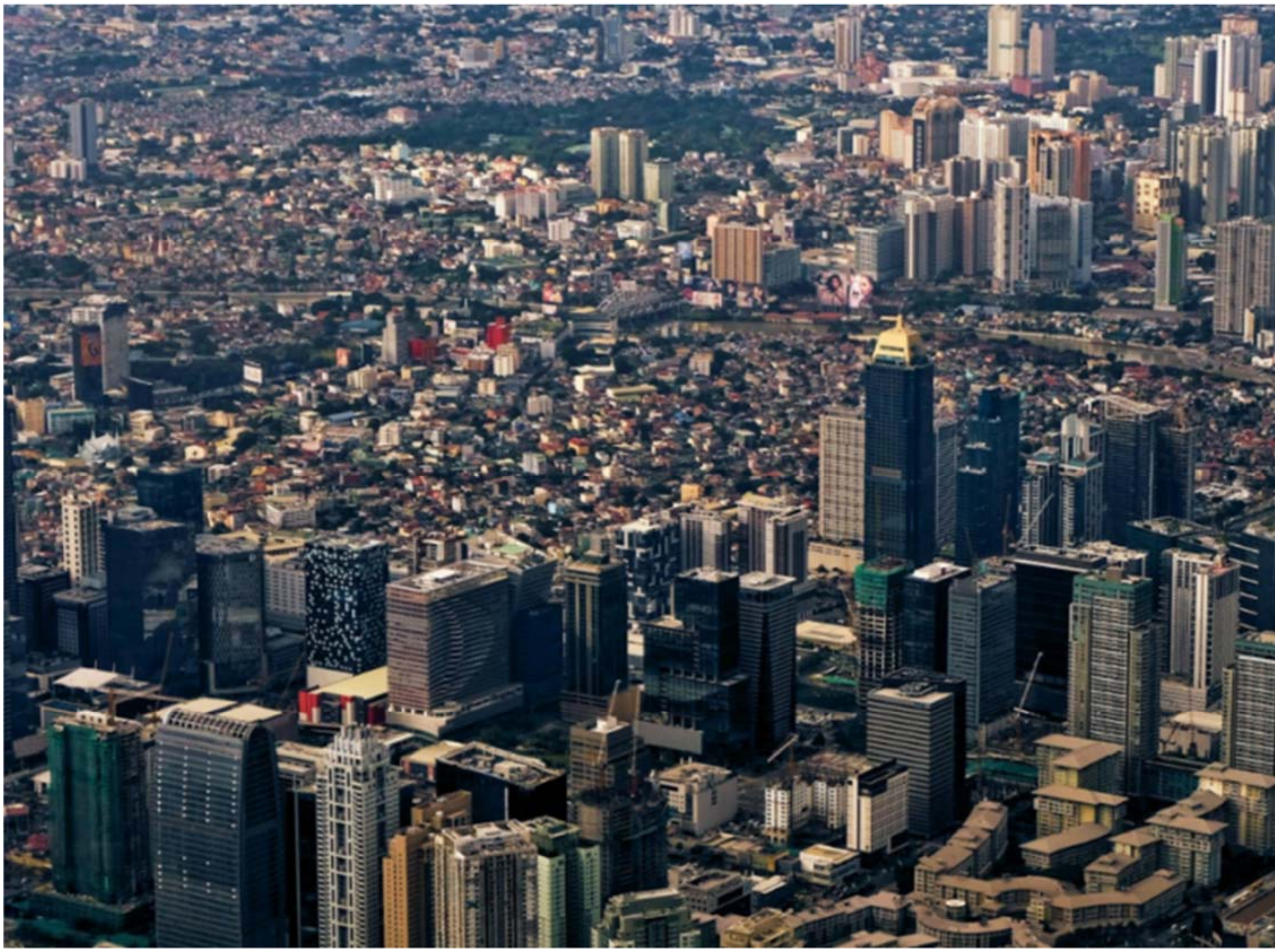
# Global Talent Update – July 2024



**This month's *Global Talent Update* reports on the rise in the average starting pay for British jobs; efforts by the government to ensure that Malaysians have healthy working conditions; the pause in a controversial annual levy for expats in Nigeria; and the move to replace the peso with the American dollar as the currency of Argentina.**

## EUROPE

Average starting pay for British jobs rose in May at the fastest pace in four months despite a 20% annual fall in the number of jobs on offer, figures from hiring platform

Indeed showed, adding to the mixed picture on the inflation outlook. The 6.5% rise in advertised starting pay compared with a year earlier outstrips the 6.0% rise in official wage data for the three months to April. That was the joint smallest increase since September 2022, although still twice the rate the Bank of England (BoE) views as consistent with low inflation.

Uncertainty about whether pay growth is slowing materially remains a key factor behind the BoE's reluctance to cut interest rates from the current 16-year high, despite the return of headline inflation to its 2% target last month. But past double-digit inflation means rising wages have not yet translated into an economic feel-good factor.

Some economists worry that the large number of people who have dropped out of Britain's job market since the COVID-19 pandemic is storing up inflation problems for the long term. However, the Indeed data showed the number of unfilled jobs — often seen as an indicator of future wage and inflation pressures — is 0.9% below its level just before the COVID-19 outbreak, after falling by a fifth in the past year.

# ASIA PACIFIC

The government is committed to ensuring that Malaysians have a healthy, safe and more humane workplace and working conditions, said Human Resources Minister Steven Sim Chee Keong. Commenting on the Global Life-Work Balance Index which placed Malaysia at the bottom of 60 countries, Sim said the government has been making various improvements towards that goal including ratifying the Convention C155 of the International Labor Organization (ILO). He said the move was also in line with the enforcement of the Occupational Safety and Health (Amendment) Act.

"Before the amendment, the Act applied only to 10 economic sectors, now under the amendment effective June 1, it applies to all economic sectors to ensure a safer and healthier workplace environment," he said.

The Ministry of Human Resources in collaboration with the National Institute of Occupational Safety and Health (NIOSH) is targeted to train more than 10,000 Occupational Mental Health First Aid providers in private companies and government departments. Sim said the enforcement of the Employment Act (Amendment) 2022 from January 1 last year, which includes provisions related to anti-discrimination and flexible working hours, was also part of the government's efforts to ensure a healthy work environment and atmosphere. "This is to ensure that our workplace is safe and healthy not only physically, but also balancing mental health," he said.

Read more at After Malaysia ranked worst among 60 countries for work-life balance, HR minister says govt committed to ensuring humane workplace | Malay Mail.

# AFRICA

Nigeria has paused a controversial annual levy that would require businesses employing expatriates to pay $15,000 (£12,000) for a director and $10,000 (£8,000) for other workers. President Bola Tinubu recently imposed the tax, but it was met with widespread condemnation. The Ministry of Interior said the levy would be paused for “dialogue among stakeholders.” Dele Kelvin Oye, national president of the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), welcomed the pause. He praised the government for considering the implications the levy could bring on Nigeria’s business community. “This is indicative of their commitment to creating an inviting atmosphere for both local and international investors,” he said.

The tax was intended to “discourage abuse” of the expatriate quota and to create “employment opportunities for Nigerians while closing wage gaps between expatriates and local workers.”

There are more than 150,000 expatriates in Nigeria, according to local media citing data from the interior ministry. They mostly work in the oil and gas, construction, telecommunication and hospitality sectors. Nigeria is one of Africa’s biggest oil producers. Its oil and gas exports account for 90% of foreign exchange earnings, according to the International Monetary Fund. It currently costs companies in Nigeria $2,000 a year to obtain a residency permit for each foreign employee.

# SOUTH AMERICA

One day, Argentina’s peso could be a thing of the past. Javier Milei, the victor in last year’s presidential race, won the election on a mandate to abolish the country’s own currency and replace it with the US dollar. In some ways, it’s surprising the idea hasn’t caught on before. Argentines are reckoned to hold more greenbacks than anywhere outside the US and hoarding them is a way of life for many people.

Polls show that 60% of Argentines oppose the idea because it would give too much power to the US central bank, the Federal Reserve. But the dollar already plays such a big part in their economy that to some, the idea feels like a foregone conclusion. Argentines have traditionally set little store by their own currency, preferring to convert their spare pesos into dollars as soon as they can. They don’t trust financial institutions much either, so they resort to what is locally known as the “colchón bank” — that is, stuffing their dollars under the mattress.

It’s a symptom of the country’s deep-seated structural economic problems. To get to the root of the Argentine people’s obsession with the US dollar, you have to go back to the 1970s and 1980s, when periods of hyperinflation blighted the country’s economy. During that time, uncontrolled price rises eroded the value of wages and made a mockery of savings, to the point where people lost faith in their own currency. There were basically two ways of keeping up: buying goods in bulk or buying US dollars, because either of those would hold their value better than your original pay packet.

Now Argentina has a cost-of-living problem again, with annual inflation at nearly 300%. There have been various attempts to restore Argentina's confidence in its currency — either by shoring up its value or merely choking off the supply of dollars. But they have all, ultimately, failed.