



Influence of last labor market trends on spending capacity

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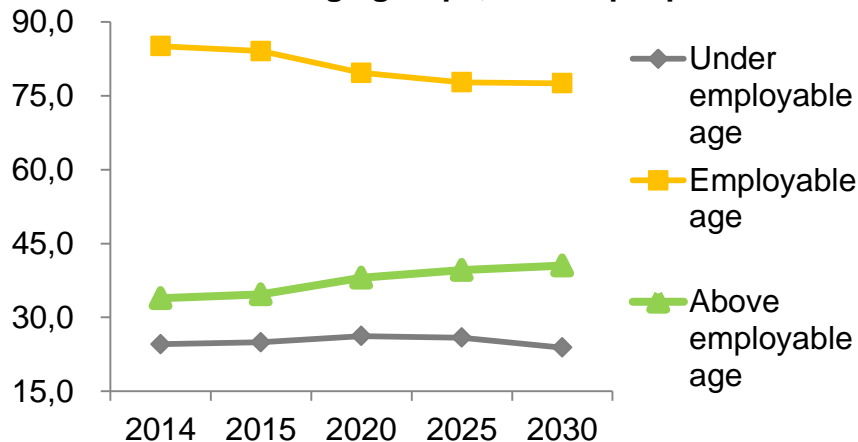
Совершенствуя бизнес,
улучшаем мир

Russian labor market (1)

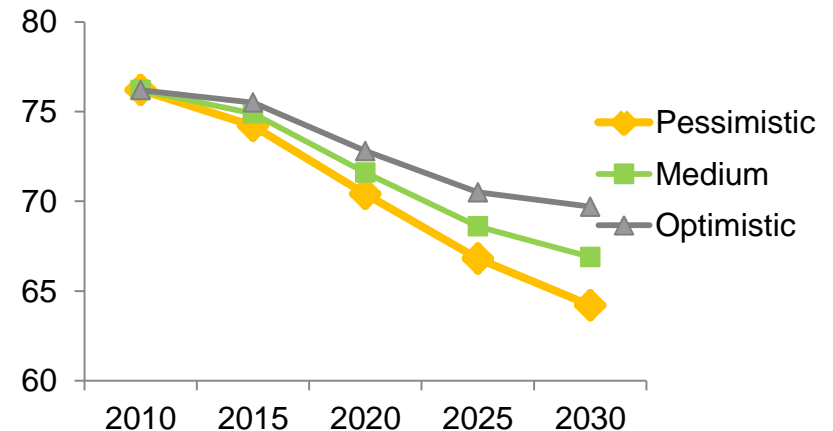
- ▶ Personnel aging
- ▶ Population in the age of 15-64 continues to decrease
- ▶ Tough competition among employers for skilled personnel
- ▶ Disproportion between managerial/legal/economic specialties and technical/engineering specialties

- ▶ Companies try to eliminate the negative influence by:
 - ▶ creation of personnel reserve and talent pool
 - ▶ programs of knowledge management, training
 - ▶ boosting labor efficiency
- ▶ Government continues development of Federal State Educational Standard

Forecast for population changes within different age groups, million people



Forecast for economically active population changes, million people



- ▶ Employers will face the increase of retirement along with decrease of young graduates and potential employees.

Russian labor market (2)



- ▶ Personnel expectations of rapid career growth and comfortable job conditions

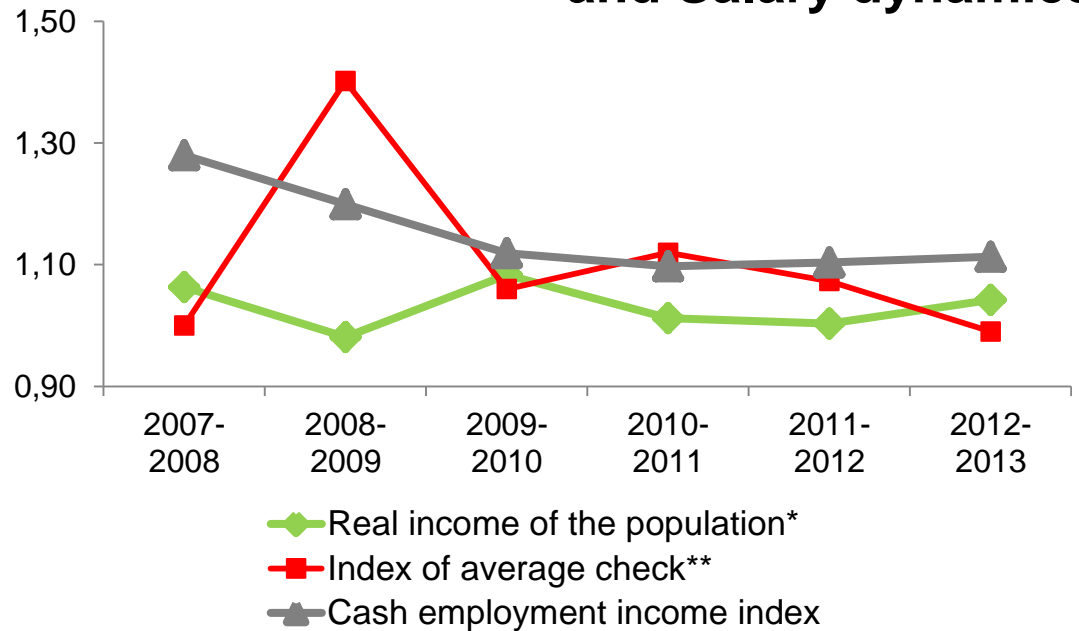
- ▶ Employers develop tools for personnel retention:
 - ▶ diverse benefits package,
 - ▶ performance based bonus programs

- ▶ Decrease of interest in career mobility
- ▶ Uneven personnel distribution within Russian regions: donor and recipient regions

- ▶ Growing popularity of the following retention programs:
 - career planning,
 - rotation

Spending capacity in Russia

Real income, Index of average check and Salary dynamics



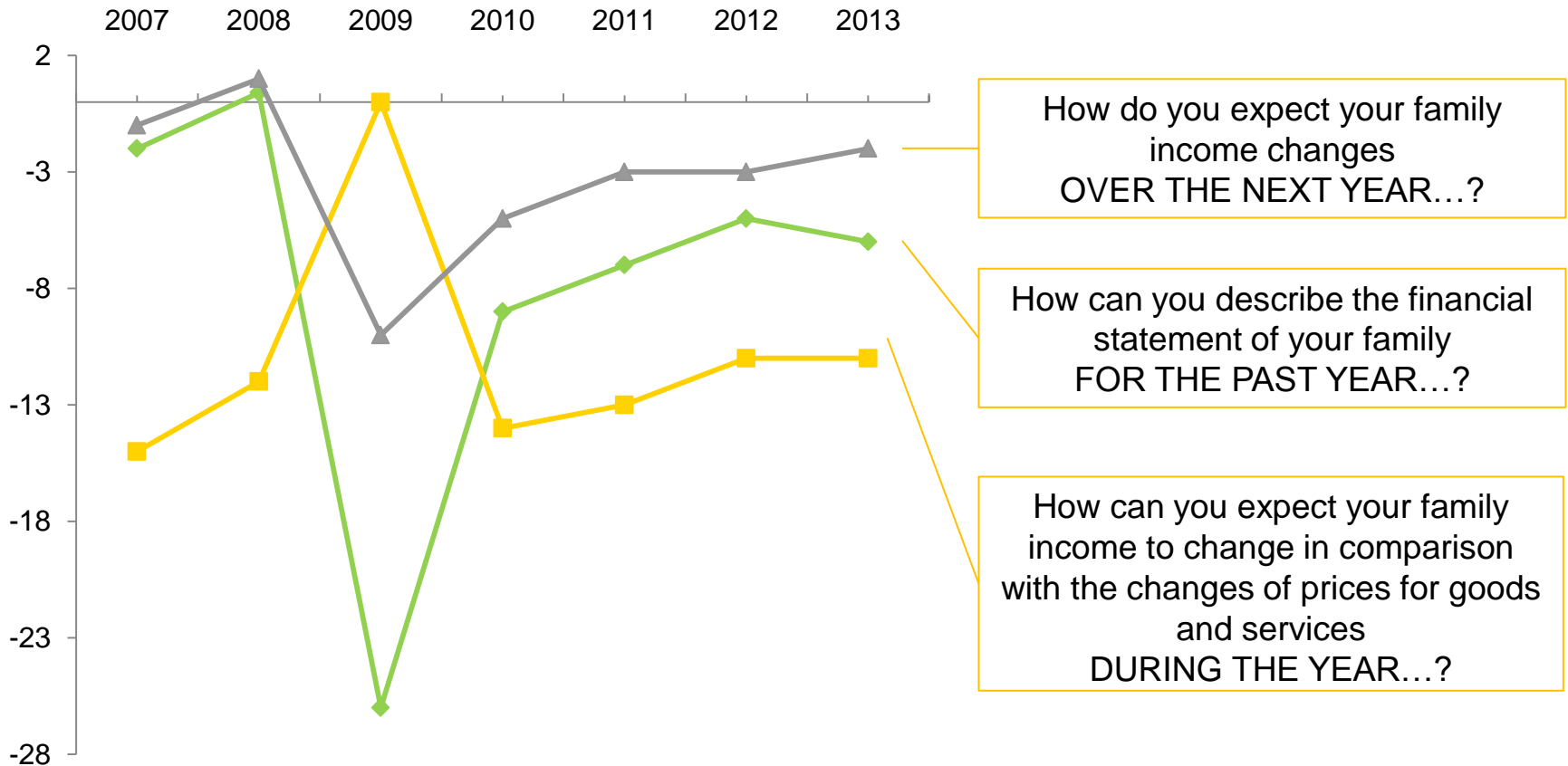
* Federal state statistics service, July 2013

** Romir Scan Panel, Research company Romir, July 2013

▶ Index of average check reflects the dynamics of average sum that a person spends for food and non-food products per one shopping trip

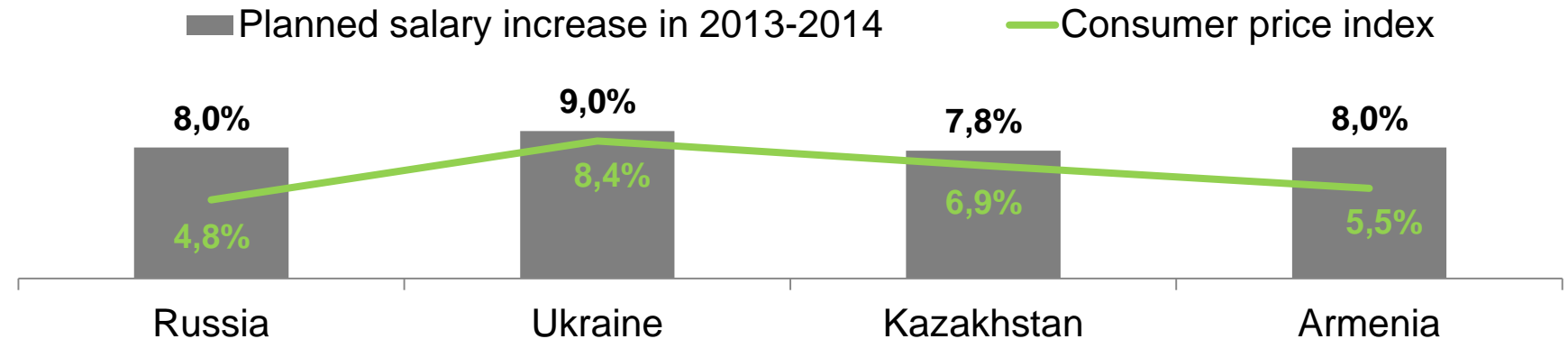
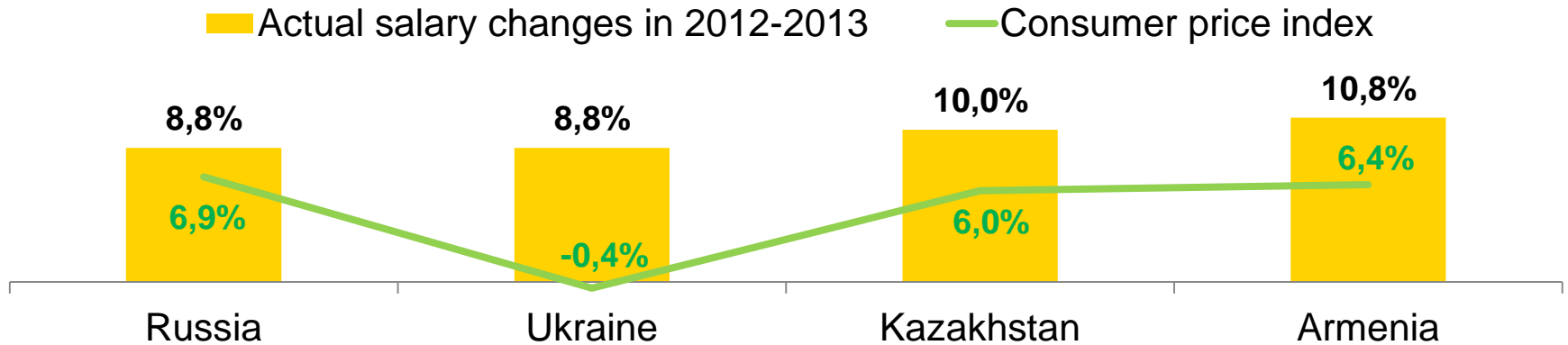
Consumer expectations

Index of changes in personal financial standing*



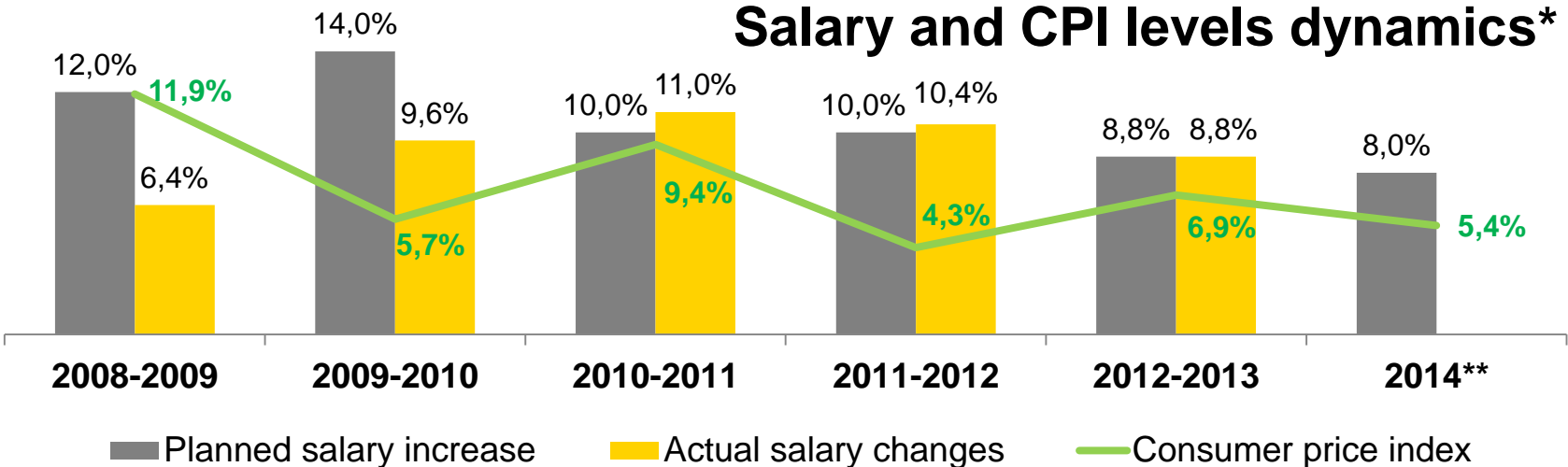
* Federal state statistics service, 2013. Indexes are shown for the 3 quarter of each year

Salary trends in countries of CIS



► Companies plan moderate salary increase in comparison with actual changes but it still covers the inflation rate

Salary trends (1)



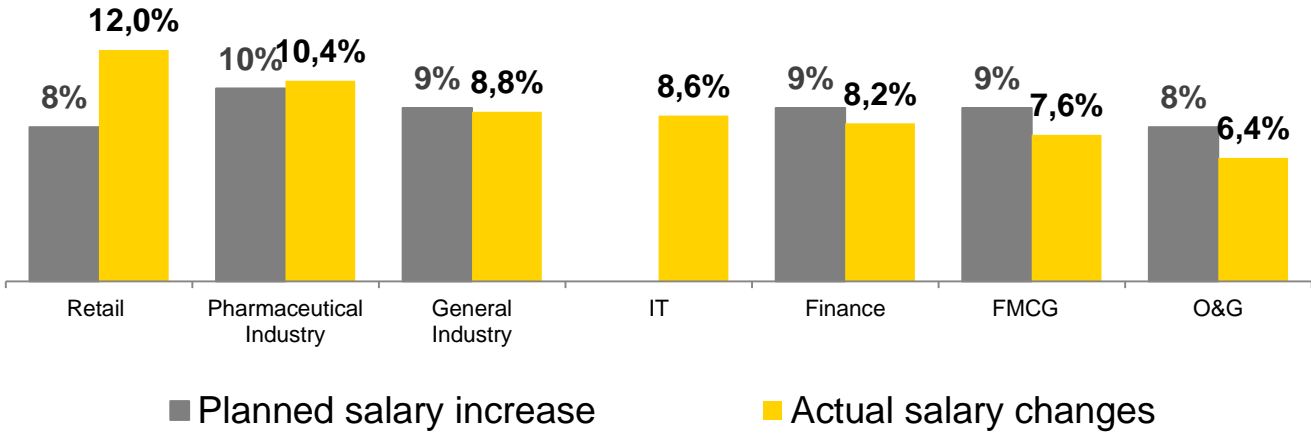
* - the data is presented as of July of the corresponding year

** - forecast

- ▶ Salary increases slowdown is caused by the slowdown in economic growth and even visible stagnation which is reflected in the decrease of the inflation rate
- ▶ In the period of 2010-2014 companies follow conservative approach to salary increase planning
- ▶ Companies are ready to take the inflation rate into consideration as a criteria for salary changes when the economic situation shows opportunities for growth

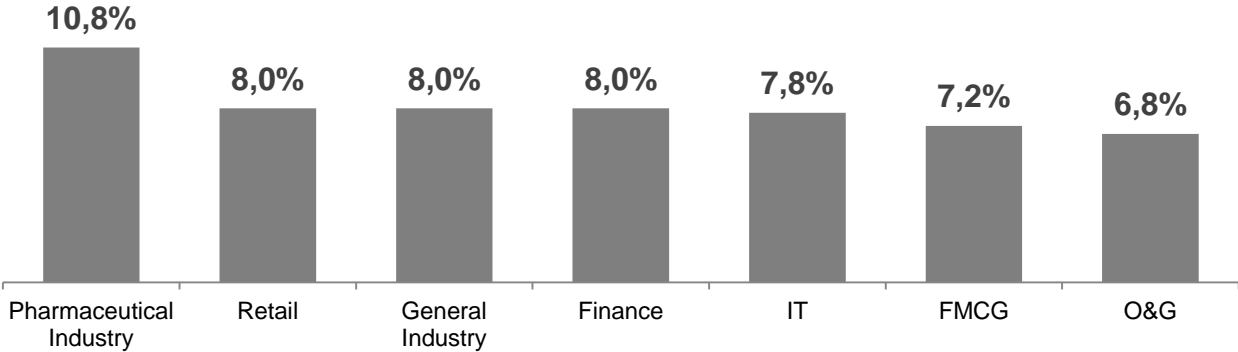
Salary trends (2)

Average planned and actual salary changes for June 2012 – July 2013



- ▶ **Retail and Pharma** Industries shows the most significant growth
- ▶ Average percent of actual salary change as well as average planned increase in **Oil and Gas** Industry shows moderate growth. But this Industry remains to be well-paid.

Average planned salary increase for June 2013 – July 2014



Questions?



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