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Global monitoring and intelligence – courtesy of the
Federation of International Employers (FedEE)

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1. EUROPE

AUSTRIA: Accompanying children during rehabilitation.

Employees are now entitled to unpaid time off from work for the purpose of accompanying a child (who has not yet reached the age of 14) during their inpatient rehabilitation in a hospital or similar institution, for a maximum of four weeks per child per calendar year. The leave can be shared between the carers, as long as periods are for at least one week. Employees who wish to take time off work for rehabilitation support must present to their employer the approval documentation for rehabilitation issued by the social insurance provider no later than one week after its receipt, stating its start date and duration. From the announcement of the use of unpaid leave for rehabilitation support until four weeks after its completion, the employee is protected against dismissal.

AUSTRIA: Longer part-time work provision.

Employees who have worked for more than three years for a company with 20 or more employees are now entitled to parental part-time work until their child reaches the age of eight.



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AUSTRIA: Extended care leave.

Previously, employees were only entitled to care leave if the close relative requiring care lived in the same household as the employee. This requirement no longer applies. In addition, care leave is also possible for a sick person with whom the employee is not related, but lives in the same household. Protection against dismissal exists during the care leave – so that terminations made during this period can be annulled by a court.

AUSTRIA: Sharing parental leave.

A parental leave period totalling 24 months will now only be possible if the parental leave is split between the parents and one of the parents takes a minimum of 2 months of parental leave, meaning it will be reduced to a total of 22 months if only one parent takes parental leave. However, there are exceptions for single parents, or for couples where one parent is not entitled to go on parental leave.

AUSTRIA: Family hospice leave.

Employees now have the right to accompany dying relatives and their seriously ill children for up to five months (extendable) by reducing their working hours, changing working hours (e.g. early shift to late shift) or having an exemption from work in return for loss of pay. End-of-life care may be taken up by numerous types of relative, including parents-in-law and children-in-law. Employees who take family hospice leave are entitled to nursing leave allowance and may qualify for other forms of state compensation.

AUSTRIA: Tax rate and minimum tax.

Until 2022 the standard rate of corporate income tax was 25%. It was reduced to 24% in 2023 and has now been further decreased to 23%. For companies with share capital subject to unlimited tax liability, there is a minimum tax level of 5% for one quarter of the statutory minimum level of the nominal (or share) capital for each full calendar quarter, with newly founded limited liability companies being charged a reduced minimum tax in the first ten years from their incorporation.

EUROPEAN UNION: Controlling the uncontrollable.

That part of the General Data Protection Regulation (GDPR) which concerns itself with international data transfers is easily one of the least effective and pointless parts of the regulation. In the era of internet communication all kinds of data can be exchanged across national borders in such volumes that it is impossible to regulate. Nevertheless, the European Commission persists with its preoccupation with the adequacy of different countries' regimes to allow personal data to flow freely with EU Member States. The current list has recently been confirmed in an EU report and consists of Andorra, Argentina, Canada, the Faroe Islands,

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Guernsey, the Isle of Man, Israel, Jersey, New Zealand, Switzerland and Uruguay – not exactly the largest economies between which multinationals conduct trade, or necessarily all paragons of integrity.

FRANCE: Hiring incentive extended.

Since 1st January 2023, companies in the private sector recruiting work-study students (apprentices and young people on professionalization contracts) have benefited from hiring assistance of up to €6,000 pa. It is granted unconditionally to companies with fewer than 250 employees, but with additional conditions applying to companies with more than 250 employees. A decree of 29 December 2023 now orders this incentive to be maintained throughout 2024. Over and above the subsidy there may also continue to be specific aid for apprentices with disabilities.

FRANCE: 2024 Internship bonus.

The so-called ‘Internship bonus’ in France concerns those Internships lasting more than two months - within the same organization and during the same school or University year. The bonus is set and revised each year by reference to social security rates. With effect from 1st January 2024, the minimum amount of bonus for Interns has been increased from €4.05 to €4.35 per hour, although in certain sectors the rate may be even higher.

GERMANY: SAP latest company to commit to AI for business transformation.

The ‘high tech’ company SAP has just announced that it plans to invest €2BN to integrate AI systems through its new “transformation programme”. This will impact some 8,000 of its total 112,000 jobs, with some employees being retrained to fill new roles, but the majority undoubtedly leaving the company. As things stand, this is likely to be a modest start to corporate depopulation and over the next five years ‘high tech’ companies, in particular, can be expected to be contracting workforces by anywhere from one fifth to one half – whilst still expanding corporate revenue levels.

GERMANY: Dismissal for knife threat not legitimate.

The Schleswig-Holstein State Labour Court has decided that the holding of a large fish filleting knife close to someone’s neck did not justify dismissal for threatening conduct. The court heard various accounts of the event and took the unlikely view that what actually happened was that the dismissed employee was holding the 20cm knife and that he “turned his upper body towards the employee and during this turning movement his right hand with the knife came close to her neck” and that no violent intent existed. This could, however, not account for the fact that the female colleague who was subject to the turning movement was traumatized by it and that the parties were arguing at the time. The consequent dismissal was disallowed [5 Sa 5/23].

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GERMANY: Reducing red tape.

The Federal Ministry of Justice has published a draft Bill on the relief of citizens, business and administration of bureaucracy. Proposals in the field of HR include being able to issue references in digital form, a facility to allow laws, collective agreements and works agreements to be made to employees on the company intranet, rather than being formally posted and the use of email for parental leave requests and subsequent correspondence. Several bodies consulted in the run up to the draft feel that it still does not go far enough and more radical changes can be expected in the aftermath of this reform.

GERMANY: Run up to metal and electrical industry negotiations.

It is likely that going will get particularly tough when sectoral negotiations begin during the second half of the year. Not only will unions such as IG Metall be looking to claw back losses of spending power experienced since the COVID lockdowns, but will wish to block intentions of many companies to shed labour. IG Metall has been promoting early retirement as a way to achieve reduced payrolls, but this could prove expensive on a wide scale and focus too much attention on experienced manpower so vital to many companies. Bargaining will undoubtedly last until November, at which time industrial action will become an option for unions. It is already clear that the principal battleground will be in Volkswagen, which will have parallel negotiations to the broader engineering sector.



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GREECE: New rules for retirement provision.

At the end of December last year the government published law 5078/2023 on the regulation of occupational insurance funds. The operation of such bodies is now simplified and, from 2025, they will be under the Supervision of the Bank of Greece – which will be issuing them with operating licences. The minimum normal age for pension take-up will be 62 – although age 55 for those with at least 20 years of contributions if the employee is terminated. There will also be a facility to commute up to 50% of an individual's pension fund upon their retirement. Contributions to pension funds by employees will also be subject to a 20% salary cap.

IRISH REPUBLIC: Work permit rule changes.

This year, 11 job types have been added to the critical skills occupations list and 32 types made eligible for a general employment permit. Furthermore, the annual salary requirement for most general employment permit holders has been increased from €30,000 to €34,000, although the minimum rate for the Critical Skills Employment Permit has been increased from €34,000 to €38,000. Other changes include the introduction of a labour market needs test (LMNT) for general employment permit applications.

ITALY: Tax deduction for increasing employment.

Companies that increase the level of their permanent employees in 2024 will be entitled to a reduction in their (irpef and ired) tax liability in relation to the cost of the increase in employment achieved. This has been further enhanced this year from 100% to 120%. However, it is only claimable at year end [Legislative Decree number 216 of 31/12/2023].

ITALY: Ongoing right of transfer.

The Supreme Court has established that a company has no right to transfer an employee back to their original work location if they had been originally transferred to be closer to a disabled family member (under Law no. 104/1992) and that relation had subsequently deceased [Case 34090 of 6/12/2023].

ITALY: When does unjustified absence justify dismissal?

The Supreme Court has found that the dismissal of an employee for taking absence without leave was legitimate after disciplinary action commenced 20 days from the date when the absence commenced. In fact, although not justified after a single day of unjustified absence, the court indicated that the fifth day was in line with absence being the cause, in itself, of dismissal [Case 1295 of 12/01/2024].

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ITALY: Contribution exemption and 13th month.

The public social security fund INPS has underlined that a 13th month salary payment does not qualify for the contribution exemption. This year the cut in contribution amounts to 6% for taxable wages up to €2,692 per month and 7% for wages up to €1,923 per month.

ITALY: Taking annual leave between two periods of sick leave.

If an employee requests annual leave immediately following a period of sickness absence and then resumes sick leave as soon as they are due to return to work, then if their employer counts the intermediate leave as part of the sick leave they do not have justification for using its incidence as a basis for dismissal [Supreme Court: Case 582 1.8.2024].

MALTA: Streamlined permit option.

Local employers seeking to employ foreign workers may wish to take advantage of an alternative fast-track (15-day) specialist employee initiative (SEI) for highly skilled third-country nationals. This is for individuals who may not be eligible for the key employee initiative, but who hold the relevant academic, vocational or technical skills in line with their employment offer in Malta. To be eligible, the applicant must have an annual gross salary of at least €25,000, be in possession of either a Malta Qualifications Framework (MQF) Level 6 credential, or hold proof of at least three years of relevant work experience.

NETHERLANDS: UWV pay subsidy.

The Work and Employment Support (Young Disabled Persons) Act (Wajong benefit) is a form of income for young people who have an illness or disability. Employers may request a pay dispensation from UWV for an employee with a Wajong benefit if they are unable to be as productive as other employees. This means that the employer temporarily only meets a portion of their salary and the rest is topped up by the UWV. The dispensation lasts for a minimum of 6 months and a maximum of 5 years. After that, the employer may apply for pay dispensation once again - if it remains justified.

NETHERLANDS: Low-income benefits (LIV) expected to be abolished in 2025.

Employers receive the LIV if their employee works at least 1,248 hours on an annual basis and has an average hourly wage between 100% and 104% of the minimum wage. This allowance makes it easier for low-wage workers to find work. The effective date for repeal of the benefit is not yet final. It should be noted that the youth LIV was terminated on 1st January 2024, although the Tax Administration will still pay the youth LIV for hours worked in 2023.



NETHERLANDS: Demise of LKV allowance.

The LKV is an annual compensation for companies that employ persons aged 56+ who have difficulty finding work - for example, due to a disability, or their age. From 1st January 2026 it is proposed that this measure will come to an end, although the exact date has not been finalized and a final decision is still subject to the approval of the Lower and Upper Houses of Parliament.

POLAND: Discontinued visa facility.

The Poland Business Harbour (PBH) visa program was launched in 2020, with the goal of attracting information technology specialists and companies. However, it failed to produce the hoped-for outcomes. The Ministry of Foreign Affairs (MFA) has therefore temporarily suspended it, citing not failure of take up, but concerns about potential PBH visa misuse. Foreign workers looking to become employed in the IT sector in Poland may still apply for a general entry visa and receive a work visa for Poland once they have fulfilled all the necessary requirements.

1. EUROPE

SPAIN: Accrual of breastfeeding leave.

The Congress of Deputies has repealed its own urgent measure of 19th December 2023 on the incorporation of a remaining element concerning EU Directive 2019/1158. This removed the necessity of entering into collective or individual agreement in respect to the accrual of breastfeeding hours over the first nine months of a newborn child's life - so that a period of 14 days additional leave could be taken. It is uncertain what impact the absence of this right will have, as women will continue to demand accrual of any untaken daily breastfeeding breaks.

UNITED KINGDOM: Global menopause support policy.

The business improvement and standards organisation BSI recently taken note of exit interviews that indicated around 20% of women were leaving the workforce early because of menopause-related health issues. The organisation has therefore started rolling out a new menopause support and ongoing care programme. Employees now have 24/7 unlimited access to dedicated care advocates and menopause specialists – including specialists in obstetrics and gynecology, nutritionists, psychologists, pelvic floor physical therapists, and career coaches - as well as clinically sound education and provider-moderated drop-in groups. Virtual online care from specialists across 35+ languages is also available to employees on-demand.

UNITED KINGDOM: Upward shift in retailing salaries.

During the last 2-3 years UK multiple food retailers have been able to raise food and non-alcoholic beverage prices way beyond that justified by general supply shortages and other costs. In fact, the average increase between October 2021 and October 2023 was 30%, with the annual rate of food inflation in October 2023 standing at 11% - compared to just a 4.7% rise in general consumer prices over the same period. Claims were made by top supermarket chains to a British parliamentary committee last autumn that profiteering had not been taking place, but the figures largely speak for themselves. What is more, the 'poor relation' of food retailing in the salaries market is now rapidly disappearing and from March 2024, for instance, 120,000 hourly paid staff in the Sainsbury supermarket chain will benefit from a 9.1% across the board pay increase. Those based in London will see an increase to £13.15 per hour, whilst employees outside London the rise will be to £12 an hour. The pay prospects for this sector will continue to change dramatically during the next 5-10 years as it is one of the easiest to automate, so that total payroll costs will fall, even as pay levels for the few remaining staff continue to escalate.

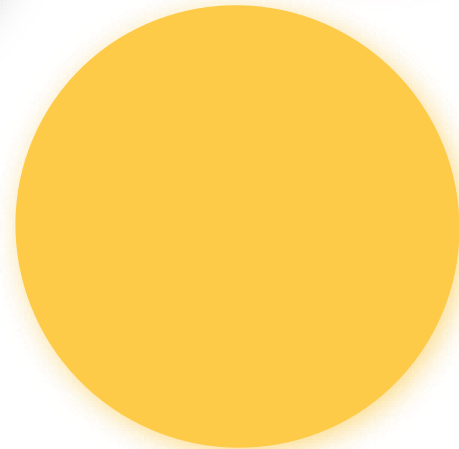
2. APAC

AUSTRALIA: Narrowing differentials.

Compared to many advanced economies, the overall earnings gap in Australia is remarkably small. In May 2023 average hourly earnings ranged from \$67.2 for managers and \$60.60 for professionals down to \$30.90 for Sales workers and \$32,20 for labourers. On average, hourly earnings were \$46.10 for men, compared to \$42.00 for women, a difference of 8.9%. This gap narrowed from 9.7% in May 2021.

AUSTRALIA: Labour hire workers.

Those employed by intermediaries rather than an 'end user' are called 'Labour hire workers' in Australia. The latest available data from 'Jobs in Australia' for such workers relates to 2020-21. In this period their median annual pay (from their principal job) was \$35,337. Moreover, 18.2% earned less than \$10,000, whilst 10.4% earned between \$60,000 and \$80,000. 23.7% of employees undertaking labour supply services were Labourers, whilst only 6.6% were Managers.



AUSTRALIA: Individual income tax changes.

From 1st July 2024, proposed tax cuts will reduce the current 19% tax rate to 16% (for incomes between \$18,200 and \$45,000); reduce the 32.5% tax rate to 30% (for incomes between \$45,000 and the new \$135,000 threshold); increase the threshold at which the 37% tax rate applies from \$120,000 to \$135,000, and increase the threshold at which the 45% tax rate applies from \$180,000 to \$190,000.

CAMBODIA: Government issues warning to employers.

The Ministry of Labour and Vocational Training has issued a set of instructions on health and safety following a spate of recent workplace fires and accidents. Companies are ordered to inspect their power supply networks (removing single phase systems), update emergency plans, ensure regular meetings of occupational health and safety committees, conduct regular risk assessments, assess ventilation facilities (especially for use in hot weather), test the operation of fire extinguishers and sprinklers, train workers on the meaning of safety signs, carry out regular emergency exercises and ensure easy egress from all working areas. The Ministry has further warned that any company contravening its instructions will face severe penalties under the Labour Law, and/or Article 30 of the Law on Prevention and Extinguishing of Fire.

INDIA: Compulsory gratuity schemes now in Karnataka.

The Karnataka Compulsory Gratuity Rules 2024 oblige private sector employers operating in the State to take out an insurance policy to cover these payments within 60 days from the rules being published. Premiums will be contributory for employers, but membership noncontributory for employees. A company must register the scheme and beneficiaries with the local controlling authority and large companies set up a special trust to oversee the scheme. No payments may be made from the resulting gratuity fund - except to covered employees leaving the company.

JAPAN: Unionisation of non-regular workers.

Over the last two decades the proportion of the workforce who are part-time and temporary workers has grown from 15-20% to almost 40%. This area of employment has not been a traditional target for trade union recruitment. However, this became 'all change' last Spring when 16 unions gathered to develop a strategy aimed at such workers. A few pay deals last year improved the position of some non-regulars – but the principal driving forces for employers were labour shortages and government prompting about the dangers of returning to deflation. The slight increase in union membership due to non-regular and female recruitment has not been able to stem the overall decline in union membership – which is now at its lowest level since 1947.



MONGOLIA: 2024 Health insurance premium rates.

The rate of monthly health insurance premiums to be paid by an employee as specified in Article 6.1.1 of the Law on Health Insurance has been set at 4% of their monthly wages and equivalent income, equally shared by the employer and employee.

MONGOLIA: Revised new minimum wage.

The monthly statutory minimum wage has been increased from 1st January by 20%, to 660,000 Mongolian tugriks. The rate is received by 10% of the country's 1.1 million officially registered employees.

PAKISTAN: Family-friendly reforms.

The Maternity and Paternity Leave Law has now been signed by President Arif Alvi and has immediate effect. It gives women the right to take maternity leave on full pay three times during their lives – the first time for 180 days, the second time 120 days and third time 90 days. On the other hand, working fathers may take paid paternity leave three times – for 30 days each time. Companies which violate the law will be subject to the imprisonment of responsible executives for up to six months or a fine of Rs100,000 – or both. The President has also signed the Daycare Centres Bill which authorizes the establishment of a network of facilities in the capital city Islamabad.

PAKISTAN: Income tax deductions.

Individual taxpayers may now claim tax-free medical expenses from their employer, or be paid a 10% allowance each year to cover medical costs. Other deductions include the ‘*Zakat*’ (almsgiving) paid under the Zakat and Usher Ordinance and up to 30% of income paid to approved non-profit organisations.

SOUTH KOREA: Changing business hours.

The current law requires supermarkets to remain closed from midnight to 10am and there is also a ban on delivery of online orders at this time. The government plan is now for most mandatory restrictions to be lifted, including the opening up of weekends for shopping activity. Closing days would be confined to weekdays and the two mandatory public holiday closure days each month would be removed. However, to do this it will be necessary to amend the Distribution Industry Developments Act and this will still be up to the National Assembly.

SOUTH KOREA: Job subsidies.

The government has budgeted to provide up to 2 million won (US\$1,502) to 24,800 SME companies that fill available vacancies with young workers (aged 15-34) this year. The Job Filling Youth Support Fund will pay out one million won (US\$751) per worker hired after three months in a job and another 1 million won after 6 months in post. The subsidy is also open to military veterans of all ages.

SOUTH KOREA: Bonus payment ruling about Hyundai.

The Civil Division of the Seoul High Court has ruled, on appeal, that the car parts business ‘Hyundai Mobis’ was in contravention of Article 43 of the Labour Standards Act when it excluded employees who had worked for less than 15 days from its regular bonus payments. The company had claimed that it did have agreement to do so from the Metal Workers’ Union. However, this could not be proven to the Court’s satisfaction – which also accepted claims concerning backpayments on severance paid since the policy was introduced in 2015.

SOUTH KOREA: ‘Workation’ visa.

Foreigners who work for a foreign company, have at least one year of work experience in the same industry, meet specific earnings thresholds, hold personal medical insurance and home evacuation policy coverage may now apply for a ‘workation’ visa. This will allow a holder to stay for up to one year from their entry date, extendable for another year. Furthermore, the visa facility may be extended to family members, including children up to 18 years old.



TAIWAN: Health examination following exposure.

With the implementation of the Labour Occupational Accident Insurance and Protection Act, a worker who experiences exposure to any of sixteen types of harmful environments (including ionizing radiation, dusts, nickel and formaldehyde) may apply to the Bureau of Labour Insurance for a free health examination, subject to the exposed worker being insured for at least one year or more. If the worker is diagnosed with an occupational disease they may claim occupational accident insurance benefits.

TAIWAN: Regulations for newly revised Immigration Act.

On 1st January 2024 several amendments to the Immigration Act took effect. These include extended deadlines for seeking to obtain, or renew, an Alien Residency Card (ARC) and increased penalties for overstaying a visa. Additionally, the process for obtaining a one-year residency extension for the purposes of job seeking has also been simplified for foreign students who graduate from a Taiwanese University, with a provision for an additional one-year extension. Furthermore, it is now easier for spouses, children, and other dependants of ARC holders who possess high-level professional expertise to obtain permanent residency in Taiwan. Protection has also been improved for foreign residents who divorce their Taiwanese spouse due to domestic violence, and for those with a partner who has deceased.

3. THE AMERICAS

ARUBA: Recent changes affecting residents.

This tiny island semi-state is actually a constituent country within the Kingdom of the Netherlands, situated in the south of the Caribbean Sea. This year its minimum wage has been increased to AWG1,986.20 (US\$1,103.48) per month or AWG463.25 (US\$257.37) per week for employees ages 18 and over in the “industry, construction and commerce” sectors. Moreover, the standard rate of national health insurance (AZV) contribution for retirees earning up to AWG30,000 pa has also been reduced from 6.5% to 5.5% this year.

ARUBA: No changes in the income tax or wage tax rates for the year 2024.

The tax-free amount remains AWG30,000. This means that if the taxable income is AWG30,000 or less per year, the individual is not liable for income tax or wage tax in the year 2024. Companies with employees or contractors on the island must remember to submit their annual collective wage statement ('verzamelloonstaat' or VZL) and collective wage statement of third parties ('verzamelstaat opgaaf derden' or VOD) digitally through the DIMP'BO impuesto portal. The deadline this year is 1st April.



3. THE AMERICAS

CANADA: Termination entitlements.

With effect from today (1st February 2024), private sector employees whose conditions are federally regulated must be given an enhanced level of statutory notice on termination. The basic level of two weeks after three months of service remains, but now this rises to three weeks after three consecutive years of service and then one more week per year of service until the entitlement reaches eight weeks. An employer must also now give to a terminated employee a statement listing their vacation benefits, wages, severance pay, and any other benefits and pay arising from their employment. Things remain unchanged for those subject to collective termination (involving 50+ employees), where 16 weeks notice is mandatory. Federally regulated sectors include financial services, food and pharmaceuticals, energy, health, franchising, oil and gas, securities, telecommunications, travel and transportation.

CANADA: Provincial wage minima.

With effect from April 2024, the minimum wage in Newfoundland and Labrador - the most easterly province of Canada - will be \$15.60 per hour. The minimum overtime wage rate will also increase to \$23.40.

COLOMBIA: Revised wage and allowance.

The minimum monthly wage has been increased for 2.5 million workers by 12% to COP1.3 million (US\$332). Additionally, workers will also have the right to COP162,000 (US\$41.38) compensation for transport costs - an increase of 15% over the amount received in 2023.

DOMINICAN REPUBLIC: First Caribbean country to trial 4-day workweek.

This month, at the government's initiative, a number of leading private sector employers will join the national health insurance agency to reduce the workweek to Monday-Thursday. This will have the effect of changing basic weekly working hours from 44 to 36, but with no loss of pay. In parallel with the trial period, a University team has been commissioned to monitor stress and general health levels amongst affected workers and to examine the relationship between work and personal lives.

ECUADOR: Top safety net.

Ecuador kicks off 2024 in the top five Latin American countries with the highest basic wage. The latest increase of \$10 brings the basic salary to \$460 per month.

PANAMA: Two-year minimum rate agreed.

This year the minimum wage for large companies has risen by 6% - just shy of the 7% increase for employees in the banana sector. Average gross minimum monthly wages now range from \$636.80 to \$1,015.03 (the rate for aeronautical technicians). The new rates will now remain in force for two years - until 31st December 2025.

URUGUAY: Working scholarships.

The work program for youth in the private sector will now start in March 2024. It will provide students aged 16 to 20 years old with 20 hours work per week. The vocational scholarships will extend for six months to one year, commencing with a trial period. The State will subsidize 80% of the salary of those who are selected – up to a limit of 15,000 pesos, and will provide 100% of salaries in the case of young people with disabilities. If the company concerned retains the student once the working scholarship ends, they will be exempt from paying employer social contributions until the worker turns 25 years old.

USA: Whistleblower retaliation ruling.

The Federal Supreme Court has been asked to step in to resolve a long standing question about how far a whistleblower must go to prove that an adverse action – such as dismissal – which followed a disclosure was, in fact, caused by it. Currently, the principal employer defence is that they would have made the adverse decision anyway. However, employees usually seek to establish that the decision was a contributing factor in their demise, if not (the much harder) ‘clear motivating factor’. The decision could go either way, but the likelihood is that retaliatory intent under the Sarbanes-Oxley Act will be considered sufficient if the detriment logically followed the nature and impact of the disclosures.

3. THE AMERICAS

USA: Walmart's 2024 manager salaries.

Starting from next month, gross base pay for store managers will increase from \$117,000 to \$128,000 a year. Depending on a store's profit, annual bonuses could reach up to 200% of a store manager's salary.

USA: FTC first AI enforcement action.

It was only a matter of time before the Federal Trade Commission found itself a case of AI use as an unfair practice under the FTC Act. The “Aunt Sally” was a retail pharmacy chain, now in receivership, called “Rite Aid”. The company had introduced face recognition technology to help combat shoplifting and protect staff without, in the FTC’s view, taking steps to prevent false positives. There is no issue about staff consultation and the only potential damage was to customers subject to misidentification. Before AI became a catch word this choice of an easy target would be seen for what it was, grasping at straws. What omen it sadly indicates is that increasingly AI will be a mantra used to justify many kinds of authoritarian wretchedness. In the midst of the debate about technology being used in a way that could lead to wrongful identification, did it ever occur to anyone that retailers have for years operated manual alerts about potential wrongdoers, but without any suggestion that they are trading unfairly? Actually, technology probably leads to less mistakes being made.

USA: The great GDP fabrication continues.

According to the US Bureau of economic analysis real GDP rose over the year to Q3 2023 (the last 12-month period for which we have solid figures) by + 2.1%. However, this perpetuates an ongoing fiction which the US government sustains to avoid the admission that the economy has been in recession for the last 18-24 months. The calculation of GDP allows for distortion at several points in its calculation, but over 70% of its movement is due to public consumption. If we look at public consumption between Q2 and Q3 2023 there is a nominal growth of just 0.0076% - i.e.: an annualized rate of 0.03%. If we look, however, at the annual rate of consumer price growth at August 2023 (the mid month on the quarter) it was 3.7%. That means the real level of aggregate consumer expenditure was **minus** 3.67%. If we turn to the other three elements that together make up 30% of GDP – investment, government expenditure and the trade balance – then it can be seen that what the government spends is entirely a factor that can be manipulated for political ends and is, in any case, propped up by massive ongoing government borrowing (which is not factored into the GDP calculation). What’s more, the USA is a huge net importer of foreign goods and services – amounting to a trade deficit of \$988BN during 2023 in goods alone. GDP figures are also further distorted if consumer demand falls as it shrinks imports and thus helps to improve the trade deficit. Finally, and most importantly, the choice of price deflator is very important, especially if it is consistently weighted to under-report actual inflationary changes. We cannot prove it for sure, but US price inflation measures are well below our estimates and thus the recessionary problem could actually be far worse than we report. We have long predicted a huge downward step change the US economy and we alone appear to realise how vulnerable the country remains to an adverse ‘black swan’ event that could spark a sudden collapse.

4. AFRICA AND THE MIDDLE EAST

BAHRAIN: Disabled employees.

The Shura Council has approved a proposed law raising the employment quota for persons with disabilities from 2% to 4% in companies with 50 or more workers. The Labour Minister will be issuing a decree specifying the approved roles and responsibilities for disabled people.

CYPRUS: Payment of wages.

Under the recently implemented Protection of Wages (Amendment) Law, an employer is obliged to make wage payments into a bank payment account of the employee's choice. However, it could still be via a bank cheque in the name of the employee. An employer may pay wages in cash to any employee for a period not exceeding four (4) months from the date of their recruitment whilst their bank payment account is pending. If the employee's application to open a payment account is rejected for any reason, the employer may continue to pay the salary in cash, provided that the employer presents to the Department of Labour Relations a relevant confirmation from the credit institution. It is also possible to make cash payments if there is an applicable collective agreement allowing for it, or there is an individual written agreement to do so with the employee.



4. AFRICA AND THE MIDDLE EAST

ECOWAS: Departure of three member states.

Niger, Mali and Burkina Faso have announced they are leaving the Economic Community of West African States (ECOWAS). In one year from the date that ECOWAS receives the official withdrawal notification, business executives from these three countries will be required to apply for a business visa when visiting to ECOWAS member countries and vice versa.

ETHIOPIA: Qatari nationals.

Qatari nationals are now granted visa-free entry to Ethiopia for up to three months. However, fees will be applied, depending on the visitors' intended length of stay.

OMAN: Ban on electronic cigarettes.

Although employers are not obliged to ban smoking in workplaces unless they are accessible to the general public, Ministerial Decision No. 756/2023 now places a more general ban on the circulation of electronic cigarettes and shisha pipes (hubble bubble). Contravention will lead to an administrative fine of up to OMR 1,000 and for repeated violations the penalty doubles. Additionally, ongoing violations will incur a daily fine of OMR 50, not exceeding a total of OMR 2,000.

SAUDI ARABIA: Saudising engineering jobs set to begin in July.

The decision to localize 25% of engineering professional positions in the private sector will apply to establishments that employ at least five workers in such jobs. The move aims to offer more than 8,000 jobs with a salary of at least SR7,000 to Saudi nationals.

SAUDI ARABIA: Training contracts.

Back in September 2023 we predicted that there would be a coming requirement for employers to disclose training data, with private sector companies employing 50 or more workers being obliged to report their training data annually through the Qiwa platform. Recently there has been a first step in this direction through a ministerial decision obliging such employers to provide cooperative training for students based on an academic plan approved by educational institutions and the demands of the labor market. When training is provided, trainees and trainers must sign a contract that includes full details, and the organization must present the student with a certificate upon completion of the training period.

SOUTH AFRICA: Tabled NMR options.

The National Minimum Wage (NMW) Commission has tabled three proposals for this year's national minimum wage, they are: the 'Consumer Price Index (CPI) plus 3%' recommended by the majority of members; a 'basic CPI uplift' recommended by the business constituency, and 'CPI plus 0.75%' recommended by an independent expert. The Employment and Labour Minister will announce later this month the new rate of adjustment, which will come into operation from 1st March 2024.

TURKEY: Visa-free entry for six countries.

Citizens of UAE, Saudi Arabia, the United States, Canada, Bahrain and Oman may now stay in Turkey for up to 90 days without the need for visa formalities.



5. DATES FOR YOUR DIARY

1st February 2024: Increased termination notice entitlements under the **Canadian** Labour Code come into effect.

13th February 2024: The overall maximum illegal working civil penalty will be increased in the **UK**.

12th March 2024: Social elections will take place in **Luxembourg**.

31st March 2024: All leave carried over due to it being unreasonable to take it due to covid must be taken by this date in the **UK**.

30th June 2024: New pay transparency obligations for District of Columbia (**USA**) employers.

1st July 2024: **California** employers must comply with workplace violence prevention requirements by this date.

1st July 2024: Companies with 100+ employees must report work-related mobility (WPM) in the **Netherlands**.

1st July 2024: Changes to Individual income tax rates and thresholds take effect in **Australia**.

1st July 2024: The final version of the 2023 Company Law will come into force in **China**.

21st July 2024: Saudising engineering jobs set to begin in **Saudi Arabia**.

1st January 2025: The minimum hourly wage is to be raised to €12.82 in **Germany**.

7th June 2026: Member States must implement the **EU** Pay Transparency Directive by this date.

6th April 2028: The Normal Minimum Pension Age (NMPA) will be increased to 57 in the **UK**.

FEDEE NEWS:

Labour Market Trends: The latest edition of our quarterly report will be published on 20th February 2024. It will examine the case for deregulation and necessary employment law reforms in the EU and several other jurisdictions. This includes the repeal of the Job Posting Directives and replacement of the General Data Protection Regulation (GDPR) by a series of narrower focussed regulations.

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