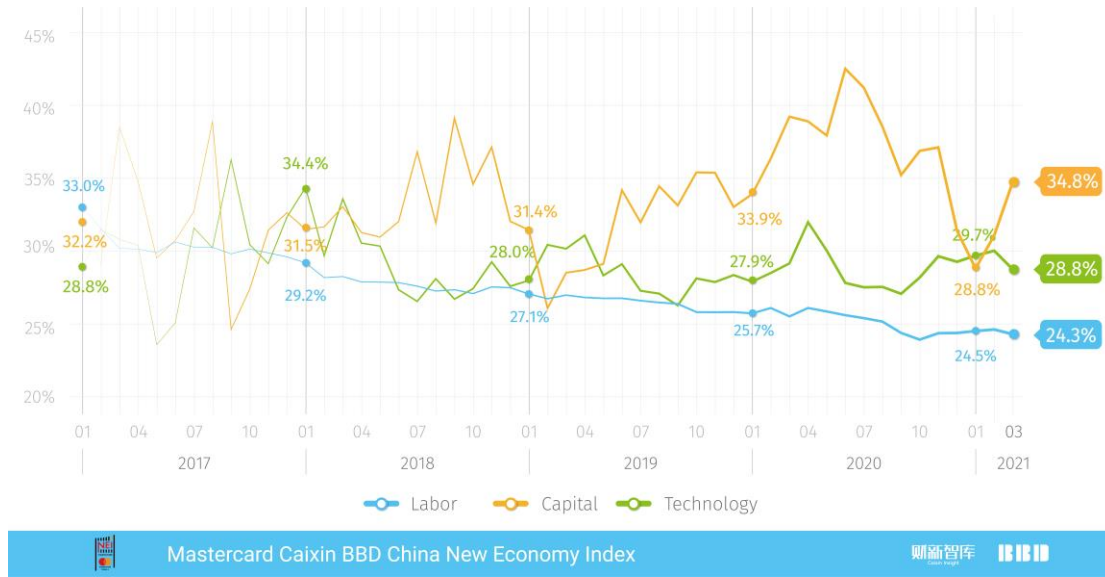
The NEI includes labor, capital and technology inputs that account for 40%, 35% and 25% of the total weights of the index, respectively. The increasing NEI was attributed to the increase in capital inputs (Chart 2). Capital input fluctuated widely in recent year, increasing to 34.8 this month, with 3.7 MoM increase. Technology input index was on an uptrend since September 2020, coming in at 28.8 this month, with 1.3 MoM decrease. Labor input index declined moderately in recent two years, decreasing to 24.3 this month, with 0.3 MoM decrease.



财新智库  
Caixin Insight

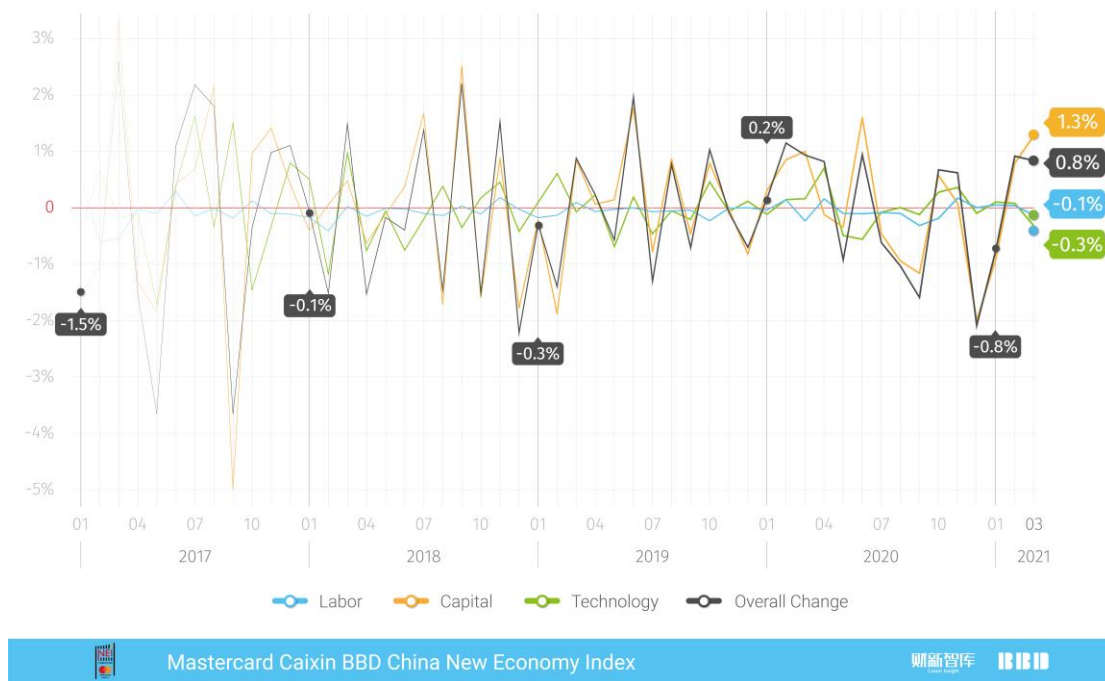
IBID

Chart 2: NEI Primary Input Index



Taking the weights into account, percentage changes in labor, capital and technology inputs were -0.1, 1.3, and -0.3 ppts, respectively. The net NEI change was 0.8 ppts in total (Chart 3).

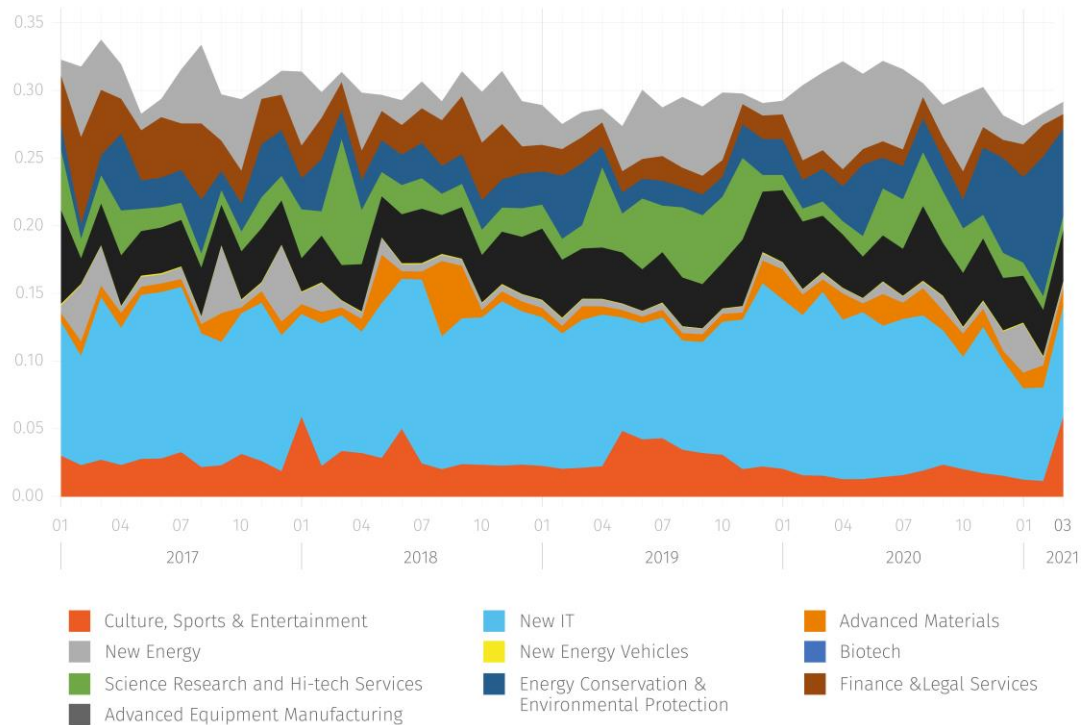
Chart 3: Primary Input Contribution to NEI



As for sectors, the New IT industry formed the largest proportion of the New Economy Index, contributing 8.1 ppts to NEI. Culture, Sports & Entertainment was the industry with fastest growth in March, contributing 5.9 ppts and ranking the third. Finance & Legal Services was the

industry with fastest decline in March, contributing 1.1 ppts and ranking the sixth (Chart 4).

Chart 4: New Economy Sector Contribution Breakdown



Mastercard Caixin BBD China New Economy Index 财新智库 IBIBID

## New Economy Employment

In March 2021, the average monthly entry-level salary of the New Economy was RMB 12,133, decreasing from last month's level of RMB 12,278 (Chart 5), and the entry-level salary premium of the New Economy which is the ratio of average entry salary level of New Economy to that of the whole economy, decreased to 3.9%, compared to 4.6% in February 2021 (Chart 6). The wages are compiled from online websites of career platforms and recruitment services including 51job and Zhaopin, as well as other sites that list job openings.

Chart 5: New Economy Avg. Monthly Entry-Level Salaries

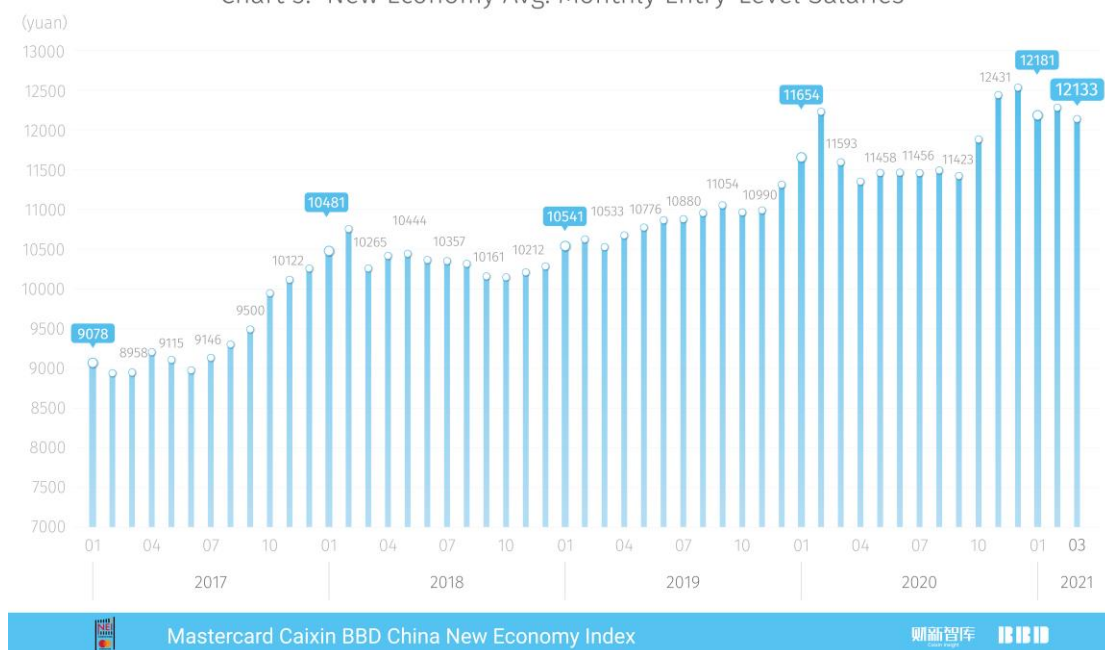
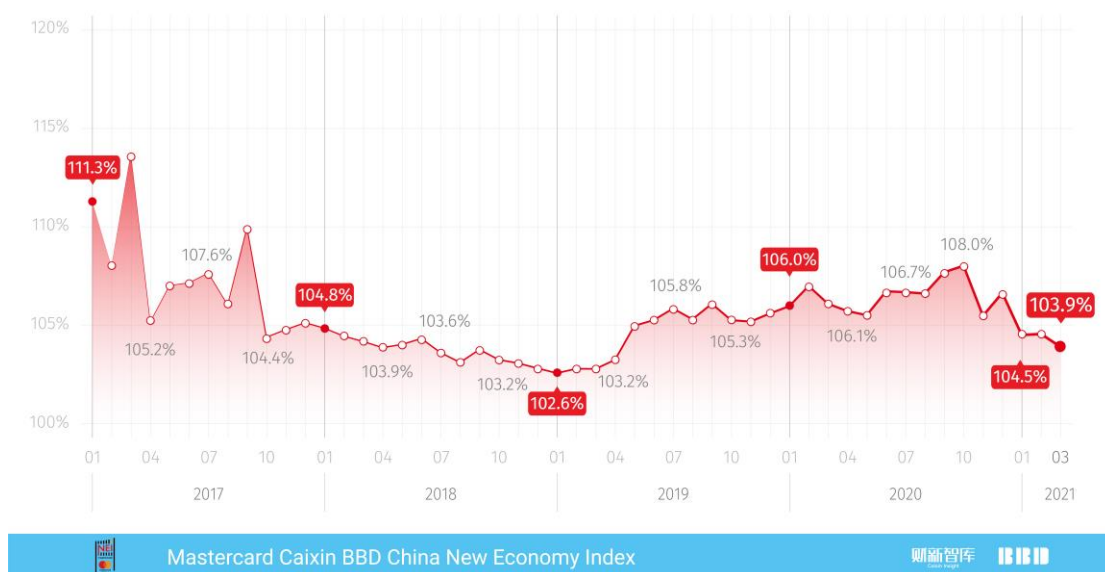


Chart 6: New Economy Entry-Level Salary Premium over Economy-wide Entry Level Salaries



## Economic Trend Based on Employment Data

This month, we explored the change of keywords for enterprises establishment in 2020 and 2021 (Chart 7). Among keywords with highest frequency, did textile, department store, vegetables, digital and medical device experience most rapid growth, reaching over 160% of that in the same period last year. Nevertheless, the number of keywords including entrusted operation, advertising, business, marketing planning and jewelry dropped significantly in 2021, falling

below 75% of that in 2020.

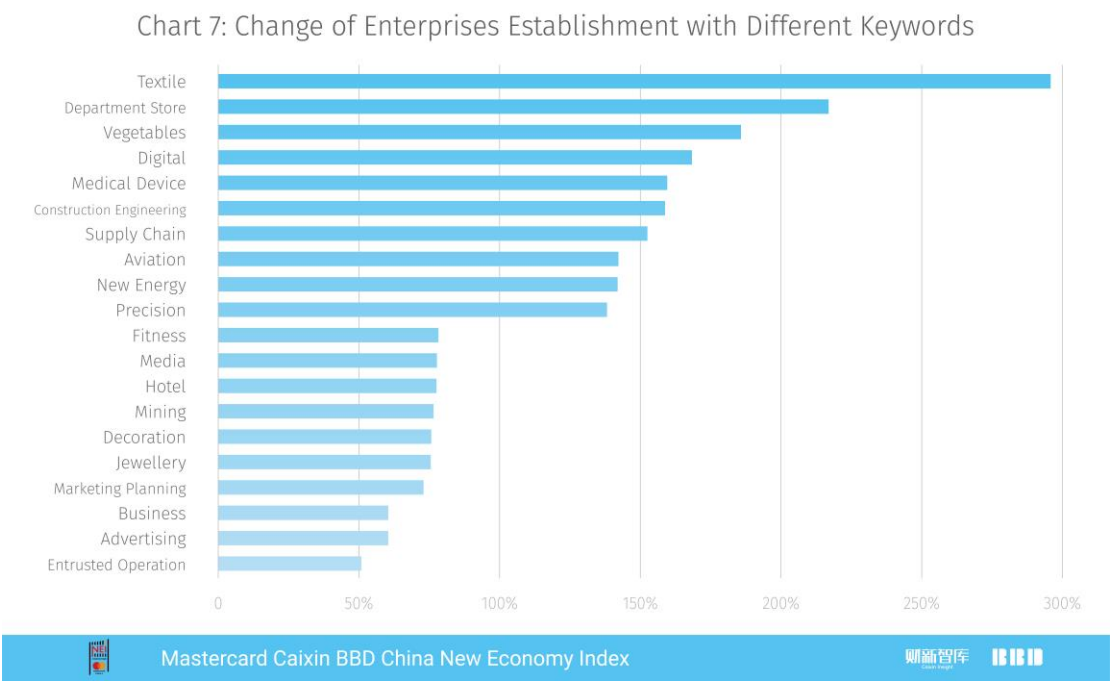


Chart 8 showed the salary change for featured jobs, which is measured by the elasticity of salary with respect to market demand. Salary change for repetitive jobs remained low in recent years and the employers were willing to pay lower salary for such positions. Salary change for automatic jobs experienced an inverted U-shape change, reaching its peak in December 2018. Salary change for jobs with self-decision-making features continued to rise since 2016. These patterns reflected the change of demand structure in China's labor market, where the employees capable of making the right decisions on their own were preferred to workers good at doing repetitive and automatic jobs.

Chart 8: Salary Change for Featured Jobs

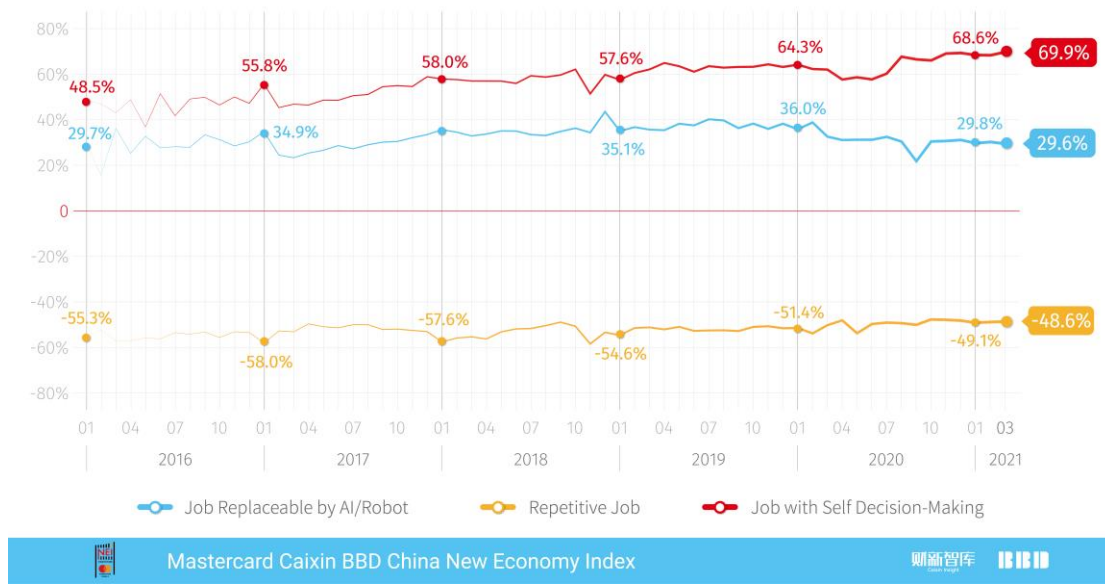
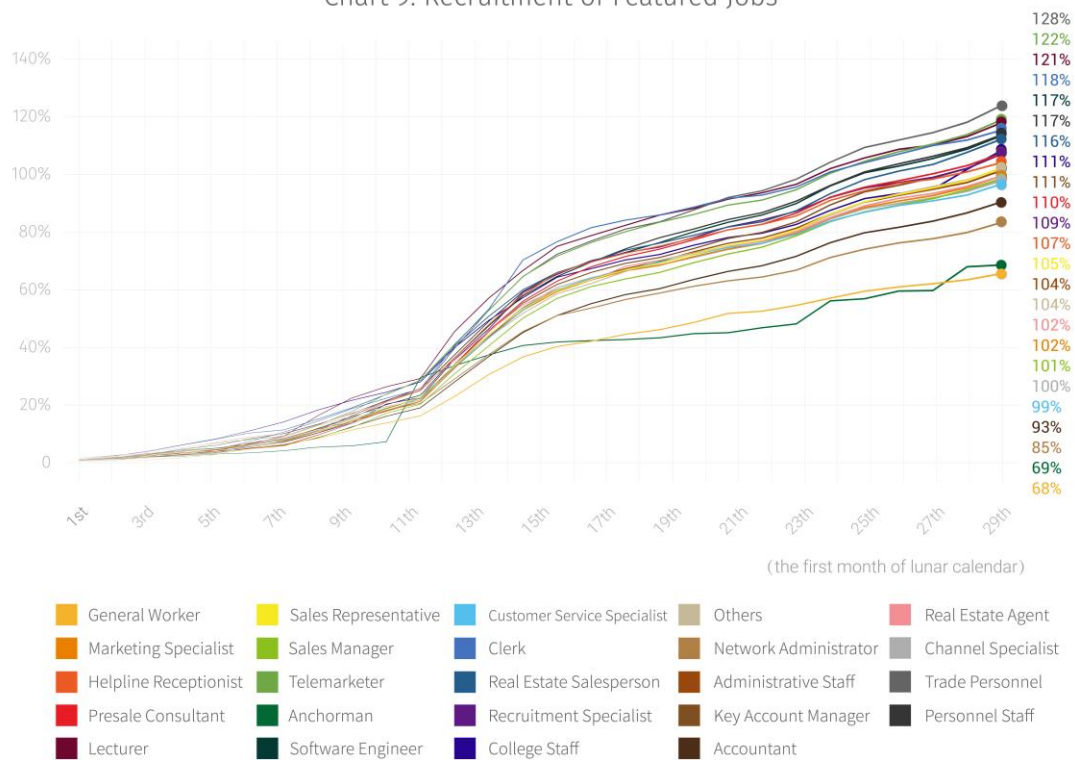


Chart 9 showed the recruitment of featured positions with highest 5% employment after Spring Festival. We defined the ratios of cumulative daily posts after Spring Festival to the average recruitment during the same period from 2016 to 2020 as the recruitment recovery rates. As shown in Chart 9, job position of trade personnel recovered fastest with 128% of the average recruitment in the past five years, which might be related to high demands for international trade. As a result of destocking, online education burst and high demand in IT industry, the recruitment recovery rates of telemarketer, lecturer and software engineer soared around 120% as high as last five years. However, general worker and anchorman, the positions in great need in previous years, experienced sharp drop of demand, coming in at below 70% of the average recruitment in the past five years, which might be related to the reducing orders in manufacturing industry and the shrinking demand in livestreaming industry.

Chart 9: Recruitment of Featured Jobs



## City Rankings of the New Economy

Overall New Economy Rankings are based on a weighted average of the percentile ranks of indicators for the city in the past six months. The top twenty cities were shown in Chart 10. In March, the top five cities were Beijing, Guangzhou, Hangzhou, Shanghai and Nanjing.



Chart 10: China's Top 20 Cities Ranked by New Economy Sector Output

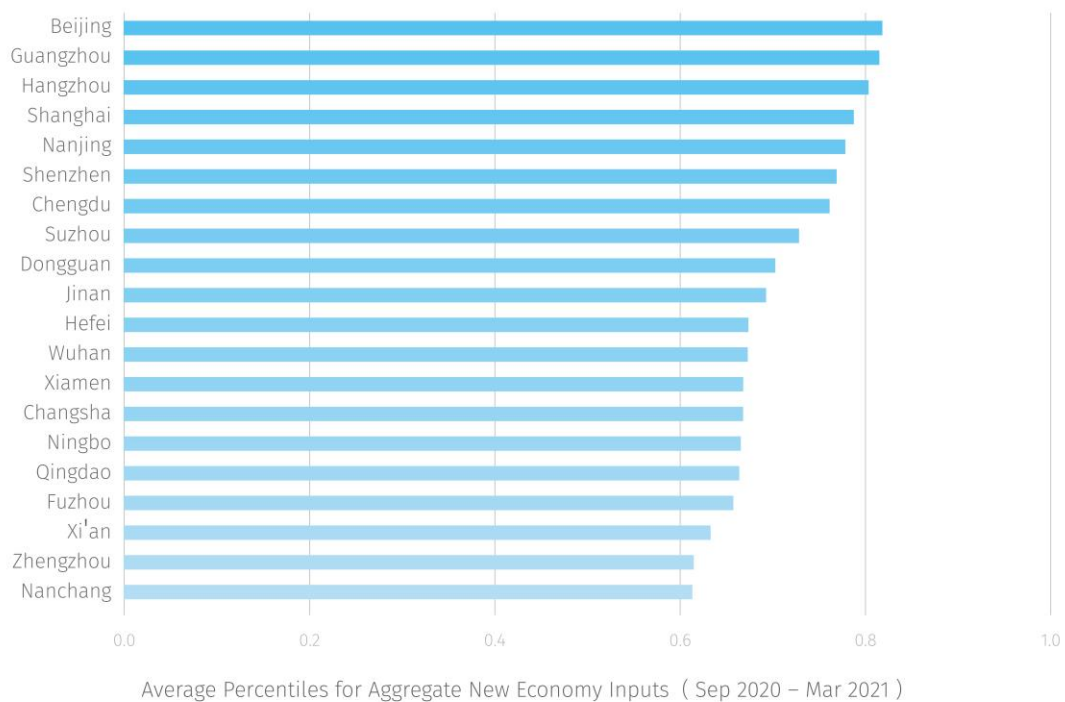
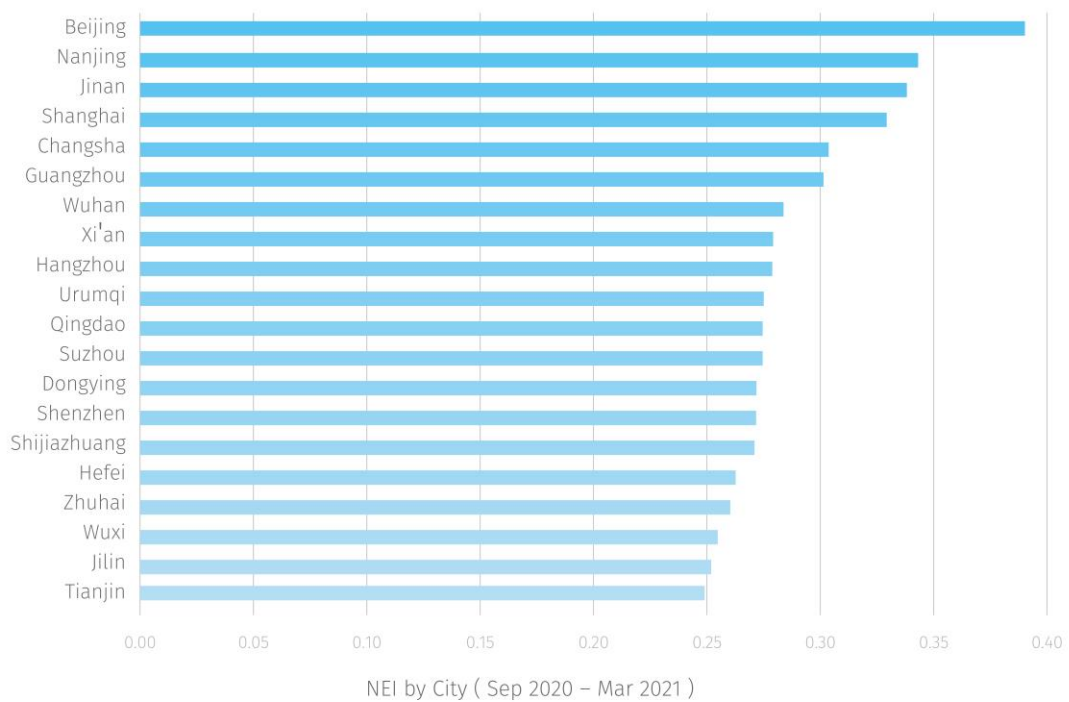


Chart 11 showed the average NEI city rankings between September 2020 and March 2021. The top five cities were Beijing, Nanjing, Jinan, Shanghai and Changsha.

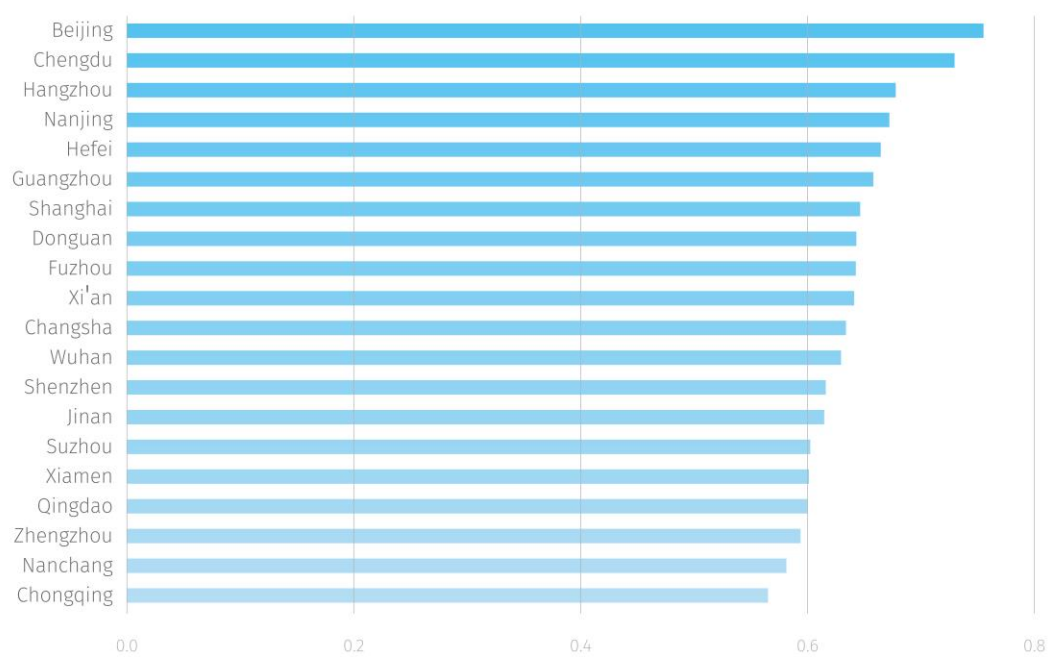


Chart 11: China's Top 20 Cities Ranked by Average NEI



In addition, we showed the city rankings adjusted by living cost by taking housing price, minimum wage and disposable income per capita into account (Chart 12). After the adjustment, the top five cities were Beijing, Chengdu, Hangzhou, Nanjing and Hefei, following by Guangzhou and Shanghai.

Chart 12: China's Top 20 Cities Ranked by New Economy Sector Output Adjusted by Living Cost



Average Percentiles for Aggregate New Economy Inputs Adjusted by Living Cost ( Sep 2020 – Mar 2021 )

Data Visualization Design by Wu Yi

**For further information please contact:**

**Mastercard**

Mr. Wu Huanyu, Director, Communications

Tel: +86-10-8519-9304

Email: [Huanyu\\_wu@mastercard.com](mailto:Huanyu_wu@mastercard.com)

**Caixin Insight Group**

Dr. Wang Zhe, Senior Economist

Tel: +86-10-85905019

Emails: [zhewang@caixin.com](mailto:zhewang@caixin.com)

Ma Ling, Public Relations

Tel: +86-10-8590-5204

Email: [lingma@caixin.com](mailto:lingma@caixin.com)

**BBD**

Dr. Chen Qin, Chief Economist

Tel: +86-28-65290823

Emails: [chenqin@bbdservice.com](mailto:chenqin@bbdservice.com)

The Mastercard Caixin BBD China New Economy Index is the fruit of a research partnership between Caixin Insight Group and BBD, in collaboration with the National Development School, Peking University. The subject of a year of research, the NEI was first publically released on March 2, 2016 and will be issued the 2nd of every month at 10:00am China Standard Time.

**About Mastercard**

Mastercard (NYSE: MA), [www.mastercard.cn](http://www.mastercard.cn), is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard's products and solutions make everyday commerce activities, such as shopping, traveling, running a business and managing finances-easier, more secure and more efficient for everyone. Follow us on Twitter [@MastercardAP](https://twitter.com/MastercardAP) and [@MastercardNews](https://twitter.com/MastercardNews), join the discussion on



the [Beyond the Transaction Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

### About Caixin

Caixin Media is China's leading media group dedicated to providing financial and business news through periodicals, online content, mobile applications, conferences, books and TV/video programs. Caixin Media aims to blaze a trail that helps traditional media prosper in the new media age through integrated multimedia platforms. Caixin Insight Group is a high-end financial data and analysis platform. For more information, please visit [www.caixin.com](http://www.caixin.com).

### About BBD (Business Big Data)

BBD is a leading Big Data and quantitative business analytics firm specializing in the analysis of the high-growth industries emerging in Mainland China. Through dynamic data tracking, credit analysis, risk pricing and economic index construction, BBD provides its clients with a wide range of services at both the macro and micro level. For more information, please visit <http://www.bbdservice.com/>.

