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November 8th 2018

COMMENT: The great IT make believe*

I am seemingly alone when saying this, but information technology (IT) is not the complex and mystical field it pretends to be. IT specialists aren't that special either. We seem to have gone beyond the one-time caricature of the inept "geek", even if such jobs still tend to attract people with off-beat personalities and disconnected world views. The fact is that the world of business relies fundamentally on their contribution and has therefore suppressed its better judgement to the point where it has withered away.

At this point only the most loyal and open-minded reader will still be on this page. But there are things that really need to be said and bypassing this issue will not make the problems go away. My premise is that IT is too important to be left in the hands of its current masters. This, I contend, is the reason why technology has not lived up to its true promise over the years; why processes have become faster without becoming fundamentally more powerful; why the ROI on technology spend is nowhere near what it could so readily be; why, indeed, since the world economic crisis GDP growth has been so sluggish.

The first issue is the intellectual level of IT skills themselves. Although some computer languages are very ornate and seem mathematically sophisticated, they are, after all, just based on binary code and are seldom that difficult to learn. It does not require a degree in mathematics to be competent in SQL, Java and C++. Moreover, it will surprise many employers to learn that many Masters graduates in computer science will have done little or no hands-on programming/coding. This is because so few of their teachers possess that capability. Although knowledge of Hungarian as a second language will generally not impress an interview panel, it is, in fact, many hundreds percent more difficult to learn that language from scratch to fluency than Java. Yes, it requires a different kind of mind to learn a foreign language, but the demands are far greater on the intellect. This is especially so with Hungarian as it has 35 distinct cases to learn, compared to English, which has largely abandoned cases altogether.

What we are also dealing with here is the phenomenon of the "learned ignoramus" – a person who, in spite of advanced skills in a narrow sphere of technical capability, is still ignorant about such matters as geographical issues, historical issues, current affairs and even scientific know-how outside their sphere. Spend a day stuck in a lift with such a person and you will need months of psychiatric rehabilitation. Yet such people are commonplace and, although not possible to quantify, the world of IT is full of them. So why do we leave all the key developments in a business to people who do not know which is further west, Bristol or Edinburgh? (It is Edinburgh by the way.)

Another reason to question the societal reverence for dislocated IT know-how is because of the coming age of AI "superintelligence". The guardians of AI will have a huge potential capacity to manipulate populations through misinformation. This will be extremely difficult to counter unless AI is a shared capability and those in a wide variety of technical fields and levels of management have advanced AI capabilities.

Whatever has got us into this mess we have certainly compounded it by paying IT well above their market worth. They slunk into this powerful position in the early days of wide-scale computerisation by being in short supply and then by job hopping from one employer to the next for a raise each time. But, as more IT professionals were produced, their market value did not decline. This was partly because we were by then convinced that the words "computing" and "guru" were almost one and the same. Thus, even website developers using WordPress for all their projects were able to charge twice the rate of a language teacher, even though the intellectual level of their activities was little more than that of a typical 18-year-old school graduate.

IT is also a heavily male profession - so most of the rewards gained will not be evenly divided across the workforce according to merit. In the EU, 84 % of those employed in information and communications technology (ICT) are men. At its lowest concentration is Bulgaria with 66%, but travel west to the Czech Republic and its proportion rises to 93%, making it virtually an all-male club.

There is a way out of this Plato's cave, but only if the corporate world is prepared to change the whole way that they handle IT requirements. Currently the IT professional controls the gateway to computerised processes; they do not want to let users in and ruin their mystique and market value. But that is precisely what needs to happen. The user must gain a greater level of computing skills at a programming level and push the IT specialist out to a largely advisory role. Then, and only then, will the potential power of IT to transform modern business life finally happen.

In the next newswire I shall be looking at another controversial area of reward – CEO pay.

AFRICA AND MIDDLE EAST

ISRAEL: With effect from the 1st of January 2019 all business transactions in excess of 11,000 shekels (around US$2,963) will have to be by "Ecard" or bank transfer, and cash transactions above that limit will be banned. This includes salaries, which, in future, must be paid monthly rather than weekly. The new Palestinian social security law will also benefit Palestinians working in the country as it will require deductions made from their pay by the National Insurance Institute of Israel (NII) to be handed over to the social insurance body in Palestine.

MAURITIUS: The 2019 World Bank's "doing business" index ranks Mauritius in twentieth place – making it the highest ranked country in Africa. Other African countries that were ranked fairly favourably were Rwanda (29), Morocco (60), and Kenya (70), out of 190 countries. Kenya was, in fact, in the top ten of most improved countries, largely because of its new rules on shareholder transparency.

NIGERIA: According to a plan disclosed by the Norwegian Ambassador to Nigeria, more visa applications from Nigerians are likely to receive visa approval from the Norwegian Embassy soon. It has been noted that only 290 out of the 600 visa applicants actually received visas between January and August this year.

OMAN: An experiment on the involvement of Omani residents in decision-making is claimed by the government to be a success. An online portal called "share your thoughts" allows anyone living legally in the country to suggest a legislative change or to comment on a pending one. The registered community is then invited to vote on the proposals and those suggesting popular ideas are contacted by officials within one month of their posted suggestion. However, posting an opinion is a risky undertaking in a country with very strict controls on freedom of expression and even peaceful protest. Maybe that is why the numbers using the system are quite modest. Curiously, most suggestions relate to employment issues – with the most popular being the scrapping of the "No objection certificate" (NOC), something that the government was considering in any case. This certificate may be requested from an employer/sponsor at the time that a foreign worker's contract comes to an end. It allows the worker to change employer for the duration of a new contract. Most of those disliking NOCs, however, have been Omani citizens wishing to open up the market to local workers.

RWANDA: The new Labour Code is now in force. Probationary periods are consequently reduced, in the first instance, from a maximum of six months to three months, although this may be extended by a further three months in certain circumstances. Any dismissal during, or on completion of, a probationary period must be justified. The new law also gives an employer the right to change an employee's duties without gaining their prior consent, provided that the remuneration is no lower than for the former job. Furthermore, it allows employers to send an employee on garden leave, without pay, for up to 30 days if they are suspected of serious misconduct. However, if they are found not to have been guilty of the misconduct, the time on suspension must be fully compensated.

TANZANIA: A nationwide crackdown is taking place on LGBT people with the arrest and prosecution of anyone suspected of being gay. The Governor of the country's largest city Dar es Salam has announced that all citizens who know of "gays" must report them to his office. Mass arrests have been ordered to commence this week and the penalty for conviction is up to 30 years' imprisonment. Such is the brutality of many governments in the region, an LGBT offence is punishable by death in Mauritania, Sudan, and Somalia, as well as the northern part of Nigeria.

THE AMERICAS

CANADA: The Ontario government has announced that it intends to freeze the minimum wage at $14 (US$10.69) an hour until October 2020 instead of hiking it, as planned, to $15 (US$11.45) next year. The government's Labor Bill, if adopted, will also reduce the number of personal annual leave days provided to workers from the current 10 to 8. More specifically, workers will be entitled to unpaid leave of three days for personal illness, two for bereavement leave, and three for family responsibilities. Additionally, the bill eliminates pay equity for part-time, temporary and casual workers, as well as the provision that prohibits employers from requiring an employee to provide a medical note from a qualified health practitioner.

CANADA: With effect from the 1st of January 2019, the Employer Health Tax (EHT), or "payroll" tax, will be implemented in British Columbia. Employers whose total annual payroll in British Columbia is less than \$500,000 (US\$381,187) will be exempt from the tax; however, businesses with payroll between \$500,000 and \$1.5 million (US\$1,143,822) will have to pay 2.9% of their payroll minus \$500,000. Employers with payroll that exceeds \$1.5 million will end up paying 1.95% of EHT on their entire payroll.

PANAMA: The Government of Panama has announced that it will issue 5-year visas with multiple entries to citizens of Venezuela, China, the Dominican Republic, India, and Cuba for up to 30 days, with a possible 60-day extension for each visit.

USA: It remains uncertain whether any other US states will follow California's example and legislate for gender board quotas. Californian headquartered companies with male-only boards are contemplating how they are going to find suitable candidates to fill the two required positions by the end of 2021. The first of these must be in post by the end of next year. Currently women make up only 16% of company boards and around a quarter have no women on their boards.

USA: Employers in New York state now have until the first of December 2018 to register for a new payroll tax option to assist employees earning over \$40,000 a year. The initial tax payable will be set at 1.5% of gross salary and the payment would permit an equivalent tax credit offset against the increased employee tax liability brought about by the new \$10,000 cap on the Federal SALT (property tax) deduction. It would appear that few employers will, in fact, want to participate in the scheme because it is seen as another bureaucratic burden that employees will not sufficiently appreciate.

USA: The National Labor Relations Board has extended its consultation period to the 13th of December in respect to a proposed regulation concerning joint employer relationships under S2 (2) of the National Labor Relations Act. Under the Act, two employers may share the services of an employee that is formally employed by another organisation if their essential terms and conditions are the same and if the second employer has effective and non-trivial control over those essential terms. For further information and to submit comments online, please visit the NLRB posting on the regulations.gov site.

USA/BRAZIL: A bilateral social security agreement between the United States and Brazil entered into force on the 1st of October 2018. Under the agreement, US and Brazilian nationals sent to each other's countries on a temporary assignment may continue to pay social security contributions to their home, rather than host, country.

ASIA AND PACIFIC

AUSTRALIA: The Australian national parliament has just voted to become the sixth signatory of the Trans Pacific Partnership (TPP). The TPP is due to come into force on the 1st of January next year and should quickly expand trade for all its participants. The five countries yet to complete the ratification process are Brunei, Chile, Malaysia, Peru, and Vietnam. Apart from Australia, other signatories are Canada, Japan, Mexico, New Zealand, and Singapore. Although the USA pulled out, several other countries have indicated a strong interest in joining the TPP, including the UK. Yet another pan-Asian deal is also in discussion; this latest initiative, called the Regional Comprehensive Economic Partnership, includes Australia, China, India, Japan, South Korea, and ten other Asian states.

CHINA: A survey of 219 companies by the American Chamber of Commerce in southern China has found that 64% are considering relocating manufacturing outside China. A slightly larger number are planning to reduce investment in the region. This is largely because of rising labour costs, the US trade war with China, and concerns about intellectual property.

CHINA: Amendments to the Individual Income Tax Law that became effective on the 1st of October still leaves the tax position of many foreign expatriates in limbo. There are still special rules for expats that have legally been resident workers in China for between one and five years. They remain exempt from Chinese tax on their foreign-sourced income, provided they obtain the appropriate authorisation of the Ministry of Finance and State Taxation Office. However, on the 20th of October a public consultation memo was issued containing a proposed change to Article 4 of the law that reads: "A foreign national who has stayed in China for longer than 183 days but for fewer than five complete consecutive years, or who has stayed in China over five years, but has any tax break of more than 30 consecutive days during that period may still be exempt from individual income tax on their foreign-sourced income, if they complete the required filling formalities with the tax authority."

HONG KONG: The Hong Kong government has extended statutory maternity leave from 10 weeks to 14 weeks. Expenditures linked to the extra 4-weeks of maternity leave will be borne by the government. However, the government reimbursement will be subject to a cap of HK$36,822 (US$4,697).

HONG KONG: With effect from the 26th of November 2018, the existing smart identity card will be replaced by a new, more durable card. Residents will be required to replace their cards in phases. However, those who fail to replace their cards on time will face a fine of up to HK$5,000 (US$637.7). There will be nine card replacement centres across the city, numerous self-service registration and collection kiosks, and even a mobile app.

INDIA: The cash-strapped airline JET was unable to pay its pilots, ground maintenance crew, and senior managers their salaries in September. It promised to pay in two halves during October, but this did not happen. Eventually, on the 25th of October, it announced that it was going to pay to each employee 25% of the sum due on account. More than 50% of the company's pilots have resigned in the last two months and the company has notified the rest that they may do so without giving notice. Meanwhile, JET has received notices of non-payment from aircraft lessors and is close to filing for bankruptcy. The company operates 124 aircraft and employs 16,000 people, which previously included 2,000 pilots.

INDIA: It often comes as a surprise to foreign companies that the income tax levied on their employees can be subject to a unique law that allows many of them to reduce their tax burden substantially. A classification called the "Hindu Undivided Family" (HUF) permits taxpayers to claim that all those who are lineally descended from a common ancestor can be taxed as a single unit – as if they were one individual. This is a right set out in Section 2(31) of the Income-Tax Act 1961. In spite of its name, even Buddhist, Sikh and Jain families can have HUFs. They may also be managed outside India in respect to financial interests inside the country. This not only helps reduce the liability for ancestral property, but also reduces the overall Indian tax liability on some highly paid family members, whether they are resident in the country or not.

JAPAN: With effect from April 2020, visitors will be able to use a new electronic visa to enter Japan. The visa data will be issued to, and checked by, individual airlines. Chinese visitors will be the first to enjoy the online system due to the fact they accounted for nearly 60% of all the visas issued each year.

NEW ZEALAND: The rise of house prices by more than 60% in the last decade has been blamed by many politicians on foreign speculation, especially from China. As a consequence, foreigners are now not allowed to buy property, apart from a certain quota in designated apartment complexes. However, the ban does not apply to those with current residence visas, or those from Australia or Singapore.

SINGAPORE: A Singapore–European union (EU) free trade agreement has just been concluded. The 1,150-page agreement is the first to be signed between the EU and any ASEAN member state. Singapore is the EU's largest export recipient in SE Asia and bilateral trade is worth over US$70 bn each year. The agreement is set to commence next year and is expected to increase trade volume by a further 10% over the following five years as remaining tariffs are gradually removed. The UK, which was also party to the talks, is likely to experience the benefits of the deal until its own individual post-Brexit deal with Singapore can be negotiated.

EUROPE

BELGIUM: According to the latest results from the Belgian statistical office, in 2016 the average gross monthly salary in the Brussels-Capital Region was 17% above the national gross monthly salary. Full-time male employees earned 5% more than their female colleagues. The highest-paying sector was the petrochemical industry. People older than 60 earned 113% more than employees under 20. Additionally, employees with a Masters degree earned 51% more than the Belgian average.

BELGIUM: Belgian labour costs remain high, especially because of very substantial social charges. For instance, in 2016 average labour costs ranged from the accommodation and food service sector (27.4 euros/US$31) to the electricity and gas sectors (68.7 euros/US$78). Average hourly labour costs were particularly high in the Brussels-Capital Region (44.9 euros/US$51) and generally the bigger the enterprise, the higher the hourly labour cost.

EU: The latest HR Pay trends across Europe may be viewed here.

EU: The imposition of ETIAS from 2021 will mean that citizens from all 62 countries that currently enjoy visa-free travel within the EU Schengen area countries will have to complete an online form up to 96 hours before they travel and pay 7 euros (US$9). Around 95% of applicants will gain security approval within minutes, but the remaining 5% will have to be manually approved and could face rejection. The system will also include citizens from the countries that are EU members, but not part of the Schengen area, namely Bulgaria, Croatia, Cyprus, and Romania.

EU-USA: Negotiations between the EU and USA have not resolved the issue of non-reciprocity of visa-free travel between the USA and five EU states (Bulgaria, Croatia, Cyprus, Poland, and Romania). Under EU policy non-reciprocity should lead to the widescale imposition of visa requirements on all US citizens. The current system of the US Department of Homeland Security offering visa waivers to citizens of other states, but refusing it to those from these 5 states, has not been publicly justified and negotiations have been protracted since 2014. The European Commission has announced that it will issue a “communication” on the subject in December, but it is unlikely that any counter measures will be proposed. It is, however, of particular concern for Poland because it is part of the EU Schengen area. The other 4 states are not.

FINLAND: Staring from 2019, the different income ceilings per pay period on tax cards will be replaced by one overall income ceiling for the entire year. If a taxpayer earns more than that annual income limit, employers will be responsible for applying a higher tax rate on the employee. Additionally, there will no longer be a different tax rate for secondary income, as an individual will be taxed according to a single assessment. Employers will not be required to keep copies of tax cards – just take note of their contents at the start of the tax year.

FRANCE: The UN Human Rights Committee has found that two women fined for wearing a Burqa in public should be compensated for an infringement of their fundamental human rights. The French law of 2010, according to the committee, “disproportionately harmed the petitioners' right to manifest their religious beliefs” and has had the effect of confining many Muslim women to their homes, as well as marginalising them. The French government is determined to ignore the censure, basing its contention on a much misinterpreted finding by the European Court of Human Rights (ECHR) in 2014. The ECHR did, in fact, vote 15 to 2 that a blanket ban on wearing a Muslim face covering is unnecessary for the protection of public safety. They only conceded to the French government on the principle of “vivre ensemble”, which is, itself, an effective criticism of French religious and cultural intolerance.

GERMANY: A study by the Max Planck Institute for Foreign and International Criminal Law has found that the severity of sentencing by judges in Germany varies significantly depending on the region where the hearing takes place. The most lenient sentences were found to be in northern German lander. For a criminal offence, for instance, involving the possession of a kilo of marijuana, a two-year suspended sentence will generally be given in Hamburg, but in Bavaria it could be for eight years in respect to the same crime.

IRISH REPUBLIC: The Economic Migration Policy Unit is currently reviewing the Highly Skilled Eligible Occupations List (HSEOL) and the Ineligible Categories of Employment List (ICEL) to determine what types of workers qualify for an employment permit. Meanwhile, negotiations continue with representatives of both House and Senate in the USA in an attempt to open up the US labour market to Irish citizens in return for letting those with Irish ancestry retire in the Irish Republic. The difficulty is that the last time any major concession was made under US immigration law was back in 1986.

ITALY: Companies investing in Italy should be very careful not to accept any form of financial assistance or subsidy from the government. By doing so they will be falling into a form of financial imprisonment such that the subsequent removal of all, or part, of their operations within set time periods will give rise to huge penalties. Italy too is now, at best, a dubious economy in which to do business. It has long been a misgoverned state, but the new government is taking it to another place, much to the wrath of the European Commission and European Central Bank. Its latest budget proposes to lift spending on unemployment pay, tax cuts and scrapping extensions to the retirement age, on the pretext of a wholly unrealistic prediction of future economic growth and without doing anything directly to cure the country's high unemployment rate, especially for young workers. This will push its debt ratio beyond 131% of GDP – taking it up to Greek levels of near insolvency. As a result, government bonds are being reassessed by ratings agencies like Moody's to make them close to "junk status".

NETHERLANDS: Aon's decision to move its pension fund from the Netherlands to Belgium has opened up an intense debate in the Dutch parliament about interpretation of the EU's IORP II Directive. The Dutch social affairs minister has sought to defend the government's new policy in applying stricter rules to transborder transfers than are applied to transfers within the country. This mainly applies to funding ratios, where a ratio of 105% is sufficient in the Netherlands, but one of 125% is now required to move a pension abroad.

NETHERLANDS: The national gross statutory minimum wage for those aged 22+ in full-time employment will rise on January 1st 2019. This will amount to €1,615.80 (US$1,840.6) per month, €372.90 (US$424.7) per week and €74.58 (US$84.9) per day.

PORTUGAL: Employers must take urgent steps to comply with pay equity law 60/2018 by ensuring that pay determination is highly transparent. The law requires that, with effect from August 2019, companies with 250+ employees must ensure that all remuneration is based on a system that combines several key determinants. Companies with 50–249 employees must comply from August 2022. However, none of these elements actually includes the normal job evaluation factors of know-how and accountability. Instead, the determinants are "merit, productivity, attendance and seniority" – all but the last of which can be gerrymandered by employers. This will mean that job comparisons will largely take a job title as their starting point. Thus, a first step might be to examine the use of such titles. Once in force, a challenge under the law must first be made to the Commission for Equality in Labour and Employment. They will then issue an order to put in place a 12-month plan to remedy any gender pay inequalities. Any unjustified inequalities left after this period will be regarded as discriminatory. It may, however, take further steps before a binding order is issued and a "serious administrative offence" declared. In the meantime, the most immediate effect will be a two-year ban on tendering for public contracts.

SERBIA/IRAN: The Serbia government has terminated visa-free entry for Iranians out of concerns that some may "abuse the system" to enter other European states illegally.

SPAIN: The low-cost airline Ryanair has signed a recognition agreement with SEPLA, the Spanish pilots' union. This is the first step towards negotiating a local collective agreement. The company has also agreed to accept Spanish law as applicable for pilots' contracts with effect from the 1st of February 2019.

SWEDEN: If an employee is absent for more than sixty successive days, their return to work must now be subject to a written rehabilitation plan. This does not need to take a particular form, but it must set out clear steps to be followed that will allow the employee concerned to resume their duties in a positive and structured way.

SWEDEN: Employers in the retail and service sector that have ten or less employees are now no longer exempt from the disability discrimination provisions of the Swedish Discrimination Act 2015. This means that they too must take steps to accommodate the access requirements of disabled employees.

SWEDEN: The police now have extended powers to visit and search workplaces to determine if they employ undocumented foreign workers. No prior notice or suspicion is required and the offence now carries a much more substantial penalty.

SWEDEN: Both sides of industry have reached agreement on ways to restrict the use of strike action to further collective disputes. Their proposed parliamentary Bill has been presented to the Swedish government. This bans the use of any industrial action other than that to enforce a collective bargaining agreement. The Bill has been welcomed by the Employment Ministry, which is now going to sponsor its progress through the legislature.

SWITZERLAND: The federal council has voted to update Switzerland's penal code so that any act of homophobia could be punishable by up to three years' imprisonment. The draft law must now be considered by the Senate in December.

UNITED KINGDOM: From April 2019, the National Living Wage will increase from £7.83 (US$10.02) an hour to £8.21 (US$10.51). This will benefit around 2.4 million workers, and is a £690 annual pay rise for a full-time worker.

UNITED KINGDOM: In March, we reported that the deadline for the abolition of the employer-backed childcare voucher scheme had been extended for a further 6 months. The system, which allows each working parent to save up to £933 (US$1,195.6) per year and is used by 450,000 people, has now been closed to new applicants and replaced by a newer tax-free childcare scheme.

UNITED KINGDOM: Plans are now well underway in both France and Germany on ways to respond to a “deal” or “no deal” Brexit. The German approach is still being worked out and little has been made public, particularly about what status the 100,000 Britons living in Germany will have after March 2019. The French have already indicated that they are willing to make concessions if the British give their own nationals equal treatment. A French contingency law already in effect simply requires an emergency decree to accommodate UK nationals, rather than a full parliamentary vote. However, there could still be an initial period when UK citizens require a Schengen visa to enter the country; they would have no automatic rights to work and UK nationals already living in France would be treated as irregular residents. On the 13th of November there will be a European Commission meeting to make preparations. On the table will be a proposal to require Britons to pay €60 (US$68.50), complete a three-page form, and wait up to six weeks before they obtain clearance to enter the 'Schengen' travel area. The UK will become a "third country" and, as we have already written, from 2020 new security arrangements under the European Travel Information and Authorisation System will require additional procedures – over and above a visa – to be undertaken before an individual travels.

UNITED KINGDOM: The reason why Brexit will not be quite the total economic tragedy that many people in business fear is that the UK is more self-sufficient than most other EU member states. Belgium, for instance, has 86% of its GDP generated through exports and 82% of its GDP is spent on imports. Germany’s exports account for 39% of its GDP and imports cost 32% of GDP. The UK relies on only 15% of its GDP due to exports, and imports eat up just 22% of its GDP. The UK, like the USA, has a major balance of payment problems, but its economy is not so reliant on international trade as many of its fellow EU member states. Perhaps that is why the UK government is going to issue a new commemorative coin to mark the UK’s exit from the European Union. It will be available to buy from Spring 2019. But do not rush to purchase it as the devaluation of Sterling by then will be nothing to celebrate.

UNITED KINGDOM: Although the UK government wishes 3.5 million EU citizens to register for settled status by the Brexit deadline, it is not going to happen. Just 650 people have so far opted to do so under a pilot programme. In the event of a no-deal Brexit, from the 30th of March next year employers will need to make detailed right-to-work checks on EU/EEA nationals unless someone can evidence settled status. Meanwhile, talks between Irish and UK officials over the handling of their borders after Brexit are reported to be very near to agreement. What reports do not make clear, however, is that the European Commission will still need to agree with any deal and, more importantly, so will parliaments in Dublin and London. As we pointed out in our previous Newswire, the chances of gaining a UK parliamentary vote to any deal remain slim.

GLOBAL: The International Monetary Fund (IMF) has scaled back its projections of average global economic growth in 2019 from 3.9% to just 3%. This forecast remains unrealistic because it fails to take account of the huge buy-back of shares that has been happening in the US as corporations use liquidity abroad to maintain their share values. This flurry is now over and share will decline back to their true values. Moreover, across much of the world productivity has not yet even climbed back to pre-crisis levels. Also needing to be factored in is US-led protectionism and sanctions against Russia, Iran, and Turkey. Escalated property prices, labour costs, and debt burdens have also encouraged the Chinese government to scale back its economic stimulus programme in the second half of 2018. IMF projections of 1.9% growth in the euro area also now look optimistic, given mounting public sector borrowing in Italy and the impact of Brexit across the EU as a whole. Rising interest rates, inflation and currency depreciation, particularly in emerging markets, are also dampening growth prospects. For these reasons we believe that global GDP will probably dip under 2% next year, with a more than 30% chance of a global recession if events such as a bank or major corporate failure shocks market confidence.

GLOBAL: Uzbekistan is the latest country to introduce a scheme allowing foreigners to buy residence rights in return for the purchase of property above a certain value. In fact, an individual may now become an honorary citizen if they make a significant business investment. Last year, Egypt introduced a residency right that varied in duration according to the scale of property investment, although why someone should wish to purchase a property to gain temporary residence in such a politically isolated country is not entirely clear. The cheapest residence permit that can be purchased is offered by Thailand where a range of packages are on offer, all costing around US$3,000 a year. The only problem for foreigners is that they cannot purchase a controlling interest in the freehold of any property.

Dates for your diary:

November 11th 2018: **EU** temporary border controls removed.

November 12th-14th 2018: FedEE HR Counsel Meetings in London, **UK**.

January 1st 2019: New individual income tax law becomes effective in **PR China**.

January 1st 2019: **Netherlands** – expat 30% tax ruling – 8 years to 5 years.

January 1st 2019: **Malaysia**'s new redundancy fund due to come into force.

January 31st 2019: **UK** Changed actual Brexit deadline to agree a deal.

March 31st 2019: New DOL FLSA overtime rules will be issued in the **USA**.

January 1st 2020: **Washington State (USA)** Paid family leave law will take effect.

Travel Warnings

CAMEROON: Expect an increased security presence in Bamenda, the capital of the North-West region, due to a kidnap situation on the 5th of November.

COMOROS: A night-time curfew has been imposed on the island of Anjouan due to civil unrest, including gunfire and reports of explosions.

CYPRUS: The Cypriot airline Cobalt has cancelled all flights and gone into liquidation.

ETHIOPIA: Exercise increased caution when traveling to this country due to sporadic civil unrest and communications disruptions.

GUATEMALA: Fuego volcano is erupting again, only 5 months after it killed 165 people. The Volcano is situated just 40km south of the capital Guatemala City.

JAPAN: Another strong earthquake has hit the northern island of Hokkaido. Although little damage was reported, a magnitude 6.6 quake that hit the island in September killed 40 people.

NEPAL: Kathmandu's Tribhuvan International Airport will be partially closed from April 2019 due to runway repairs.

NIGERIA: Avoid non-essential travel to the country due to crime, terrorism, civil unrest, and piracy – particularly in the delta and northern areas.

PAPUA NEW GUINEA: The Visa on Arrival (VoA) service will be suspended until the 30th of November 2018 (inclusive).

PHILIPPINES: Local carrier Cebu Pacific (CEB) has resumed flights to Caticlan and other locations. Flights to and from Bacolod-Silay Airport will be canceled.

RUSSIA: Yakutia Airlines'international flights have been suspended due to flaws discovered in aircrafts during inspections.

TURKEY: Exercise a high degree of caution in the country due to the threat of terrorist attacks and the possibility of violent demonstrations throughout the country.

FedEE News

CODE OF PRACTICE: Consultation on FedEE's Employment Standards Institute "Global Employment Standards Code" will end on November 30th. Please send your views and ideas to the FedEE Secretariate on admin@fedee.com .

HR COUNSEL COURSE: Our modular course is a must for all those involved in giving legal guidance to colleagues in multinational HR Departments. The fee for participation has been on offer for the last two months, but will double at the end of November. So, if you would like to sign up be sure to do so soon. A brochure setting out the full syllabus for this Advanced Diploma Programme may be viewed here.

NEWSWIRE SUBJECT CODING: By way of experiment, we have been coding the newswire by subject for over a year now. However, we understand that it is not particularly helpful when scanning content. We are therefore discontinuing coding in this and future newswires.

ROUND TABLE MEETING: The next round table meeting will take place in Friends' House, Euston, London at 2pm-4.30pm on Monday, November 12th. Although the meeting was originally reported as fully subscribed we have now relocated the room so that a few places are now available. The subjects under discussion are the HR implications of Brexit – deal or no deal, the latest developments with #Me Too and the latest outcomes of GDPR. Participation is free for those from FedEE Member Companies – please contact the Membership Secretary if you would like to book a place – on membershipservices@fedee.com

FEDEE FELLOWSHIP: In future Fellowship shall only be available as an honorary award in the gift of the FedEE Board and shall not amount to lifetime affiliation to the Federation. Existing Ordinary Fellows may continue to use the designation until they leave their current organisations, whilst our few Honorary Fellows will enjoy their current lifetime entitlements. Individual professional designations shall be reserved for graduates of the HR Counsel Course, as well as through the Employment Standards Institute (E-SI) when it becomes independently established.

JEAPS: FedEE's proprietary Job Evaluation and Pricing System (JEAPS) has now been updated to a spot reference date of September 1st 2018. We have removed some of the smaller countries and territories (such as the Faroes) and added several important national salary markets from outside Europe – such as India, Japan and the USA. JEAPS differs fundamentally from other pay market information systems because it is far more consistent and based on an evaluation of job size rather than linked to job title. There are many free salary checking services on the Internet - such as Payscale, Glass door, emolument.com and services offered by recruitment companies. These produce highly misleading data, based on either the public submitting (often erroneous) data to an all accepting website or unrepresentative (and often inflated) salaries offered through recruiters on the jobs market that often differ greatly from rates received by people already in jobs. Pay surveys are sometimes better reflections of true pay levels, but only if they are based on job evaluated positions and their participating companies already know broadly what they need to pay. The JEAPS algorithm is highly sophisticated and draws on data from hundreds of sources. The output is as hourly rates (excluding bonus payments) as this is a more useful figure than weekly or monthly rates that could be based on very different working times. It is also a median figure – as the most typical rate in a range. Medians relative to numerical averages range from 0.71% in countries like Brazil and Israel to 0.86 in Scandinavia - where pay differentials are much flatter than in the rest of the world.

NEWSWIRE LINKS: If you wish to explore newswire links please first log-in to the members' area of our website at **https://members.fedee.com/wp-login.php**. The main tables are all available in our knowledgebase.

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