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News Release

UBS Compensation Survey: Wages to rise by 1.0 percent in 2019

On the basis of its compensation survey, UBS expects an average nominal wage increase of 1.0 percent in Switzerland for 2019. The forecast increase is thus higher than in preceding years. This is due, among other factors, to the continuing strong economic growth in recent years. At the same time, annual inflation of 1.0 percent is expected for 2019 and as a result a stagnation of real wages.

Zurich, 31 October 2018 – According to the 324 companies surveyed by UBS, an average nominal annual wage adjustment of 1.0 percent is expected in the coming year. This increase is slightly higher than in recent years. However, the bank expects inflation at the same level, meaning real wages will stagnate in 2019. For 2018, UBS economists also expect 1 percent inflation. As a result, there will be a real wage reduction of 0.2 percent this year on account of average nominal growth of 0.8 percent.

Media industry once again bringing up the rear

With a nominal wage increase of just 0.5 percent for 2018 and an expected 0.5 percent for 2019, the media industry is once again in last place, as in last year's survey. After taking the inflation rate into account, wage earners in most sectors must expect no real wage increase both 2018 as well as 2019. In 2018, only the IT and telecommunications services sector recorded any real wage increase. Only the chemical and pharmaceutical sectors can expect a real wage increase in the coming year.

Consequently, the now once again positive inflation rate has nullified the modest nominal wage increases. However, the opposite was the case for several years after 2009. In the years 2009 to 2016, employees enjoyed the highest average real wage increases of approximately the last 30 years, since inflation was at zero and in some years even negative.

Companies expect further economic growth

About two-thirds of the companies surveyed expect moderate economic growth in 2019. Thirty percent see growth stagnating and not a single survey participant a decline. After an exceptionally strong economic upturn of about 2.9 percent in 2018, UBS economists also expect a moderate figure of 1.6 percent in 2019. Sixty-nine percent of the survey participants also believe the unemployment rate of currently 2.6 percent will remain unchanged in the coming year. UBS economists estimate a minimal decline to 2.5 percent. With these values, one can almost speak of full employment.

Widespread agreement on diversity

This year, UBS also asked companies about their views regarding the diversity of their employees with regard to culture and background, age, gender, sexual orientation, professional background, disability and religion. A clear majority of companies do not see any additional need to act regarding the diversity of their employees.

Legal requirements, such as quotas, are regarded by all companies as an unsuitable measure for promoting diversity in Switzerland and are strongly opposed. By contrast, about three-quarters of the companies regard

more flexible working hours (part-time, core time, flexible retirement, annual working time) as the most effective measure to promote employee diversity, followed by measures that improve the compatibility of work and family life (60 percent). It is to be assumed that companies are above all thinking of the gender distribution of employees with these measures.

The proportion of management positions occupied by women is on average about 18 percent, with the public sector with about 13 percent ranking behind the secondary and tertiary sectors (21 and 20 percent, respectively). Only 12 percent of companies describe a low proportion of female employees as problematic and only a quarter of those surveyed saw a need for further action on the issue of gender.

Nominal wage development according to the UBS Compensation Survey 2019

	Salary development 2018	Expected salary development 2019
Chemicals & pharmaceuticals	1.0%	1.2%
Energy, utilities & waste disposal	1.0%	1.0%
Materials & building materials	1.0%	1.0%
Textiles	0.9%	1.0%
Metals	1.0%	1.0%
Machinery	1.0%	1.0%
Electrical engineering	0.8%	1.0%
Construction & architecture	0.5%	1.0%
Financial services	0.9%	1.0%
Wholesale trade	0.7%	1.0%
Logistics	1.0%	1.0%
Retail trade	0.7%	1.0%
Automobile sector	1.0%	1.0%
Corporate services (including real estate)	1.0%	1.0%
IT services & telecommunications	1.3%	1.0%
Food	0.8%	1.0%
Watches and jewelry	0.8%	1.0%
Tourism including culture, sport and education	1.0%	1.0%
Public sector	1.0%	1.0%
Consumer goods	1.0%	0.8%
Health & social services	0.5%	0.8%
Media	0.5%	0.5%
Switzerland	0.8%	1.0%

UBS has conducted an annual compensation survey since 1989. Some 324 companies, employer and employee representation associations in 22 sectors took part in the current survey, held from 13 September to 10 October 2018. These sectors represent over 85 percent of Switzerland's working population. From 1989 to 2018, the average wage increases assessed by the survey diverged a mere 0.29 percentage points from the official average salary trends (nominal wage index and collective labor agreements) published by the Swiss Federal Statistical Office.

The detailed results of UBS's Compensation Survey for 2019 can be downloaded from [UBS Compensation Survey 2019](#)

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