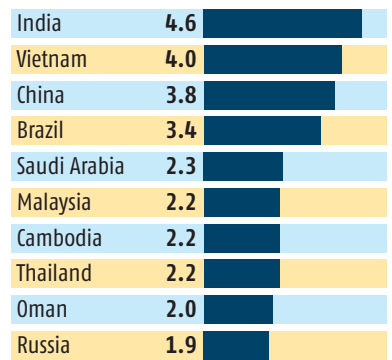


Soaring inflation set to dent salary hikes for second year

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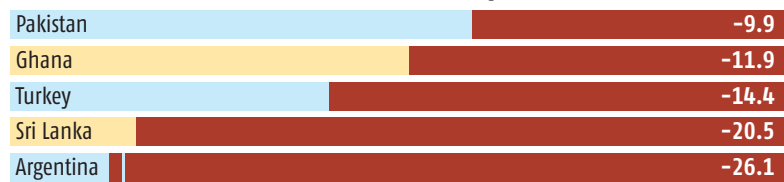
Top 10 countries and their predicted real-terms salary increases in 2023 (%)



Source: ECA International



... And the bottom five, with their expected decreases (%)



Asian nations, led by India, make up eight of the top 10 countries forecast to see real salaries rise

ALEX MILLSON
26 October

Towering inflation will drive down the wage jump yet again, according to a new survey that sees just 37 per cent of countries globally expecting to report real-term wage hikes.

The worst-hit region is likely to be Europe, where real salaries — nominal wage growth minus the rate of inflation — are seen being driven down an average 1.5 per cent, according to workforce consultancy ECA International.

UK employees suffered their biggest hit this year, since the survey kicked off

in 2000. Despite a 3.5 per cent average nominal pay increase, salaries in real terms fell 5.6 per cent, due to 9.1 per cent average inflation. They are set to tumble another 4 per cent in 2023.

In the US a real-terms drop of 4.5 per cent this year is expected to be reversed by falling inflation next year, translating into a 1 per cent real-terms salary hike.

Asian nations make up eight of the top 10 countries forecast to see real salaries rise, led by India, up 4.6 per cent, Vietnam rising 4.0 per cent and

China up 3.8 per cent. Brazil's 3.4 per cent increase and Saudi Arabia's 2.3 per cent bump round out the top five.

ECA International's Regional Director for Asia, Lee Quane, said: "Our survey indicates another tough year for workers globally in 2023. Only around a third of the countries surveyed are forecast to see real-terms salary increase, though this is better than the 22 per cent that experienced increases this year." Average salaries fell 3.8 per cent in 2022, according to ECA. ECA's Salary Trends

Survey is based on information collected from over 360 multinational companies in 68 countries and cities.

The worst-hit region is likely to be Europe, where real salaries are seen being driven down an average 1.5%

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