



TOWERS
PERRIN

HR SERVICES

GLOBAL HIGH TECH COMPENSATION PLANNING REPORT

SALARY MOVEMENT AND KEY ECONOMIC INDICATORS
AROUND THE WORLD

September 2007

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INTRODUCTION

This report summarises the findings of Towers Perrin's survey on salary movement across the high-tech sector around the world. The purpose of this report is to help companies in their compensation planning for 2008.

Towers Perrin's primary method of data collection is based on salary movement questionnaires sent to participants of the CDB High-Tech Survey. In addition, research and analysis was undertaken using Towers Perrin's own Global Compensation Databases.

The questionnaire was distributed in August and September 2007 to participants across the following geographical regions:

- North America
- Latin America
- Asia/Pacific
- Europe, Middle East and Africa.

Responses were received from over 2,000 companies, covering over 60 countries worldwide. Of these, over 1,300 responses were received from companies in Europe, Middle East and Africa; approximately 300 were received from companies in the Americas; and approximately 400 were received from companies in the Asia/Pacific region. The responses submitted represent companies of various sizes based on revenue.

The main sections of the report include:

- Overview – Salary Movement and Key Economic Indicators
- Salary Movement by Employee Group.

NOTES

The figures provide median salary increases awarded or anticipated overall and for each employee group as a percentage of base salary. They include merit and statutory increases and cost of living adjustments. The data excludes zero salary reviews where no salary budget increase was reported.

The employee groups are generally defined as:

- Executive & Senior Management – Managing Director and two levels below
- Professional/Management – Management and supervisory positions, as well as professional staff
- Technical/Admin Support – Technicians, administrative and clerical staff
- Production – Employees and first level of supervision.

TABLE 1: Overall salary budget increases in comparison with key economic indicators

Median actual and projected overall salary budget increases as a percentage of annual base salary are presented in comparison with the consumer price index inflation, gross domestic product increase and unemployment rates for each country.

	Salary Increase (%)		Inflation (%)		GDP (%)		Unemployment (%)	
	2007 reported	2008 projected	2007 estimated	2008 projected	2007 estimated	2008 projected	2007 estimated	2008 projected
North America								
Canada	4.0	4.0	2.4	2.3	2.5	2.7	6.2	6.3
US	3.4	3.6	2.8	2.4	1.9	2.6	4.6	4.7
Latin America								
Argentina	14.0	15.0	8.7	10.6	7.5	5.5	9.6	8.6
Brazil	7.4	6.9	3.6	3.8	4.6	4.4	9.7	9.5
Chile	5.0	4.0	4.8	3.2	5.9	5.2	6.7	7.2
Colombia	6.4	7.3	5.1	4.2	6.3	5.2	6.7	7.2
Costa Rica	11.2	10.3	8.8	6.4	3.1	5.2	6.5	6.5
Mexico	4.8	5.0	3.6	3.5	3.1	3.6	3.9	4.1
Peru	5.0	4.0	2.4	2.0	7.4	6.3	7.4	7.3
Puerto Rico	4.8	5.0	6.5	-	-	-	11.3	-
Venezuela	18.0	20.0	18.7	22.5	7.9	4.0	9.6	9.9
Asia/Pacific								
Australia	4.3	4.6	2.3	2.8	3.8	3.6	4.4	4.5
China	7.8	9.0	3.6	3.5	11.3	10.6	9.5	9.3
Hong Kong	4.3	4.8	2.0	3.0	5.5	5.1	3.8	3.6
India	14.8	15.0	5.7	5.4	8.3	8.0	7.2	6.8
Indonesia	10.5	10.9	6.3	6.0	6.1	6.2	9.7	9.1
Japan	3.9	3.5	-	0.4	2.4	2.1	3.8	3.5
Korea	7.0	7.4	2.5	2.7	4.7	5.1	2.9	2.6
Malaysia	6.2	6.5	2.1	2.4	5.6	5.9	3.5	3.6
Philippines	7.9	8.8	2.9	3.7	6.0	5.6	7.1	6.9
Singapore	4.8	5.0	1.2	1.4	7.0	6.4	2.7	2.6
Taiwan	4.4	4.9	1.3	1.7	4.3	4.8	3.9	3.8
Thailand	6.1	7.0	2.4	2.4	4.2	5.0	1.7	1.6
EMEA								
Algeria	7.0	9.5	4.1	4.0	4.7	5.3	4.7	5.3
Austria	3.6	4.0	1.8	1.8	3.0	2.4	4.3	4.2
Belgium	3.4	3.8	1.8	1.8	2.5	2.3	7.5	7.2
Bulgaria	7.1	9.4	5.3	4.5	5.9	6	7.5	7.2
Czech Republic	5.0	5.5	2.6	3.4	5.5	4.8	6.7	6.6

NB: Data sources for consumer price index (inflation), GDP and unemployment: Economist Intelligence Unit; National Statistic Office publications; IMF; OECD.

Data source for US salary increase: World@Work

World@Work. 2007. 2007-08 Salary Budget Survey. Scottsdale, AZ.

NB: '-' indicates where data is unavailable

TABLE 1: Overall salary budget increases in comparison with key economic indicators (continued)

Median actual and projected overall salary budget increases as a percentage of annual base salary are presented in comparison with the consumer price index inflation, gross domestic product increase and unemployment rates for each country.

EMEA	Salary Increase (%)		Inflation (%)		GDP (%)		Unemployment (%)	
	2007 reported	2008 projected	2007 estimated	2008 projected	2007 estimated	2008 projected	2007 estimated	2008 projected
Denmark	3.9	4.0	2.0	2.0	2.3	2.1	3.6	4.1
Egypt	9.8	10.3	10.6	7.2	6.7	6.6	10.1	9.9
Estonia	5.4	6.9	5.5	5.8	8.8	7.4	-	-
Finland	3.7	4.1	1.8	1.7	3.4	2.7	7.2	7.0
France	3.3	3.5	1.4	1.7	2.1	2.3	8.2	7.7
Germany	3.4	3.5	1.9	1.6	2.7	2.4	9.3	8.0
Greece	4.5	5.3	2.7	2.7	3.6	3.4	8.5	8.3
Hungary	5.7	6.3	7.4	3.8	2.5	3.0	7.7	7.6
Ireland	4.5	4.7	3.9	3.9	5.0	4.2	5.0	6.0
Israel	4.5	5.1	1.2	2.5	4.6	4.1	7.6	7.2
Italy	3.7	4.0	1.8	1.9	1.9	1.7	6.7	6.4
Latvia	5.3	7.1	8.2	6.4	9.9	7.8	-	-
Lithuania	6.3	7.1	4.7	4.5	7.9	6.6	-	-
Luxembourg	3.2	3.3	-	-	-	-	-	-
Morocco	5.3	6.0	1.6	2.1	3.1	5.1	10.2	9.8
Netherlands	3.7	4.0	1.8	2.2	2.9	2.5	4.3	4.2
Nigeria	10.4	10.2	8.5	8.9	6.0	7.0	-	-
Norway	4.0	4.5	0.8	2.5	4.3	3.1	2.7	2.8
Poland	5.0	5.0	2.3	2.9	6.4	5.5	12.9	10.7
Portugal	4.1	4.3	2.2	2.1	1.7	1.9	8.0	7.7
Romania	9.3	9.3	4.1	4.3	6.3	5.7	5.0	4.9
Russia	9.7	11.0	8.5	7.6	7.1	6.6	7.0	6.7
Saudi Arabia	5.0	5.4	3.0	2.9	4.1	4.3	-	-
Slovakia	7.2	7.2	2.6	2.5	8.8	7.1	8.6	8.8
Slovenia	4.0	4.5	2.8	2.7	5.1	4.5	-	-
South Africa	6.5	6.9	5.9	5.2	5.0	5.2	24.2	23.8
Spain	4.3	4.4	2.6	2.7	3.8	2.9	7.6	7.6
Sweden	3.7	4.1	2.0	2.2	3.6	3.2	4.5	4.0
Switzerland	2.8	3.0	0.6	1.2	2.5	2.2	3.1	2.6
Tunisia	6.6	5.7	3.0	3.1	6.0	5.6	6.0	5.6
Turkey	7.6	6.5	8.5	5.9	5.2	6.0	9.7	8.7
United Arab Emirates	5.8	6.8	12.0	9.5	8.2	8.6	-	-
United Kingdom	3.5	3.8	2.4	2.0	2.8	2.2	5.6	5.5

NB: Data sources for consumer price index (inflation), GDP and unemployment: Economist Intelligence Unit; National Statistic Office publications; IMF; OECD.

Data source for US salary increase: World@Work

World@Work. 2007. 2007-08 Salary Budget Survey. Scottsdale, AZ.

NB: '-' indicates where data is unavailable

TABLE 2: Reported and projected overall budgeted salary increases in comparison with increases by employee group

Companies reported budgeted salary increases by employee group as well as overall. Some companies providing data for all employees were unable to provide figures by employee group, resulting in a reduced sample of companies reporting by employee group. Overall increase figures therefore may be slightly higher or lower than the figures by employee group.

	2007 ESTIMATED SALARY INCREASE (%)					2008 PROJECTED SALARY INCREASE (%)				
	Overall	Exec. & senior man.	Professional management	Tech/admin. support	Production	Overall	Exec. & senior man.	Professional management	Tech/admin. support	Production
North America										
Canada	4.0	3.9	4.0	3.6	4.0	4.0	4.0	4.0	4.0	4.1
US	3.4	3.5	3.3	3.2	3.4	3.6	3.5	3.6	3.6	3.6
Latin America										
Argentina	14.0	14.0	14.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0
Brazil	7.4	7.4	7.4	7.4	7.4	6.9	6.9	6.9	6.9	6.9
Chile	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Colombia	6.4	6.4	6.4	6.4	6.4	7.3	7.3	7.3	7.3	7.3
Costa Rica	11.2	11.0	11.5	11.5	11.5	10.3	10.0	10.5	10.5	10.5
Mexico	4.8	4.9	4.8	4.8	4.8	5.0	4.9	4.8	4.8	5.0
Peru	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Puerto Rico	4.8	4.8	4.8	4.8	4.8	5.0	5.0	5.0	5.0	5.0
Venezuela	18.0	18.0	18.0	18.0	18.0	20.0	20.0	20.0	20.0	20.0
Asia/Pacific										
Australia	4.3	4.3	4.0	4.0	4.4	4.6	4.5	4.5	4.5	4.5
China	7.8	7.0	7.3	7.1	6.6	9.0	8.0	8.5	8.0	7.5
Hong Kong	4.3	3.8	4.1	4.0	4.0	4.8	4.2	4.3	4.3	4.0
India	14.8	14.5	14.0	14.0	11.5	15.0	14.5	15.0	15.0	14.0
Indonesia	10.5	11.0	11.0	11.3	10.8	10.9	10.0	10.0	10.0	9.9
Japan	3.9	3.5	3.6	3.5	3.5	3.5	3.5	3.5	3.0	3.5
Korea	7.0	5.6	5.5	5.5	6.6	7.4	6.2	7.0	7.0	5.3
Malaysia	6.2	5.0	5.2	5.1	5.0	6.5	5.1	5.5	5.5	5.3
Philippines	7.9	8.0	7.4	8.0	6.8	8.8	8.0	8.1	8.1	8.2
Singapore	4.8	4.2	4.3	4.0	5.1	5.0	4.5	4.5	4.5	4.5
Taiwan	4.4	4.2	4.2	4.1	5.0	4.9	4.4	4.6	4.6	4.0
Thailand	6.1	6.0	6.0	6.0	5.7	7.0	7.0	7.0	7.0	6.0
EMEA										
Algeria	7.0	-	-	-	-	9.5	-	-	-	-
Austria	3.6	3.4	3.4	3.4	3.6	4.0	4.0	3.9	4.0	4.0
Belgium	3.4	3.4	3.5	3.4	3.0	3.8	3.8	3.8	3.8	3.5
Bulgaria	7.1	7.6	8.1	8.1	6.3	9.4	9.0	8.8	8.8	9.6
Czech Republic	5.0	5.2	5.0	5.0	4.1	5.5	5.7	5.8	5.3	5.8

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EMEA	2007 ESTIMATED SALARY INCREASE (%)					2008 PROJECTED SALARY INCREASE (%)				
	Overall	Exec. & senior man.	Professional management	Tech/admin. support	Production	Overall	Exec. & senior man.	Professional management	Tech/admin. support	Production
Denmark	3.9	3.6	3.6	3.7	3.5	4.0	4.0	4.0	4.0	4.3
Egypt	9.8	10.0	9.0	10.0	9.2	10.3	10.3	10.0	10.0	10.0
Estonia	5.4	-	-	-	-	6.9	-	-	-	-
Finland	3.7	3.7	3.7	3.8	3.4	4.1	4.3	4.0	4.2	4.2
France	3.3	3.2	3.4	3.4	3.0	3.5	3.5	3.5	3.5	3.0
Germany	3.4	3.4	3.5	3.2	3.1	3.5	3.5	3.6	3.2	3.0
Greece	4.5	4.8	4.3	4.5	4.7	5.3	5.6	5.3	5.3	5.6
Hungary	5.7	5.8	5.5	5.8	5.6	6.3	6.0	6.0	6.0	6.6
Ireland	4.5	4.4	4.5	4.4	4.1	4.7	5.0	4.7	4.9	5.0
Israel	4.5	4.4	4.6	4.9	5.0	5.1	5.0	5.2	5.2	5.4
Italy	3.7	3.7	3.5	3.6	3.5	4.0	3.9	4.0	4.0	3.9
Latvia	5.3	-	-	-	-	7.1	-	-	-	-
Lithuania	6.3	7.1	6.0	6.0	6.9	7.1	7.2	7.2	7.2	7.0
Luxembourg	3.2	-	-	-	-	3.3	-	-	-	-
Morocco	5.3	5.4	5.4	5.5	5.0	6.0	6.0	6.0	6.0	5.9
Netherlands	3.7	3.6	3.6	3.5	3.8	4.0	4.0	3.9	4.0	4.0
Nigeria	10.4	-	-	-	-	10.2	-	-	-	-
Norway	4.0	4.1	4.1	4.1	3.9	4.5	4.6	4.5	4.6	4.6
Poland	5.0	4.9	5.5	5.0	5.0	5.0	5.0	5.0	5.3	5.2
Portugal	4.1	4.2	4.1	4.2	4.0	4.3	4.7	4.6	4.6	4.0
Romania	9.3	10.0	10.0	9.0	9.8	9.3	9.5	9.5	9.5	9.0
Russia	9.7	9.2	9.2	10.8	10.4	11.0	11.0	11.0	11.0	11.0
Saudi Arabia	5.0	4.9	5.4	5.0	4.7	5.4	5.2	5.4	5.2	5.4
Slovakia	7.2	7.1	7.3	7.3	7.0	7.2	7.2	7.2	7.2	7.2
Slovenia	4.0	4.0	4.5	3.5	3.0	4.5	4.0	4.5	4.3	4.0
South Africa	6.5	6.5	6.5	6.5	6.2	6.9	6.9	6.9	6.9	6.9
Spain	4.3	4.2	4.2	4.4	4.0	4.4	4.3	4.3	4.4	4.5
Sweden	3.7	3.6	3.7	3.7	3.7	4.1	4.0	4.0	4.0	4.1
Switzerland	2.8	3.0	2.8	3.0	2.3	3.0	3.1	3.0	3.0	3.0
Tunisia	6.6	6.6	6.6	6.6	6.6	5.7	5.6	5.6	5.6	6.1
Turkey	7.6	7.3	7.3	7.6	8.0	6.5	6.6	6.0	6.4	6.0
United Arab Emirates	5.8	5.0	6.1	5.9	5.5	6.8	7.0	7.0	7.0	6.3
United Kingdom	3.5	3.5	3.6	3.5	3.0	3.8	3.9	3.9	3.7	3.3

Data source for US salary increase: World@Work

World@Work. 2007. 2007-08 Salary Budget Survey. Scottsdale, AZ.

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ABOUT TOWERS PERRIN

Towers Perrin is a global professional services firm that helps organisations around the world optimise performance through effective people, risk and financial management. The firm provides innovative solutions to client issues in the areas of human resource strategy, design and management; actuarial and management consulting to the financial services industry; and reinsurance intermediary services.

The firm has served large organisations in both the private and public sectors for over 70 years. Our clients include three-quarters of the world's 500 largest companies and three-quarters of the Fortune 1000 US companies.

Our businesses include HR Services, Reinsurance and Tillinghast.

The HR Services business of Towers Perrin provides global human resource consulting and related services that help organisations effectively manage their investment in people. We offer our clients services in areas such as employee benefits, compensation, communication, change management, employee research and the delivery of HR services.

CONTACTS

For further information email:

US	tpdata@towersperrin.com
Canada	tpcandata@towersperrin.com
Latin America	latamdata@towersperrin.com
Asia Pacific	tpapdata@towersperrin.com
Europe	europaandatabases@towersperrin.com
Web	www.towersperrin.com

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For further information email: europaandatabases@towersperrin.com

Web: www.towersperrin.com