

Total wages in Singapore rise by 7-year high of 5.9% in 2007

June 30, 2008

SINGAPORE: Despite the fact that Singapore's economy grew by a lower 7.7 per cent in 2007 compared to 8.2 per cent in 2006, wages grew strongly last year.

Total wages – basic wages plus bonuses – of private sector employees rose by a seven-year high of 5.9 per cent in 2007, higher than the increase of 4.5 per cent the year before.

Although inflation was higher in 2007, resulting in a lower increase of real basic wage, the real total wage increase of 3.8 per cent last year was still higher than 2006's 3.5 per cent.

Labour productivity growth, however, declined from 1.5 per cent in 2006 to -0.9 per cent in 2007, partly due to record employment gains last year.

The National Wages Council (NWC), in its recommendation of wage guidelines this year, said companies should grant built-in wage increase commensurate with the companies' performance as well as business prospects so that such increments are sustainable.

It added that companies which have done exceptionally well should consider granting workers a higher variable payment.

Source: Channel NewsAsia

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/357232/1/.html>



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