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Singapore executives' spending power down

Their ranking slips to No. 22 in a global survey on disposable income

By FRANCIS CHAN

COMPANIES in emerging markets are paying such high salaries to attract talent that executives here are slipping down the global income scale.

Senior managers in Singapore have also had their spending power squeezed by high inflation and smaller pay increases, according to a new report.

The result is that managers here now

rank 22nd in a league table of disposable income, down from ninth last year. They are ranked below Hong Kong (fourth), Thailand (10th) and China (17th).

Management consultant Hay, which compiled the global survey on disposable income, said the dearth of talent in developing economies like China, Thailand and the Middle East meant firms there had to pay higher salaries to attract and retain senior managers.

And senior managers here - they earn on average a gross annual salary of US\$119,200 (S\$170,800) - have had to deal with higher costs of living.

"Singapore has been slightly affected by inflation at 6.5 per cent, which moved

faster than salary increases here," said Ms Charlotte Park, Hay's managing director for Asia.

"But if you look at China, it was able to mitigate inflationary pressures because salaries there increased by 9 per cent, compared to Singapore's 3.6 per cent."

The World Pay Report evaluated executive pay, cost of living and tax to assess the disposable income levels of senior managers working in 51 countries.

Hay examined salary data of over 12 million job-holders, across 14,500 companies based in North and South America, Africa, Europe and the Asia-Pacific.

Human resource experts told The Straits Times that Singapore's lower rank-

ing this year was about right.

"There is a shortage of skilled professional and technical expertise in the mid-management space worldwide," said Mr Dhirendra Shantilal, Kelly Services' senior vice-president for Asia-Pacific.

"Hence, in order to retain as well as attract these professionals, countries such as those in the Middle East are offering attractive packages to candidates."

Ms Annie Yap, chief executive of Singapore-based GMP Group, cautioned that the rankings should be seen in context as most senior level staff would consider factors other than pay or a country's income tax level when making a move.

"The standard of living would play a greater part...because most are willing to relocate and move out of their comfort zone only when they are paid more and are well compensated for the adjustments they have to endure," she said.

Mr Gary Lai, a manager at Robert Walters, said Singapore has such an abundance of management talent because it is a very liveable city.

"So despite the salary, inflation and tax conditions, many people will still want to work here," he said.

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HOW THEY STACK UP

World Pay Report: Rankings of managers' spending power

Top 10	2008	2007
Qatar*	1	1
United Arab Emirates	2	2
Saudi Arabia	3	1
Hong Kong	4	3
Turkey	5	5
Oman*	6	-
Kuwait*	7	-
Bahrain	8	22
Russia	9	4
Thailand	10	8

Other Asian countries	2008	2007
China	17	14
Singapore	22	9
Malaysia	24	16
South Korea	35	32
India	38	36
Japan	39	27
Indonesia	49	47

*New entry. Source: HAY GROUP