

LEHMAN, LEE & XU



雷曼律师事务所

PRESS RELEASE

"No layoffs without permission in Shandong, Hubei"

(China Daily)

Firms in Shandong and Hubei provinces that want to lay off 40 or more workers have been told they must first apply for approval from their local human resources and social security authorities, the Legal Daily reported on Sunday. The order, released last Tuesday, is an amendment to the national labor contract law, which came into force in January and states that all companies that want to lay off more than 20 employees must first get approval from their labor unions and report their layoff scheme to the labor authorities.

For more information, please visit http://www.chinadaily.com.cn/bizchina/2008-11/18/content_7214154.htm

Amy Yang from Lehman, Lee and Xu comments that "the provisions with respect to retrenching employees in the Labor Contract Law are relatively weak in the face of the world financial crisis. Therefore, the labor departments of various provincial governments have sought to amend Labor Contract Law and Shandong province is the most recent one and probably the most rigid one."