

# UBS Compensation Survey 2020

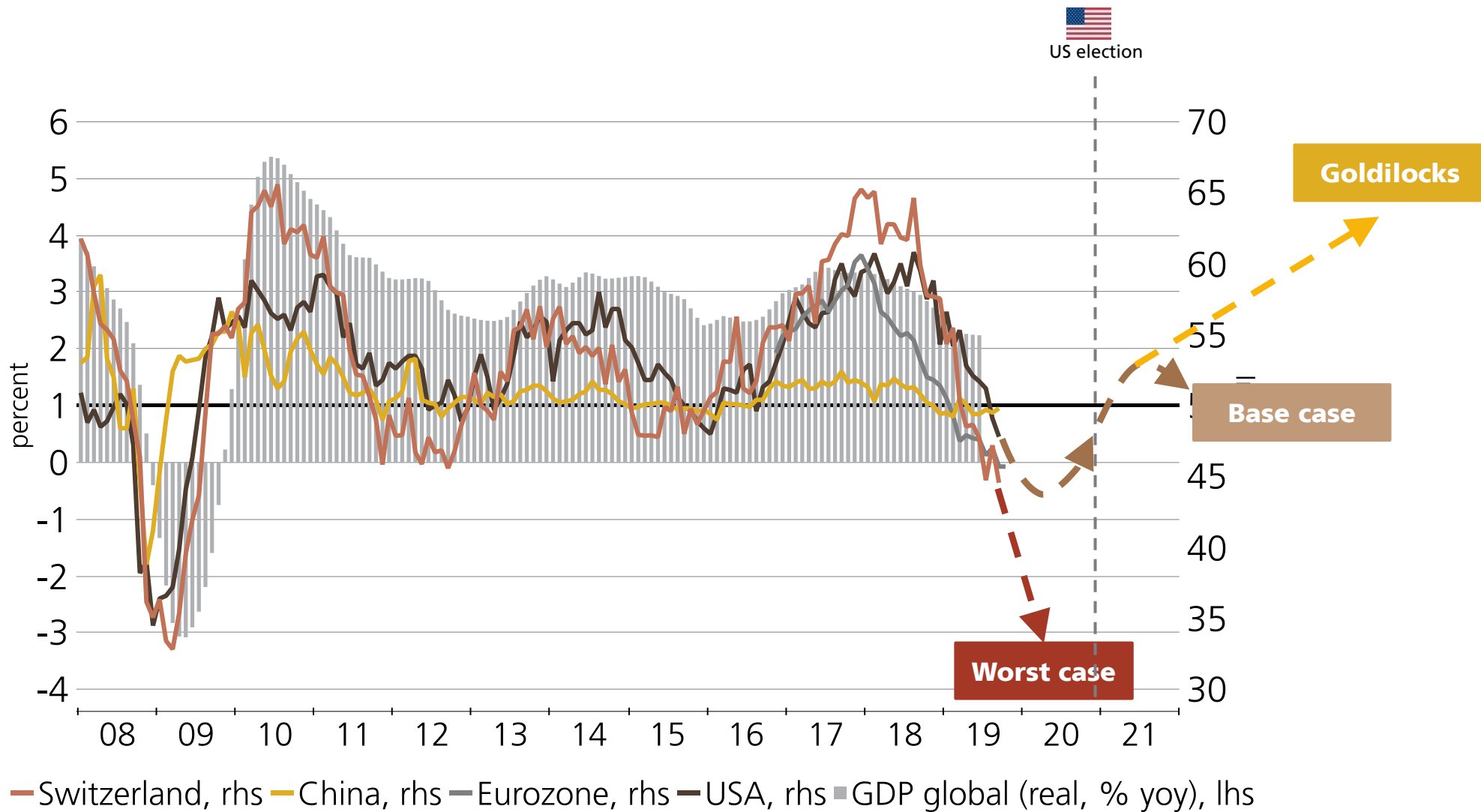
## Outlook

Dr. Daniel Kalt  
UBS Chief Economist & Chief Investment Officer Switzerland



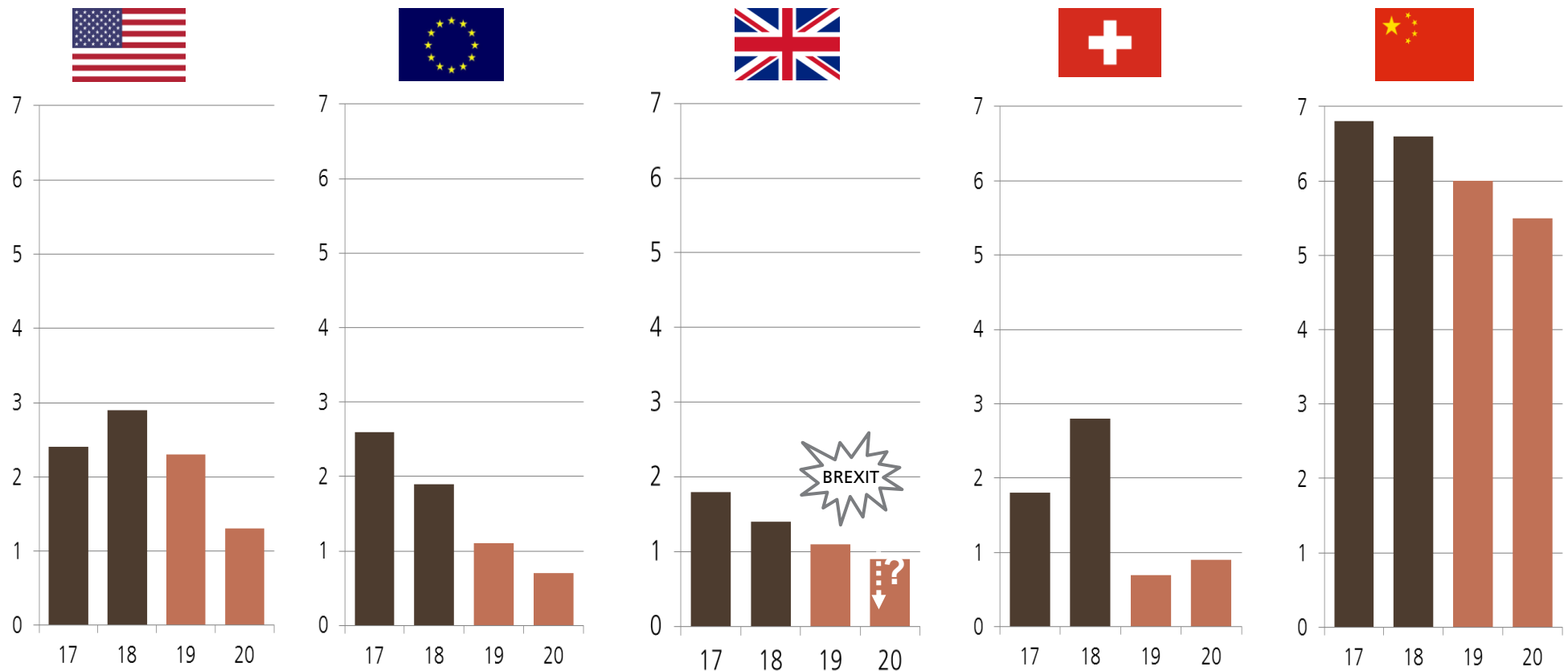
# World economy: Three possible scenarios

Worst case, base case or goldilocks (Purchasing Manager Indices [PMIs] world GDP growth)



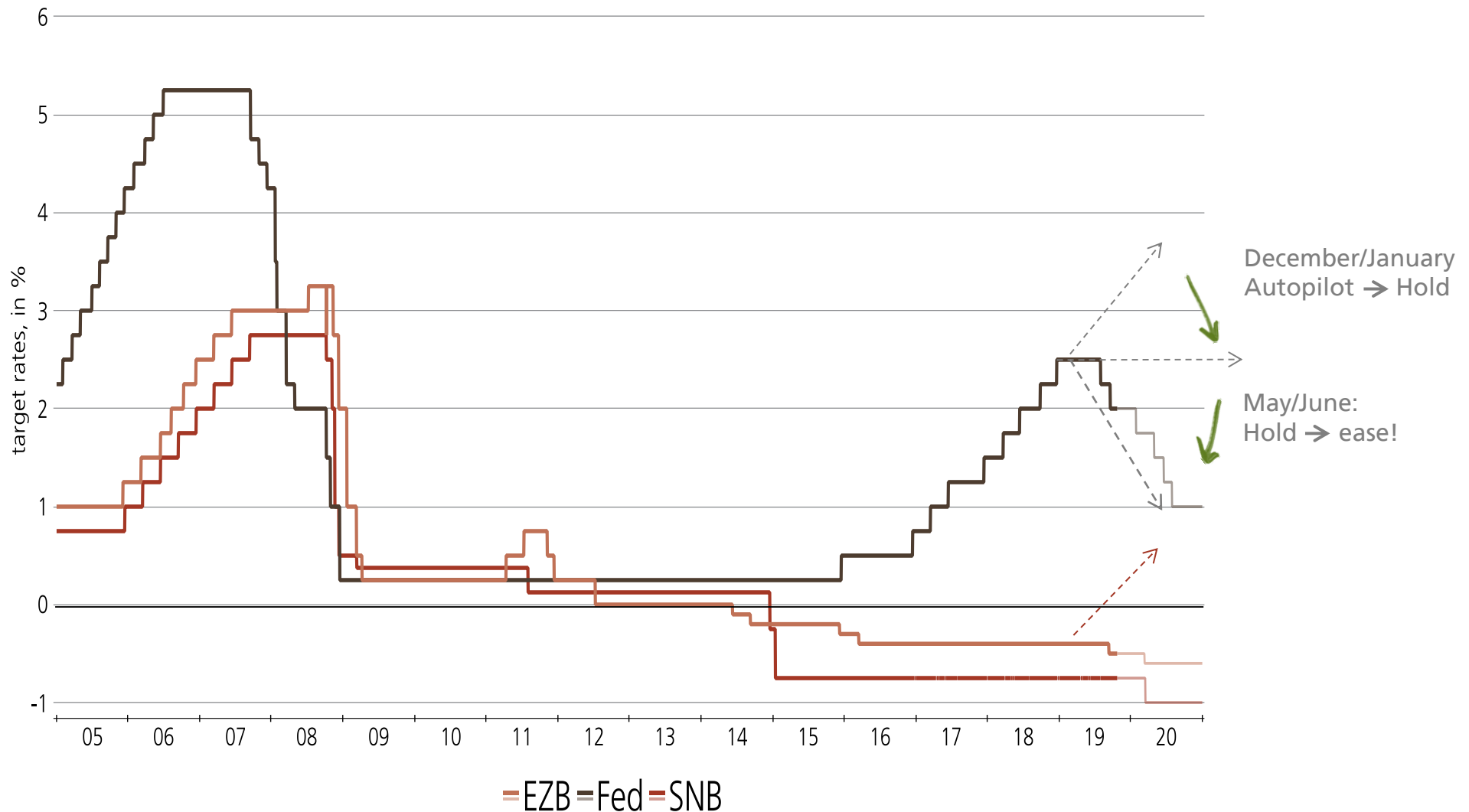
# Base case: slow-down, but no recession

Real GDP growth, in % yoy



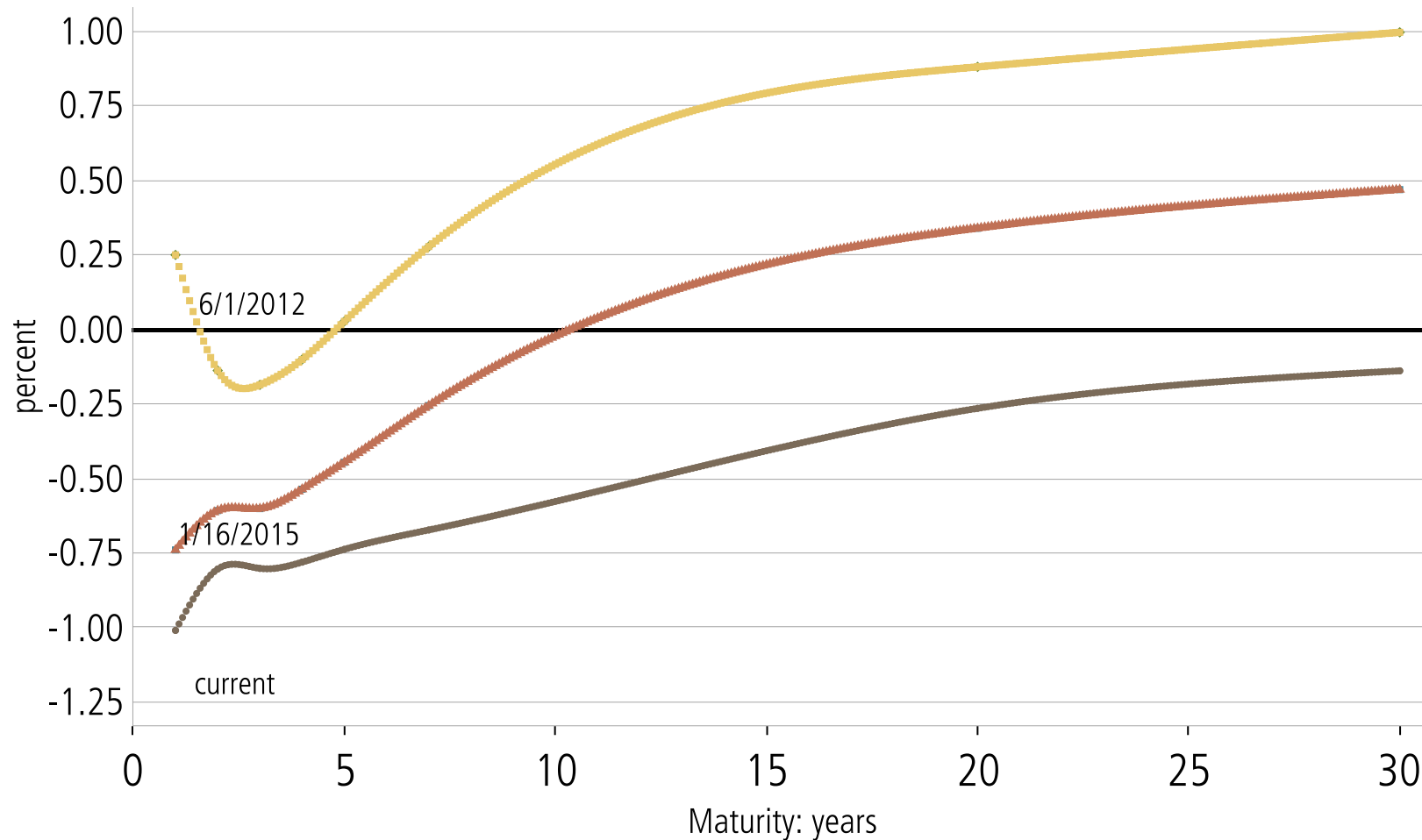
# Monetary policy: From autopilot → hold → ease!

Monetary policy U-turn in just six months, policy rates in %



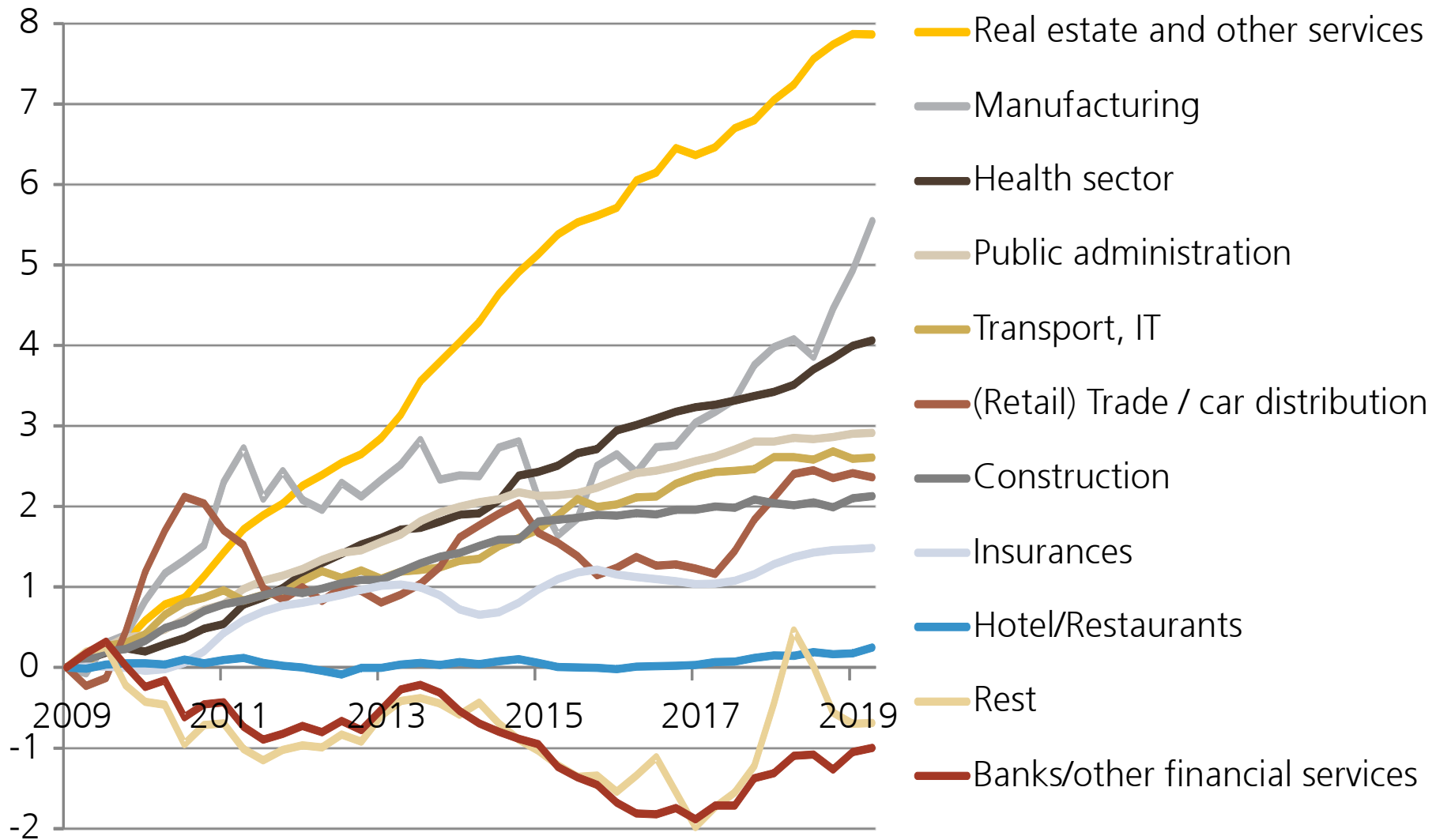
# Eidgenossen yield curve: Everything below zero

Yield to maturity for Swiss government bonds (in % for different maturities)



# Swiss economy: Diverging sectoral trends

Change in value added (in bn CHF per quarter)



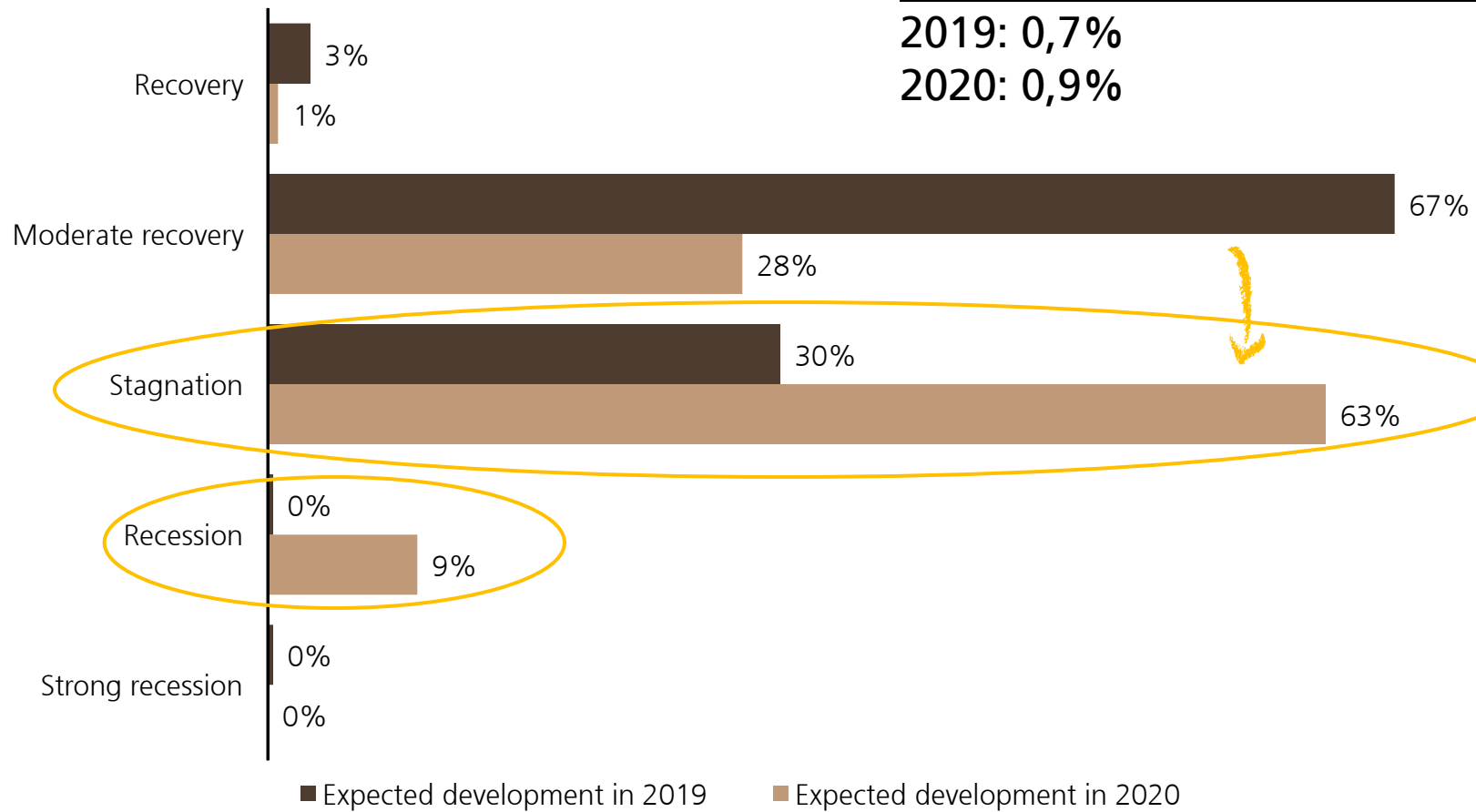
# Expected economic trend for 2020

Survey participants expect the economy to stagnate next year

## UBS GDP forecasts for Switzerland:

2019: 0,7%

2020: 0,9%



■ Expected development in 2019   ■ Expected development in 2020

Expected development from the previous year for the mentioned year

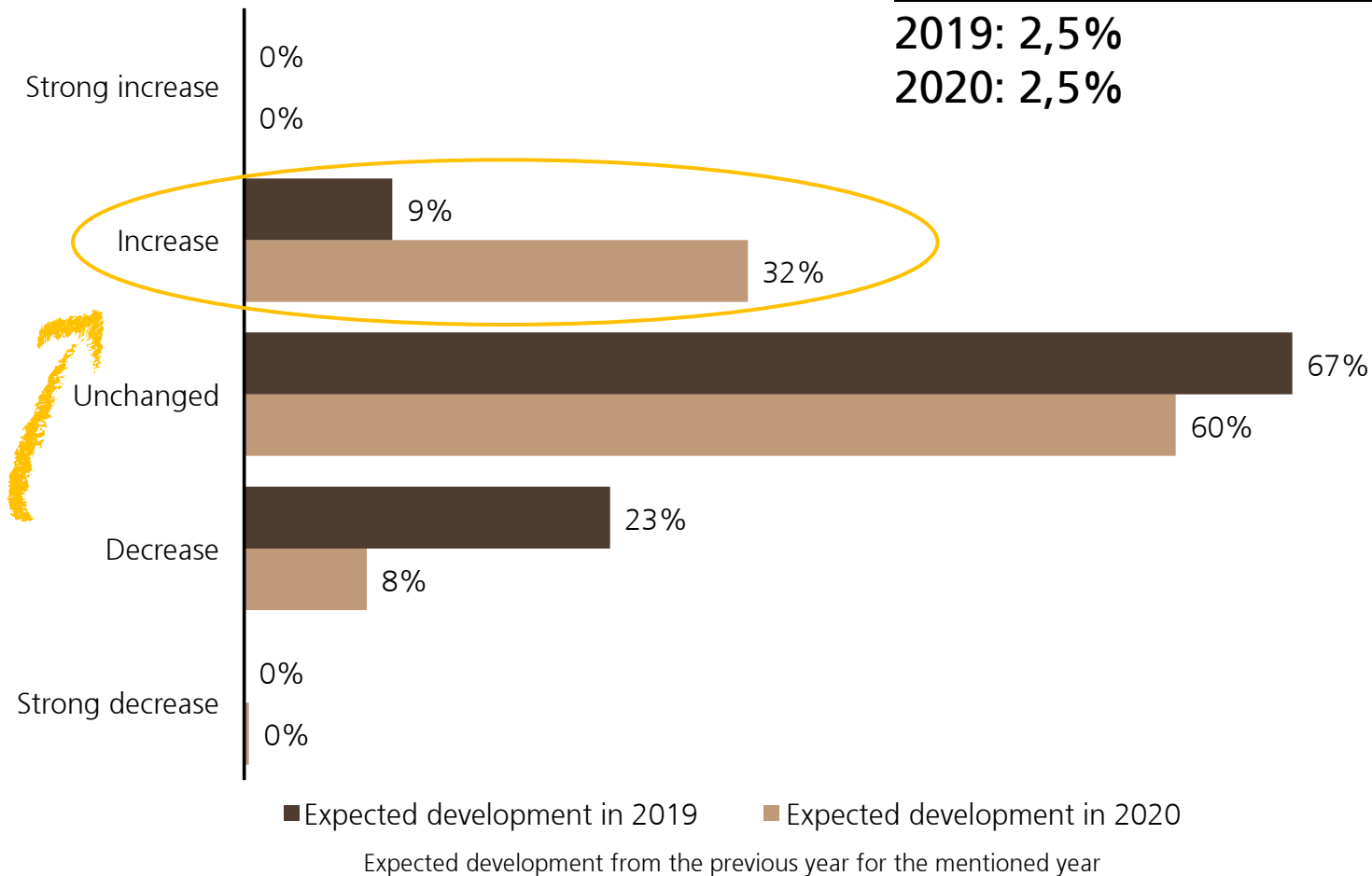
# Expected unemployment rate next year

Survey participants continue to expect an unchanged unemployment rate next year. However, the expectations of an increase in the unemployment rate compared to the previous year have increased significantly

## UBS forecasts for unemployment:

2019: 2,5%

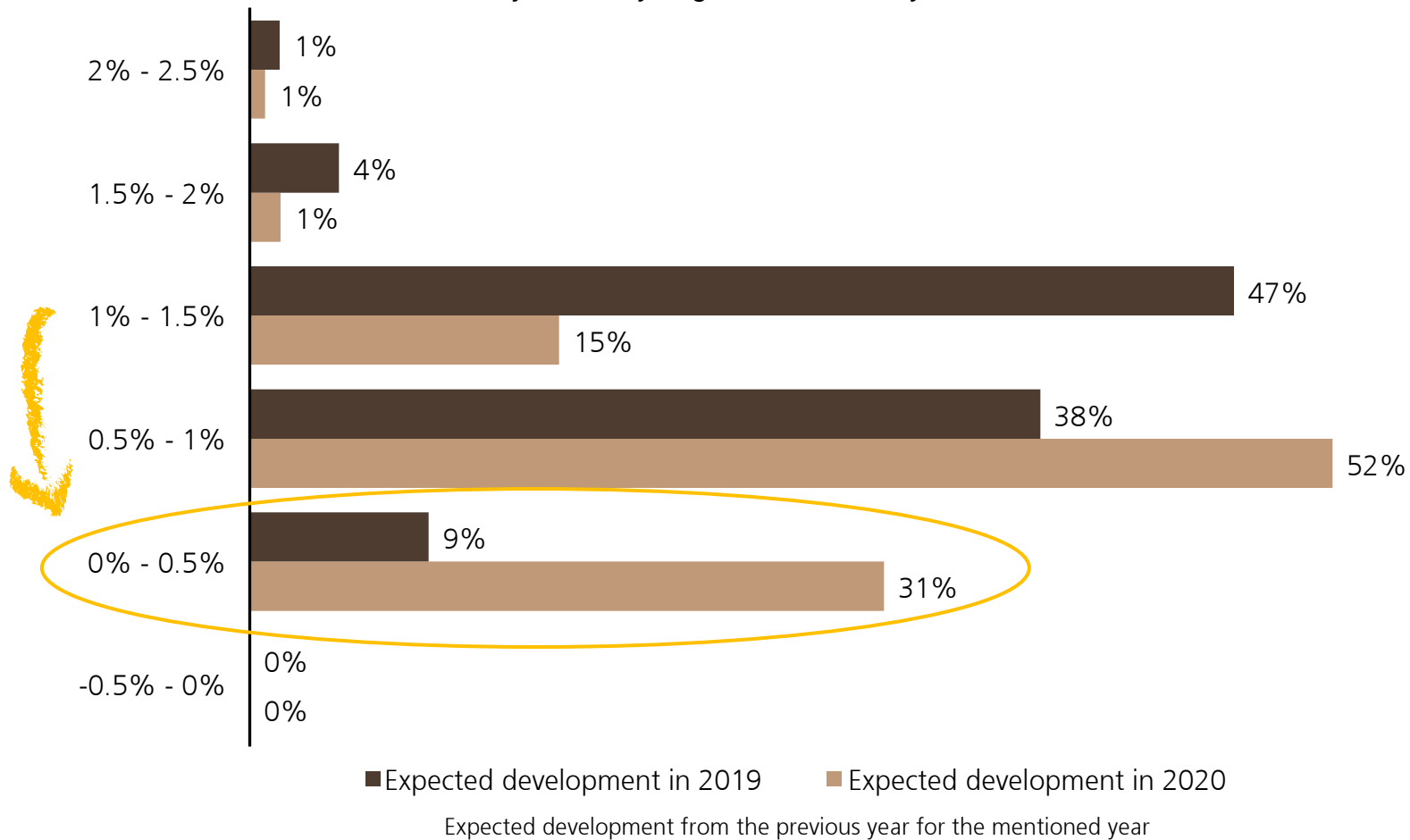
2020: 2,5%



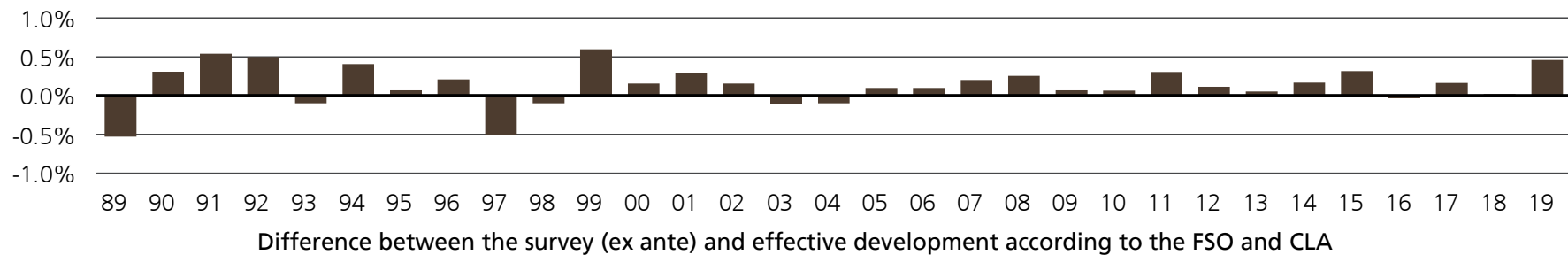
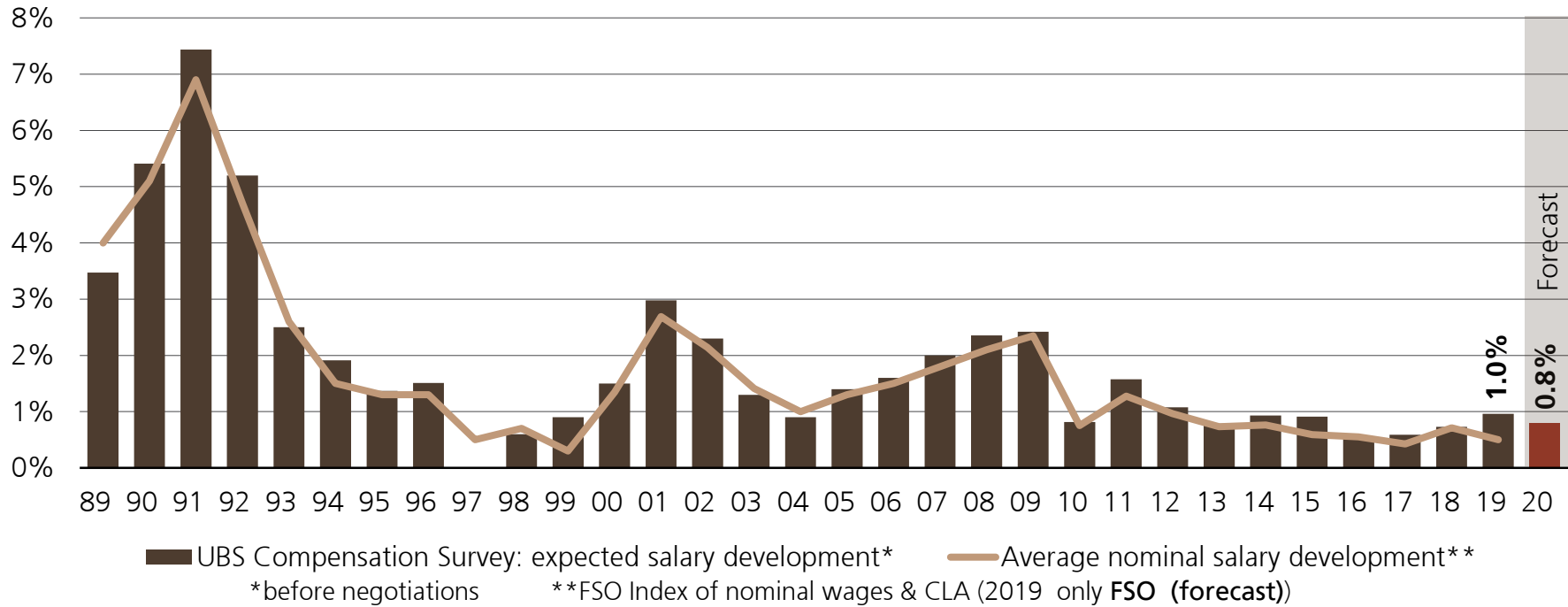
# Inflation

## Survey participants expect a lower inflation rate than last year

Which inflation rate is at the basis of your salary negotiations for the year 2020?

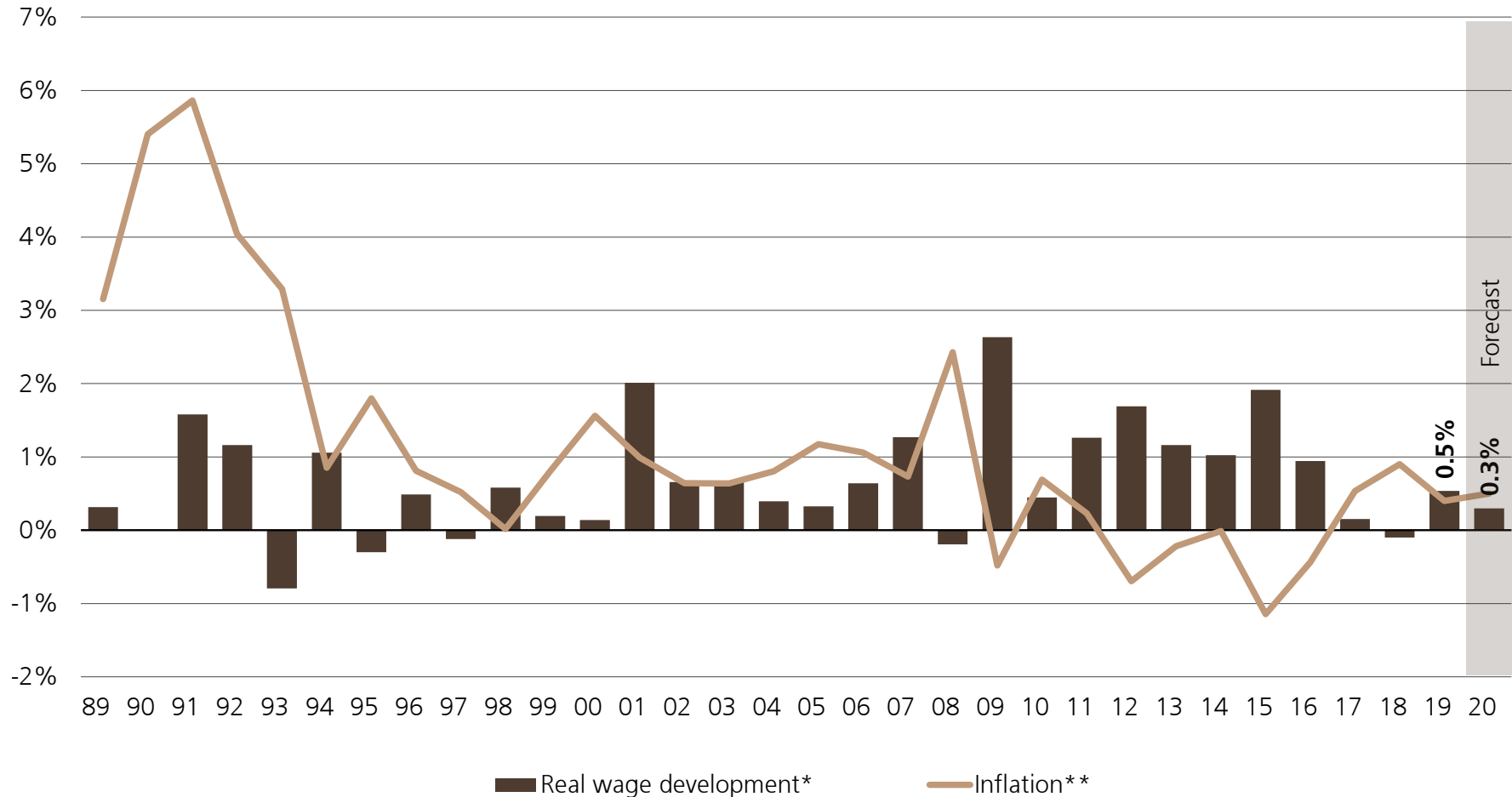


# Expected nominal wage growth rates since 1989



# Real wage growth rates and inflation

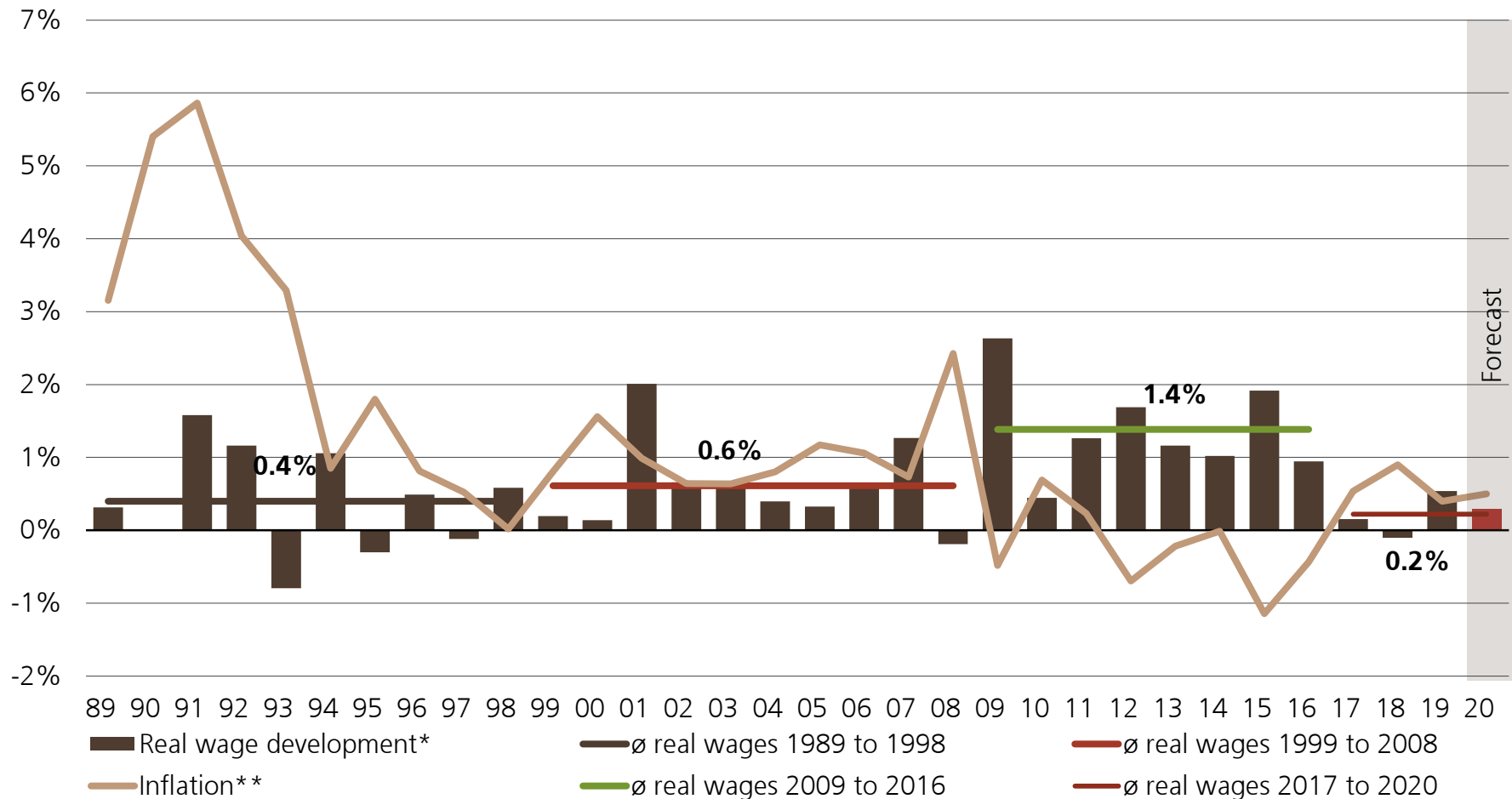
## Real wage growth rates over the last 31 years



\*Survey results following the wage negotiations (except 2020) \*\*2019 & 2020 UBS forecasts

# Average real wage growth rates

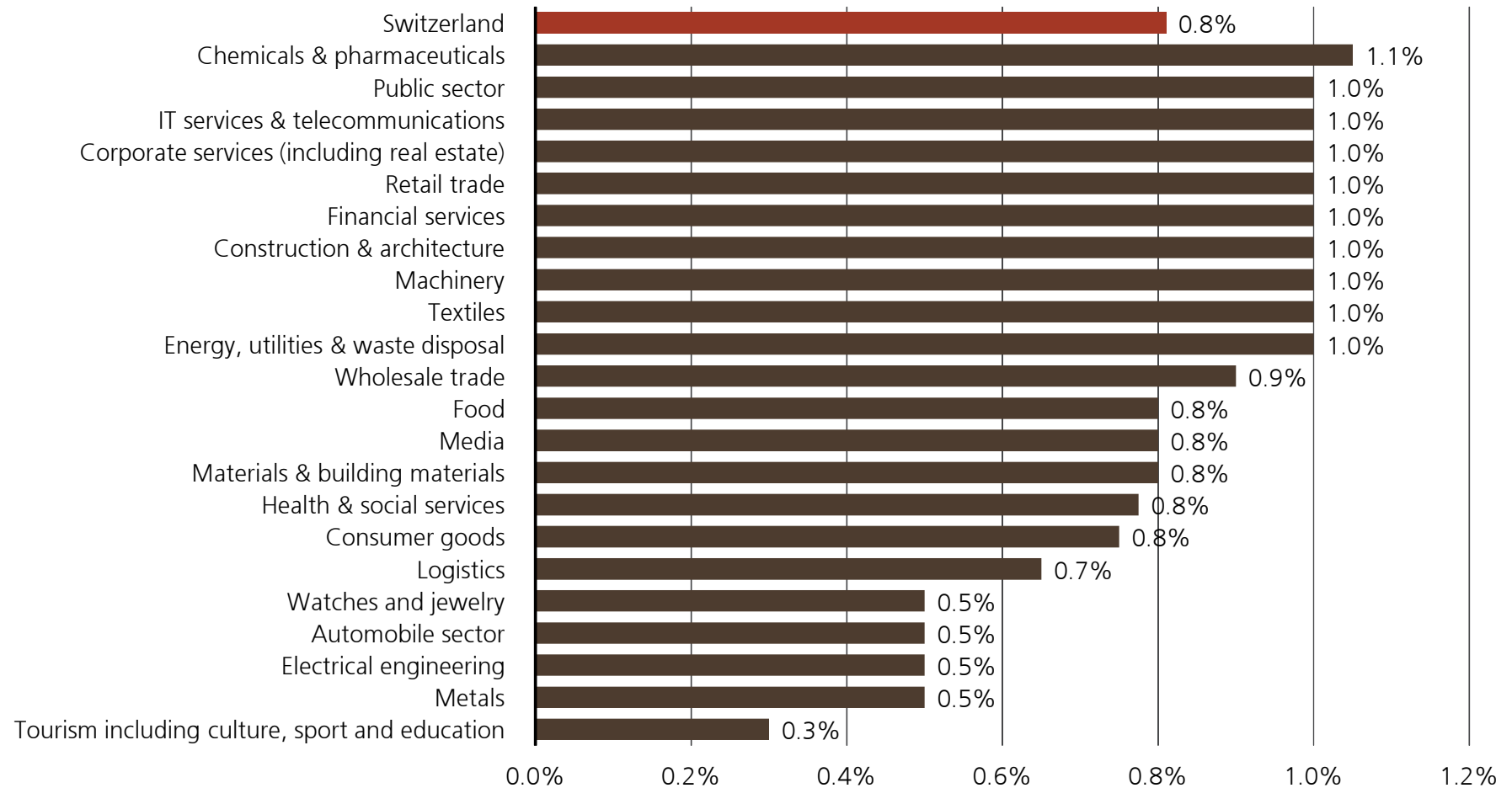
Average real wage growth rates over the last 31 years for different periods



\*Survey results following the wage negotiations (except 2020) less Inflation \*\*2019 & 2020 UBS forecasts

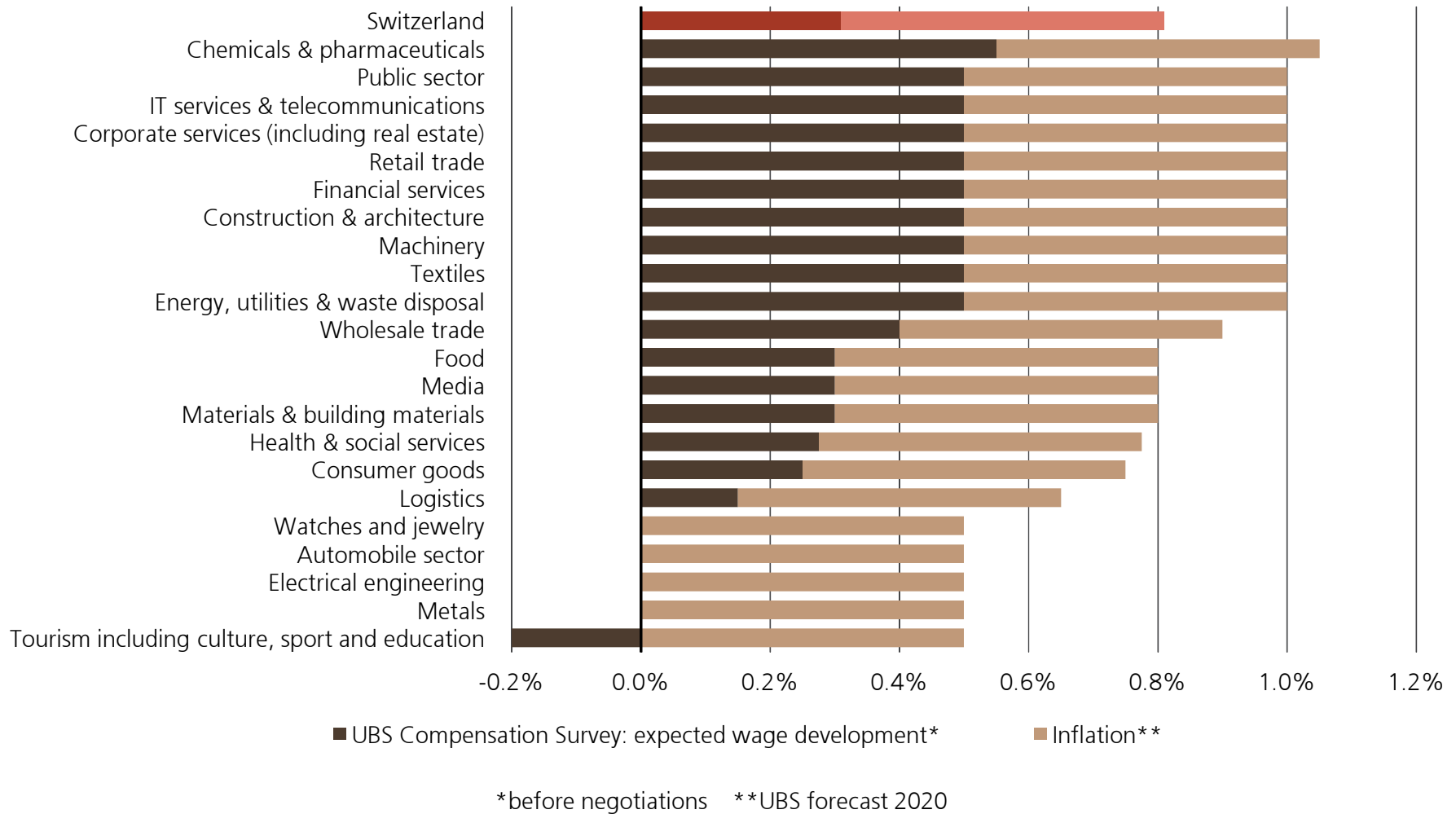
# Expected nominal wage growth rates 2020 by sector

## Nominal wage development in 2020



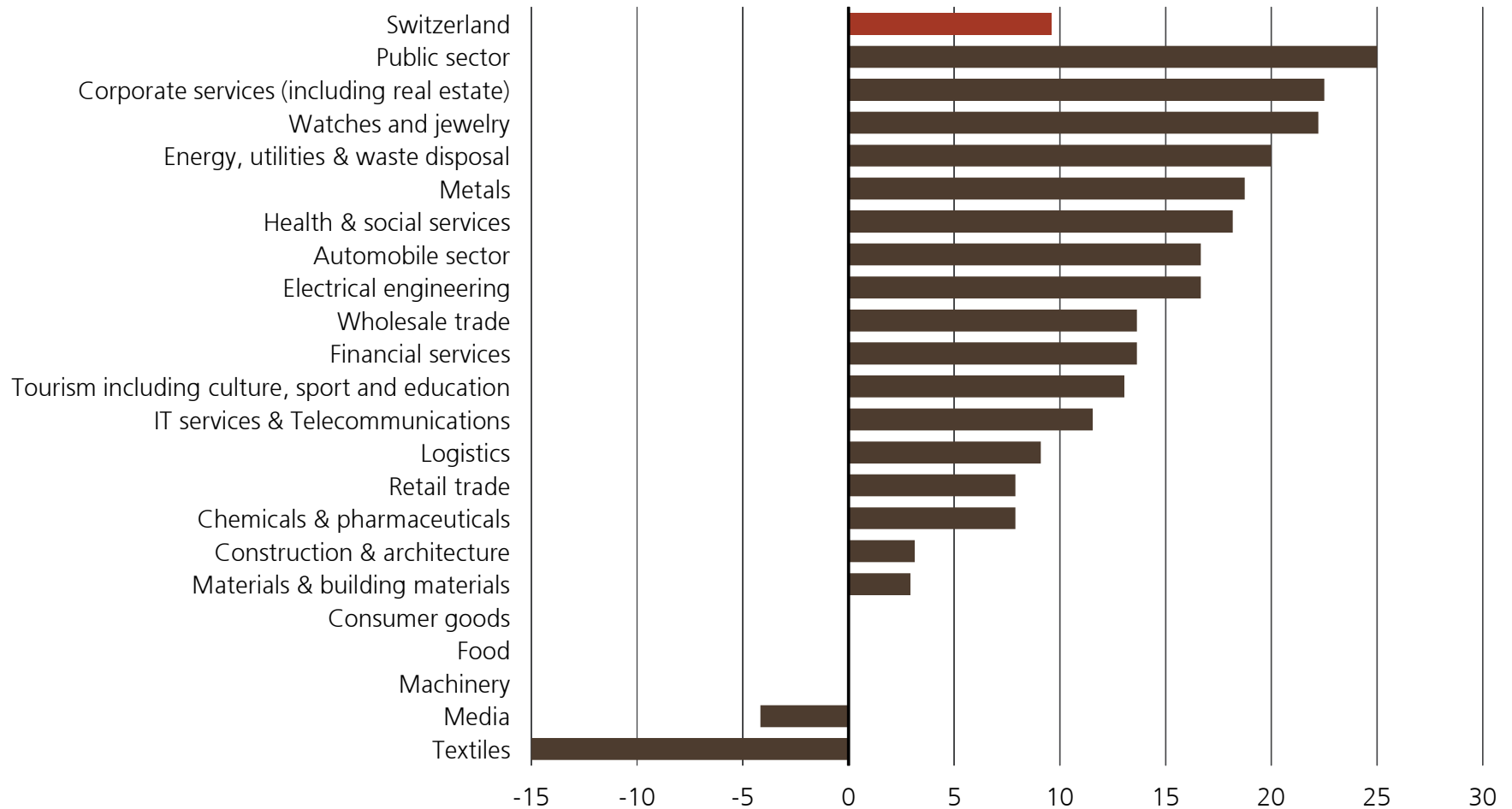
# Slightly higher expected inflation will likely lead to stagnation of real wages in individual sectors in 2020

## Real wage development in 2020



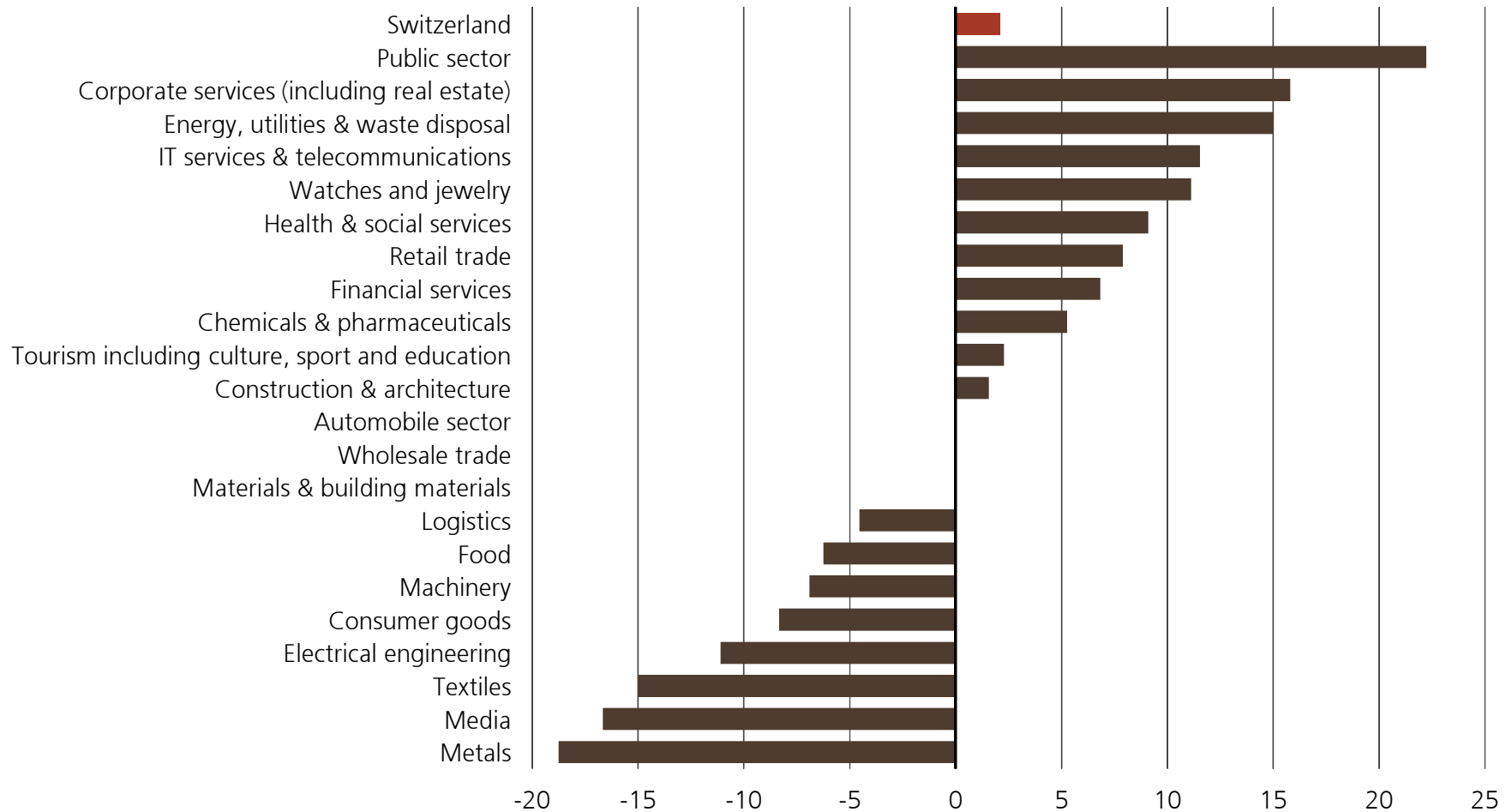
# Head count development 2019 by sector

Data evaluated using a diffusion index. The scale goes from -100 (strong decrease) to 0 (unchanged) to +100 (strong increase).



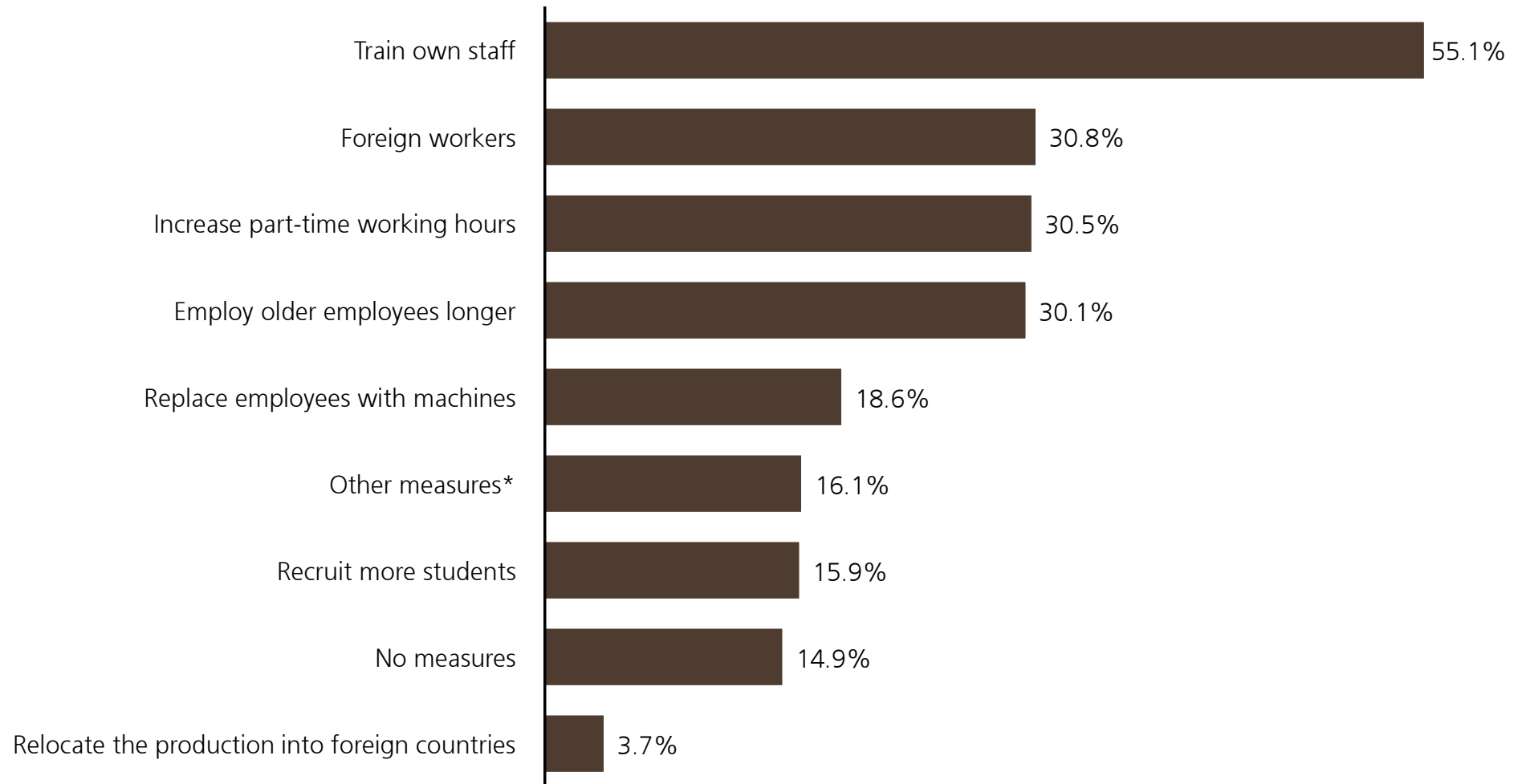
# Expected head count development 2020 by sector

Data evaluated using a diffusion index. The scale goes from -100 (strong decrease) to 0 (unchanged) to +100 (strong increase).



# Strategies to combat shortage of skilled workers

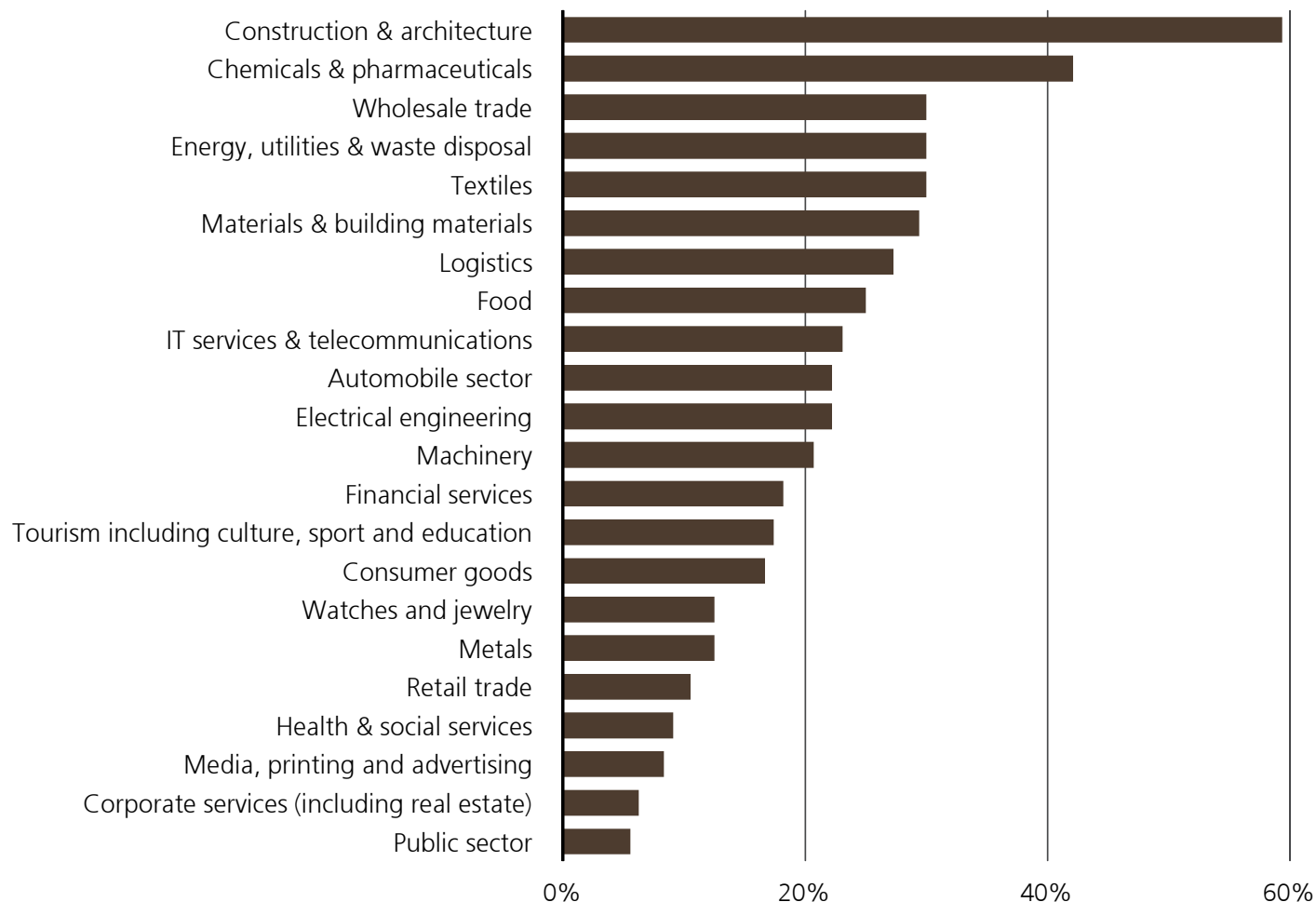
Multiple answers possible



\*Other measures (most frequently mentioned): Offer attractive and flexible working models, increase employer attractiveness (Employer Branding), more efficient recruiting

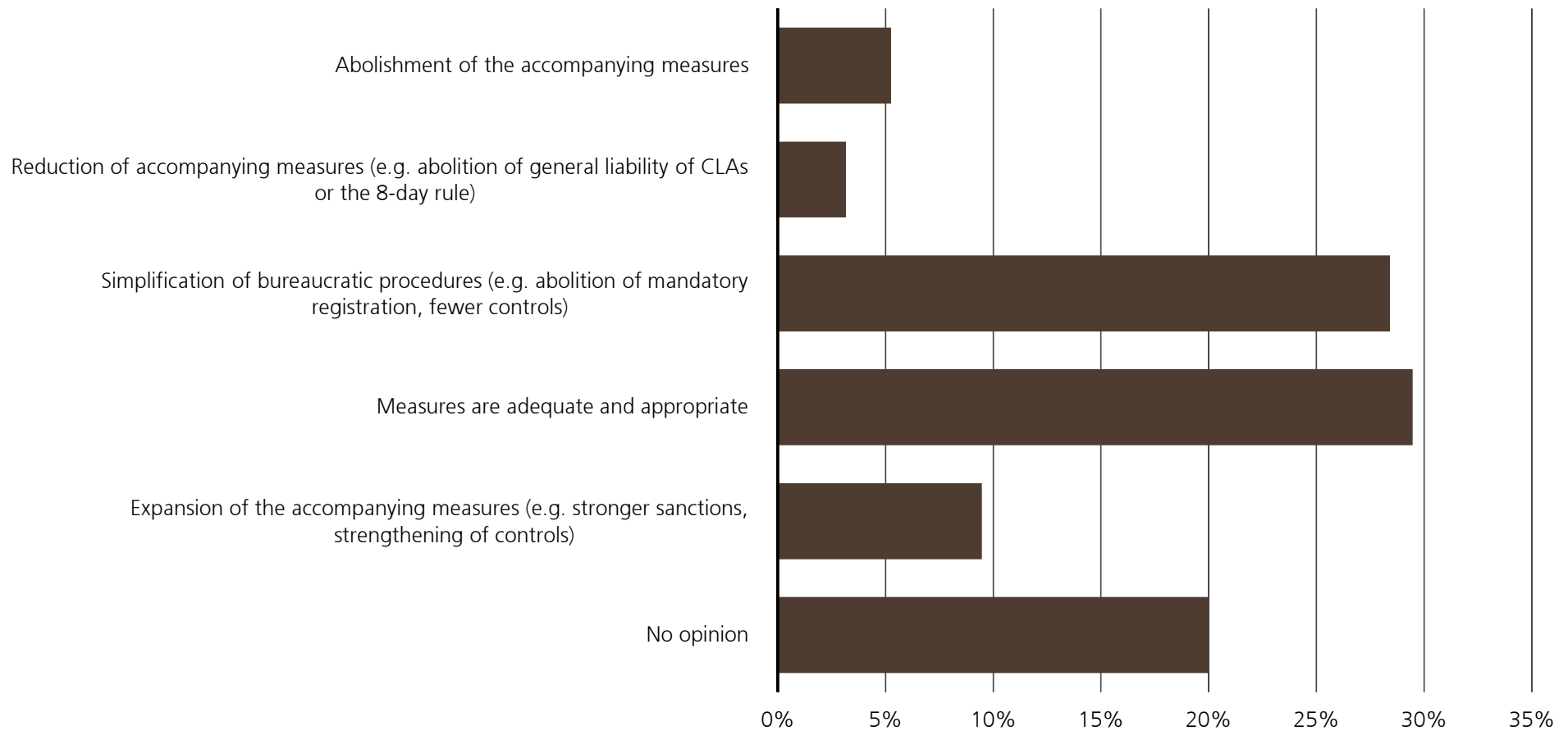
# Accompanying measures: Who is affected?

The construction and the chemicals & pharmaceuticals industries are the most affected by the accompanying measures



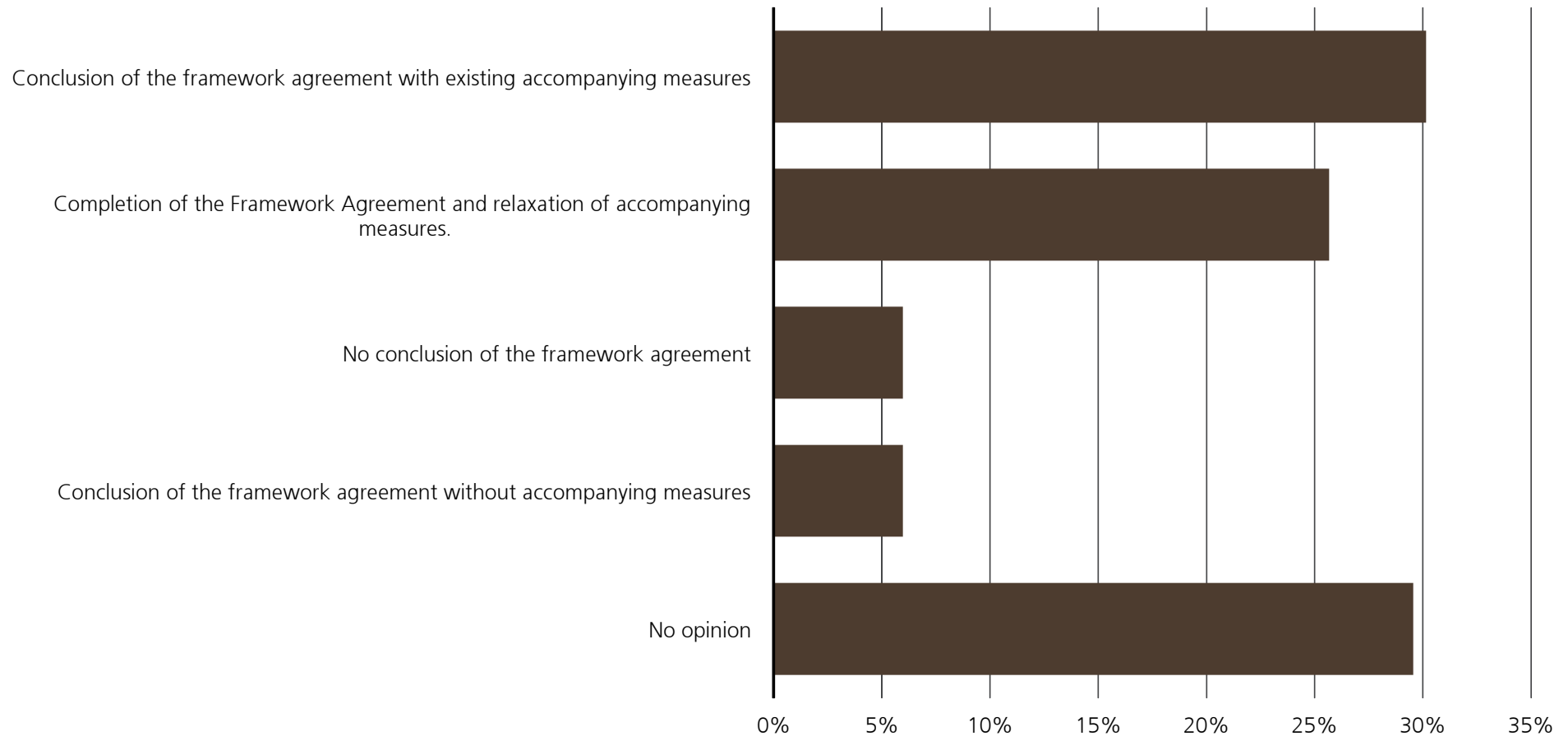
# Should the existing accompanying measures be adapted?

Almost 30 percent of the companies directly affected consider the existing measures as appropriate, and almost the same number of companies supports a simplification of the measures



# The accompanying measures and the framework agreement with the EU

55 percent of the companies surveyed are in favor of concluding the framework agreement with existing or weakened measures



# Contact information

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