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Round up of recent international HR and employment law developments courtesy of the Federation of International Employers (FedEE).

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1. EUROPE

EUROPEAN UNION (EU): Economic growth falters - as further recovery remains uncertain.

The latest Eurostat figures show that although GDP grew by 4% over the year to Q2 2022, it remained much more modest in the EU's largest national economy. In Germany, GDP growth over the year to Q2 2022 was just 1.5%. In fact, there was no growth at all between Q1 and Q2 this year in Germany. Two other economies fared worse, with Latvia's economy shrinking -1.4% and Portugal's by -0.2% in the latest quarter.

EUROPEAN UNION (EU): In 2021, the NEET rate for young people (aged 15–24 years) stood at 10.8 %.

Last year, young people neither in employment, nor in education and training (NEET) ranged from 5.1% in the Netherlands and Sweden to 19.8% in Italy. By contrast, youth unemployment across the EU stood at an average of 13.5% in June 2022 and ranged from just 3.8% in the Irish Republic to 27.1% in Spain.

EUROPEAN UNION (EU): Just over one in four of the EU population were unable last year to afford one-week's annual holiday away from home.

Not all countries have yet submitted 2021 data, but from that available the proportion not able to afford a break away ranged from 8.3% in Finland to 48.6% in Greece and 60% in Romania. It should be noted that these figures refer to an inability to pay and are not impacted by whether or not people could actually depart on holiday due to the COVID-19 crisis.

FINLAND: The Ministry of Economic Affairs and Employment is allocating an additional €236M (US\$240M) next year, primarily for assistance under the EU's Recovery and Resilience Plan.

A total of €58.5M (US\$59.5M) is being devoted to measures that will extend the working lives of people aged 55+, as well as provide training to prepare for organisational restructuring. A new programme of employment support is also being planned for those aged 55 or over.



FRANCE: Minimum wage clicks forwards by 2.01% - the second rise since May 2022.

After a previous rise of 2.65% in May 2022, the statutory minimum wage (SMIC) rose again on 1st August 2022. It now stands at €11.07/hr (US\$11.26). The wage is regulated by an indexing system established by the Labour Code called "la revalorisation automatique". This triggers whenever the consumer price index rises above 2% from the previous reference date. The standard minimum wage applies to metropolitan France and the overseas departments - except for Mayotte, and the overseas territories of St. Barthélemy, St. Martin, and St. Pierre and Miquelon. Mayotte's hourly minimum wage has also been increased - to €8.35 (US\$8.49), up from €8.19 (US\$8.32).

GERMANY: Employers are reminded that the statutory minimum wage will rise on 1st October to €12 (US\$12.20) /hour.

The 22.2% increase from €9.82 (US\$9.99) an hour will be a big shock for some company payrolls, given that 11.3% of the German working population have pay levels determined directly by the statutory rate. The "mini job" working time limit will also increase to 10 hours a week and the maximum remuneration to €520 (US\$529) a month. The upper remuneration limit for "midi-jobs" will rise to €1,600 (US\$1,627) a month.

GERMANY: Individuals with mild respiratory diseases may now obtain a sicknote from their physician over the telephone.

In an attempt to reduce queues in doctor's waiting rooms, the facility for a telephone diagnosis is being introduced until the end of November 2022. If the physician is convinced that a legitimate complaint exists, then they may issue a certificate of incapacity for work for a maximum period of 7 days. This may be extended on a one-time basis by another 7 calendar days.

GERMANY: The Probationary-period during fixed-term employment may no longer default to six months.

In future, it must be proportional to the actual fixed-term period and there shall be a standard shortened notice period of two weeks by either party (S622 Para 3 GCC). If the probation is considered disproportionate it may invalidate the fixed-term provision, or the two-week notice.



GERMANY: Survey reveals how commonly employees are still contactable during their annual leave.

The Digital Industry Association, Bitkom, has found that 71% of employees may be contacted by their employer or colleagues during their Summer vacation. The default method is by SMS or Messenger, although the telephone is also available in 64% of cases. The receipt and answering of emails, however, only affected 27% of respondents. The level of availability was, however, largely considered an obligation of their job, 52% understood that contact would only be in an emergency and only 15% genuinely wished to be contactable.

GERMANY: Lufthansa has reached agreement with the Verdi trade union over pay for ground crew.

All 20,000 crew will receive three pay increases until the end of 2023. The deal consists of a pay increase of €200 (US\$204) backdated to 1st July 2022, 2.5% (or a minimum of €125/US\$127) from 1st January 2023, plus a further 2.5% from 1st July 2023.

IRISH REPUBLIC: New employment regulation order to set pay in the security industry.

The Minister of State for Business, Employment and Retail, Damien English, has agreed to the establishment of an Order commencing on Monday, 29th August 2022. This will establish a minimum adult rate of €12.50 (US\$12.72) an hour. The order will also include a second increase to €12.90 (US\$13.13) an hour from 1st February 2023. Junior rates of between 70% and 90% will also apply, together with overtime at time and a half after 48 hours pw. There will also be an unsocial hours premium of €8.40 (US\$8.55) per shift, paid to those who for for at least 3 hours between 21:00 hours and 07:00 hours.

ITALY: Confusion when reading an Italian pay slip.

The payslip (Busta Paga) is a standard form issued by INAIL. It is in three sections and the final section not only contains the net pay for a month and TFR contribution, but also details of holidays/annual leave (ferie). Accumulated accrued holidays are called "Maturato" and the holidays so far taken "Goduto". The term "Residuo" refers to the holidays left to take. The term "Residuo AP" often causes confusion. It refers to the holidays brought forward from a previous year. It is necessary to use this leave up before drawing on that generated in the present year. One aspect of payslips that should be noted is that an employee's signature on the slip only indicates its delivery and not the underlying payment to them (SC 8/7/2022 no 21770).



LITHUANIA: New immigration regulations were introduced on 1st August 2022.

There are now lower salary thresholds for those seeking to gain entry via an EU blue card and it is no longer necessary for employers to conduct labour market testing. There is also greater preference given to graduates of Lithuanian Universities in the last ten years and those foreign students currently undertaking their higher education in the country are allowed to work full-time.

LITHUANIA: The practice of halving daily allowances on an arbitrary basis has been declared unlawful.

The era in which statutory daily allowances could be varied by up to 50% at the unilateral decision of companies has ended. Since 1st July, it has been necessary for daily rates to be specified exactly according to circumstances - such as the country to which a visit is being made. This means drawing up an actual table of company allowances and having it approved - normally by a works council. Failure to have approved scales in place will mean a company must pay the usually overgenerous statutory allowances in full [Government Decision No. 277: 2022].

MONTENEGRO: The Parliament has adopted changes to the Law on Foreigners in order to facilitate entry by Digital Nomads.

Foreign nationals will soon be able to obtain a "D Visa", or a residence permit as a digital nomad, but only if they don't work for, or own, a company within Montenegro. The D Visa route is the simplest and allows Digital Nomads to stay in Montenegro for up to 180 days in total during any one-year period, with multiple entries if needed. However, the residence permit route will be granted for two years (one year longer than the regular employment-based residence). On completion, this can then be extended for up to a further two years.

PORTUGAL: The immigration law has been relaxed to allow non-EU nationals to obtain a 120-day work visa, which can be extended by 60 days.

In spite of an agreement last year with Brazil allowing the easier access of Portuguese speakers to the local labour market, and foreign workers now accounting for around 6% of the population, the country remains short of labour in a number of sectors. The most important of these is tourism where the supply shortfall is around 50,000. However, the post-COVID rebound of demand from foreign tourists may be short lived if recession hits three key tourist sources - Spain, France and the UK.



SCANDINAVIA: Pay cuts for SAS pilots in Denmark, Norway and Sweden.

93% of Pilots employed by the airline have voted to agree an austerity deal that would result in undisclosed pay cuts and longer hours - although job guarantees will be given for pilots temporarily laid off during the pandemic. The ailing company has filed for US bankruptcy protection and will require approval from the US court under the Chapter 11 procedure before even this agreement can be concluded. The company has, however, secured bridge financing and this will allow it to dispense with many of its greatest debts.

SERBIA: The Labour Ministry is seeking to introduce a new form of contract for young workers.

A "practitioner" would be aged under 30 and perform work "with an employer in order to gain practical experience, specific knowledge and appropriate skills for work in a certain profession". They do not have an "employment relationship" and the maximum contracted period is six months, without the possibility of renewal for a further period. The number of "practitioners must not exceed 20% of any workforce and individuals would be entitled to remuneration at 2/3 of the minimum wage. Within 8 days of completing a work practice, an employer would be obliged to issue "a certificate of completed work practice". Moreover, special provisions are to be established to deal with violations of the law - with penalties ranging from RSD 100,000.00 (US\$883.00) to RSD 1,000,000.00 (US\$8,830.00).

SPAIN: Introduction of a revised labour regime for foreign workers.

Under new regulations, foreign nationals who have been present in Spain continuously for a minimum period of two years will be granted a residence permit, for a period of 12 months. They must then undertake a programme of training to enable them to a further extension of 12 months. The government has updated its list of unfilled professions and the procedure for approving a particular vacancy falls into a deficit category have been reduced from 30 to 8 days. Finally, the system for seasonal workers has been modified such that work authorisations may be granted for periods of up to four years, allowing an employee to work for a maximum of 9 months each year.

SPAIN: British driving licence negotiations continue - with prospects good for the Autumn.

The UK government has been in discussions with the Spanish transport authorities over the decision to limit the use of UK driving licences to three months when Brexit took place. This meant that UK residents were being forced to retake their driving tests in Spanish. Now the UK is on its way to gaining acceptance from the



Spanish transport department for the exchange of UK driving licences without the necessity of another test. It has already been agreed that even expired licences will be accepted and that the facility to exchange licences will apply equally to new residents, as well as those present at the end of the Brexit transitional date.

UNITED KINGDOM: The Resolution Foundation and LSE's Centre for Economic Performance have concluded that the UK is a "stagnation nation".

In a recent review, the authors point out that "Labour productivity grew by just 0.4% a year in the UK in the 12 years following the financial crisis, half the rate of the 25 richest OECD countries". Moreover, compared to France and Germany, the UK's productivity gap has almost tripled since 2008 from 6% to 16% – equivalent to an extra £3,700 (US\$4,467) in lost output per person. British workers are working harder and longer than in the past, but certainly not smarter - even though the country has grown into a "services superpower". Sustained inequality also means that any economic growth achieved is not shared fairly and rationally across the population. It therefore primarily needs a balanced economic strategy that relies on a path to future prosperity in being "a better version of Britain, not a British version of Germany".

UNITED KINGDOM: Continued high incidence of COVID-19 and lack of precautions.

The proportion of the UK population testing positive for COVID-19 is currently 3.86% - largely unchanged on the average so far to date this year. Moreover, there were 921 deaths involving COVID-19 registered in the UK in the week ending 29th July 2022, an increase from 864 in the previous week. This accounted for 7.3% of all deaths in the UK during the latest available week. What is most disturbing is the fact that 2.8% of the population now report that they are suffering from "long COVID". One thing that we should not forget is that deaths from the virus now amount to over 205,000 in the UK since the pandemic began. This is around the number of deaths brought about by dropping atomic weapons on both Hiroshima and Nagasaki, and is equivalent to more than the entire population of Milton Keynes - yet many in the population still underestimate its dangers. According to the ONS in late July 2022, only 29% of the population reported "always or often" maintaining social distancing when meeting up with people outside their household and just 34% reported wearing a face covering when outside their home. FedEE's advice remains that companies should continue to use non-invasive monitoring for signs of the infection and operate a zero tolerance approach to protection measures in the workplace.



UNITED KINGDOM: First labour rate fixing case initiated by the Competition and Markets Authority (CMA).

After years of avoiding wage-fixing as an anti-trust issue worthy of investigation, the CMA has finally responded to a complaint from freelancers that fees paid by broadcasters are suspiciously alike. The complaint concerns BT Group PLC, IMG Media Limited (including Premier League Productions), ITV PLC, and Sky UK Limited and focuses on rates paid to camera operators, sound engineers, slow-motion specialists, floor managers and technical staff. Now that the taboo has been broken, employers should watch out for other challenges to both freelance rates and hourly rates paid to non-unionised employees, particularly when based on the exchange of data through salary clubs.

UNITED KINGDOM: Few companies offering cost of living bonuses.

The consumer price index rose by 10.1% over the year to July 2022, up from 9.4% in the year to June. For food and non-alcoholic drinks, the annual rise was 12.7%. Meanwhile, a survey conducted by the UK's Office for National Statistics has found that although 5.5% of companies with 250+ employees had offered cost of living payments in the last three months, few smaller companies had done so - leading to an overall average of just 1.1%.



2. APAC

AUSTRALIA: Changes to the Industrial Relations Act in Western Australia.

A wide range of employment provisions have recently been amended. These include - five days' unpaid family and domestic violence leave per year for all employees; the removal of the cap on the number of hours of leave that may be used for caring purposes in a given year; increased employment protection for employees in sham employment relationships, or being paid below the minimum wage; extension of the minimum conditions of employment act to cover those paid by commission or through piece rates; and the enhancement of powers for labour inspectors. The number of official public holidays has also been increased to 11 by the inclusion of Easter Sunday.

BANGLADESH: Labour reforms guarantees new mother paid leave after birth.

Under the existing Labour Act 2006, a woman who failed to give due notice of an impending birth was able to still take 8 weeks leave after the birth, but not on a paid basis. Now the post-birth leave is paid - even if notice is not given. However, paid leave will not be applicable in the case of a miscarriage. Also removed by the reform is a requirement that a workplace has a room where employees may rest. This is partly compensated for by a reduction in the size threshold from 50 to 25 workers that requires workplaces to have designated lunch areas. Finally, a change has been made in the way outstanding pay and compensation is to be treated if a worker dies in service or disappears. Now, instead of the sum being handed to court to hold, the money must be given directly to next of kin or their heirs and, if none are specified in a Will, paid to a worker's benefit foundation.

CHINA: The City of Shenzhen has passed Regulations encouraging non-litigious dispute resolution mechanisms.

The Regulations encourage enterprises to establish employment-dispute mediation committees and provide such committees with office space and the funding necessary for them to do their work. The Regulations also require human resource departments to regularly maintain records of the proceedings undertaken.



CHINA: Employers may search the criminal records of their existing or prospective employees, provided that such searches comply with specific principles and procedures.

Employers that apply for a criminal record search to the Ministry of Public Security or the local Public Security Bureaux must submit a letter of introduction issued by the company, valid proof of identity of the person submitting the application, a search application bearing the official seal of the entity (and stating the specific legal provisions on which the application is based), and materials establishing that the searched person is an existing or prospective employee.

CHINA: The use of livestreaming has become a favoured method of recruitment.

A significant amount of recruitment has recently moved to online livestreaming. For instance, since last year, Zhaopin, an online recruitment platform, has opened 28,000 livestreaming rooms with the participation of more than 80,000 companies, and in the process received 1.25 million resumes from job seekers. To arrange online sessions, recruiters must first submit their business and human resource service licences and other supporting material.

CHINA: Official warnings have been given about refusing to hire people just because they have tested positive for, but recovered from, COVID-19.

According to China's Labor Law and Employment Promotion Law, refusing to hire people who have recovered from COVID-19 is discriminatory. The authorities, via officially approved articles, are seeking to encourage those recovered patients who experience discrimination in the job market to file a case in court against offending potential employers with the likely outcome being an order to compensate the job-seekers for any discrimination.

CHINA: Shanghai authorities have issued Measures to regulate enterprises affected by the pandemic.

The unemployment insurance premium percentage paid by employers and the individual employee remain set at 0.5% for both parties, although the base premium rate for occupational injury insurance is reduced by 20%. If employees are unable work because of COVID-19 quarantine measures, their employers must continue to pay them their normal remuneration and also any sick leave required after the quarantine period. If the employer has to suspend operations, or employees are otherwise unable to come to work due to control measures imposed by the government, the enterprise and the employees must make best efforts to resolve the salary and related issues



through negotiations. Additionally, enterprises in similar industries are encouraged mutually to swap employees to fill vacancies. Existing measures will be valid until the end of this year.

INDIA: The Karnataka High Court has confirmed an upward revision in the retirement age.

Back in 2017, the State government increased the retirement age from 58 to 60. However, many employers objected on the grounds that it denied young workers career opportunities. As a consequence, they continued to retire employees at 58, even before obtaining medical confirmation that an older worker was unfit to continue working. Now the High Court has stepped in and not only ruled that the new retirement age be recognised, but ordered employers which retired employees early to pay them 50% of back wages.

INDIA: Up to 50% of employees in Special Economic Zones (SEZs) may work from home.

The Ministry of Commerce and Industry has approved Rule 43A which gives employers in India's 350 SEZs to allow distance working on a large scale for up to a year. Development Commissioners also have the power to extend this for one further year. A quarter of the country's export income comes from SEZs and a substantial proportion of employment is in the IT sector.

INDIA: Negotiations are underway with the United Kingdom and USA on social security totalisation agreements (SSAs).

The Union Labour and Employment Minister, Bhupender Yadav, has confirmed that steps are being taken to remove the possibility that Indian employees being transferred to work temporarily in either country will have to contribute to their host country's social security scheme. Cover would, instead, continue under the scheme run by India's Employees' Provident Fund Organisation (EPFO). SSAs currently exist between India and many other countries - such as Australia, Canada, France, Germany and Japan.

INDIA: Improvement in the mobility of law graduates working in other professions.

The Indian Bar Council has accepted direction from the Supreme Court by amending its rules. It is no longer necessary for someone to resign their job in another profession before seeking to take the AIBE Bar examinations. Instead, it will be sufficient for someone who passes the bar exams to resign from their job outside the legal profession within six months of gaining their bar credentials.



INDIA: Move to strengthen competition laws to make it necessary for many tech multinationals with "substantial business operations in India" to gain antitrust approval.

The law will affect transfers worth in excess of 20BN rupees (US\$252,000). It would replace the much weaker controls currently in place allowing for less close scrutiny. It is also planned to reduce the M&A approval window from 210 to 150 days.

INDIA: Further delay in parliamentary consideration of Data Protection Bill.

Although the Bill was due for debate during the Monsoon Session of Parliament that commenced last month, it is now clear that it will not yet be on the agenda for many months. The delay is due to the need for further elaboration of company obligations. Once introduced, the Bill will constitute the first comprehensive data protection law in India.

JAPAN: Although consumer price inflation rose by only 2.4% over the year to June 2022, the government is determined to raise real pay to improve general living standards.

The midst of global runaway inflation would not seem to be the most opportune time to encourage "cost-push" forces by raising wages higher than prices. This, however, is the official policy of the Japanese government. The starting point is to be a 3.3% rise in the average minimum wage to reach 961 yen (US\$7.11) per hour. So far, however, private sector employers are maintaining some restraint, with overall pay hikes averaging around 2% and one-off bonuses being preferred to permanent rises.

KAZAKHSTAN: Personnel at risk over increased fears that Russia may focus its sights on former USSR state.

It may have seemed an insignificant development recently for Kuwait's Embassy in Kazakhstan's capital Nur-Sultan to warn its citizens to leave the country "for their safety". The implications were that local demonstrations over fuel prices were the reason for this advisory. However, Russia has betrayed threats via a slip-up by its deputy chairman of the Security Council of Russia (later redacted) that this country is the next one earmarked for invasion. 22% of those living in Kazakhstan are Russian speakers and its border with Russia is the second longest in the World. Kazakhstan is a major oil producer and is heavily dependent on a pipeline via Russia to the Black sea by which it exports most of that oil. In recent months, this has been repeatedly closed down by Russia for spurious technical reasons - probably connected with Kazakhstan's support for western sanctions. There has been a great



deal of diplomatic activity recently with neighbours China and Turkey, as well as top level military visits from the USA. After all, this could be a softer target for Russia than Ukraine and follows the convenient logic of recovering former USSR territory. Everything therefore points to a growing risk for multinationals operating in the country - which should trigger a review of vulnerable personnel and assets.

LAOS: Is this the next country to go the way of Sri Lanka?

The country of 7.5M people is saddled with huge external debts - half of which are with China, whose borders are currently closed to it. GDP/person last year was just US\$2,582 and the economy has barely been able to survive the pandemic and latterly the fuel crisis following the Ukraine war. Monthly consumer price inflation jumped by 5.7% in May and then 10% in June and imports are continuing to far outpace exports. Soon a deal that allows for fuel payments to be handled via Thailand will end and then the economy could effectively seize up.

NEW ZEALAND: The government has changed its official COVID-19 re-infection advice, slashing the window from 90 to 29 days.

The change of advice means more COVID-19 reinfections will be identified, and these infected workers will need to self-isolate for seven days. Employees can use their improved sick leave entitlements to cover their absence, which increased from 5 to 10 working days per year in 2021. If paid sick leave is not available, employers are encouraged to offer their staff paid special leave. Alternatively, an employer and employee may agree that other leave – such as annual leave or unpaid leave – is taken. Meanwhile, the COVID-19 Leave Support Scheme continues to be available to employers. Employers can reapply for Leave Support if an employee gets COVID-19 again and has to self-isolate.

NEW ZEALAND: The three new residence categories ('Straight to Residence', 'Work to Residence', and 'Highly Paid') will make it easier for employers to hire and attract migrants for specified high skilled, hard-to-fill occupations.

The Straight to Residence and Work to Residence avenues relate to the respective Green List occupations, which allow employers to complete a "Job Check for the Accredited Employer Work Visa" without the need to pre-advertise, as long as the minimum requirements for the role are met. The new "Highly Paid Resident Visa" is for those earning twice the median wage. The Straight to Residence route will be ready for people to apply for from



5th September 2022, whilst the Work to Residence and Highly Paid pathways require people to have a work record of at least 24 months and will be available for people to apply for from 29th September 2023.

PHILIPPINES: Parliamentary Bill filed to remove mandatory retirement at age 65.

House Bill 3220 seeks to modify the Labour Code by dispensing with the blanket requirement to retire at 65 and replacing it with the option to choose to continue employment "provided that [the employee] qualifies under the bona fide occupational qualifications of his job. The burden to prove otherwise is with the employer". Justification for the reform arises from the fact that most Filipinos have limited savings, pensions are low and many are forced into the informal economy to maintain an adequate living standard.

SOUTH KOREA: Samsung Electronics signs first wage agreement in 53-year history.

The company has been in negotiations with local unions for the last 10 months over an agreement for the years 2021-22. Under the deal, all employees will receive a backdated hike of 7.5% for 2021, plus a further 9.0% for 2022. It was also agreed that employees would receive a premium for working during holiday periods and compensated for unused paid holidays.

SRI LANKA: All women in commerce may now work after 6pm.

An amendment has been made to the Shop and Office Employees (Regulation of Employment and Remuneration) Act, No19 of 1954. Currently, the employment of women in retailing and clerical jobs after 6pm has been limited just to a few sectors, but the need to work later particularly arises in sectors where online services are provided to other countries in different time zones. Night working does, however, present various challenges for employers - including the need to arrange special transport for female workers.

TAIWAN: Labour productivity in manufacturing has consistently improved ever since the start of the great recession.

Productivity levels not only improved during the last great recession, but later during the pandemic - with overall gains of 77.3% between 2007 and June 2022. In fact, between 2019 and 2020 alone there was an 8.6% rise in productivity. A similar process of improvement has taken place since 2007 in labour costs per unit of output. These fell by 32% between 2007 and March 2022 - although half these improvements were wiped out between March



and June this year. It remains uncertain what the next year will bring, although manufacturing demand is falling and the S&P stock index has just hit a 26-month low over fears about military threats from mainland China.

3. THE AMERICAS

CANADA: Federally regulated employees will soon benefit from medical leave with pay.

Employees classified as federally regulated are not exclusively in the public sector, as sectors such as airports, airlines, ports, road transport, telecoms and the media are all under the federal umbrella. In this, the latest reform, such employees will become entitled to ten days of paid medical leave each year, starting with an entitlement of 3 days after 30 days of continuous employment and then building up to the maximum 10 days leave by one day a month. Any unused leave days may be carried forward until the next year, but the number of days that can be earned in the following year will be reduced by one. As things stand the regulations are due to come into force on 1st December 2022.

CANADA: The Government of the Northwest Territories (GNWT) has amended the Employment Standards Act to add the National Day for Truth and Reconciliation to the list of statutory holidays.

Bill 47 came into force on 3rd June 2022. This adds the new holiday to the list of statutory paid holidays in the Northwest Territories' Employment Standards Act and extends the holiday to all workers in the NWT. The holiday will be observed on 30th September each year, beginning in 2022. It joins Prince Edward Island - that already recognizes the new public holiday.

CHILE: A winter bonus payment and minimum wage adjustments to help combat price inflation.

The bonus is worth 120,000 CLP (US\$136) and is being given as a single grant from the government (Chile is in the middle of its Winter right now). It is estimated that more than seven million Chileans will shortly receive this benefit. In a further move, the monthly minimum wage for full-time workers was increased on 1st August 2022 to 400,000 CLP (US\$452) a month. If the annual consumer price rise exceeds 7% in December 2022, the government has promised to increase the wage again on 1st January 2023 to 410,000 CLP (US\$463).



COLOMBIA: A new Nomad visa will be introduced later this year.

Foreign nationals who wish to take advantage of this facility may enter the country via a basic visa. They will then have 90 days to apply for the new permit. Digital Nomad visa holders will not be able to work for companies registered in Colombia.

COSTA RICA: The long awaited digital nomad visa is now available - almost a year after then-President Carlos Alvarado first signed it into law in August 2021.

The visa allows a foreign worker to offer digital services remotely to companies outside Costa Rica for a period of one year - with the option to extend the visa for a further year. One of the benefits of the visa is freedom from paying income tax, and the tax on the import of equipment necessary for telework. However, to qualify, applicants must have a minimum gross monthly income of at least US\$3,000 if they travel alone and US\$4,000 if they travel with their family.

MEXICO: Access to the Mexican labour market for Brazilian nationals requires that applications are made before leaving Brazil.

Brazilian citizens intending to travel to Mexico must now schedule a consular appointment via the [appointment system](#). However, nationals who are residents of Canada, Japan, the UK, the US or a Schengen Area country may still be eligible for an e-visa via Mexico consular facilities online.

MEXICO: Guidelines for union democracy launched.

The Federal Centre for Conciliation and Labour Registration has issued a set of procedures that will now govern the operation of trade unions. They establish the post of "Union Electoral Observer" to oversee union elections, electronic voting is allowed in specific circumstances and there is a general ban on workplace monitoring which may be able to identify voting selections or any related behaviour.

URUGUAY: Ministry report on the real wage situation, as at July 2022.

According to a report from the Ministry of Labor and Social Security (MTSS) on the results of the collective agreements as reported by the Salary Councils, at least five out of 10 workers (54.4%) of the private sector did not lose more than 1% of the purchasing power of their salary between July 2020 and July 2022. This total



consisted of 27.4% who had no loss and 27% with a loss of less than 1%. Conversely, 45.6% of workers experienced losses of real earnings ranging from 1.01% to 4%.

USA: Formal move into a recession during the second quarter of 2022.

The commonly accepted definition of a recession is "a period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters. The decline was, however, fairly shallow across the USA with an annual fall of -1.6% in Q1 and -0.9% in Q2 this year. However, the latter quarterly fall would have been significantly greater if there had not been a pick-up in exports and federal government spending. Running counter to this economic trend, together with high levels of price inflation and rises in Federal Reserve interest rates is the phenomenon of employment - which grew by 528,000 in July after successive months of previous gains. Yet, job vacancies per se are declining and one reason for continued job gains is probably the fear of a downturn, which is making those without jobs take any - whilst they are available.

USA: Bureau of Labour Statistics reveals data which shows how much unionised employees are missing out.

The bureau has released a table containing non-seasonally adjusted data for the period from March 2006 until March 2022. "Compensation in private industry by bargaining status 12-month percent change" indicates that although the recessionary period from 2008 until 2011 was characterised by union negotiated pay levels being well above those for non-union employees, the reverse situation is now true. Since March 2021, union rates have been consistently below non-negotiated rates each month, with the average by March 2022 reaching 3.8% for union rates and 5.8% for non-union rates. The principal reason for this is probably that unions often focus on securing longer-term pay agreements - with lower inflationary expectations - whilst individual pay is largely determined by the market and prevailing cost of living pressures.

USA: Starbucks is confining pay increases to non-unionized cafes.

So far, over 200 locations have voted to be unionized since last Autumn. Legally, it is therefore necessary for the company to negotiate with the union concerned before making pay changes. But simply not engaging with the union is a legal grey area the company is seeking to use in order to pass a warning shot to staff in other facilities. The company has already announced that it will be raising pay rates by 5% for those with 2-5 years experience and 7% (or 10% above the market start rate) for those employed for 5 years or more. The Starbuck union "Workers



United" has also written to the company accepting the increases for the employees it represents, although this has so far not led to a company response. The matter is sure to go to the NLRB, but the outcome could take months.

USA: The union representing employees at three Boeing defence facilities in Missouri and Illinois have voted to accept a 14% wage hike over three years.

The plants concerned make satellite and missile systems, the F-15, F-18, T-7A trainer, and the MQ-25 unmanned aircraft. The deal with the International Association of Machinists and Aerospace Workers (IAM) includes a \$8,000 lump sum that employees may decide to have paid directly into their 401 (k). It has also been agreed to remove a controversial two-tier pay structure. Changes will begin with immediate effect.

USA: Private-sector essential workers who worked in Connecticut during the height of the COVID-19 pandemic have until 1st October 2022 to apply for up to a \$1,000 payment from the Premium Pay Program.

To be eligible, workers must have earned less than \$150,000 annually; must have been unable to work from home (i.e., had to report to work on-site); and had to be employed in an essential, non-governmental job between 10th March 2020 and 7th May 2022. Payments will be made in early 2023.

USA: Reasonable accommodation for disability in Maryland must extend beyond formally designated individuals with disabilities - unless doing so would cause an undue hardship on the operations of the employer [HB 78].

Employers should review their hiring practices to maintain compliance with the new law which extends the Americans with Disabilities Act (ADA)'s "otherwise qualified" requirement. HB 78 will increase the pool of potential plaintiffs and the cost to employers of litigating and settling cases. The new law is scheduled to take effect on 1st October 2022.

USA: Massachusetts has enacted a law banning discrimination based on hair texture and style.

The Creating a Respectful and Open World for Natural Hair (CROWN) Act takes effect on 24th October 2022. Specifically, it prohibits discrimination on the basis of hair texture or hairstyles associated with race, including, but



not limited to, natural and protective hairstyles - such as braids, locks, twists and Bantu knots. Violations of the law may expose employers to charges of discrimination and subsequent prosecution.

USA: Mandatory workplace communications.

New Jersey employers must now display new workplace posters covering family leave, employment discrimination and harassment. The posters must be printed on no smaller than A4 card or paper and contain text that is fully legible and large enough to be easily read.

USA: New York State's COVID-19 vaccine paid leave law has been extended for an additional year, to 31st December 2023 [Assembly Bill A9513].

The law requires New York employers to provide employees with “a sufficient period of time not to exceed four hours” of paid leave per vaccination dose (including boosters). Leave must be paid at the employee’s regular rate of pay and must not be charged against leave accruals otherwise already available to the employee.

USA: Seattle hazard pay requirement to end.

The Bill ending the enhanced payments will take effect 30 days after the Bill [Council Bill 120372] comes into force during early September 2022 - 18 months after the city enacted the Ordinance. This required large grocery companies to pay workers an additional \$4 an hour for work performed during the COVID-19 pandemic.

USA: Companies that rely on the electronic signatures of employees to evidence acceptance of arbitration to settle contractual disputes may be on tricky ground.

The 2nd U.S. Circuit Court of Appeals has recently reversed the conclusion of a District court to allow employees working for a restaurant chain to move to a summary trial on the issue of whether the plaintiff signed the arbitration agreement. In evidence placed before the court, there was sufficient opportunity shown for the agreement concerning arbitration to have been signed electronically by a company manager without involving any employee [Barrows v. Brinker Restaurant Corp. 2d Cir No 21-606].



USA: A United States-Kenya Strategic Trade and Investment Partnership (STIP) has just been signed. This contains a number of employment-related policies and plans.

Currently, the US operates a scheme under the African Growth and Opportunity Act (AGOA), which allows duty and quota-free exports from eligible African countries into the US. This is due to expire in 2025. In its place will be more participative arrangements based on agreements with specific countries. The partnership with Kenya identifies a number of key areas, such as the promotion of workers rights and support for small to medium sized enterprises owned by women, youth and persons with disabilities. Thus, in return for open access to US markets and US aid it will be necessary to meet a number of social objectives that include "good pay, high quality jobs" and improved equal opportunities.

4. AFRICA & THE MIDDLE EAST

EGYPT: There was a 2.8% increase in the number of work permits issued last year in the private and investment sectors.

In spite of the ongoing COVID crisis, there was a 41.3% increase in the number of foreigners receiving their first ever work permit. Non-Arab Asian countries represented the largest portion of foreigners receiving work permits, 1,028 of which were from China, 924 from Bangladesh, 712 from the UK and 516 from Italy.

ISRAEL: Average salaries have fallen slightly, whilst tech salaries have held steady.

The average gross monthly salary for Israeli employees fell to NIS 11,753 (US\$3,514) in May 2022, down from NIS 12,026 (US\$3,596) in April and NIS 12,668 (US\$3,788) in March. Salaries in the tech industry were still at the top of the pay ladder, with average gross monthly salaries of NIS 26,828 (\$8,019) in May 2022 - down slightly from NIS 27,684 (\$8,275) in April 2022, but higher than the NIS 24,826 (\$7,421) in May 2021. At the bottom of the salary ladder remained hospitality workers, with averages of NIS 5,720 (\$1,709) per month - just above the minimum wage of NIS 5,300 (\$1,500) a month.



OMAN: The Ministry of Labour (MoL) has extended the ban on foreigners to more than 200 professions as part of its ongoing efforts to boost Omanisation.

Back in 2018, the Ministry banned the holding of positions by foreigners in 87 professions spread across 10 sectors. The professions and positions Omanised in the new decision [No 235/2022] include administrative manager, Director/manager of staff affairs, human resources manager, public relations manager, manager of the CEO's office, recruitment manager, follow-up manager, security supervisor and career guidance manager. Work permit licences issued for the specified professions will apply until the date of their expiry. Of course, the ban cannot extend to personnel located outside the country.

OMAN: The 100th country, and the first among the gulf states, to ratify the Maritime Labour Convention.

The Maritime Labor Convention is a global labour agreement issued by the International Labour Organization (ILO) and known as the “Charter of the Rights of Seafarers”. It guarantees the rights of seafarers to decent working conditions and helps create fair competition amongst ship owners. The MLC, 2006 will enter into force for Oman on 29th March 2023.

SOUTH AFRICA: The government continues to update its Critical Skills List.

The latest updated list includes 140 occupation categories, including those in a number of STEM fields such as information technology, engineering and natural sciences. Those who work in designated occupations are now eligible for Critical Skills Work Visas and, potentially, permanent residency if they have the requisite post-qualification work experience.

SOUTH AFRICA: Auto sector wage deal remains out of sight.

Negotiations between the Automobile Manufacturers Association (AMEO) (which represents car companies like Mercedes-Benz, BMW, Nissan, Toyota and Volkswagen) and the National Union of Metalworkers (Numsa) have been underway for many weeks. The union has demanded an immediate 20% increase on basic rates, 100% payment during short-time and layoff, and the movement of workers at level 4 of the wage scale to level 5. In response, AMEO has offered pay rises of 6.2% in year one, 5.6% in year two, and 4.7% in year three. Although more talks are scheduled, there seems to be a growing intransigence by the union and industrial action could



follow. Parallel negotiations with motor retail and component sector workers have broken down and strike action will begin on September 10th.

5. GLOBAL

HUMAN CAPITAL FLIGHT - DRIVEN IN OR TEMPTED OUT? In many countries around the World - such as Afghanistan, Iran and Russia - adverse political conditions, poverty and corruption are driving out many of the most talented to live in countries with less oppression and better living conditions, as in Australia, Britain and the US. However, human capital is also finding a new home through opportunities to study or work abroad and western country's changing immigration policies to provide longer-term work permits to skilled individuals. Many countries rely on remittances from their diaspora to sustain their economies and increasingly this is less through low cost seasonal labour and more by nationals exploiting their coincidental advantages - such as Indians and Filipinos utilizing their English language capabilities. The ultimate consequence of the new "brain drain" is to deprive the home countries of the talent they need to turn their own economies around. Multinationals can do much to reverse this trend by creating more opportunities for talented individuals to work in more skilled jobs in their home country and consequently attract many skilled individuals to return. Unfortunately, governments will often need to have such proposals put to them, as many will not find the initiative to successfully put in place a workable policy themselves, or if they do - use it to further their old "graft" tendencies.



6. DATES FOR YOUR DIARY

31st August 2022 Consultation survey on the operation of zero hours' contracts in **Jersey** (Channel Islands) will close.

1st October 2022 Deadline to apply for the fund under the **Connecticut** Premium Pay Program.

1st October 2022 The statutory minimum wage in **Germany** will increase to €12 per hour.

1st October 2022 House Bill 78 is scheduled to take effect in **Maryland**.

1st January 2023 Country-by-country reporting thresholds will be introduced in **Kenya**.

Early 2023 **India**'s new privacy law is likely to be introduced.

1st January 2023 Fines will start to be issued in the **UAE** for companies that are failed to comply with Emiratisation quotas.

1st January 2023 **Croatia** set to join the euro area.

1st January 2023 State Privacy laws in force for **California, Colorado, Connecticut, Virginia** and **Utah**.

29th March 2023 The MLC, 2006 will enter into force for **Oman**.

1st September 2023 Prices will determine **NWT** (Canada)'s minimum wage.

1st October 2023 The proposed commencement date of **Guernsey** (Channel Islands)'s new discrimination laws.

31st December 2023 **New York** State's COVID-19 vaccine paid leave law to be expired.



7. FEDEE NEWS

FEDEE NEWS REPORTS: All FedEE news is individually researched and evaluated by our global developments team. It is not syndicated from third parties, or taken directly from news agencies and we seek, wherever possible, to check news events from two independent sources. Our process of investigation and selection frequently comes up with misreporting by other sources, but we are sometimes not in a position to verify or fully evaluate reports carried by parties known to have specific biases - as with government agencies in countries with marginal or no democratic institutions and trade unions.

FEDEE SEMINARS: We are currently planning to run live, real time online seminars starting later this year. The first of these half-day sessions would be led by a US lawyer and seek to bring participants fully up to date with both US federal and state employment laws and Supreme Court rulings. Participation will be for a reasonable fee and places strictly limited. Details will follow in the next newswire, but those registering an expression of interest before then (via Academy@fedee.com) will be entitled to a 20% discount.

LABOUR MARKET TRENDS: The latest issue of Labour Market Trends was published at the end of July 2022. If you did not receive your free copy please contact the FedEE Membership Department (membershipservices@fedee.com).

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