

Results of the Chamber Survey on Changes Related to Minimum Salary Rate Increase

Dec 2016 – Jan 2017

Questions of the Survey

1. Please indicate sphere of your company:

- Agricultural;
- Banking and Finance;
- Energy;
- FMCG;
- Pharmaceutical industry;
- ICT;
- Legal;
- Manufacturing;
- Trade;
- Other, please specify.

2. What is your opinion regarding increase of the minimum salary rate?

- We support improving of the social standards in Ukraine;
- This is a positive development, but it will bring further financial burdens on companies;
- This is a necessary step, despite the significant changes in the conditions of doing business in Ukraine;
- Increasing of the minimum wage rate will not affect significantly the social standards in Ukraine, but will complicate financial situation of the companies;
- Comments.

3. Does your company plan any changes in salaries' rates due to the increase of the minimum salary rate, starting from January 2017?

- Yes, according to the updated legislation, for those employees, who are receiving (or received) minimum wages;
- Yes, despite the absence of references to the amount of the minimum salary rate, the company plans respective increase for all employees;
- Yes, but only for certain categories of employees;
- No changes planned;
- To be decided;
- Comments.

Questions of the Survey

4. What risks will be caused by increase of the minimum wage rate for the business, in your opinion?

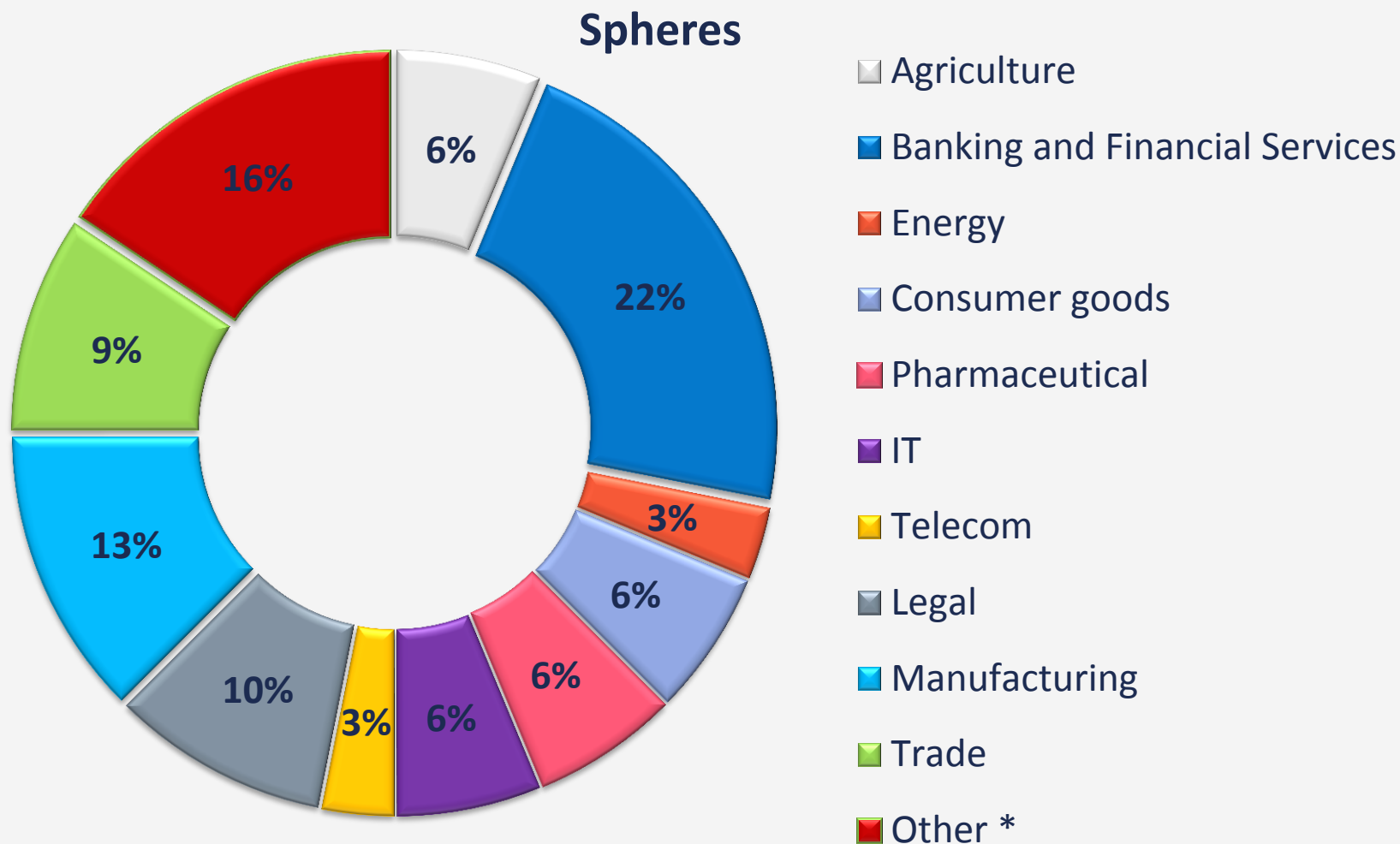
- Financial risks;
- In this case there are no risks;
- Comments.

5. Do you consider indexation of salaries provided in the Ukrainian legislation as an effective instrument?

- Yes, it is a necessary procedure, that is being implemented regularly;
- No, this tool is outdated and needs to be updated;
- Comments.

6. Your suggestions for improvement of salaries indexation procedure, if any.

1. Participants of the Survey – 32 companies



*** Other:** Recruitment, accounting outsourcing, different manufacturing.

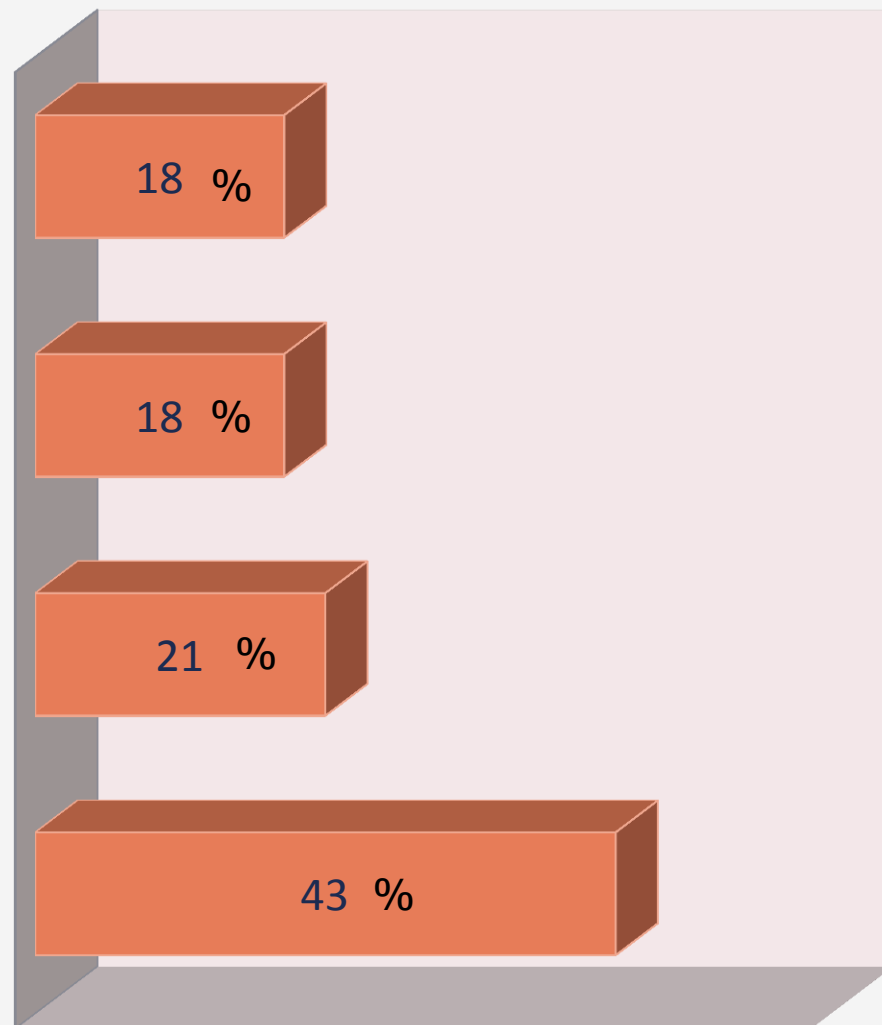
2. Opinions regarding increase of the minimum salary rate

Increasing of the minimum wage rate will not affect significantly the social standards in Ukraine, but will complicate financial situation of the companies;

This is a necessary step, despite the significant changes in the conditions of doing business in Ukraine;

This is a positive development, but it will bring further financial burdens on companies;

We support improving of the social standards in Ukraine;



3. Does your company plan any changes in salaries' rates due to the increase of the minimum salary rate, starting from January 2017?

Comments*

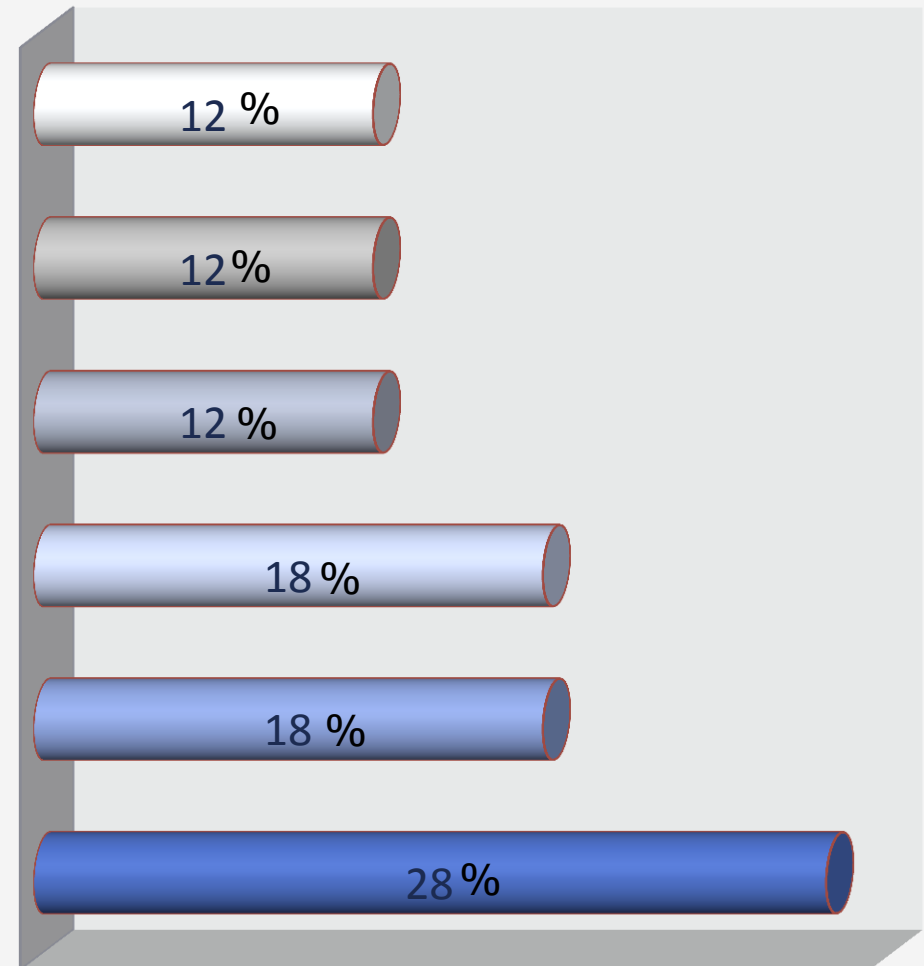
Yes, but only for certain categories of employees;

Yes, despite the absence of references to the amount of the minimum salary rate, the company plans respective increase for all employees;

Yes, according to the updated legislation, for those employees, who are receiving (or received) minimum wages;

To be decided;

No changes planned;

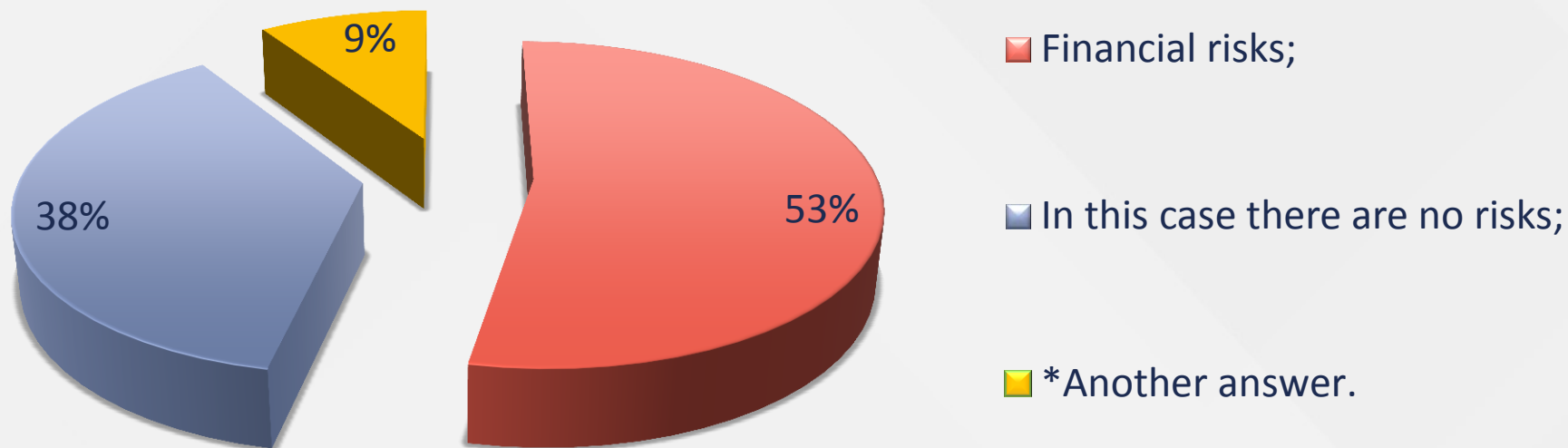


3. Plans on any changes in salaries' rates due to the increase of the minimum salary rate, starting from January 2017

***Comments:**

- **We have no workers with minimum wages;**
- **Wages will be increased but not because of increase of the minimum salary rate.**

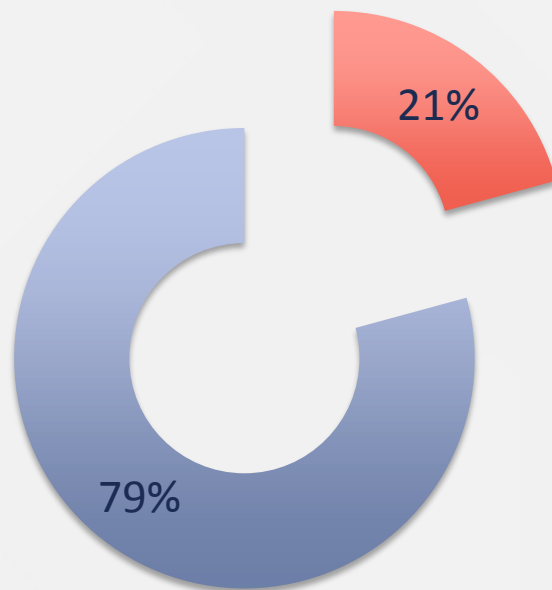
4. What risks will be caused by increase of the minimum wage rate for the business ?



* Some of another answers:

- ✓ Risk for companies: less corporate budget for annual salary adjustment;
- ✓ Risks depend on the certain company's payment systems;
- ✓ Risk of negative impact on the small business development.

5. Do you consider indexation of salaries provided in the Ukrainian legislation as an effective instrument ?



- Yes, it is a necessary procedure, that is being implemented regularly;
- No, this tool is outdated and needs to be updated.

6. Comments & suggestions for improvement of salaries indexation procedure:

- ✓ To implement indexation for all amount of wage, not just for the minimum rate;
- ✓ To cancel salaries indexation procedure completely;
- ✓ To implement flexible approach to the wages policy in our country (like per-hour rate).



THANK YOU!